Financial Report

3Q11

Financial highlights

			in / end of		% change		in / end of	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Net income (CHF million)								
Net income attributable to shareholders	683	768	609	(11)	12	2,590	4,257	(39)
of which from continuing operations	683	768	609	(11)	12	2,590	4,276	(39)
Earnings per share (CHF)								
Basic earnings per share from continuing operations	0.54	0.48	0.48	13	13	1.96	3.33	(41)
Basic earnings per share	0.54	0.48	0.48	13	13	1.96	3.31	(41)
Diluted earnings per share from continuing operations	0.53	0.48	0.48	10	10	1.95	3.31	(41)
Diluted earnings per share	0.53	0.48	0.48	10	10	1.95	3.29	(41)
Return on equity (%)								
Return on equity attributable to shareholders (annualized)	8.7	9.7	7.0	–	–	10.7	15.9	–
Core Results (CHF million) [1]								
Net revenues	6,817	6,326	6,284	8	8	20,956	23,665	(11)
Provision for credit losses	84	13	(26)	–	–	90	(56)	–
Total operating expenses	5,697	5,227	5,557	9	3	17,119	18,228	(6)
Income from continuing operations before taxes	1,036	1,086	753	(5)	38	3,747	5,493	(32)
Core Results statement of operations metrics (%) [1]								
Cost/income ratio	83.6	82.6	88.4	–	–	81.7	77.0	–
Pre-tax income margin	15.2	17.2	12.0	–	–	17.9	23.2	–
Effective tax rate	32.0	25.0	15.5	–	–	28.5	20.8	–
Net income margin [2]	10.0	12.1	9.7	–	–	12.4	18.0	–
Assets under management and net new assets (CHF billion)								
Assets under management	1,196.8	1,233.3	1,251.2	(3.0)	(4.3)	1,196.8	1,251.2	(4.3)
Net new assets	7.1	14.3	14.6	(50.3)	(51.4)	40.5	55.1	(26.5)
Balance sheet statistics (CHF million)								
Total assets	1,061,521	976,923	1,067,388	9	(1)	1,061,521	1,067,388	(1)
Net loans	226,447	220,030	222,660	3	2	226,447	222,660	2
Total shareholders' equity	33,519	31,216	34,088	7	(2)	33,519	34,088	(2)
Tangible shareholders' equity [3]	24,889	23,027	24,874	8	–	24,889	24,874	0
Book value per share outstanding (CHF)								
Total book value per share	27.86	26.03	28.78	7	(3)	27.86	28.78	(3)
Shares outstanding (million)								
Common shares issued	1,203.0	1,202.2	1,186.1	0	1	1,203.0	1,186.1	1
Treasury shares	0.0	(3.1)	(1.8)	100	100	0.0	(1.8)	100
Shares outstanding	1,203.0	1,199.1	1,184.3	0	2	1,203.0	1,184.3	2
Market capitalization								
Market capitalization (CHF million)	28,872	39,312	49,818	(27)	(42)	28,872	49,818	(42)
Market capitalization (USD million)	31,567	46,910	50,483	(33)	(37)	31,567	50,483	(37)
BIS statistics								
Risk-weighted assets (CHF million)	210,138	203,741	227,683	3	(8)	210,138	227,683	(8)
Tier 1 ratio (%)	17.7	18.2	16.7	–	–	17.7	16.7	–
Total capital ratio (%)	23.5	23.6	21.9	–	–	23.5	21.9	–
Number of employees (full-time equivalents)								
Number of employees	50,700	50,700	50,500	0	0	50,700	50,500	0

[1] For further information on Core Results, refer to I – Credit Suisse results – Credit Suisse – Credit Suisse reporting structure and Core Results. [2] Based on amounts attributable to shareholders. [3] Tangible shareholders' equity, a non-GAAP financial measure, is calculated by deducting goodwill and other intangible assets from total shareholders' equity.

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

Dear shareholders

In 3Q11, we reported net income attributable to shareholders of CHF 683 million. Our Core Results include pre-tax income of CHF 1,036 million and net revenues of CHF 6,817 million. Underlying* pre-tax income for 3Q11 was CHF 519 million and underlying* net income attributable to shareholders was CHF 441 million, excluding fair value gains on own debt, litigation provisions for the US and the German tax matters, and expenses in connection with cost efficiency initiatives.

In an environment with a high degree of uncertainty, low levels of client activity across businesses and extreme market volatility our performance was below our expectations but we nevertheless achieved an underlying* return on equity attributable to shareholders of 11.8% for the first nine months of 2011. In 3Q11, we recorded strong net new assets of CHF 7.1 billion despite the difficult conditions.

Performance of our businesses
Private Banking achieved a solid performance considering the challenging market conditions, generating underlying* pre-tax income of CHF 661 million and net revenues of CHF 2,610 million, reflecting continuing low levels of client activity, a low interest rate environment and the adverse impact from market movements. Private Banking recorded net new assets of CHF 7.4 billion, including CHF 6.6 billion in Wealth Management Clients, with strong inflows in our ultra-high-net-worth individual client and emerging market segments. Our Corporate & Institutional Clients business maintained a strong performance with pre-tax income of CHF 217 million and pre-tax income margin of 47% in 3Q11.

Our Investment Banking results were disappointing due to the effects of the very volatile market environment, with a pre-tax loss of CHF 190 million and net revenues of CHF 2,494 million, including significant gains from debit valuation adjustments relating to certain structured note liabilities of CHF 538 million. Equity and fixed income sales and trading results reflected the challenging market conditions, and underwriting and advisory performed in line with lower industry-wide capital issuance levels and subdued M&A activity.

Asset Management had positive net new assets of CHF 0.2 billion and pre-tax income of CHF 92 million. An increase in fee-based revenues of 11% versus 3Q10 was more than offset by a significant decrease in investment-related gains, resulting in overall lower revenues of CHF 471 million.

Reinforcing our integrated client-focused, capital-efficient strategy

Since 2008, Credit Suisse has proactively pursued an integrated client-focused, capital-efficient strategy. Coupled with our conservative funding position, this strategy, has served us well during a period of unprecedented market volatility and industry change, allowing us to generate an average return on equity of 14.9% since the beginning of 2009.

We are convinced that being a first mover in adapting to a new regulatory and market environment is a distinct advantage for Credit Suisse. We will reinforce the bank's client-focused, capital-efficient strategy with decisive actions to leverage client revenue and cost synergies across our three divisions and to intensify investment in growth businesses. In Investment Banking we will accelerate our previously announced plans and reduce risk-weighted assets in fixed income under Basel III by half by 2014, resulting in a reduction of fixed income's share in the Group's risk-weighted assets from approximately 55% to 39%. In Private Banking we are committed to ensuring best-in-class profitability and will implement a series of growth, productivity and efficiency measures to build on our strong onshore and offshore footprint. Across our businesses, we will allocate resources to faster growing and large markets, especially Brazil, Southeast Asia, Greater China and Russia. This is expected to increase the revenues that we generate from these markets from 15% in 2010 to 25% by 2014. Efficiency measures will reduce the overall cost run rate by CHF 2 billion through 2012 and 2013. The measures announced are designed to maintain the strong momentum of our client franchise built over the last years and achieve best-in-class returns.

Outlook

We believe subdued economic growth and the low interest rate environment and increased regulation that we are seeing may persist for an extended period. We may well continue to see low levels of client activity and a volatile trading environment. With our client-focused and capital-efficient strategy combined with industry leading capital strength and liquidity we are well equipped for the current markets and we remain convinced that our strategy will provide us with substantial opportunity for growth and stronger performance as economic and market conditions improve.

Yours sincerely

Urs Rohner Brady W. Dougan

November 2011

* Underlying results are non-GAAP financial measures. Underlying pre-tax income and underlying net income for the Group in 3Q11 exclude fair value gains on own debt and stand-alone derivatives of CHF 1,286 million (CHF 879 million after tax), litigation provisions for the US and the German tax matters of CHF 478 million (CHF 428 million after tax) and expenses in connection with cost efficiency initiatives of CHF 291 million (CHF 209 million after tax). Underlying return on equity for the Group in 9M11 excludes fair value gains on own debt and stand-alone derivatives of CHF 710 million (CHF 439 million after tax), litigation provisions of CHF 478 million for the US and the German tax matters (CHF 428 million after tax) and expenses in connection with cost efficiency initiatives of CHF 433 million (CHF 303 million after tax). Underlying pre-tax income for Private Banking in 3Q11 excludes litigation provisions for the US and the German tax matters of CHF 478 million.

Financial Report

3Q11

For purposes of this report, unless the context otherwise requires, the terms "Credit Suisse," "the Group," "we," "us" and "our" mean Credit Suisse Group AG and its consolidated subsidiaries. The business of Credit Suisse AG, the Swiss bank subsidiary of the Group, is substantially similar to the Group, and we use these terms to refer to both when the subject is the same or substantially similar. We use the term "the Bank" when we are only referring to Credit Suisse AG, the Swiss bank subsidiary of the Group, and its consolidated subsidiaries.

In various tables, use of "–" indicates not meaningful or not applicable.

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, we have a truly global reach today, with operations in over 50 countries and 50,700 employees from approximately 100 different nations. This worldwide reach enables us to generate a geographically balanced stream of revenues and net new assets and allows us to capture growth opportunities wherever they are. We serve our diverse clients through our three divisions, which cooperate closely to provide holistic financial solutions based on innovative products and specially tailored advice.

Private Banking

Private Banking offers comprehensive advice and a wide range of financial solutions to private, corporate and institutional clients. The Private Banking division comprises the Wealth Management Clients and Corporate & Institutional Clients 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.

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 the Private Banking and Asset Management divisions to provide clients with customized financial solutions.

Asset Management

Asset Management offers a wide range of investment products and solutions across asset classes, for all investment styles. The division manages global and regional portfolios, separate accounts, mutual funds and other investment vehicles for governments, institutions, corporations and individuals worldwide. Asset Management focuses on becoming a global leader in multi-asset class solutions as well as in alternative investments. To deliver the bank's best investment performance, Asset Management operates as a global integrated network in close collaboration with the Private Banking and Investment Banking divisions.

I

Credit Suisse results

Operating environment

Economic challenges persisted in 3Q11 as concerns increased surrounding European sovereign debt and a global economic slowdown. Major central banks kept interest rates low and indicated that rates will remain at low levels for a longer time horizon. Equity markets ended the quarter significantly lower. In September, the Swiss National Bank announced a floor for the exchange rate between the euro and the Swiss franc.

Economic environment

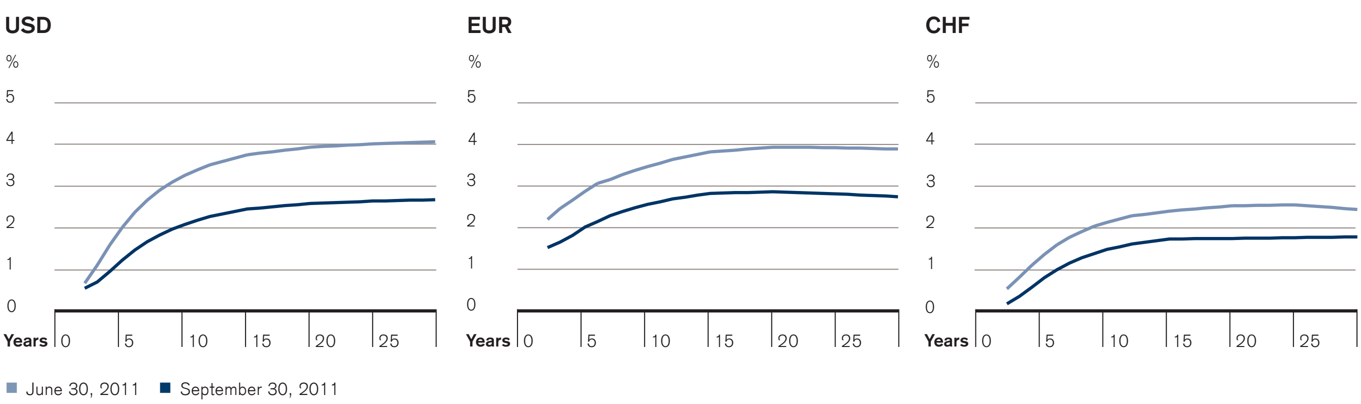
3Q11 saw a renewed weakening of global economic indicators, leading to increased concerns that the US and European economies may enter a recession. These concerns were supported by the downward revision of US gross domestic product figures, showing that the US economy barely grew in the first half of 2011. The US Federal Reserve reacted to the weaker economic outlook by announcing it would keep short-term interest rates at low levels through mid-2013 and by changing the composition of its holdings of US treasury securities from short maturities to longer maturities, a move intended to lower longer-term interest rates. After raising rates again in July, the European Central Bank (ECB) signaled in September that it does not intend to raise them further in the coming months, and speculation increased about a potential rate cut.

Meanwhile, concerns on the indebtedness of certain developed countries increased further. The ratings agency, Standard & Poor's, downgraded the US long-term debt rating to AA+. Several European countries also had their credit ratings downgraded. Italian and Spanish government bond spreads reached new highs, while German bond yields fell to record lows. In response, the ECB resumed the purchase of European government bonds in early August. European leaders agreed to a new bailout package for Greece, contingent upon Greece reducing its budget gap, however, doubts intensified throughout the quarter concerning Greece's ability to meet those requirements and secure further aid to avoid default. As a result, yields on Greek government bonds rose sharply. Parliamentary approvals in the EU for additional powers for the European Financial Stability Facility, including provisions for bank recapitalizations and the ability to buy sovereign bonds, were not yet finalized at the end of September. In addition, there was speculation that the facility may be leveraged, potentially via loans from the ECB, to increase its effectiveness.

In the emerging markets, monetary policy actions were more diverse. Brazil's central bank lowered its benchmark rate by 50 basis points in August, while India's central bank raised rates by 25 basis points in September in response to inflationary pressures. China tightened monetary policy further by requiring banks to hold reserves against margin deposits. Generally, global inflation remained elevated in 3Q11, reflecting higher energy and food prices.

Yield curves

Fears that the US and European economies may enter into recession pushed yields to new lows.



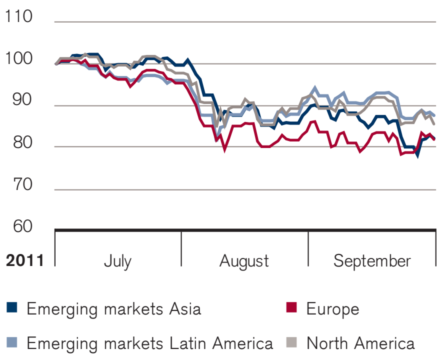
Source: Datastream, Credit Suisse

Equity markets

Equity markets ended 3Q11 significantly lower. Volatility increased to its highest this year.

Performance region

Index (June 30, 2011 = 100)

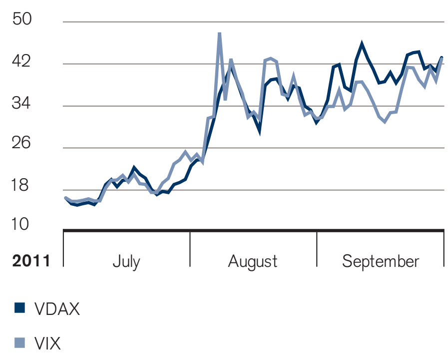


Performance world banks

Index (June 30, 2011 = 100)

Volatility

%



Source: Bloomberg, MSCI Barra, Credit Suisse

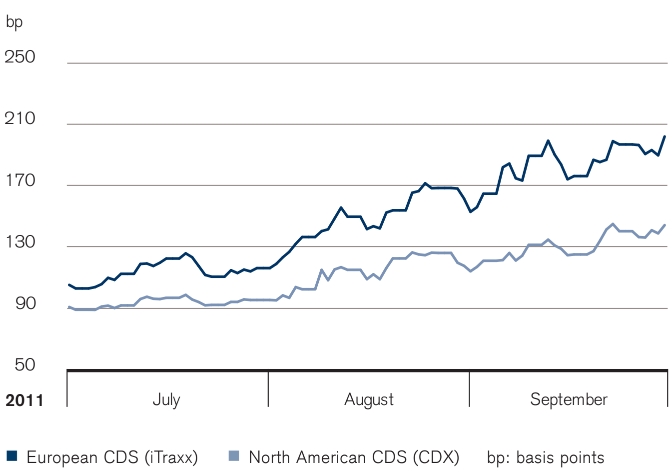
Source: Datastream, MSCI Barra, Credit Suisse

Source: Datastream, Credit Suisse

3Q11 equity markets ended significantly lower. Both developed and emerging markets corrected sharply, especially in early August (refer to the charts "Equity markets") when the market began to price in a much lower global growth outlook and a higher probability of recession. Market volatility, as indicated by the Chicago Board of Options Exchange Market Volatility Index (VIX), increased over the quarter to the highest levels this year. Swiss equities declined over 10% in 3Q11.

Credit spreads

Credit spreads widened significantly in 3Q11 due to the European sovereign debt concerns.



Source: Bloomberg, Credit Suisse

In fixed income markets, long-dated benchmark bonds continued to outperform, reflecting an increase in risk aversion. Fears of a recession in the US and continued concerns about the European debt crisis, combined with central bank monetary easing, pushed government benchmark yields to new lows (refer to the charts "Yield curves"). This environment particularly benefited long-dated US treasuries (10+ years), which recorded total returns above 20% for the quarter. In contrast, lower-rated credits and financial issuers underperformed, with high yield, subordinated bank and, to a lesser extent, emerging market bonds, posting negative total returns in 3Q11. Credit spreads significantly widened in 3Q11 for sovereign debt in some European countries (refer to the charts "Credit spreads").

In Switzerland, economic growth remained robust, but there were increasing worries that the strong Swiss franc may dampen activity going forward. The Swiss franc strengthened sharply against the euro and other major currencies in July and August, including to the effect of safe haven inflows driven by international developments. In September, the Swiss National Bank (SNB) announced a floor for the exchange rate of the euro to the Swiss franc of CHF 1.20, sparking a sharp correction in the value of the Swiss franc. The SNB underscored its determination to defend this floor, and its view that the Swiss franc was overvalued. The Japanese yen was the strongest currency among the G-10.

Commodity prices had a volatile quarter and overall finished more then 10% down for 3Q11. After a positive start to the quarter, prices turned sharply lower in August due to growing concerns about the slowdown of the global economy.

Market volumes (growth in %)

	Global		Europe	
end of 3Q11	QoQ	YoY	QoQ	YoY
Equity trading volume [1]	9	22	6	27
Announced mergers and acquisitions [2]	(16)	(17)	(34)	(24)
Completed mergers and acquisitions [2]	(29)	(6)	(23)	19
Equity underwriting [2]	(57)	(45)	(80)	(28)
Debt underwriting [2]	(42)	(43)	(56)	(51)
Syndicated lending – investment grade [2]	(8)	48 [3]	–	–

[1] London Stock Exchange, Borsa Italiana, Deutsche Börse, BME and Euronext. Global also includes New York Stock Exchange and NASDAQ. [2] Dealogic [3] 9M11 vs 9M10

Cyclical commodities such as industrial metals and oil showed the weakest returns with losses of 23% and 18%, respectively, over the quarter. Gold, however, ended the quarter 8% higher after having reached over USD 1,900 per ounce at the beginning of September 2011 given global uncertainties.

Sector environment

The banking sector significantly underperformed the negative broader market over the quarter (refer to the charts "Equity markets"). Banks were particularly affected by the issues impacting equity markets, including the worsened global growth outlook and the European sovereign debt crisis. The sector's underperformance also reflected solvency and funding uncertainties as well as continued regulatory uncertainty, including, for example, proposals to ring fence certain bank activities, requirements for higher equity capital ratios and the imposition of financial transaction taxes. European bank stocks lost more than 25% in 3Q11. Much of the downside resulted from discussions regarding the need for a recapitalization of banks in Europe.

Funding markets became more challenging. Concerns about banks' exposure to European sovereign debt led to increased stress in the interbank market, and interbank interest rates moved higher. In particular, the dependency of the Portuguese, Irish and Greek banks on ECB lending support increased further. In a coordinated action, major central banks announced measures to provide three-month US dollar loans to European banks through year-end in order to provide dollar liquidity and ease funding pressures. Cost pressures remained high, with many institutions implementing cost cutting initiatives.

The **wealth management** sector was affected by the widespread negative market sentiment and movements in 3Q11, leading to subdued client activity and pressure on assets under management. The strengthening Swiss franc through the early part of the quarter continued to have a negative effect on the results and average assets under management at Swiss institutions. The Swiss real estate market saw sustained strong demand, supported by continued low interest rates, with the SNB once again reiterating concerns regarding the risk of the market overheating in certain areas of the country.

In the **investment banking** sector, global completed mergers and acquisitions (M&A) volumes declined 29% relative to 2Q11 and announced M&A volumes moderated as well. Equity underwriting volumes decreased, driven by reduced follow-on and initial public offering (IPO) activity as transaction execution became very challenging in light of the market environment. Debt underwriting volumes, both high yield and investment grade, declined significantly from 2Q11, despite continued low interest rates. Global exchange volumes improved across both cash equity and fixed income products, benefiting from spikes in market volatility. During the quarter, subprime ABX and CMBX real estate indices reached new lows, down 6% and 26% on average from 2Q11, respectively.

In the **asset management** sector, the Dow Jones Credit Suisse Hedge Fund Index posted negative performance of 4.8% in 3Q11. Event-driven, long/short equity and emerging markets funds saw the largest declines, with offsetting gains in dedicated short bias, global macro and managed futures strategies. The hedge fund industry saw an estimated USD 25 billion of inflows year-to-date. The pace of private equity fundraising declined in the third quarter. In conventional US mutual funds, there were net redemptions, most significantly from equity funds, driven by investors' lower risk appetite and concerns of a global economic slowdown.

Credit Suisse

In 3Q11, we recorded net income attributable to shareholders of CHF 683 million. Diluted earnings per share were CHF 0.53. Return on equity attributable to shareholders was 8.7%. Our capital position remained strong with a BIS tier 1 ratio of 17.7%.

Results

			in / end of		% change		in / end of	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Statements of operations (CHF million)								
Net revenues	**6,689**	**6,892**	**6,566**	(3)	2	**21,737**	**24,118**	(10)
Provision for credit losses	**84**	**13**	**(26)**	–	–	**90**	**(56)**	–
Compensation and benefits	3,067	3,096	3,355	(1)	(9)	10,192	11,228	(9)
General and administrative expenses	2,209	1,652	1,752	34	26	5,493	5,488	0
Commission expenses	485	491	484	(1)	0	1,512	1,573	(4)
Total other operating expenses	2,694	2,143	2,236	26	20	7,005	7,061	(1)
Total operating expenses	**5,761**	**5,239**	**5,591**	10	3	**17,197**	**18,289**	(6)
Income from continuing operations before taxes	**844**	**1,640**	**1,001**	(49)	(16)	**4,450**	**5,885**	(24)
Income tax expense	332	271	117	23	184	1,068	1,143	(7)
Income from continuing operations	**512**	**1,369**	**884**	(63)	(42)	**3,382**	**4,742**	(29)
Income/(loss) from discontinued operations	0	0	0	–	–	0	(19)	100
Net income	**512**	**1,369**	**884**	(63)	(42)	**3,382**	**4,723**	(28)
Net income/(loss) attributable to noncontrolling interests	(171)	601	275	–	–	792	466	70
Net income attributable to shareholders	**683**	**768**	**609**	(11)	12	**2,590**	**4,257**	(39)
of which from continuing operations	683	768	609	(11)	12	2,590	4,276	(39)
of which from discontinued operations	0	0	0	–	–	0	(19)	100
Earnings per share (CHF)								
Basic earnings per share from continuing operations	0.54	0.48	0.48	13	13	1.96	3.33	(41)
Basic earnings per share	0.54	0.48	0.48	13	13	1.96	3.31	(41)
Diluted earnings per share from continuing operations	0.53	0.48	0.48	10	10	1.95	3.31	(41)
Diluted earnings per share	0.53	0.48	0.48	10	10	1.95	3.29	(41)
Return on equity (%)								
Return on equity attributable to shareholders (annualized)	8.7	9.7	7.0	–	–	10.7	15.9	–
Return on tangible equity attributable to shareholders (annualized) [1]	11.8	13.1	9.7	–	–	14.4	21.9	–
Number of employees (full-time equivalents)								
Number of employees	50,700	50,700	50,500	0	0	50,700	50,500	0

[1] Based on tangible shareholders' equity, a non-GAAP financial measure, which is calculated by deducting goodwill and other intangible assets from total shareholders' equity. Management believes that the return on tangible 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	**3Q11**	2Q11	3Q10	**3Q11**	2Q11	3Q10	**3Q11**	2Q11	3Q10
Statements of operations (CHF million)									
Net revenues	**6,817**	**6,326**	**6,284**	**(128)**	**566**	**282**	**6,689**	**6,892**	**6,566**
Provision for credit losses	**84**	**13**	**(26)**	**0**	**0**	**0**	**84**	**13**	**(26)**
Compensation and benefits	3,010	3,093	3,327	57	3	28	3,067	3,096	3,355
General and administrative expenses	2,202	1,643	1,746	7	9	6	2,209	1,652	1,752
Commission expenses	485	491	484	0	0	0	485	491	484
Total other operating expenses	2,687	2,134	2,230	7	9	6	2,694	2,143	2,236
Total operating expenses	**5,697**	**5,227**	**5,557**	**64**	**12**	**34**	**5,761**	**5,239**	**5,591**
Income/(loss) from continuing operations before taxes	**1,036**	**1,086**	**753**	**(192)**	**554**	**248**	**844**	**1,640**	**1,001**
Income tax expense	332	271	117	0	0	0	332	271	117
Net income/(loss)	**704**	**815**	**636**	**(192)**	**554**	**248**	**512**	**1,369**	**884**
Net income/(loss) attributable to noncontrolling interests	21	47	27	(192)	554	248	(171)	601	275
Net income attributable to shareholders	**683**	**768**	**609**	**–**	**–**	**–**	**683**	**768**	**609**
Statement of operations metrics (%)									
Cost/income ratio	83.6	82.6	88.4	–	–	–	86.1	76.0	85.2
Pre-tax income margin	15.2	17.2	12.0	–	–	–	12.6	23.8	15.2
Effective tax rate	32.0	25.0	15.5	–	–	–	39.3	16.5	11.7
Net income margin [1]	10.0	12.1	9.7	–	–	–	10.2	11.1	9.3

[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 three segments and the Corporate Center and discontinued operations, but do not include noncontrolling interests without SEI.

Core Results

In 3Q11, we recorded net income attributable to shareholders of CHF 683 million. Results reflected the impacts from a challenging operating environment, including fair value gains of CHF 1.3 billion on our own vanilla debt, CHF 478 million of litigation provisions in Private Banking and CHF 291 million of costs associated with our efficiency initiatives. Compared to 3Q10, our results were significantly impacted by the adverse foreign exchange translation impact. Net new assets were CHF 7.1 billion, with continued strong inflows in our ultra-high-net-worth individual client and emerging market segments.

Core Results

			in / end of		% change		in / end of	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Statements of operations (CHF million)								
Net interest income	1,634	1,378	1,699	19	(4)	4,744	4,804	(1)
Commissions and fees	3,071	3,469	3,271	(11)	(6)	10,219	10,295	(1)
Trading revenues	1,826	1,127	938	62	95	4,957	8,020	(38)
Other revenues	286	352	376	(19)	(24)	1,036	546	90
Net revenues	**6,817**	**6,326**	**6,284**	8	8	**20,956**	**23,665**	(11)
Provision for credit losses	**84**	**13**	**(26)**	–	–	**90**	**(56)**	–
Compensation and benefits	3,010	3,093	3,327	(3)	(10)	10,128	11,200	(10)
General and administrative expenses	2,202	1,643	1,746	34	26	5,479	5,455	0
Commission expenses	485	491	484	(1)	0	1,512	1,573	(4)
Total other operating expenses	2,687	2,134	2,230	26	20	6,991	7,028	(1)
Total operating expenses	**5,697**	**5,227**	**5,557**	9	3	**17,119**	**18,228**	(6)
Income from continuing operations before taxes	**1,036**	**1,086**	**753**	(5)	38	**3,747**	**5,493**	(32)
Income tax expense	332	271	117	23	184	1,068	1,143	(7)
Income from continuing operations	**704**	**815**	**636**	(14)	11	**2,679**	**4,350**	(38)
Income/(loss) from discontinued operations	0	0	0	–	–	0	(19)	100
Net income	**704**	**815**	**636**	(14)	11	**2,679**	**4,331**	(38)
Net income attributable to noncontrolling interests	21	47	27	(55)	(22)	89	74	20
Net income attributable to shareholders	**683**	**768**	**609**	(11)	12	**2,590**	**4,257**	(39)
of which from continuing operations	683	768	609	(11)	12	2,590	4,276	(39)
of which from discontinued operations	0	0	0	–	–	0	(19)	100
Statement of operations metrics (%)								
Cost/income ratio	83.6	82.6	88.4	–	–	81.7	77.0	–
Pre-tax income margin	15.2	17.2	12.0	–	–	17.9	23.2	–
Effective tax rate	32.0	25.0	15.5	–	–	28.5	20.8	–
Net income margin [1]	10.0	12.1	9.7	–	–	12.4	18.0	–
Number of employees (full-time equivalents)								
Number of employees	50,700	50,700	50,500	0	0	50,700	50,500	0

[1] Based on amounts attributable to shareholders.

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.

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

Results overview

In 3Q11, we recorded net income attributable to shareholders of CHF 683 million, up 12% compared to 3Q10. Net revenues were CHF 6,817 million, up 8%, and total operating expenses were CHF 5,697 million, up 3% compared to 3Q10. Revenues were adversely impacted and expenses were favorably impacted by the strengthening of the Swiss franc against all major currencies. Compared to 3Q10, the adverse impact on net revenues and income before taxes was CHF 948 million and CHF 277 million, respectively. Our 3Q11 results included fair value gains of CHF 1,277 million on our own vanilla debt, CHF 9 million of fair value gains on stand-alone derivatives relating to certain of our funding liabilities and CHF 538 million of debit valuation adjustment (DVA) gains relating to certain structured note liabilities.

In **Private Banking**, net revenues of CHF 2,610 million were down 8% compared to 3Q10. In an ongoing low interest rate environment, net interest income decreased 10%, with lower deposit margins on lower average volumes and stable loan margins on slightly higher average volumes. The decline in deposit volumes included the impact from the weakening of the US dollar and the euro against the Swiss franc and lower volumes related to securities lending and borrowing activities. Recurring commissions and fees decreased 10% across all categories, mainly due to the adverse foreign exchange translation impact, including the impact on average assets under management. Transaction-based revenues were stable, with higher foreign exchange income from client transactions and revenues from integrated solutions offset by lower brokerage and product issuing fees, and slight fair value gains on the Clock Finance transaction compared to fair value losses in 3Q10. Overall, assets under management continued to reflect a risk-averse asset mix, with investments in less complex, lower-margin products, also within managed investment products, and a significant portion of assets in cash and money market products.

Impact from movements in spreads

Our Core Results revenues are impacted by changes in credit spreads on Credit Suisse vanilla debt carried at fair value. For segment reporting purposes, the cumulative fair value gains of CHF 1.5 billion on Credit Suisse vanilla debt as of the opening 1Q10 balance sheet are charged to the segments on a straight-line amortization basis, and the difference between this amortization and the fair valuation on this Credit Suisse debt from changes in credit spreads is included in the Corporate Center. For further information, refer to *II – Operating and financial review – Core Results – Accounting changes adopted in the first quarter 2010 in the Credit Suisse Annual Report 2010.* Our Core Results are also impacted by fair valuation gains/(losses) on stand-alone derivatives relating to certain of our funding liabilities. These fair valuation gains/(losses) on the stand-alone derivatives are recorded in the Corporate Center, 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). Regulatory capital excludes cumulative fair value gains/(losses) related to own vanilla debt and structured notes, net of tax. For further information, refer to *IV – Treasury, risk, balance sheet and off-balance sheet – Treasury management.*

in	3Q11	2Q11	3Q10	9M11	9M10
(CHF million)					
Net income/(loss) attributable to shareholders, excluding impact from movements in spreads	**(196)**	**741**	**1,036**	**2,151**	**3,893**
Fair value gains/(losses) on own vanilla debt	1,277	54	(456)	1,022	505
of which in Corporate Center	1,327	106	(395)	1,179	696
of which allocated to Investment Banking	(47)	(48)	(57)	(147)	(178)
of which allocated to other divisions	(3)	(4)	(4)	(10)	(13)
Fair value gains/(losses) on stand-alone derivatives	9	(13)	(133)	(312)	23
Tax expense/(benefit)	407	14	(162)	271	164
Net income attributable to shareholders	**683**	**768**	**609**	**2,590**	**4,257**

Core Results reporting by division

			in	% change			in	% change
	3Q11	2Q11	3Q10	QoQ	YoY	9M11	9M10	YoY
Net revenues (CHF million)								
Wealth Management Clients	2,148	2,330	2,385	(8)	(10)	6,911	7,365	(6)
Corporate & Institutional Clients	462	467	441	(1)	5	1,392	1,352	3
Private Banking	2,610	2,797	2,826	(7)	(8)	8,303	8,717	(5)
Investment Banking	2,494	2,822	3,421	(12)	(27)	10,245	12,736	(20)
Asset Management	471	629	582	(25)	(19)	1,691	1,715	(1)
Corporate Center	1,242	78	(545)	–	–	717	497	44
Net revenues	**6,817**	**6,326**	**6,284**	8	8	**20,956**	**23,665**	(11)
Provision for credit losses (CHF million)								
Wealth Management Clients	20	8	8	150	150	40	56	(29)
Corporate & Institutional Clients	5	(10)	(16)	–	–	(5)	(42)	(88)
Private Banking	25	(2)	(8)	–	–	35	14	150
Investment Banking	59	15	(18)	293	–	55	(70)	–
Provision for credit losses	**84**	**13**	**(26)**	–	–	**90**	**(56)**	–
Total operating expenses (CHF million)								
Wealth Management Clients	2,162	1,727	1,765	25	22	5,687	5,387	6
Corporate & Institutional Clients	240	229	233	5	3	700	714	(2)
Private Banking	2,402	1,956	1,998	23	20	6,387	6,101	5
Investment Banking	2,625	2,576	3,044	2	(14)	8,806	9,833	(10)
Asset Management	379	427	447	(11)	(15)	1,225	1,392	(12)
Corporate Center	291	268	68	9	328	701	902	(22)
Total operating expenses	**5,697**	**5,227**	**5,557**	9	3	**17,119**	**18,228**	(6)
Income/(loss) from continuing operations before taxes (CHF million)								
Wealth Management Clients	(34)	595	612	–	–	1,184	1,922	(38)
Corporate & Institutional Clients	217	248	224	(13)	(3)	697	680	2
Private Banking	183	843	836	(78)	(78)	1,881	2,602	(28)
Investment Banking	(190)	231	395	–	–	1,384	2,973	(53)
Asset Management	92	202	135	(54)	(32)	466	323	44
Corporate Center	951	(190)	(613)	–	–	16	(405)	–
Income from continuing operations before taxes	**1,036**	**1,086**	**753**	(5)	38	**3,747**	**5,493**	(32)

In **Investment Banking**, net revenues of CHF 2,494 million were down 27% from 3Q10. Fixed income sales and trading results were significantly lower than 3Q10, reflecting challenging market-making conditions across most businesses. Results in our credit business were significantly impacted by reduced client trading volumes, market illiquidity, and widening credit spreads, resulting in losses on inventory positions held for our client trading business. We took substantial risk reduction measures in our credit businesses to mitigate potential losses. Securitized products results remained weak as further declines in bond prices led to continued low client activity and additional valuation reductions on client flow inventory positions. Fixed income sales and trading business results in 3Q11 mainly consisted of revenues from global rates, emerging markets, foreign exchange, commodities and securitized products. Results also included DVA gains of CHF 266 million relating to certain structured note liabilities and a loss of CHF 83 million related to changes in overnight index swaps (OIS) interest rate yield curves used to determine the fair value of certain collateralized derivatives. Equity sales and trading results were down, affected by the volatile market environment. Revenues, which included DVA gains of CHF 272 million relating to certain structured note liabilities, increased from 3Q10. Equity sales and trading business results mainly consisted of rev-

Core Results reporting by region

	in			% change		in		% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Net revenues (CHF million)								
Switzerland	1,989	2,126	2,006	(6)	(1)	6,265	6,386	(2)
EMEA	1,725	1,611	1,446	7	19	5,299	5,638	(6)
Americas	1,211	1,861	2,610	(35)	(54)	6,511	8,870	(27)
Asia Pacific	650	650	767	0	(15)	2,164	2,274	(5)
Corporate Center	1,242	78	(545)	–	–	717	497	44
Net revenues	**6,817**	**6,326**	**6,284**	8	8	**20,956**	**23,665**	(11)
Income/(loss) from continuing operations before taxes (CHF million)								
Switzerland	627	761	682	(18)	(8)	2,096	2,260	(7)
EMEA	99	85	(113)	16	–	493	636	(22)
Americas	(668)	381	660	–	–	918	2,724	(66)
Asia Pacific	27	49	137	(45)	(80)	224	278	(19)
Corporate Center	951	(190)	(613)	–	–	16	(405)	–
Income from continuing operations before taxes	**1,036**	**1,086**	**753**	(5)	38	**3,747**	**5,493**	(32)

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 Private Banking, results are allocated based on the management reporting structure of our relationship managers and the region where the transaction is recorded. 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. For Asset Management, results are allocated based on the location of the investment advisors and sales teams.

enues from prime services, cash equities, derivatives and equities arbitrage trading. Underwriting and advisory results declined from 3Q10, but were in line with industry-wide issuance levels and M&A activity. We had lower debt underwriting revenues, driven by reduced industry-wide issuance levels, particularly in investment grade and high yield, and lower equity underwriting revenues from IPOs and follow-on offerings despite market share gains.

In **Asset Management**, net revenues of CHF 471 million were down 19% from 3Q10. Net revenues before investment-related gains/(losses) were CHF 488 million, up 16% compared to 3Q10, reflecting improved results in alternative investments. Fee-based revenues increased 11% compared to 3Q10. Asset management fees of CHF 311 million were down 9%, reflecting the foreign exchange translation impact and the spin-off and sale of non-core businesses in 3Q10, partially offset by higher fees from index strategies and emerging markets strategies. Average assets under management decreased 3.2% compared to 3Q10, reflecting adverse foreign exchange-related movements and negative market performance. Placement, transaction and other fees were 68% higher, primarily reflecting higher private equity placement fees and a loss in 3Q10 on an investment held by Asset Management Finance (AMF). Performance fees and carried interest were up 115%, benefiting from higher carried interest on realized private equity gains, primarily from the sale of a portfolio company in the healthcare sector. Equity participations income increased 56%, reflecting higher income from our investments in single manager hedge funds and diversified strategies. Investment-related losses were CHF 17 million compared to gains of CHF 160 million in 3Q10. 3Q11 included unrealized losses in private equity investments in the technology, energy and industrial sectors, partially offset by the realized gains in the healthcare sector. Equity participations gains were CHF 15 million, reflecting a partial sale of our ownership interest in Aberdeen Asset Management (Aberdeen).

For further information on Private Banking, Investment Banking and Asset Management, refer to *II – Results by division*.

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. Corporate Center income before taxes was CHF 951 million, including CHF 291 million, primarily severance and other compensation expenses relating to Group-wide cost efficiency initiatives and net fair value gains on our long-term vanilla debt consisting of CHF 1,327 million of gains on own vanilla debt and CHF 9 million of gains on stand-alone derivatives. The fair value gains on own debt reflected the widening of credit spreads across all currencies, including senior and subordinated debt. Revenues and compensation and benefits also included reclassifications relating to the Partner Asset Facility (PAF), as PAF gains of CHF 82 million and offsetting compensation expense were included in Investment Banking trading revenues. In 3Q10, Corporate Center losses before taxes were CHF 613 million, primarily reflecting fair value losses on own vanilla debt of CHF 395 million and CHF 133 million on stand-alone derivatives.

Provision for credit losses were net provisions of CHF 84 million in 3Q11, with net provisions of CHF 59 million and CHF 25 million in Investment Banking and Private Banking, respectively.

Total operating expenses of CHF 5,697 million were up 3% compared to 3Q10, reflecting 26% higher general and administrative expenses, partially offset by 10% lower compensation and benefits. Operating expenses in 3Q11 were favorably impacted by the foreign exchange translation impact compared to 3Q10. The decrease in compensation and benefits was mainly due to lower deferred compensation expense from prior year awards and the favorable foreign exchange translation impact, partially offset by severance and other compensation expense of CHF 235 million in Corporate Center relating to Group-wide cost efficiency initiatives. The increase in general and administrative expenses primarily reflected higher litigation provisions, the UK bank levy of CHF 90 million, recognized in Investment Banking, and IT expenses, partially offset by lower professional fees and the favorable foreign exchange translation impact. We recorded net litigation provisions in 3Q11 of CHF 519 million, including CHF 183 million (EUR 150 million) in connection with the resolution of the German tax matter with the Public Prosecutor's Office in Dusseldorf, Germany, regarding the proceedings against Credit Suisse employees (the German tax matter) and CHF 295 million in connection with the US tax matter in Private Banking. For information on the US tax matter, refer to *Note 29 – Litigation in V – Condensed consolidated financial statements – unaudited in the 2Q11 Financial Report*. 3Q10 included litigation charges of CHF 112 million.

The **Core Results effective tax rate** was 32.0% in 3Q11, compared to 25.0% in 2Q11. The 3Q11 effective tax rate was mainly impacted by the geographical mix of results, a CHF 139 million tax charge related to a write-down of deferred tax assets following the enactment of UK legislation to reduce the rate of corporation tax from 27% to 25%, an increase in valuation allowances against deferred tax assets mainly in the UK of CHF 62 million and an increase of net deferred tax balances of CHF 127 million following a re-measurement of deferred tax liabilities in Switzerland. Overall, net deferred tax assets increased CHF 301 million to CHF 7,702 million as of the end of 3Q11. For further information, refer to *Note 20 – Tax in V – Condensed consolidated financial statements – unaudited.*

Assets under management were CHF 1,196.8 billion, down CHF 36.5 billion, or 3.0%, compared to the end of 2Q11, mainly reflecting adverse market performance, partly offset by positive foreign exchange-related movements and net new assets of CHF 7.1 billion. Compared to the end of 3Q10, assets under management were down CHF 54.4 billion, or 4.3%, as adverse foreign exchange-related movements and adverse market performance were partly offset by net new assets in both Private Banking and Asset Management.

Evolution of our strategy

In light of increasing regulatory and capital requirements and continued challenging market and economic conditions, we are adapting our client-focused, capital-efficient strategy to optimize our use of capital and improve our cost structure in order to deliver attractive returns for our shareholders.

In Private Banking, we remain committed to a long-term international growth strategy, focusing on onshore, faster growing and large markets and the ultra-high-net-worth individual (UHNWI) client segment as key growth areas and continuing to build on our strong position in the Swiss market while enhancing our efficiency. We will rationalize our operating model for Western European markets and serve smaller markets opportunistically. With these combined measures, we are targeting incremental pre-tax income of CHF 800 million excluding market induced growth by 2014.

In Investment Banking, we will redeploy capital in order to invest and grow businesses and significantly reduce risk-weighted assets (RWAs) and our cost base. We will invest and grow in businesses where we have competitive advantages and synergies with Private Banking and Asset Management, including foreign exchange, electronic trading, emerging markets, prime services and equity capital markets. We will target a 50% reduction in RWAs in our fixed income business from 55% of Group RWAs to 39% by the end of 2014. We will significantly reduce our cost base, including through improved client coverage efficiency and reduced country, industry and product coverage overlaps.

In Asset Management, we will expand the range of alternative products in collaboration with Private Banking and Investment Banking, grow our fee-based revenues and drive further cost reductions through platform optimization and outsourcing.

We will allocate additional resources across our businesses to fast growing markets, especially Brazil, Southeast Asia, Greater China and Russia, to increase the revenue contribution from 15% of revenues in 2010 to 25% by 2014.

As part of our evolving strategy, we will implement additional cost efficiency measures to adjust our cost base. In 2Q11, we began implementing a number of cost efficiency initiatives, which we now expect to achieve CHF 1.2 billion (up from the CHF 1.0 billion estimate) in cost savings, with most of the savings in Investment Banking, and resulting reductions in the annualized first half 2011 expense run rate during 2012. This program includes reductions of approximately 4% of total headcount across the Group and will involve implementation costs in 2011 of CHF 550 million (up from an estimated range of CHF 400 million to CHF 450 million). Of these costs, we recognized CHF 291 million in 3Q11 and CHF 142 million in 2Q11 in the Corporate Center, mostly severance and other compensation expense. Given these implementation costs, we expect limited net costs savings in 2011 and realization of the benefits of the cost efficiency initiative during 2012. In addition to these measures, we are targeting an additional CHF 0.8 billion of cost savings by the end of 2013. We expect these additional cost savings to involve headcount reductions of approximately 3% across the Group and maximizing deployment opportunities by rationalizing our existing business footprint, a more fully integrated bank operating model and continued centralization of our infrastructure and streamlining of operational and support functions (including a new European business operating model and additional European and Swiss platform efficiencies). We do not expect the CHF 2 billion of cost efficiency initiatives to have an adverse impact on the execution of our capital-efficient, client-focused strategy as we allocate resources to growth businesses.

For more information on the refinement of our Investment Banking strategy, refer to *II – Results by division – Investment Banking*, and for more information on the reduction of RWAs, refer to *III – Treasury, risk, balance sheet and off-balance sheet – Treasury management – Capital management.*

Regulatory proposals and developments

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. For information regarding the "Too Big to Fail" legislation recently approved by the Swiss Parliament, the liquidity principles agreed with the Swiss Financial Market Supervisory Authority (FINMA), the liquidity and capital standards under the Basel Committee on Banking Supervision (BCBS) Basel III framework, and the revisions to the Basel II market risk framework (Basel II.5), refer to *IV – Treasury, risk, balance sheet and off-balance sheet – Treasury management – Regulatory capital developments and proposals*, and for information on other regulatory proposals and developments, refer to *I – Information on the company – Regulation and supervision in the Credit Suisse Annual Report 2010.*

In September 2011, the Swiss Bank Law was amended to streamline the procedure by which troubled banks are restructured, providing FINMA with increased regulatory authority to expedite restructurings, including the power to require a bank to complete a debt-for-stock swap in order to avoid insolvency.

In October 2011, US regulators issued proposed regulations on the "Volcker Rule", which will limit the ability of banking entities to sponsor or invest in private equity or hedge funds or to engage in certain types of proprietary trading. We are assessing how the proposed regulations would affect our businesses if implemented as proposed.

In October 2011, the Federal Reserve Board announced the approval of a final rule to implement the resolution plan requirement in the Dodd-Frank Wall Street Reform and Consumer Protection Act. The rule requires bank holding companies with assets of USD 50 billion or more and certain designated non-bank financial firms to submit annually to the Board and the Federal Deposit Insurance Corporation resolution plans describing the strategy for rapid and orderly resolution in bankruptcy during times of financial distress.

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. 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.

Our shareholders' equity reflects the effect of share-based compensation. Share-based compensation expense (which is generally based on fair value at the time of grant) reduces equity, however, the recognition of the obligation to deliver the shares increases equity by a corresponding amount. Equity is generally unaffected by the granting and vesting of share-based awards, including through the issuance of shares from approved conditional capital. If Credit Suisse purchases shares from the market to meet its obligation to employees, these purchased treasury shares reduce equity by the amount of the purchase price. Shareholders' equity also includes, as additional paid-in capital, the excess tax benefits/charges that arise at settlement of share-based awards. For further information, refer to the *Consolidated statements of changes in equity – unaudited and Note 21 – Employee deferred compensation in V – Condensed consolidated financial statements – unaudited and Note 26 – Tax – Tax benefits associated with share-based compensation in V – Consolidated Financial Statements – Credit Suisse Group in the Credit Suisse Annual Report 2010.*

Funding

We centrally manage our funding activities. New securities for funding and capital purposes are issued primarily by the Bank. The Bank lends funds to our 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 capitalize on opportunities. 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 in each of the segments for this capital and funding. Our funds transfer pricing system is designed to allocate to our businesses funding costs in a way that incentivizes their efficient use of funding. Our funds transfer pricing system is an essential tool that allocates to the businesses the short-term and long-term costs of funding their balance sheet and the costs associated with funding liquidity and balance sheet items, such as goodwill, which are beyond the control of individual businesses. This is of greater importance in a stressed capital markets environment where raising funds is more challenging and expensive. Under this system, our businesses are also credited to the extent they provide long-term stable funding.

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.

For further information, refer to *Note 1 – Summary of significant accounting policies and Note 26 – Financial instruments in V – Condensed consolidated financial statements – unaudited.*

The fair value of the majority of the Group's financial instruments is based on quoted prices in active markets (level 1) or observable inputs (level 2). These instruments include government and agency securities, certain commercial paper (CP), most investment grade corporate debt, certain high yield debt securities, exchange-traded and certain over-the-counter (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 (level 3). For these instruments, the determination of fair value requires subjective assessment and varying degrees of judgment depending on liquidity, concentration, pricing assumptions and the risks affecting the specific instrument. In such circumstances, valuation is determined based on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These instruments include certain high yield debt securities, distressed debt securities, certain OTC derivatives, certain collateralized debt obligations (CDOs), certain asset-backed and mortgage-backed securities, certain loans, certain loans held-for-sale, non-traded equity securities, private equity and other long-term investments.

Models were used to value these products. 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 3Q11, 53% and 41% 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 Asset Management, specifically certain private equity investments. Total assets at fair value recorded as level 3 increased by CHF 3.8 billion during 3Q11, primarily reflecting increases in loans held-for-sale and trading assets. The increase in loans held-for-sale primarily reflected transfers to level 3 and the foreign exchange translation impact, partially offset by realized and unrealized losses. The increase in trading assets primarily reflected the foreign exchange translation impact and realized and unrealized gains, partially offset by net settlements.

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 Basel II, were CHF 38.4 billion, compared to CHF 34.6 billion as of the end of 2Q11. As of the end of 3Q11, these assets

Number of employees by division

	end of			% change	
	3Q11 [1]	2Q11	3Q10	QoQ	YoY
Number of employees by division (full-time equivalents)					
Private Banking	25,500	25,700	25,500	(1)	0
Investment Banking	21,500	21,300	21,200	1	1
Asset Management	2,800	2,800	2,900	0	(3)
Corporate Center	900	900	900	0	0
Number of employees	**50,700**	**50,700**	**50,500**	0	0

[1] Excludes 1,150 employees in connection with the cost efficiency initiatives.

comprised 4% of total assets and 7% of total assets measured at fair value, both adjusted on the same basis, unchanged from 2Q11.

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 3Q11 was 50,700, unchanged from 2Q11 and up 200 from 3Q10. This reflected reductions in headcount in connection with our cost efficiency initiatives, primarily in Private Banking and Investment Banking, offset by seasonal graduate and apprentice recruitment and increases due to regulatory requirements.

Key performance indicators

Our key performance indicators (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.

Growth

We target collaboration revenues of 18% to 20% of net revenues. Collaboration revenues were 15.1% of net revenues for 3Q11.

For net new assets, we target a growth rate above 6%. In 3Q11, we recorded an annualized net new asset growth rate of 2.3% and a rolling four-quarter average growth rate of 4.3%.

Efficiency and performance

For total shareholder return, we target superior share price appreciation plus dividends compared to our peer group. Our 3Q11 total shareholder return was (26.6)%. The 3Q11 average total shareholder return of our peer group was (36.2)%.

For return on equity, we target an annualized return on equity above 15%. The annualized return on equity was 8.7% in 3Q11.

We target a pre-tax income margin above 28%. Our pre-tax income margin was 15.2% for 3Q11.

Capital

For the Bank for International Settlements (BIS) tier 1 ratio, our capital targets are compliance with the Swiss "Too Big to Fail" and Basel III capital standards. The BIS tier 1 ratio was 17.7% and the core tier 1 ratio under Basel II.5 was 10.0% as of the end of 3Q11. For further information, refer to *IV – Treasury, risk, balance sheet and off-balance sheet – Treasury management – Capital management*.

in / end of	Target	3Q11	9M11	2010	2009	2008
Growth (%)						
Collaboration revenues	18 – 20% of net revenues	15.1	15.6	14.4	15.5	43.8
Net new asset growth (annualized)	Above 6%	2.3	4.3	5.6	4.0	(0.2)
Efficiency and performance (%)						
Total shareholder return (Credit Suisse) [1]	Superior return vs. peer group	(26.6)	(34.1)	(23.3)	80.1	(56.1)
Total shareholder return of peer group [1, 2]	–	(36.2)	(36.9)	(1.7)	36.6	(55.5)
Return on equity attributable to shareholders (annualized)	Above 15%	8.7	10.7	14.4	18.3	(21.1)
Core Results pre-tax income margin	Pre-tax income margin above 28%	15.2	17.9	22.2	25.5	(102.5)
Capital (%)						
BIS tier 1 ratio (Basel II)	Compliance with Swiss "Too Big to Fail" and Basel III	17.7	17.7	17.2	16.3	13.3

[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.

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II

Results by division

Private Banking

In 3Q11, we reported net revenues of CHF 2,610 million and income before taxes of CHF 183 million in a challenging operating environment, including litigation provisions of CHF 478 million in Wealth Management Clients. We attracted net new assets of CHF 7.4 billion, with strong inflows in our ultra-high-net-worth individual client and emerging market segments.

Results

			in / end of		% change		in / end of	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Statements of operations (CHF million)								
Net revenues	**2,610**	**2,797**	**2,826**	(7)	(8)	**8,303**	**8,717**	(5)
Provision for credit losses	**25**	**(2)**	**(8)**	–	–	**35**	**14**	150
Compensation and benefits	1,115	1,135	1,139	(2)	(2)	3,474	3,536	(2)
General and administrative expenses	1,134	664	715	71	59	2,419	2,081	16
Commission expenses	153	157	144	(3)	6	494	484	2
Total other operating expenses	1,287	821	859	57	50	2,913	2,565	14
Total operating expenses	**2,402**	**1,956**	**1,998**	23	20	**6,387**	**6,101**	5
Income before taxes	**183**	**843**	**836**	(78)	(78)	**1,881**	**2,602**	(28)
of which Wealth Management Clients	(34)	595	612	–	–	1,184	1,922	(38)
of which Corporate & Institutional Clients	217	248	224	(13)	(3)	697	680	2
Statement of operations metrics (%)								
Cost/income ratio	92.0	69.9	70.7	–	–	76.9	70.0	–
Pre-tax income margin	7.0	30.1	29.6	–	–	22.7	29.8	–
Utilized economic capital and return								
Average utilized economic capital (CHF million)	6,959	6,894	6,974	1	0	6,835	6,617	3
Pre-tax return on average utilized economic capital (%) [1]	11.0	49.3	48.4	–	–	37.1	52.9	–
Number of employees (full-time equivalents)								
Number of employees	25,500	25,700	25,500	(1)	0	25,500	25,500	0

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

Results (continued)

	in / end of			% change		in / end of		% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Net revenue detail (CHF million)								
Net interest income	1,098	1,151	1,217	(5)	(10)	3,425	3,707	(8)
Recurring commissions and fees	905	1,005	1,001	(10)	(10)	2,917	3,085	(5)
Transaction-based	607	641	608	(5)	0	1,961	1,925	2
Net revenues	**2,610**	**2,797**	**2,826**	(7)	(8)	**8,303**	**8,717**	(5)
Provision for credit losses (CHF million)								
New provisions	54	55	47	(2)	15	150	212	(29)
Releases of provisions	(29)	(57)	(55)	(49)	(47)	(115)	(198)	(42)
Provision for credit losses	**25**	**(2)**	**(8)**	–	–	**35**	**14**	150
Balance sheet statistics (CHF million)								
Net loans	**192,177**	**186,691**	**183,015**	3	5	**192,177**	**183,015**	5
of which Wealth Management Clients [1]	138,175	134,160	132,744	3	4	138,175	132,744	4
of which Corporate & Institutional Clients	54,002	52,531	50,271	3	7	54,002	50,271	7
Deposits	**255,630**	**244,146**	**258,135**	5	(1)	**255,630**	**258,135**	(1)
of which Wealth Management Clients [1]	201,179	193,729	207,078	4	(3)	201,179	207,078	(3)
of which Corporate & Institutional Clients	54,451	50,417	51,057	8	7	54,451	51,057	7
Number of relationship managers								
Switzerland	1,970	2,040	2,010	(3)	(2)	1,970	2,010	(2)
EMEA	1,210	1,240	1,260	(2)	(4)	1,210	1,260	(4)
Americas	570	560	560	2	2	570	560	2
Asia Pacific	370	370	360	0	3	370	360	3
Wealth Management Clients	4,120	4,210	4,190	(2)	(2)	4,120	4,190	(2)
Corporate & Institutional Clients (Switzerland)	500	500	490	0	2	500	490	2
Number of relationship managers	**4,620**	**4,710**	**4,680**	(2)	(1)	**4,620**	**4,680**	(1)

[1] Wealth Management Clients covers individual clients, including affluent, high-net-worth and ultra-high-net-worth individual clients.

Results overview

Income before taxes of CHF 183 million decreased 78% compared to 3Q10, primarily reflecting litigation provisions of CHF 478 million. Net revenues of CHF 2,610 million were down 8% compared to 3Q10. In an ongoing low interest rate environment, net interest income decreased 10%, with lower deposit margins on lower average volumes and stable loan margins on slightly higher average volumes. The decline in deposit volumes included the impact from the weakening of the US dollar and the euro against the Swiss franc and lower volumes related to securities lending and borrowing activities. Recurring commissions and fees decreased 10% across all categories, mainly due to the adverse foreign exchange translation impact, including the impact on average assets under management. Transaction-based revenues were stable, with higher foreign exchange income from client transactions and revenues from integrated solutions offset by lower brokerage and product issuing fees, and slight fair value gains on the Clock Finance transaction compared to fair value losses in 3Q10. Overall, assets under management continued to reflect a risk-averse asset mix, with investments in less complex, lower-margin products, also within managed investment products, and a significant portion of assets in cash and money market products.

Compared to 3Q10, results in Private Banking were impacted by the significant weakening of the average exchange rate of the US dollar and the euro against the Swiss franc, adversely impacting revenues and assets under management and favorably impacting expenses, primarily in Wealth Management Clients. The adverse impact on net revenues and income before taxes in Private Banking was CHF 252 million and CHF 133 million, respectively. In Wealth Management Clients, the negative impact on net revenues and income before taxes was CHF 223 million and CHF 105 million, respectively. For further information on foreign currency translation rates, refer to *VI – Investor information*.

Assets under management – Private Banking

	in / end of			% change		in / end of		% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Assets under management by region (CHF billion)								
Switzerland	301.9	315.0	327.4	(4.2)	(7.8)	301.9	327.4	(7.8)
EMEA	252.7	261.8	271.7	(3.5)	(7.0)	252.7	271.7	(7.0)
Americas	129.9	132.1	135.8	(1.7)	(4.3)	129.9	135.8	(4.3)
Asia Pacific	77.6	78.1	78.2	(0.6)	(0.8)	77.6	78.2	(0.8)
Wealth Management Clients	762.1	787.0	813.1	(3.2)	(6.3)	762.1	813.1	(6.3)
Corporate & Institutional Clients (Switzerland)	129.3	132.1	122.0	(2.1)	6.0	129.3	122.0	6.0
Assets under management	**891.4**	**919.1**	**935.1**	(3.0)	(4.7)	**891.4**	**935.1**	(4.7)
Average assets under management (CHF billion)								
Average assets under management	882.1	942.0	929.3	(6.4)	(5.1)	925.0	939.6	(1.6)
Assets under management by currency (CHF billion)								
USD	282.4	281.8	304.3	0.2	(7.2)	282.4	304.3	(7.2)
EUR	199.9	214.3	229.0	(6.7)	(12.7)	199.9	229.0	(12.7)
CHF	287.3	297.0	285.1	(3.3)	0.8	287.3	285.1	0.8
Other	121.8	126.0	116.7	(3.3)	4.4	121.8	116.7	4.4
Assets under management	**891.4**	**919.1**	**935.1**	(3.0)	(4.7)	**891.4**	**935.1**	(4.7)
Net new assets by region (CHF billion)								
Switzerland	(0.4)	4.1	1.2	–	–	8.4	7.3	15.1
EMEA	2.7	2.9	4.3	(6.9)	(37.2)	9.6	12.3	(22.0)
Americas	1.3	2.0	3.1	(35.0)	(58.1)	6.3	6.7	(6.0)
Asia Pacific	3.0	2.5	3.8	20.0	(21.1)	9.5	10.9	(12.8)
Wealth Management Clients	6.6	11.5	12.4	(42.6)	(46.8)	33.8	37.2	(9.1)
Corporate & Institutional Clients (Switzerland)	0.8	0.0	0.2	–	300.0	3.1	7.8	(60.3)
Net new assets	**7.4**	**11.5**	**12.6**	(35.7)	(41.3)	**36.9**	**45.0**	(18.0)
Growth in assets under management (CHF billion)								
Net new assets	6.6	11.5	12.4	–	–	33.8	37.2	–
Other effects	(31.5)	(54.1)	(4.6)	–	–	(79.7)	(26.9)	–
of which market movements	(52.7)	(7.2)	26.9	–	–	(52.5)	19.4	–
of which currency	21.3	(41.8)	(30.6)	–	–	(20.4)	(42.2)	–
of which other	(0.1)	(5.1) [1]	(0.9)	–	–	(6.8)	(4.1)	–
Wealth Management Clients	(24.9)	(42.6)	7.8	–	–	(45.9)	10.3	–
Corporate & Institutional Clients	(2.8)	3.8 [1]	1.7	–	–	4.4	9.9	–
Growth in assets under management	**(27.7)**	**(38.8)**	**9.5**	–	–	**(41.5)**	**20.2**	–
Growth in assets under management (annualized) (%)								
Net new assets	3.2	4.8	5.4	–	–	5.3	6.6	–
of which Wealth Management Clients	3.4	5.5	6.2	–	–	5.6	6.2	–
of which Corporate & Institutional Clients	2.4	0.0	0.7	–	–	3.3	9.3	–
Other effects	(15.3)	(21.0)	(1.3)	–	–	(11.2)	(3.6)	–
Growth in assets under management	**(12.1)**	**(16.2)**	**4.1**	–	–	**(5.9)**	**3.0**	–
Growth in assets under management (rolling four-quarter average) (%)								
Net new assets	5.0	5.6	5.7	–	–	–	–	–
of which Wealth Management Clients	5.2	5.9	5.4	–	–	–	–	–
of which Corporate & Institutional Clients	3.8	3.3	8.1	–	–	–	–	–
Other effects	(9.7)	(6.3)	(2.0)	–	–	–	–	–
Growth in assets under management (rolling four-quarter average)	**(4.7)**	**(0.7)**	**3.7**	–	–	–	–	–

[1] Primarily reflects the transfer of assets under management from Wealth Management Clients to Corporate & Institutional Clients.

We recorded net provisions for credit losses of CHF 25 million in Private Banking, with net provisions of CHF 20 million in Wealth Management Clients and CHF 5 million in Corporate & Institutional Clients.

Total operating expenses of CHF 2,402 million were 20% higher compared to 3Q10, reflecting CHF 478 million of litigation provisions, of which CHF 183 million (EUR 150 million) was in connection with the German tax matter and CHF 295 million was in connection with the US tax matter. 3Q10 included CHF 44 million of provisions related to auction rate securities (ARS). Excluding these litigation provisions, total operating expenses decreased slightly due to the favorable foreign exchange translation impact.

Compared to 2Q11, income before taxes was 78% lower. Net revenues decreased 7%. Net interest income was 5% lower, reflecting lower deposit margins on slightly lower average volumes and slightly higher loan margins on stable average volumes. Recurring commissions and fees decreased 10%, mainly reflecting the decrease in average assets under management, resulting from the downturn in equity markets and the semi-annual performance fees from Hedging-Griffo in 2Q11. Transaction-based revenues decreased 5%, mainly reflecting the gains from the sale of real estate of CHF 72 million in 2Q11 and lower brokerage and product issuing fees, partially offset by higher foreign exchange income from client transactions and higher revenues from integrated solutions. Total operating expenses increased 23%, driven by the litigation provisions. Excluding these litigation provisions, total operating expenses decreased slightly.

Assets under management as of the end of 3Q11 were CHF 891.4 billion, 3.0% lower than the end of 2Q11. Net new assets of CHF 7.4 billion and positive foreign exchange-related movements were more than offset by adverse market movements, primarily from the downturn in equity markets. Wealth Management Clients contributed net new assets of CHF 6.6 billion driven by inflows from our international businesses, partially offset by outflows in Switzerland, as broad net inflows were more than offset by outflows of low margin assets by a small number of clients. Contributions from emerging markets and the UHNWI client segment were strong. Corporate & Institutional Clients acquired net new assets of CHF 0.8 billion. Compared to the end of 3Q10, assets under management were down 4.7%, as strong net new assets were more than offset by adverse foreign exchange-related movements and negative market movements. Average assets under management of Wealth Management Clients decreased 7.0% against 3Q10 and 7.5% against 2Q11. Compared to 3Q10, strong net new assets, particularly from the UHNWI client segment, were more than offset by adverse foreign exchange-related movements and adverse equity market movements. Compared to 2Q11, positive foreign exchange-related movements, primarily related to the appreciation of the US dollar against the Swiss franc, and net new assets were more than offset by adverse market movements, mainly in equity markets.

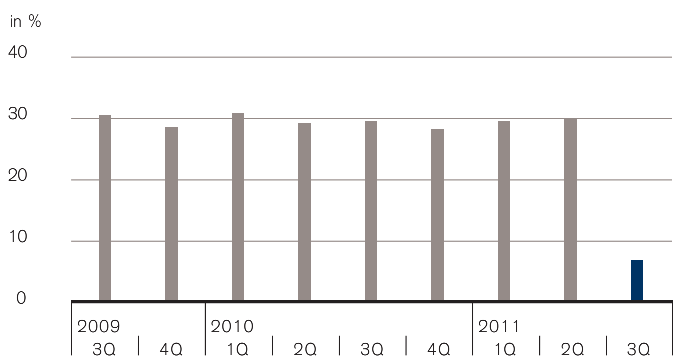
In light of increasing regulatory and capital requirements and continued challenging market and economic conditions, we are evolving our strategy. For further information, refer to *I – Credit Suisse results – Core Results – Evolution of our strategy*.

Performance indicators

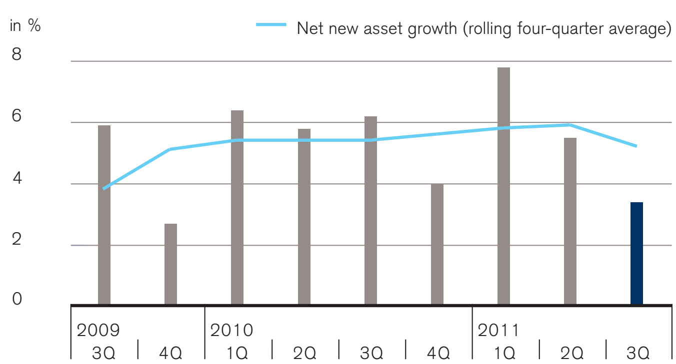
Pre-tax income margin (KPI)

Our target over market cycles is a pre-tax income margin above 35%. In 3Q11, the pre-tax income margin was 7.0%, down 22.6 percentage points from 3Q10 and down 23.1 per-

Pre-tax income margin



Net new asset growth for Wealth Management Clients



centage points from 2Q11. Excluding the litigation provisions of CHF 478 million, our pre-tax income margin was 25.3%.

Net new asset growth for Wealth Management Clients (KPI)

Our target over market cycles is a growth rate over 6%. Our annualized quarterly growth rate was 3.4% in 3Q11. The rolling four-quarter average growth rate was 5.2%.

Initiatives and achievements

In 3Q11, we continued our long-term strategy of organic growth and strengthened our client focus:

- We were awarded "Best Private Bank" in Southeast Asia, Singapore and Indonesia by *The Asset* in its Triple A Investment Awards. Additionally, we were named "Best Private Bank in Hong Kong" by *Capital's* "Merits of Achievement in Banking and Finance".
- In New York, we hosted our first Global Philanthropy Campus in partnership with New York University's Center for Philanthropy and Fundraising. The program allows UHNWI clients to engage and cooperate in philanthropic endeavors.
- We strengthened our cooperation with Zurich Financial Services to offer clients a broader range of annuity plans.

Results detail

The following provides a comparison of our 3Q11 results versus 3Q10 (YoY) and versus 2Q11 (QoQ).

Net revenues

Recurring revenues arise from net interest income, recurring commissions and fees, including performance-based fees, related to assets under management and custody assets, as well as fees for general banking products and services. Net interest income includes a term spread credit on stable deposit funding and a term spread charge on loans. Transaction-based revenues arise primarily from brokerage and product issuing fees, foreign exchange income from client transactions and other transaction-based income.

YoY: Down 8% from CHF 2,826 million to CHF 2,610 million

Net interest income decreased 10%, with lower deposit margins on lower average volumes and stable loan margins on slightly higher average volumes. The decline in deposit volumes included the weakening of the US dollar and the euro against the Swiss franc and lower volumes related to securities lending and borrowing activities. Recurring commissions and fees declined 10%, with lower revenues across all categories, mainly reflecting the adverse foreign exchange translation impact, including the impact on average assets under management. Transaction-based revenues were stable, reflecting higher foreign exchange income from client transactions and revenues from integrated solutions offset by lower brokerage and product issuing fees, particularly from bonds. Transaction-based revenues included fair value gains on the Clock Finance transactions of CHF 6 million compared to fair value losses of CHF 21 million in 3Q10.

QoQ: Down 7% from CHF 2,797 million to CHF 2,610 million

Net interest income declined 5%, reflecting lower deposit margins on slightly lower average volumes and slightly higher loan margins on stable average volumes. Recurring commissions and fees declined 10%, mainly reflecting the adverse impact from the downturn of equity markets on average assets under management and semi-annual performance fees from Hedging-Griffo in 2Q11. Transaction-based revenues decreased 5%, mainly due to gains from the sale of real estate of CHF 72 million in 2Q11 and lower brokerage and product issuing fees in 3Q11, particularly from structured products, equities and mutual funds. These decreases were partially offset by higher foreign exchange income from client transactions, reflecting market volatility, and higher revenues from integrated solutions.

Provision for credit losses

YoY: Up from CHF (8) million to CHF 25 million

New provisions of CHF 54 million and releases of CHF 29 million resulted in net provisions for credit losses of CHF 25 million. Wealth Management Clients recorded net new provisions of CHF 20 million and Corporate & Institutional Clients recorded net new provisions of CHF 5 million. Releases were mostly recognized in Corporate & Institutional Clients, while new provisions were mostly recognized in Wealth Management Clients. The Wealth Management Clients loan portfolio is substantially comprised of residential mortgages in Switzerland and loans collateralized by securities. Our corporate and institutional loan portfolio has sound quality, relatively low concentrations and is mainly secured by mortgages, securities and other financial collaterals.

QoQ: Up from CHF (2) million to CHF 25 million

Provision for credit losses reflected lower releases.

Operating expenses

Compensation and benefits

YoY: Down 2% from CHF 1,139 million to CHF 1,115 million

The decline reflected the favorable foreign exchange translation impact. Excluding this impact, compensation and benefits increased slightly, reflecting IT investments, including from regulatory requirements.

QoQ: Down 2% from CHF 1,135 million to CHF 1,115 million

The decline mainly reflected a slight decrease in deferred compensation from prior year share-based and other awards.

General and administrative expenses

YoY: Up 59% from CHF 715 million to CHF 1,134 million

The increase mainly reflected the litigation provisions of CHF 478 million, of which CHF 183 million (EUR 150 million) was in connection with the German tax matter and CHF 295 million was in connection with the US tax matter. 3Q10 included CHF 44 million of provisions related to ARS. Excluding these litigation provisions and the favorable foreign exchange translation impact, general and administrative expenses increased slightly, reflecting IT investments, including from regulatory requirements.

QoQ: Up 71% from CHF 664 million to CHF 1,134 million

The increase mainly reflected the litigation provisions. Excluding these litigation provisions, general and administrative expenses were stable.

Personnel

Headcount at the end of 3Q11 was 25,500, down 200 from 2Q11 and unchanged from 3Q10. The decrease from 2Q11 mainly reflected reductions in connection with our cost efficiency initiative, partially offset by investments in our growth markets, advisory and solutions capabilities and multi-shore business model, including IT investments, particularly from regulatory requirements. We also gave over 100 apprentices the opportunity to remain with us after finishing their apprenticeships. Further, we increased our pool of graduates and interns. The number of relationship managers in Wealth Management Clients decreased by 90 from 2Q11 and by 70 compared to 3Q10, mainly due to reductions in connection with our cost efficiency initiative.

Wealth Management Clients

Net revenues

Net interest income

YoY: Down 13% from CHF 929 million to CHF 809 million

The decrease reflected lower deposit margins on lower average volumes and slightly lower loan margins on slightly higher average volumes. The decline in deposit volumes included the adverse foreign exchange translation impact and lower volumes related to securities lending and borrowing activities.

QoQ: Down 5% from CHF 855 million to CHF 809 million

The decrease reflected slightly lower deposit margins on slightly lower average volumes and stable loan margins on stable average volumes.

Recurring commissions and fees

YoY: Down 8% from CHF 891 million to CHF 816 million

The decrease in recurring commissions and fees mainly reflected the adverse foreign exchange translation impact, including the impact on average assets under management, with lower revenues across all categories, mainly investment product management fees and discretionary mandate management fees.

QoQ: Down 9% from CHF 899 million to CHF 816 million

The decline mainly reflected the adverse impact of the downturn in equity markets on average assets under management, mainly resulting in lower investment product management fees and investment account and service fees. 2Q11 included semi-annual performance fees from Hedging-Griffo.

Transaction-based

YoY: Down 7% from CHF 565 million to CHF 523 million

The decline was driven by lower brokerage and product issuing fees, primarily from bonds. The decline was partially offset by higher foreign exchange income from client transactions, reflecting market volatility, and higher revenues from integrated solutions.

QoQ: Down 9% from CHF 576 million to CHF 523 million

The decrease mainly reflected the gains from the sale of real estate of CHF 72 million in 2Q11 and lower brokerage and product issuing fees in 3Q11, particularly from structured products, equities and mutual funds. These decreases were partially offset by higher foreign exchange income from client transactions and higher revenues from integrated solutions.

Results – Wealth Management Clients

	in / end of			% change		in / end of		% change
	3Q11	2Q11	3Q10	QoQ	YoY	9M11	9M10	YoY
Statements of operations (CHF million)								
Net revenues	**2,148**	**2,330**	**2,385**	(8)	(10)	**6,911**	**7,365**	(6)
Provision for credit losses	**20**	**8**	**8**	150	150	**40**	**56**	(29)
Total operating expenses	**2,162**	**1,727**	**1,765**	25	22	**5,687**	**5,387**	6
Income/(loss) before taxes	**(34)**	**595**	**612**	–	–	**1,184**	**1,922**	(38)
Statement of operations metrics (%)								
Cost/income ratio	100.7	74.1	74.0	–	–	82.3	73.1	–
Pre-tax income margin	(1.6)	25.5	25.7	–	–	17.1	26.1	–
Net revenue detail (CHF million)								
Net interest income	809	855	929	(5)	(13)	2,544	2,824	(10)
Recurring commissions and fees	816	899	891	(9)	(8)	2,619	2,770	(5)
Transaction-based	523	576	565	(9)	(7)	1,748	1,771	(1)
Net revenues	**2,148**	**2,330**	**2,385**	(8)	(10)	**6,911**	**7,365**	(6)
Average assets under management (CHF billion)								
Average assets under management	752.1	813.0	808.6	(7.5)	(7.0)	796.4	819.7	(2.8)
Gross margin (annualized) (bp) [1]								
Net interest income	43	42	46	–	–	43	46	–
Recurring commissions and fees	43	45	44	–	–	44	45	–
Transaction-based	28	28	28	–	–	29	29	–
Gross margin	**114**	**115**	**118**	–	–	**116**	**120**	–

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

Gross margin

Our gross margin was 114 basis points in 3Q11, four basis points lower than in 3Q10. The net interest income margin decreased three basis points, reflecting 13% lower net interest income and 7.0% lower average assets under management. The recurring commissions and fees margin and transaction-based margin were stable, as the decline in revenues was in line with the decline in average assets under management.

Compared to 2Q11, gross margin decreased one basis point, reflecting the 8% decline in net revenues and the 7.5% decline in average assets under management. Excluding the gain of CHF 72 million from the sale of real estate in 2Q11, the gross margin increased three basis points and the transaction-based margin increased four basis points.

Corporate & Institutional Clients

Net revenues

Net interest income

YoY: Stable at CHF 289 million

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

QoQ: Down 2% from CHF 296 million to CHF 289 million

The slight decrease reflected lower deposit margins on higher average volumes and slightly higher loan margins on stable average volumes.

Recurring commission and fees

YoY: Down 19% from CHF 110 million to CHF 89 million

The decline was driven by lower investment account and services fees.

QoQ: Down 16% from CHF 106 million to CHF 89 million

The decrease mainly reflected lower investment account and services fees.

Results – Corporate & Institutional Clients

			in / end of		% change		in / end of	% change
	3Q11	2Q11	3Q10	QoQ	YoY	9M11	9M10	YoY
Statements of operations (CHF million)								
Net revenues	**462**	**467**	**441**	(1)	5	**1,392**	**1,352**	3
Provision for credit losses	**5**	**(10)**	**(16)**	–	–	**(5)**	**(42)**	(88)
Total operating expenses	**240**	**229**	**233**	5	3	**700**	**714**	(2)
Income before taxes	**217**	**248**	**224**	(13)	(3)	**697**	**680**	2
Statement of operations metrics (%)								
Cost/income ratio	51.9	49.0	52.8	–	–	50.3	52.8	–
Pre-tax income margin	47.0	53.1	50.8	–	–	50.1	50.3	–
Net revenue detail (CHF million)								
Net interest income	289	296	288	(2)	0	881	883	0
Recurring commissions and fees	89	106	110	(16)	(19)	298	315	(5)
Transaction-based	84	65	43	29	95	213	154	38
Net revenues	**462**	**467**	**441**	(1)	5	**1,392**	**1,352**	3
Average business volume (CHF billion)								
Average business volume	240.2	239.4	231.4	0.3	3.8	238.5	230.8	3.3
Business volume (CHF billion)								
Client assets	188.6	191.3	181.2	(1.4)	4.1	188.6	181.2	4.1
of which assets under management	129.3	132.1	122.0	(2.1)	6.0	129.3	122.0	6.0
of which commercial assets	52.0	51.0	52.5	2.0	(1.0)	52.0	52.5	(1.0)
of which custody assets	7.3	8.2	6.7	(11.0)	9.0	7.3	6.7	9.0
Net loans	54.0	52.5	50.3	2.9	7.4	54.0	50.3	7.4
Business volume	**242.6**	**243.8**	**231.5**	(0.5)	4.8	**242.6**	**231.5**	4.8
Return on business volume (annualized) (bp) [1]								
Return on business volume	77	78	76	–	–	78	78	–

[1] Net revenues divided by average business volume.

Transaction-based

YoY: Up 95% from CHF 43 million to CHF 84 million

The increase primarily reflected fair value gains on the Clock Finance transaction of CHF 6 million in 3Q11 compared to losses of CHF 21 million in 3Q10, higher revenues from integrated solutions and higher foreign exchange income from client transactions. Excluding the fair value gains and losses on the Clock Finance transaction, transaction-based revenues increased 22%.

QoQ: Up 29% from CHF 65 million to CHF 84 million

The increase mainly reflected fair value gains on the Clock Finance transaction of CHF 6 million in 3Q11 compared to losses of CHF 4 million in 2Q11 and higher foreign exchange income from client transactions.

Return on business volume

Return on business volume measures net revenues over average business volume, which is comprised of client assets and net loans.

Return on business volume of 77 basis points was one basis point higher than 3Q10 and one basis point lower than 2Q11. The increase from 3Q10 reflected 5% higher net revenues and 3.8% higher average business volume, mainly from higher assets under management.

Excluding the fair value gains and losses on the Clock Finance transaction, return on business volume was 76 basis points in 3Q11, 79 basis points in 2Q11 and 80 basis points in 3Q10.

Investment Banking

In 3Q11, we reported a loss before taxes of CHF 190 million and net revenues of CHF 2,494 million. Net revenues were impacted by the volatile market environment driven by increased European sovereign debt concerns and indications of a global economic slowdown. As a result, our businesses reflected difficult trading conditions.

Results

			in / end of		% change		in / end of	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Statements of operations (CHF million)								
Net revenues	**2,494**	**2,822**	**3,421**	(12)	(27)	**10,245**	**12,736**	(20)
Provision for credit losses	**59**	**15**	**(18)**	293	–	**55**	**(70)**	–
Compensation and benefits	1,449	1,446	1,872	0	(23)	5,303	6,210	(15)
General and administrative expenses	896	830	877	8	2	2,613	2,672	(2)
Commission expenses	280	300	295	(7)	(5)	890	951	(6)
Total other operating expenses	1,176	1,130	1,172	4	0	3,503	3,623	(3)
Total operating expenses	**2,625**	**2,576**	**3,044**	2	(14)	**8,806**	**9,833**	(10)
Income/(loss) before taxes	**(190)**	**231**	**395**	–	–	**1,384**	**2,973**	(53)
Statement of operations metrics (%)								
Cost/income ratio	105.3	91.3	89.0	–	–	86.0	77.2	–
Pre-tax income margin	(7.6)	8.2	11.5	–	–	13.5	23.3	–
Utilized economic capital and return								
Average utilized economic capital (CHF million)	19,698	19,967	21,416	(1)	(8)	19,683	21,150	(7)
Pre-tax return on average utilized economic capital (%) [1]	(3.3)	5.1	8.0	–	–	9.9	19.4	–
Number of employees (full-time equivalents)								
Number of employees	21,500	21,300	21,200	1	1	21,500	21,200	1

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

Results (continued)

	in / end of			% change		in / end of		% change
	3Q11	2Q11	3Q10	QoQ	YoY	9M11	9M10	YoY
Net revenue detail (CHF million)								
Debt underwriting	312	399	509	(22)	(39)	1,212	1,421	(15)
Equity underwriting	113	294	169	(62)	(33)	608	604	1
Total underwriting	425	693	678	(39)	(37)	1,820	2,025	(10)
Advisory and other fees	181	272	212	(33)	(15)	681	740	(8)
Total underwriting and advisory	**606**	**965**	**890**	(37)	(32)	**2,501**	**2,765**	(10)
Fixed income sales and trading	762	595	1,458	28	(48)	3,850	5,558	(31)
Equity sales and trading	1,182	1,269	1,080	(7)	9	3,980	4,497	(11)
Total sales and trading	**1,944**	**1,864**	**2,538**	4	(23)	**7,830**	**10,055**	(22)
Other	(56)	(7)	(7)	–	–	(86)	(84)	2
Net revenues	**2,494**	**2,822**	**3,421**	(12)	(27)	**10,245**	**12,736**	(20)
Average one-day, 98% risk management Value-at-Risk (CHF million) [1]								
Interest rate & credit spread	69	66	99	5	(30)	72	95	(24)
Foreign exchange	10	13	21	(23)	(52)	12	17	(29)
Commodity	7	12	19	(42)	(63)	12	19	(37)
Equity	20	28	29	(29)	(31)	24	26	(8)
Diversification benefit	(30)	(48)	(58)	(38)	(48)	(45)	(60)	(25)
Average one-day, 98% risk management Value-at-Risk	**76**	**71**	**110**	7	(31)	**75**	**97**	(23)
Risk-weighted assets (million) [2]								
Risk-weighted assets (CHF)	118,565	114,162	141,463	4	(16)	118,565	141,463	(16)
Risk-weighted assets (USD)	130,535	135,584	144,801	(4)	(10)	130,535	144,801	(10)

[1] As part of the ongoing review to improve risk management approaches and methodologies, the average one-day, risk management VaR measure was revised in 2Q11. For further information on VaR and changes in VaR methodology, refer to IV – Treasury, risk, balance sheet and off-balance sheet – Risk management – Market risk. [2] Under Basel II: For information on risk-weighted assets under the revisions to the Basel II market risk framework (Basel II.5) refer to IV – Treasury, risk, balance sheet and off-balance sheet – Treasury management – Capital management and – Regulatory capital developments and proposals and the chart "Basel II.5 risk-weighted assets and allocated deductions".

Results overview

In 3Q11, we reported a loss before taxes of CHF 190 million compared to income before taxes of CHF 395 million in 3Q10 and CHF 231 million in 2Q11. Net revenues of CHF 2,494 million were down 27% from 3Q10, and down 12% from 2Q11.

Fixed income sales and trading results were significantly lower than 3Q10, reflecting challenging market-making conditions across most businesses, but stronger compared to a very weak 2Q11. Results in our credit business were significantly impacted by reduced client trading volumes, market illiquidity, and widening credit spreads, resulting in losses on inventory positions held for our client trading business. We took substantial risk reduction measures in our credit businesses to mitigate potential losses. Securitized products results remained weak as further declines in bond prices led to continued low client activity and additional valuation reductions on client flow inventory positions. Fixed income sales and trading business results in 3Q11 mainly consisted of revenues from global rates, emerging markets, foreign exchange, commodities and securitized products. Results also included DVA gains of CHF 266 million relating to certain structured note liabilities and a loss of CHF 83 million related to changes in OIS interest rate yield curves used to determine the fair value of certain collateralized derivatives.

Equity sales and trading results were affected by the volatile market environment. Revenues, which included DVA gains of CHF 272 million related to certain structured note liabilities, increased from 3Q10, but were down 7% from 2Q11. Equity sales and trading business results mainly consisted of revenues from prime services, cash equities, derivatives and equities arbitrage trading.

Underwriting and advisory results declined from 3Q10 and 2Q11, but were in line with industry-wide issuance levels and M&A activity. We had lower debt underwriting revenues, driven by reduced industry-wide issuance levels, particularly in investment grade and high yield. Revenues in our equity underwriting and advisory businesses reflected reduced issuance and completed M&A volumes compared to prior periods.

Compensation and benefits of CHF 1,449 million in 3Q11 were 23% lower than 3Q10, reflecting the foreign exchange translation impact. In US dollars, compensation and benefits decreased 6%, primarily driven by lower deferred compensation expense from prior-year share and other awards. Compensation and benefits were flat compared to 2Q11. Total other operating expenses were flat compared to 3Q10 and increased 4% compared to 2Q11. In US dollars, total other operating expenses increased 22% compared to 3Q10 and 7% compared to 2Q11.

Our results reflected fair value losses on Credit Suisse vanilla debt. For further information, refer to sales and trading results details.

Results in 3Q11 were impacted by the weakening of the average rate of the US dollar against the Swiss franc compared to 3Q10, which adversely affected revenues and favorably impacted expenses and losses. In US dollars, net revenues were 12% lower and total operating expenses were 4% higher compared to 3Q10. For more information on foreign currency translation rates, refer to *VI – Investor information*.

Refinement of our Investment Banking strategy

In Investment Banking, we are refining our client-focused, capital-efficient strategy in order to continue to deliver attractive returns in spite of the challenging market and regulatory environment. We will redeploy capital and resources in order to invest and grow businesses, and we will significantly reduce risk-weighted assets (RWAs) and our cost base. We will target a 50% reduction in RWAs in our fixed income business from 55% of Group RWAs to 39% by the end of 2014. We will significantly reduce our cost base, including through improved client coverage efficiency and reduced country, industry and product coverage overlaps. We will invest and grow in businesses where we have competitive advantages and synergies with Private Banking and Asset Management.

Our business portfolio will evolve as follows as we redeploy capital and resources.

Invest/Grow
- Foreign exchange
- Global rates (including electronic trading)
- Fixed income businesses in fast growing and emerging markets (including Brazil, Southeast Asia, Greater China, and Russia)
- Commodities
- Prime services
- Derivatives (including flow and corporate)
- Equity underwriting (target top three globally)

Evolve
- Credit products
- Securitized products (including non-agency and agency residential mortgage-backed securities (RMBS) trading and commercial mortgage-backed securities (CMBS) trading)
- Structured financing business in emerging markets
- Cash equities
- Continued alignment of corporate lending with key clients
- Reallocate investment banking resources to growth markets, particularly Asia

Downscale/Exit
- Structured long-dated unsecured trades, including in rates, emerging markets and commodities
- Exit CMBS origination
- Downscale less capital efficient securitized products
- Improve investment banking client coverage efficiency and profitability in Europe, Middle East and Africa (EMEA)

Performance indicators

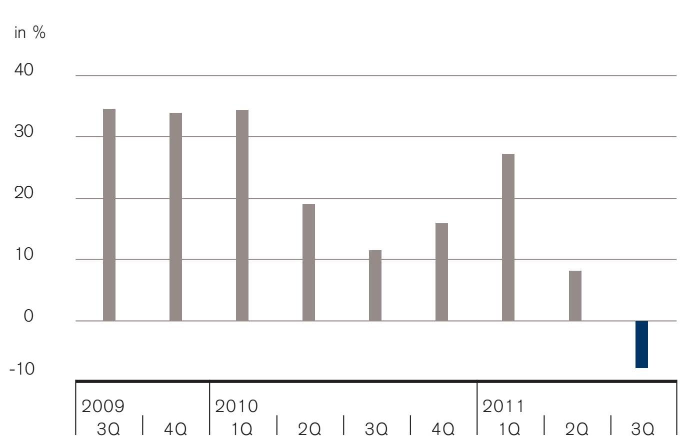
Pre-tax income margin (KPI)

Our target over market cycles is a pre-tax income margin of 25% or greater. The pre-tax income margin was (7.6)% in 3Q11, compared to 11.5% in 3Q10 and 8.2% in 2Q11.

Value-at-Risk

The average one-day, 98% risk management value-at-risk (VaR) was CHF 76 million in 3Q11, compared to CHF 110 million in 3Q10 and CHF 71 million in 2Q11. For further information on VaR, refer to *IV – Treasury, risk, balance sheet and off-balance sheet – Risk management – Market risk.*

Pre-tax income margin



Significant transactions and achievements

We were active in executing or advising on a number of significant closed and pending transactions, reflecting the breadth and diversity of our investment banking franchise:

- **Debt capital markets:** We arranged key financings for a diverse set of clients, including American International Group (global insurance and financial services organization), Dynegy Inc. (US producer and seller of electric energy, capacity and ancillary services), Reynolds Group (global packaging manufacturer and supplier), Access Industries (US industrial group) and Terex Corporation (leading global manufacturer).
- **Equity capital markets:** We executed IPOs for Tudou (Chinese online video platform), Bumi Armada (Malaysian-based international oil and gas offshore services provider) and Banca Cívica (Spanish bank), a follow-on offering for Annaly Capital Management (largest publicly-traded mortgage REIT) and a rights offering for Fondiaria-Sai SpA (Italian financial services company).
- **Mergers and acquisitions:** We advised on a number of key transactions, including the acquisition of Hsu Fu Chi (Chinese manufacturer of confectionery products) by Nestlé (global food and nutrition company), the merger of Kencana Petroleum (Malaysian oil and gas services provider) and SapuraCrest Petroleum (Malaysian oil and gas services provider) via a sale to Integral Key (shell vehicle owned by private equity unit Maybank Ventures to facilitate the merger), the acquisition of Medco Health Solutions (US pharmacy benefit manager) by Express Scripts (leading pharmacy benefit manager in the US), and the acquisition of Southern Union Company (US natural gas company) by Energy Transfer Equity, L.P. (US diversified energy operator).

Industry awards and surveys

- Maintained #1 ranking in two categories in the 2011 *Greenwich Associates* Equity Derivatives Survey, including "Important Relationships for US Flow Equity Derivatives" and "Top 5 Relationships & Share for Structured OTC Equity/Securitized Products."
- Named "Most Innovative Investment Bank for Loans and Leveraged Finance" by *The Banker* in the 2011 Investment Banking Awards.
- Maintained top ranking in *Global Investor's* ISF Equity Lending survey for the second consecutive year. Credit Suisse Prime Services ranked #1 as "Overall Borrower of the Year (weighted)." Additionally, Prime Services ranked #1 in "Global Coordination," "Relationship Management" and "Trading (Connectivity & Automation)."
- Named "Equity Derivatives House of the Year" by *Derivatives Intelligence* at the 2011 Derivatives Week Global Awards.
- Awarded "Best Algorithmic Trading Technology – Bank" by *FX Week* in its 2011 e-FX Awards.
- Awarded "Best Equity Structured Product" for a Taiwan retail note by *FinanceAsia* in the annual Structured Products Awards for 2010-2011. The trade for Cathay Life represented the re-opening of Taiwan's structured product market after the financial crisis.
- Awarded "Deal of the Year" in 2011 for the £1.7 billion longevity swap transaction with ITV by *Life & Pension Risk*, the third largest ever completed.

Market share momentum

- Ranked third by *Dealogic* in global announced M&A with 17.1% market share for 9M11, up from number four in 2010.
- Advanced to top five globally and number four in EMEA for equity capital markets by *Dealogic* for 9M11.
- Advanced our global follow-on ranking to number five according to *Dealogic,* with 7.7% market share for 9M11, up from number seven, with 4.9% market share, in 2010.

Results detail

The following provides a comparison of our 3Q11 results versus 3Q10 (YoY) and versus 2Q11 (QoQ).

Net revenues

Debt underwriting

YoY: Down 39% from CHF 509 million to CHF 312 million

The decrease was primarily due to weaker results in investment grade issuance, reflecting a decline in industry-wide volumes and lower market share, as well as lower revenues from leveraged finance, reflecting a decrease in industry-wide high yield issuance volumes. 3Q10 included significant structuring and syndication fees related to a large private financing.

QoQ: Down 22% from CHF 399 million to CHF 312 million

The decrease was primarily due to lower revenues from investment grade issuance, reflecting lower industry-wide volumes, emerging markets and leveraged finance, reflecting reduced industry-wide high yield issuance volumes.

Equity underwriting

YoY: Down 33% from CHF 169 million to CHF 113 million

The decrease was due to lower revenues from follow-on offerings and IPOs, reflecting reduced industry-wide volumes despite market share gains.

QoQ: Down 62% from CHF 294 million to CHF 113 million

The decrease was due to lower revenues from IPOs and follow-on offerings, reflecting reduced industry-wide volumes.

Advisory and other fees

YoY: Down 15% from CHF 212 million to CHF 181 million

The decrease reflected lower M&A and other advisory fees, driven by lower levels of global industry-wide completed M&A activity.

QoQ: Down 33% from CHF 272 million to CHF 181 million

The decrease reflected lower M&A fees, driven by lower levels of global industry-wide completed M&A activity and a decline in market share.

Fixed income sales and trading

YoY: Down 48% from CHF 1,458 million to CHF 762 million

The decrease was driven by significantly lower revenues in our credit and securitized products businesses compared to strong revenues in 3Q10. Our credit results reflected losses in leveraged finance and investment grade trading, which were impacted by challenging market-making conditions, weak client activity, reduced liquidity in the markets and widening credit spreads, leading to valuation reductions on inventory positions. In addition, we incurred losses from sales of inventory in our credit business as we significantly reduced risk to mitigate the loss impact in light of worsening market conditions. Significantly lower revenues in securitized products reflected a steep decline in cash and synthetic mortgage bond prices, which led to lower client activity and significant valuation reductions on client flow inventory positions, particularly in CMBS and non-agency RMBS. These results were partly offset by net valuation gains on exit securitized products positions and corporate lending, and stronger results in global rates and foreign exchange. Our results included DVA gains on structured note liabilities of CHF 266 million in 3Q11, compared to DVA losses of CHF 54 million in 3Q10, and fair value losses on Credit Suisse vanilla debt of CHF 42 million, compared to fair value losses of CHF 51 million in 3Q10. Revenues included a loss of CHF 83 million related to changes in OIS interest rate yield curves used to determine the fair value of certain collateralized derivatives.

QoQ: Up 28% from CHF 595 million to CHF 762 million

The increase was primarily driven by improved revenues in our global rates business, reflecting increased client flows resulting from higher market volatility. We also had net valuation gains on exit securitized products positions and corporate lending and stronger results in foreign exchange. Results in securitized products improved slightly from a weak 2Q11, as hedge gains were mostly offset by valuation reductions in CMBS and RMBS, reflecting the steep decline in cash and synthetic mortgage bond prices. These results were partly offset by the losses in our credit business. Our results included DVA gains of CHF 266 million compared to DVA gains of CHF 34 million in 2Q11, and fair value losses on Credit Suisse vanilla debt of CHF 42 million, compared to fair values losses of CHF 43 million in 2Q11.

Equity sales and trading

YoY: Up 9% from CHF 1,080 million to CHF 1,182 million

The increase was primarily driven by DVA gains on structured note liabilities of CHF 272 million, compared to DVA losses of CHF 118 million in 3Q10. These gains were mostly offset by lower revenues in cash equities, reflecting the impact of market volatility and the decline in equity prices on our client inventory despite increased client activity, and lower revenues in convertibles, derivatives and prime services. In US dollars, prime services revenues were higher. Our results included fair value losses on Credit Suisse vanilla debt of CHF 5 million, compared to fair value losses of CHF 6 million in 3Q10.

QoQ: Down 7% from CHF 1,269 million to CHF 1,182 million

The decrease was due to lower revenues in derivatives, cash equities and equities arbitrage trading, reflecting increased market volatility. We also had lower results in fund-linked products and in prime services, despite an increase in market share, due to a small decline in client balances given negative market movements. These results were mostly offset by the significant DVA gains on structured note liabilities. Our results included DVA gains of CHF 272 million, compared to DVA gains of CHF 29 million in 2Q11, and fair value losses on Credit Suisse vanilla debt of CHF 5 million, compared to fair value losses of CHF 5 million in 2Q11.

Provision for credit losses

YoY: From CHF (18) million to CHF 59 million

The change reflected higher provisions, mainly against a guarantee provided in a prior year to a third-party bank.

QoQ: From CHF 15 million to CHF 59 million

The change reflected the higher provisions and higher releases and recoveries.

Operating expenses

Compensation and benefits

YoY: Down 23% from CHF 1,872 million to CHF 1,449 million

The decrease primarily reflected the foreign exchange translation impact. In US dollars, compensation and benefits decreased 6%, reflecting lower deferred compensation expense from prior-year share and other awards.

QoQ: Stable at CHF 1,449 million

Compensation and benefits reflected an increase in discretionary performance-related compensation accruals offset by lower deferred compensation expense from prior-year share and other awards, social security taxes on share award deliveries and salaries.

General and administrative expenses

YoY: Up 2% from CHF 877 million to CHF 896 million

General and administrative expenses reflected the foreign exchange translation impact. In US dollars, expenses increased 23%, driven by an accrual for the UK bank levy of CHF 90 million, which was enacted in 3Q11, and an increase in IT investment costs, partly offset by lower consulting and professional fees.

QoQ: Up 8% from CHF 830 million to CHF 896 million

The increase was primarily driven by the UK bank levy accrual, partly offset by decreases in consulting and professional fees.

Personnel

Headcount at the end of 3Q11 was 21,500, up 200 from 2Q11, reflecting the seasonal graduate recruitment in investment banking, fixed income and equities and an increase driven by higher regulatory requirements. This increase was partly offset by headcount reductions in Investment Banking and related support functions as part of cost efficiency initiatives.

Asset Management

In 3Q11, we reported income before taxes of CHF 92 million and net revenues of CHF 471 million. Fee-based revenues of CHF 489 million improved compared with 2Q11 and 3Q10, reflecting higher carried interest on realized private equity gains and placement fees. We had investment-related losses of CHF 17 million and net new assets of CHF 0.2 billion, reflecting the difficult market environment.

Results

			in / end of		% change		in / end of	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Statements of operations (CHF million)								
Net revenues	**471**	**629**	**582**	(25)	(19)	**1,691**	**1,715**	(1)
Provision for credit losses	**0**	**0**	**0**	–	–	**0**	**0**	–
Compensation and benefits	219	249	261	(12)	(16)	728	832	(13)
General and administrative expenses	128	144	150	(11)	(15)	397	436	(9)
Commission expenses	32	34	36	(6)	(11)	100	124	(19)
Total other operating expenses	160	178	186	(10)	(14)	497	560	(11)
Total operating expenses	**379**	**427**	**447**	(11)	(15)	**1,225**	**1,392**	(12)
Income before taxes	**92**	**202**	**135**	(54)	(32)	**466**	**323**	44
Statement of operations metrics (%)								
Cost/income ratio	80.5	67.9	76.8	–	–	72.4	81.2	–
Pre-tax income margin	19.5	32.1	23.2	–	–	27.6	18.8	–
Utilized economic capital and return								
Average utilized economic capital (CHF million)	3,371	3,324	3,732	1	(10)	3,371	3,587	(6)
Pre-tax return on average utilized economic capital (%) [1]	12.0	25.3	15.4	–	–	19.4	13.0	–
Number of employees (full-time equivalents)								
Number of employees	2,800	2,800	2,900	0	(3)	2,800	2,900	(3)

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

Results (continued)

	in			% change		in		% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Net revenue detail by type (CHF million)								
Asset management fees	**311**	313	343	(1)	(9)	**951**	1,059	(10)
Placement, transaction and other fees	**64**	60	38	7	68	**174**	124	40
Performance fees and carried interest	**86**	60	40	43	115	**180**	59	205
Equity participations income	**28**	36	18	(22)	56	**96**	59	63
Fee-based revenues	**489**	469	439	4	11	**1,401**	1,301	8
Investment-related gains/(losses)	**(17)**	156	160	–	–	**299**	331	(10)
Equity participations gains/(losses)	**15**	0	(21)	–	–	**15**	(48)	–
Other revenues [1]	**(16)**	4	4	–	–	**(24)**	131 [2]	–
Net revenues	**471**	**629**	**582**	(25)	(19)	**1,691**	**1,715**	(1)
Net revenue detail by investment strategies (CHF million)								
Alternative investments	**348**	309	296	13	18	**933**	807	16
Traditional investments	**124**	131	135	(5)	(8)	**384**	392	(2)
Diversified investments [3]	**22**	39	1	(44)	–	**102**	52	96
Other	**(6)**	(6)	(10)	0	(40)	**(27)**	133 [2]	–
Net revenues before investment-related gains/(losses)	**488**	**473**	**422**	3	16	**1,392**	**1,384**	1
Investment-related gains/(losses)	**(17)**	156	160	–	–	**299**	331	(10)
Net revenues	**471**	**629**	**582**	(25)	(19)	**1,691**	**1,715**	(1)
Fee-based margin on assets under management (annualized) (bp)								
Fee-based margin [4]	**48**	44	42	–	–	**44**	41	–

[1] Includes allocated funding costs. [2] Includes realized and unrealized gains on securities purchased from our money market funds. [3] Includes revenues relating to management of the PAF and income from our equity investment in Aberdeen. [4] Fee-based revenues divided by average assets under management.

Results overview

In 3Q11, income before taxes was CHF 92 million, down CHF 43 million compared to 3Q10 and CHF 110 million compared to 2Q11. Net revenues of CHF 471 million were down 19% from 3Q10 and 25% from 2Q11. Net revenues before investment-related gains/(losses) were CHF 488 million, up 16% compared to 3Q10, and up 3% compared with 2Q11, reflecting improved results in alternative investments.

Fee-based revenues increased 11% compared to 3Q10. Asset management fees of CHF 311 million were down 9%, reflecting the foreign exchange translation impact and the spin-off and sale of non-core businesses in 3Q10, partially offset by higher fees from index strategies and emerging markets strategies. Average assets under management decreased 3.2% compared to 3Q10, reflecting adverse foreign exchange-related movements and negative market performance. Placement, transaction and other fees were 68% higher, primarily reflecting higher private equity placement fees and a loss in 3Q10 on an investment held by AMF. Performance fees and carried interest were up 115%, benefiting from higher carried interest on realized private equity gains, primarily from the sale of a portfolio company in the healthcare sector. Equity participations income increased 56%, reflecting higher income from our investments in single manager hedge funds and diversified strategies.

Investment-related losses were CHF 17 million compared to gains of CHF 160 million in 3Q10. 3Q11 included unrealized losses in private equity investments in the technology, energy and industrial sectors, and included losses in public company investments, partially offset by the realized gains in the healthcare sector.

Equity participations gains were CHF 15 million, reflecting a partial sale of our ownership interest in Aberdeen.

Total operating expenses of CHF 379 million were down 15% compared to 3Q10. Compensation and benefits decreased 16%, primarily due to the foreign exchange translation impact and the accelerated deferred compensation expense in 3Q10 relating to the spin-off of businesses. General and administrative expenses were down 15%, reflecting the foreign exchange translation impact, lower professional fees and the sale and spin-off of non-core businesses.

Results in 3Q11 were impacted by the weakening of the average rate of the US dollar and euro against the Swiss franc compared to 3Q10, which adversely affected revenues and favorably impacted expenses and losses. Compared to 3Q10, the adverse impact on net revenues and income before taxes was CHF 56 million and CHF 14 million.

Compared to 2Q11, income before taxes was down 54%. Net revenues were down 25%, primarily reflecting a CHF 173 million decrease in investment-related gains. Fee-based revenues increased 4%, with higher carried interest on realized private equity gains partially offset by lower performance fees, reflecting semi-annual performance fees in 2Q11. Net revenues before investment-related gains/(losses) increased 3%. Total operating expenses were down 11%, reflecting lower compensation and benefits and general and administrative expenses. Average assets under management decreased 4.7%.

Assets under management were CHF 410 billion, down 3% compared to 2Q11, primarily reflecting negative market performance, offset in part by favorable foreign exchange-related movements. Net new assets of CHF 0.2 billion included CHF 4.2 billion in alternative investments, with inflows in private equity, real estate and commodities and hedge funds and net outflows of CHF 4.2 billion in traditional investments, mainly in Swiss advisory and multi-asset class solutions, reflecting challenging markets. Compared to 3Q10, assets under management were down 3%, with negative foreign exchange-related movements and adverse market performance partially offset by net new assets.

In light of increasing regulatory and capital requirements and continued challenging market and economic conditions, we are evolving our strategy. For further information, refer to *I – Credit Suisse results – Core Results – Evolution of our strategy*.

Performance indicators

Pre-tax income margin (KPI)

We target a pre-tax income margin over market cycles of above 35%. The pre-tax income margin was 19.5% in 3Q11, compared to 23.2% in 3Q10 and 32.1% in 2Q11.

Net new asset growth rate (KPI)

We target a net new asset growth rate of above 6%. The annualized quarterly growth rate was 0.2% in 3Q11, compared to 3.4% in 3Q10 and 3.7% in 2Q11. In 3Q11, the rolling four-quarter average growth rate was 3.1%, compared to 4.7% in 3Q10 and 3.9% in 2Q11.

Fee-based margin

The fee-based margin, which is asset management fees, placement, transaction and other fees, performance fees and carried interest and equity participations income divided by average assets under management, was 48 basis points in 3Q11, compared to 42 basis points in 3Q10 and 44 basis points in 2Q11.

Initiatives and achievements

- We raised CHF 1.2 billion on the first closing of a secondary private equity fund.
- We obtained a license to provide portfolio management services to our clients in Hong Kong, broadening our global multi-asset class solutions business.

Results detail

The following provides a comparison of our 3Q11 results versus 3Q10 (YoY) and versus 2Q11 (QoQ).

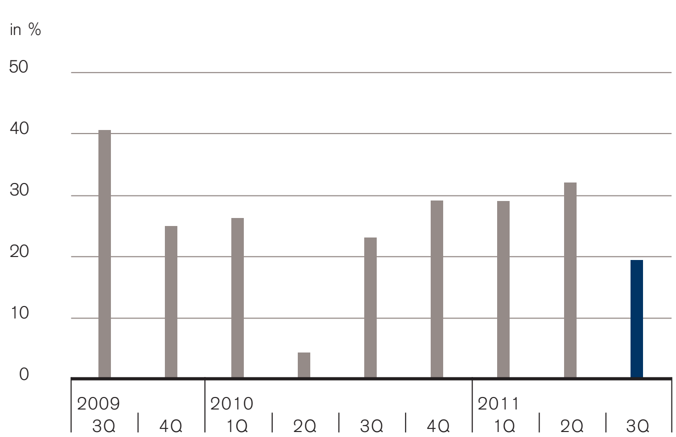
Net revenues

Asset management fees

YoY: Down 9% from CHF 343 million to CHF 311 million

The decrease resulted mainly from lower fees in alternative investments and traditional investments. The decline in alternative investments fees primarily reflected the foreign exchange translation impact and the spin-off of our real estate private equity fund and our credit hedge fund at the end of 3Q10, partially offset by higher fees from index strategies and emerging markets strategies. Lower fees in traditional investments reflected the decrease in average assets under management, resulting in lower multi-asset class solutions fees and fixed income fees. Diversified investments fees decreased mainly due to lower fees from fund administration services.

Pre-tax income margin



QoQ: Down 1% from CHF 313 million to CHF 311 million
The decrease was primarily due to lower fees from traditional investments, reflecting the decrease in average assets under management. Fees from alternative investments increased in private equity, single manager hedge funds and emerging markets strategies.

Placement, transaction and other fees

YoY: Up 68% from CHF 38 million to CHF 64 million
The increase primarily reflected higher private equity placement fees and improved fees in diversified investments. Diversified investments results included a loss in 3Q10 on an investment held by AMF.

QoQ: Up 7% from CHF 60 million to CHF 64 million
The increase reflected higher private equity placement and real estate transaction fees in alternative investments, partially offset by lower revenues from integrated solutions in diversified investments.

Performance fees and carried interest

YoY: Up 115% from CHF 40 million to CHF 86 million
The increase was mainly due to significantly higher carried interest from realized private equity gains in alternative investments, including the sale of a portfolio company in the healthcare sector, partially offset by a claw-back of performance fees in diversified investments relating to management of the PAF, reflecting difficult market conditions.

QoQ: Up 43% from CHF 60 million to CHF 86 million
The increase was mainly due to significantly higher carried interest from realized private equity gains in alternative investments, partially offset by lower performance fees, reflecting semi-annual performance fees in 2Q11, mainly from Hedging-Griffo, and the PAF claw-back.

Equity participations income

YoY: Up 56% from CHF 18 million to CHF 28 million
The increase was due to higher income in single manager hedge fund participations and diversified strategies.

QoQ: Down 22% from CHF 36 million to CHF 28 million
The decrease was mainly due to lower income in emerging markets participations and diversified strategies.

Investment-related gains/(losses)

YoY: Down from CHF 160 million to CHF (17) million
In 3Q11, we had unrealized losses in private equity in the technology, energy and industrial sectors, partially offset by the realized gains in the healthcare sector. In 3Q10, we had realized and unrealized gains in private equity investments, mainly in the energy, technology and pharmaceutical sectors, and in credit-related investments.

QoQ: Down from CHF 156 million to CHF (17) million
In 3Q11, we had unrealized losses in private equity in the technology, energy and industrial sectors, partially offset by the realized gains in the healthcare sector. In 2Q11, we had realized and unrealized gains in private equity investments, mainly in the healthcare, energy, retail and commodity sectors, partially offset by unrealized losses in the technology sector.

Equity participations gains/(losses)

YoY: Up from CHF (21) million to CHF 15 million
The realized gains reflected the partial sale of our ownership interest in Aberdeen, reducing our interest in Aberdeen to 19.8% from 21.0%. The losses in 3Q10 reflected a reduction of our ownership interest in Aberdeen due to an issuance of shares by Aberdeen.

QoQ: Up from zero to CHF 15 million
The increase reflected realized gains from the partial sale of our ownership interest in Aberdeen.

Operating expenses

Compensation and benefits

YoY: Down 16% from CHF 261 million to CHF 219 million
The decrease was mainly due to the favorable foreign exchange translation impact. Excluding the foreign exchange translation impact, compensation and benefits decreased due to lower deferred compensation from prior-year awards, including the impact of the accelerated deferred compensation expense in 3Q10 relating to the spin-off of businesses, partially offset by higher discretionary performance-based compensation accruals.

QoQ: Down 12% from CHF 249 million to CHF 219 million
The decrease was due to lower discretionary performance-related compensation accruals and lower deferred compensation from prior-year awards, partially offset by higher severance expense.

General and administrative expenses

YoY: Down 15% from CHF 150 million to CHF 128 million
The decrease primarily reflected the favorable foreign exchange translation impact and lower professional fees.

QoQ: Down 11% from CHF 144 million to CHF 128 million
The decrease mainly reflected lower professional fees.

Personnel

Headcount at the end of 3Q11 was 2,800, unchanged from 2Q11 and down 100 from 3Q10, reflecting headcount reductions in Asset Management and related support functions as part of cost efficiency initiatives, partially offset by increases driven by regulatory requirements.

Assets under management – Asset Management

			in / end of		% change		in / end of	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Assets under management (CHF billion)								
Alternative investments	188.2	190.5	189.0	(1.2)	(0.4)	188.2	189.0	(0.4)
of which hedge funds	25.6	25.5	23.3	0.4	9.9	25.6	23.3	9.9
of which private equity	27.2	28.5	32.4	(4.6)	(16.0)	27.2	32.4	(16.0)
of which real estate & commodities	46.6	45.5	41.3	2.4	12.8	46.6	41.3	12.8
of which credit	17.7	17.6	17.8	0.6	(0.6)	17.7	17.8	(0.6)
of which ETF	14.4	15.2	13.0	(5.3)	10.8	14.4	13.0	10.8
of which index strategies	50.7	53.0	54.1	(4.3)	(6.3)	50.7	54.1	(6.3)
of which other	6.0	5.2	7.1	15.4	(15.5)	6.0	7.1	(15.5)
Traditional investments	220.5	230.2	233.3	(4.2)	(5.5)	220.5	233.3	(5.5)
of which multi-asset class solutions	110.6	117.2	119.2	(5.6)	(7.2)	110.6	119.2	(7.2)
of which fixed income & equities	43.8	47.5	47.0	(7.8)	(6.8)	43.8	47.0	(6.8)
of which Swiss advisory	66.1	65.5	67.1	0.9	(1.5)	66.1	67.1	(1.5)
Diversified investments	1.0	1.0	0.8	0.0	25.0	1.0	0.8	25.0
Assets under management [1]	**409.7**	**421.7**	**423.1**	(2.8)	(3.2)	**409.7**	**423.1**	(3.2)
Average assets under management (CHF billion)								
Average assets under management	408.4	428.5	421.9	(4.7)	(3.2)	423.0	427.3	(1.0)
Assets under management by currency (CHF billion)								
USD	95.9	97.4	96.4	(1.5)	(0.5)	95.9	96.4	(0.5)
EUR	56.0	59.9	62.3	(6.5)	(10.1)	56.0	62.3	(10.1)
CHF	236.4	242.2	243.7	(2.4)	(3.0)	236.4	243.7	(3.0)
Other	21.4	22.2	20.7	(3.6)	3.4	21.4	20.7	3.4
Assets under management	**409.7**	**421.7**	**423.1**	(2.8)	(3.2)	**409.7**	**423.1**	(3.2)
Growth in assets under management (CHF billion)								
Net new assets [2]	0.2	4.0	3.6	–	–	8.7	16.1	–
Other effects	(12.2)	(18.1)	(3.5)	–	–	(24.8)	(9.0)	–
of which market movements	(14.1)	(4.7)	8.3	–	–	(12.5)	5.4	–
of which currency	6.8	(13.4)	(10.2)	–	–	(7.0)	(14.0)	–
of which other	(4.9) [3]	0.0	(1.6)	–	–	(5.3) [3]	(0.4)	–
Growth in assets under management	**(12.0)**	**(14.1)**	**0.1**	–	–	**(16.1)**	**7.1**	–
Growth in assets under management (annualized) (%)								
Net new assets	0.2	3.7	3.4	–	–	2.7	5.2	–
Other effects	(11.6)	(16.6)	(3.3)	–	–	(7.7)	(2.9)	–
Growth in assets under management	**(11.4)**	**(12.9)**	**0.1**	–	–	**(5.0)**	**2.3**	–
Growth in assets under management (rolling four-quarter average) (%)								
Net new assets	3.1	3.9	4.7	–	–	–	–	–
Other effects	(6.3)	(4.2)	(5.8)	–	–	–	–	–
Growth in assets under management (rolling four-quarter average)	**(3.2)**	**(0.3)**	**(1.1)**	–	–	–	–	–
Principal investments (CHF billion)								
Principal investments [4]	3.2	3.1	3.6	3.2	(11.1)	3.2	3.6	(11.1)

[1] Excludes our portion of assets under management from our equity participation 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] Includes an adjustment to present private equity assets under management at cost for invested assets and unfunded commitments only where a fee is earned. Prior periods have not been restated. [4] Primarily private equity investments.

III

Overview of results and assets under management

Results

in / end of period	Private Banking 3Q11	2Q11	3Q10	Investment Banking 3Q11	2Q11	3Q10	Asset Management 3Q11	2Q11	3Q10
Statements of operations (CHF million)									
Net revenues	**2,610**	**2,797**	**2,826**	**2,494**	**2,822**	**3,421**	**471**	**629**	**582**
Provision for credit losses	**25**	**(2)**	**(8)**	**59**	**15**	**(18)**	**0**	**0**	**0**
Compensation and benefits	1,115	1,135	1,139	1,449	1,446	1,872	219	249	261
General and administrative expenses	1,134	664	715	896	830	877	128	144	150
Commission expenses	153	157	144	280	300	295	32	34	36
Total other operating expenses	1,287	821	859	1,176	1,130	1,172	160	178	186
Total operating expenses	**2,402**	**1,956**	**1,998**	**2,625**	**2,576**	**3,044**	**379**	**427**	**447**
Income/(loss) from continuing operations before taxes	**183**	**843**	**836**	**(190)**	**231**	**395**	**92**	**202**	**135**
Income tax expense	–	–	–	–	–	–	–	–	–
Income/(loss) from continuing operations	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Net income/(loss)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Net income/(loss) attributable to noncontrolling interests	–	–	–	–	–	–	–	–	–
Net income attributable to shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Statement of operations metrics (%)									
Cost/income ratio	92.0	69.9	70.7	105.3	91.3	89.0	80.5	67.9	76.8
Pre-tax income margin	7.0	30.1	29.6	(7.6)	8.2	11.5	19.5	32.1	23.2
Effective tax rate	–	–	–	–	–	–	–	–	–
Income margin from continuing operations	–	–	–	–	–	–	–	–	–
Net income margin	–	–	–	–	–	–	–	–	–
Utilized economic capital and return									
Average utilized economic capital (CHF million)	6,959	6,894	6,974	19,698	19,967	21,416	3,371	3,324	3,732
Pre-tax return on average utilized economic capital (%) [3]	11.0	49.3	48.4	(3.3)	5.1	8.0	12.0	25.3	15.4
Balance sheet statistics (CHF million)									
Total assets	350,759	335,098	351,731	817,957	741,067	838,484	28,097	27,813	27,233
Net loans	192,177	186,691	183,015	34,256	33,333	39,639	–	–	–
Goodwill	733	724	765	6,191	5,836	6,558	1,437	1,348	1,551
Number of employees (full-time equivalents)									
Number of employees	25,500	25,700	25,500	21,500	21,300	21,200	2,800	2,800	2,900

[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] Under the central treasury model, Group financing results in intra-Group balances between the segments. The elimination of these assets and liabilities occurs in the Corporate Center.

Corporate Center			Core Results [1]			Noncontrolling Interests without SEI			Credit Suisse		
3Q11	2Q11	3Q10	**3Q11**	2Q11	3Q10	**3Q11**	2Q11	3Q10	**3Q11**	2Q11	3Q10
1,242	**78**	**(545)**	**6,817**	**6,326**	**6,284**	**(128)**	**566**	**282**	**6,689**	**6,892**	**6,566**
0	**0**	**0**	**84**	**13**	**(26)**	**0**	**0**	**0**	**84**	**13**	**(26)**
227	263	55	3,010	3,093	3,327	57	3	28	3,067	3,096	3,355
44	5	4	2,202	1,643	1,746	7	9	6	2,209	1,652	1,752
20	0	9	485	491	484	0	0	0	485	491	484
64	5	13	2,687	2,134	2,230	7	9	6	2,694	2,143	2,236
291	**268**	**68**	**5,697**	**5,227**	**5,557**	**64**	**12**	**34**	**5,761**	**5,239**	**5,591**
951	**(190)**	**(613)**	**1,036**	**1,086**	**753**	**(192)**	**554**	**248**	**844**	**1,640**	**1,001**
–	–	–	332	271	117	0	0	0	332	271	117
–	**–**	**–**	**704**	**815**	**636**	**(192)**	**554**	**248**	**512**	**1,369**	**884**
–	**–**	**–**	**704**	**815**	**636**	**(192)**	**554**	**248**	**512**	**1,369**	**884**
–	–	–	21	47	27	(192)	554	248	(171)	601	275
–	**–**	**–**	**683**	**768**	**609**	**–**	**–**	**–**	**683**	**768**	**609**
–	–	–	83.6	82.6	88.4	–	–	–	86.1	76.0	85.2
–	–	–	15.2	17.2	12.0	–	–	–	12.6	23.8	15.2
–	–	–	32.0	25.0	15.5	–	–	–	39.3	16.5	11.7
–	–	–	10.3	12.9	10.1	–	–	–	7.7	19.9	13.5
–	–	–	10.0	12.1	9.7	–	–	–	10.2	11.1	9.3
1,119 [2]	704 [2]	982 [2]	31,137	30,874	33,086	–	–	–	31,137	30,874	33,086
–	–	–	13.9	14.6	9.7	–	–	–	10.3	21.8	12.7
(141,541) [4]	(133,347) [4]	(157,877) [4]	1,055,272	970,631	1,059,571	6,249	6,292	7,817	1,061,521	976,923	1,067,388
14	6	6	226,447	220,030	222,660	–	–	–	226,447	220,030	222,660
–	–	–	8,361	7,908	8,874	–	–	–	8,361	7,908	8,874
900	900	900	50,700	50,700	50,500	–	–	–	50,700	50,700	50,500

Assets under management

We had strong net new assets of CHF 7.1 billion and assets under management of CHF 1,196.8 billion as of the end of 3Q11.

Assets under management

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

Discretionary assets are assets for which the customer fully transfers the discretionary power to a Credit Suisse entity with a management mandate. Discretionary assets are reported in the segment in which the advice is provided as well as in the segment in which the investment decisions take place. Assets managed by Asset Management for Private Banking clients are reported in both segments and eliminated at Group 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 and client assets

				end of			% change
	3Q11	2Q11	4Q10	3Q10	QoQ	Ytd	YoY
Assets under management (CHF billion)							
Private Banking	891.4	919.1	932.9	935.1	(3.0)	(4.4)	(4.7)
Asset Management	409.7	421.7	425.8	423.1	(2.8)	(3.8)	(3.2)
Assets managed by Asset Management for Private Banking clients	(104.3)	(107.5)	(105.7)	(107.0)	(3.0)	(1.3)	(2.5)
Assets under management	**1,196.8**	**1,233.3**	**1,253.0**	**1,251.2**	(3.0)	(4.5)	(4.3)
of which discretionary assets	412.2	427.2	429.1	430.7	(3.5)	(3.9)	(4.3)
of which advisory assets	784.6	806.1	823.9	820.5	(2.7)	(4.8)	(4.4)
Client assets (CHF billion)							
Private Banking	1,037.5	1,071.2	1,087.1	1,095.1	(3.1)	(4.6)	(5.3)
Asset Management	436.7	448.2	452.5	450.5	(2.6)	(3.5)	(3.1)
Assets managed by Asset Management for Private Banking clients	(104.3)	(107.5)	(105.7)	(107.0)	(3.0)	(1.3)	(2.5)
Client assets	**1,369.9**	**1,411.9**	**1,433.9**	**1,438.6**	(3.0)	(4.5)	(4.8)

Growth in assets under management

in	3Q11	2Q11	3Q10	9M11	9M10
Growth in assets under management (CHF billion)					
Private Banking	7.4	11.5	12.6	36.9	45.0
Asset Management [1]	0.2	4.0	3.6	8.7	16.1
Assets managed by Asset Management for Private Banking clients	(0.5)	(1.2)	(1.6)	(5.1)	(6.0)
Net new assets	**7.1**	**14.3**	**14.6**	**40.5**	**55.1**
Private Banking	(35.1)	(50.3)	(3.1)	(78.4)	(24.8)
Asset Management	(12.2) [2]	(18.1)	(3.5)	(24.8) [2]	(9.0)
Assets managed by Asset Management for Private Banking clients	3.7	5.0	0.6	6.5	0.9
Other effects	**(43.6)**	**(63.4)**	**(6.0)**	**(96.7)**	**(32.9)**
Private Banking	(27.7)	(38.8)	9.5	(41.5)	20.2
Asset Management	(12.0)	(14.1)	0.1	(16.1)	7.1
Assets managed by Asset Management for Private Banking clients	3.2	3.8	(1.0)	1.4	(5.1)
Total growth in assets under management	**(36.5)**	**(49.1)**	**8.6**	**(56.2)**	**22.2**
Growth in assets under management (annualized) (%)					
Private Banking	3.2	4.8	5.4	5.3	6.6
Asset Management	0.2	3.7	3.4	2.7	5.2
Assets managed by Asset Management for Private Banking clients	1.9	4.3	6.0	6.4	7.9
Net new assets	**2.3**	**4.5**	**4.7**	**4.3**	**6.0**
Private Banking	(15.3)	(21.0)	(1.3)	(11.2)	(3.6)
Asset Management	(11.6)	(16.6)	(3.3)	(7.7)	(2.9)
Assets managed by Asset Management for Private Banking clients	(13.8)	(18.0)	(2.3)	(8.2)	(1.2)
Other effects	**(14.1)**	**(19.8)**	**(1.9)**	**(10.3)**	**(3.6)**
Private Banking	(12.1)	(16.2)	4.1	(5.9)	3.0
Asset Management	(11.4)	(12.9)	0.1	(5.0)	2.3
Assets managed by Asset Management for Private Banking clients	(11.9)	(13.7)	3.7	(1.8)	6.7
Total growth in assets under management	**(11.8)**	**(15.3)**	**2.8**	**(6.0)**	**2.4**

[1] Includes outflows for private equity assets reflecting realizations at cost and unfunded commitments on which a fee is no longer earned. [2] Includes an adjustment to present private equity assets under management at cost for invested assets and unfunded commitments only where a fee is earned. Prior periods have not been restated.

As of the end of 3Q11, assets under management were CHF 1,196.8 billion, down CHF 36.5 billion, or 3.0%, compared to the end of 2Q11, mainly reflecting adverse market performance, partly offset by positive foreign exchange-related movements and net new assets of CHF 7.1 billion. Compared to the end of 3Q10, assets under management were down CHF 54.4 billion, or 4.3%. Adverse foreign exchange-related movements and adverse market performance were partly offset by net new assets in both Private Banking and Asset Management.

In Private Banking, assets under management were CHF 891.4 billion, down CHF 27.7 billion, or 3.0%, compared to the end of 2Q11, and down CHF 43.7 billion, or 4.7%, compared to the end of 3Q10. In Asset Management, assets under management were CHF 409.7 billion, down CHF 12.0 billion, or 2.8%, compared to the end of 2Q11, and down CHF 13.4 billion, or 3.2%, compared to the end of 3Q10.

For further information, refer to *II – Results by division – Private Banking and – Asset Management and Note 36 – Assets under management in V – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2010*.

Growth in net new assets (rolling four-quarter average)

in	3Q11	2Q11	3Q10
Growth in net new assets (rolling four-quarter average) (%)			
Private Banking	5.0	5.6	5.7
Asset Management	3.1	3.9	4.7
Assets managed by Asset Management for Private Banking clients	5.0	6.0	3.8
Growth in net new assets	**4.3**	**5.0**	**5.5**

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. 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 recorded net new assets of CHF 7.4 billion in 3Q11, including CHF 6.6 billion from Wealth Management Clients, with broad inflows in international businesses. Asset Management recorded net new assets of CHF 0.2 billion, with inflows in alternative investments and outflows in traditional investments.

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.

IV

Treasury, risk, balance sheet and off-balance sheet

Treasury management

We continued to conservatively manage our liquidity and funding position, and our capital position remained strong with a BIS tier 1 ratio of 17.7% as of the end of 3Q11.

Liquidity and funding management

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. For further information on the liquidity principles agreed with FINMA, the liquidity and capital standards under the Basel III framework, the revisions to the Basel II market risk framework (Basel II.5) and the "Too Big to Fail" legislation recently approved by the Swiss Parliament, refer to *Regulatory capital developments and proposals and III – Treasury, Risk, Balance sheet and Off-balance sheet – Treasury management in the Credit Suisse Annual Report 2010*.

Liquidity risk management

Our internal liquidity risk management framework has been subject to review and monitoring by regulators and rating agencies for many years. 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 due to a conservative asset/liability management strategy aimed at maintaining a funding structure with long-term wholesale and stable deposit funding and cash well in excess of illiquid assets. To address short-term liquidity stress, we maintain a buffer of cash and highly liquid securities that covers unexpected needs of short-term liquidity. Our liquidity risk parameters reflect various liquidity stress assumptions, which we believe are conservative. We manage our liquidity profile at a sufficient level such that, in the event that we are unable to access unsecured funding, we will have sufficient liquidity to sustain operations for an extended period of time well in excess of our minimum target. In response to regulatory requirements, our unsecured long-term debt and liquid assets reflect amounts greater than required for funding our businesses.

The impact of a one, two or three-notch downgrade in the Bank's long-term debt ratings would result in additional collateral requirements or assumed termination payments under certain derivative instruments of CHF 1.8 billion, CHF 3.9 billion and CHF 4.4 billion, respectively, as of 3Q11, and would not be material to our liquidity and funding planning. As of the end of 3Q11, we were compliant with the requirements related to maintaining a specific credit rating under these derivative instruments.

In 2010, we implemented revised liquidity principles agreed with FINMA, following its consultation with the Swiss National Bank, to ensure that the Group and the Bank have adequate holdings on a consolidated basis of liquid, unencumbered, high-quality securities available in a crisis situation for designated periods of time. The principles aim to ensure we can meet our financial obligations in an extreme scenario for a minimum of 30 days and call for additional reporting to FINMA. The principles may be modified to reflect the final BCBS liquidity requirements.

In December 2010, the BCBS issued the Basel III international framework for liquidity risk measurement, standards and monitoring. The framework includes a liquidity coverage ratio (LCR) and a net stable funding ratio (NSFR). The LCR, which is expected to be introduced January 1, 2015 following an observation period beginning in 2011, addresses liquidity risk over a 30-day period. The NSFR, which is expected to be introduced January 1, 2018 following an observation period beginning 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.

Our liquidity risk management framework and our revised liquidity principles with FINMA are in line with the Basel III liquidity framework. For further information on the liquidity principles agreed with FINMA and the liquidity standards under the Basel III framework, refer to *III – Treasury, Risk, Balance sheet and Off-balance sheet – Treasury management – Liquidity and funding management in the Credit Suisse Annual Report 2010*.

Funding sources and uses

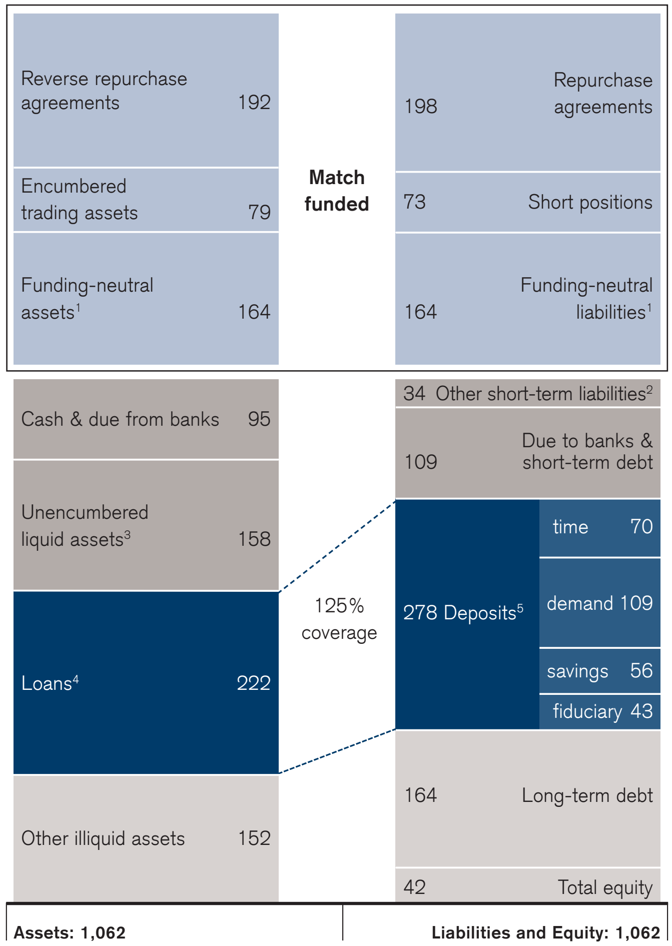
We primarily fund our balance sheet through long-term debt, shareholders' equity and core customer deposits. A substantial portion of our balance sheet is match funded and requires no unsecured funding. Match funded balance sheet items consist of assets and liabilities with close to equal liquidity durations and values so that the liquidity and funding generated or required by the positions are substantially equivalent. Cash and due from banks is 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, which fluctuate and are generally liquid. These liquid assets are available to settle short-term liabilities. These assets include our buffer of CHF 173 billion of cash, securities accepted under central bank facilities and other highly liquid unencumbered securities, which can be monetized in a time frame consistent with our short-term stress assumptions. Our buffer increased 19% compared to 2Q11 primarily due to increased cash and the positive foreign exchange translation impact relating to the strengthening of the US dollar. Loans, which comprise the largest component of our illiquid assets, are funded by our core customer deposits, with excess coverage of 25% as of 3Q11. 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. For further information, refer to the chart "Balance sheet funding structure".

Our core customer deposits totaled CHF 278 billion as of 3Q11, an increase of 6% compared to 2Q11, including the positive foreign exchange translation impact due to the weakening of the Swiss franc against many major currencies. 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 deposits. 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. The percentage of unsecured funding from long-term debt, excluding non-recourse debt associated with the consolidation of variable interest entities (VIEs), was 26% as of the end of 3Q11, compared to 27% in 2Q11.

The weighted average maturity of long-term debt was seven years (including certificates of deposits 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).

Balance sheet funding structure

as of September 30, 2011 (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 issuance includes issues of senior and subordinated debt 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 operations include 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 that could trigger an increase of our cost of financing or accelerate the maturity of the debt, including adverse changes in our credit ratings, cash flows, results of operations or financial ratios.

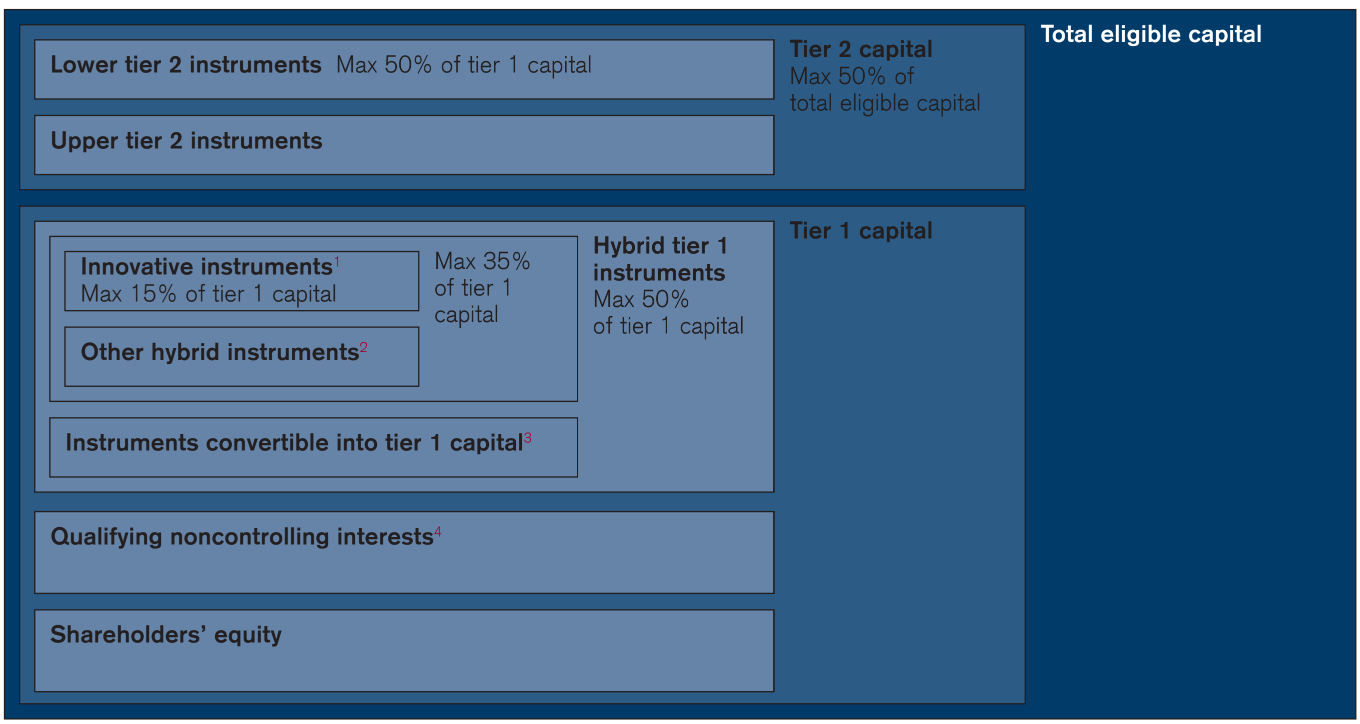
In 3Q11, the Bank issued CHF 302 million of domestic covered bonds with maturities ranging between one and 21 years. Senior debt of CHF 1.9 billion, subordinated debt of CHF 356 million and domestic covered bonds of CHF 454 million matured in 3Q11. For information on capital issuances and redemptions, refer to *Capital management – Capital issuances and redemptions*.

Capital management

Our BIS tier 1 ratio was 17.7% as of the end of 3Q11, compared to 18.2% as of the end of 2Q11, reflecting increased RWAs and stable tier 1 capital. Our core tier 1 ratio decreased to 12.6% as of the end of 3Q11 compared to 13.1% as of the end of 2Q11.

Our capital management framework is intended to ensure that there is sufficient capital to support our underlying risks and to achieve management's regulatory and credit rating objectives. Since January 1, 2008, Credit Suisse has operated under the international capital adequacy standards known as Basel II set forth by the BCBS as implemented by FINMA (Basel II "Swiss finish"). These standards affect the measurement of both RWAs and eligible capital.

Capital structure – Basel II "Swiss finish"



Percentages refer to tier 1 and total eligible capital before capital deductions.

[1] Hybrid instruments in the form of non-cumulative perpetual preferred securities and capital notes that either have a fixed maturity or an incentive to repay, such as a step-up in the coupon if the instrument is not redeemed when callable. [2] Hybrid instruments in the form of non-cumulative perpetual preferred securities and capital notes that have no fixed maturity and no incentive for repayment. [3] Hybrid instruments with a pre-defined mechanism that converts them into tier 1 capital, such as mandatory convertible bonds convertible into common shares. [4] Qualifying noncontrolling interests including common shares in majority owned and consolidated banking and finance subsidiaries and tier 1 capital securities securing deeply subordinated notes issued by special purpose entities.

Under this regulatory capital framework, tier 1 capital consists of shareholders' equity, qualifying noncontrolling interests and hybrid tier 1 capital, and RWAs are determined under Basel II. For further information on this regulatory capital framework and the related BIS tier 1 ratios for the Group and the Bank, refer to *III – Treasury, Risk, Balance sheet and Off-balance sheet – Treasury management – Capital management – Capital structure – Basel II "Swiss finish" in the Credit Suisse Annual Report 2010* and the charts "Capital structure – Basel II "Swiss Finish"" and "Risk-weighted assets and capital ratios".

Beginning in 2011, we implemented the Basel II market risk framework (Basel II.5) for FINMA regulatory capital purposes. The BCBS requires the implementation of Basel II.5 for BIS purposes no later than December 31, 2011. In December 2010, the BCBS issued the Basel III framework, with higher minimum capital requirements and new conservation and countercyclical buffers, requiring more capital in the form of common equity. In September 2011, the Swiss Parliament passed "Too Big to Fail" legislation, including capital requirements based on Basel III but which go beyond its minimum standards and the current "Swiss finish". For more information on the Basel III capital requirements and the capital requirements under the "Too Big to Fail" legislation, refer to *Regulatory capital developments and proposals* and *III – Treasury, Risk, Balance sheet and Off-balance sheet – Treasury management – Regulatory capital developments and proposals in the Credit Suisse Annual Report 2010*.

Within the Basel II.5 framework for FINMA regulatory capital purposes, we implemented new risk measurement models, including an incremental risk charge and stressed VaR. 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 (currently 4Q08 through 3Q09) and helps reduce the pro-cyclicality of the minimum capital requirements for market risk. In 3Q11, there was a decrease of 4% in additional Basel II.5 RWAs due to a decrease in the incremental risk charge, primarily relating to decreases in exposures in emerging markets, global credit products and securitized products, and decreases in specific risk charges on securitized products, mostly offset by foreign exchange translation impacts. For further information on VaR methodology changes, refer to *Risk Management – Market Risk*.

FINMA requirements 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. We had one backtesting exception for capital requirements measured on this basis in 3Q11 and the prior rolling 12-month period. Consequently, the market risk capital multipliers remained at the FINMA and BIS minimum levels.

For further information, refer to *III – Treasury, Risk, Balance sheet and Off-balance sheet – Treasury management in the Credit Suisse Annual Report 2010*.

Leverage ratio

	Group			Bank		
end of	**3Q11**	2Q11	4Q10	**3Q11**	2Q11	4Q10
Tier 1 capital (CHF billion)						
Tier 1 capital	37.1 [1]	37.1	37.7	34.9	33.4	35.3
Adjusted average assets (CHF billion) [2]						
Average assets	981	996	1,065	955	971	1,041
Adjustments:						
Assets from Swiss lending activities [3]	(142)	(140)	(139)	(117)	(115)	(115)
Cash and balances with central banks	(58)	(46)	(40)	(58)	(46)	(39)
Other	(20)	(28)	(28)	(16)	(26)	(27)
Adjusted average assets	**761**	**782**	**858**	**764**	**784**	**860**
Leverage ratio (%)						
Leverage ratio	**4.9** [1]	**4.7**	**4.4**	**4.6**	**4.3**	**4.1**

[1] Under Basel II. Using Basel II.5 tier 1 capital of CHF 35.0 billion and CHF 32.7 billion for the Group and the Bank, the leverage ratios as of the end of 3Q11 were 4.6% and 4.3% respectively. [2] Calculated as the average of the month-end values for the previous three calendar months. [3] Excludes Swiss interbank lending.

Both the Group and the Bank must maintain a minimum leverage ratio of tier 1 capital, for FINMA regulatory capital purposes, to adjusted average assets of 3% at the Group and Bank consolidated level by 2013. The leverage ratios for the Group and Bank as of the end of 3Q11 were 4.9% and 4.6%, respectively, compared to 4.7% and 4.3% as of the end of 2Q11, calculated using Basel II tier 1 capital. Refer to the table “Leverage ratio” for further information. The leverage ratios reflected decreases in adjusted average assets primarily in US dollar Investment Banking assets, including the foreign exchange translation impact.

BIS statistics

	Group				Bank			
end of	**3Q11**	2Q11	4Q10	% change QoQ	**3Q11**	2Q11	4Q10	% change QoQ
Risk-weighted assets (CHF million)								
Credit risk	157,937	147,543	158,735	7	147,758	136,736	147,516	8
Non-counterparty risk	7,575	7,265	7,380	4	7,036	6,725	6,819	5
Market risk	11,076	15,596	18,925	(29)	9,919	14,469	18,008	(31)
Operational risk	33,550	33,337	33,662	1	33,550	33,338	33,663	1
Risk-weighted assets	**210,138**	**203,741**	**218,702**	3	**198,263**	**191,268**	**206,006**	4
Eligible capital (CHF million)								
Total shareholders' equity	33,519	31,216	33,282	7	27,691	25,996	27,783	7
Goodwill and intangible assets	(8,628)	(8,543)	(9,320)	1	(7,487)	(7,403)	(8,166)	1
Qualifying noncontrolling interests	3,435	3,526	3,350	(3)	4,321	4,121	4,373	5
Capital deductions 50% from tier 1 [1]	(1,051)	(947)	(1,088)	11	(1,005)	(889)	(1,037)	13
Other adjustments	(715) [2]	1,460	403	–	775	1,745	1,768	(56)
Core tier 1 capital [1]	**26,560**	**26,712**	**26,627**	(1)	**24,295**	**23,570**	**24,721**	3
Hybrid instruments [3]	10,564	10,364	11,098	2	10,564	9,873	10,589	7
Tier 1 capital	**37,124**	**37,076**	**37,725**	0	**34,859**	**33,443**	**35,310**	4
Upper tier 2	1,799	1,058	1,128	70	1,867	1,592	1,713	17
Lower tier 2	11,578	10,901	10,034	6	12,881	12,305	11,583	5
Capital deductions 50% from tier 2	(1,051)	(947)	(1,088)	11	(1,005)	(889)	(1,037)	13
Tier 2 capital	**12,326**	**11,012**	**10,074**	12	**13,743**	**13,008**	**12,259**	6
Total eligible capital	**49,450**	**48,088**	**47,799**	3	**48,602**	**46,451**	**47,569**	5
Capital ratios (%)								
Core tier 1 ratio [1]	12.6	13.1	12.2	–	12.3	12.3	12.0	–
Tier 1 ratio	17.7	18.2	17.2	–	17.6	17.5	17.1	–
Total capital ratio	23.5	23.6	21.9	–	24.5	24.3	23.1	–

[1] The methodology for calculating the core tier 1 capital and the core tier 1 ratio was revised in January 2011, whereby "Capital deductions 50% from tier 1" was reclassified from tier 1 capital into core tier 1 capital. [2] Includes cumulative fair value adjustments of CHF (2.2) billion on own vanilla debt and structured notes, net of tax, the 9M11 dividend accrual on Group shares of CHF (1.3) billion and an adjustment for the accounting treatment of pension plans of CHF 2.7 billion. [3] Non-cumulative perpetual preferred securities and capital notes. The FINMA has advised that the Group and the Bank may continue to include as tier 1 capital CHF 0.6 billion and CHF 3.1 billion, respectively, in 3Q11 (2Q11: CHF 1.0 billion and CHF 2.8 billion, respectively; 4Q10: CHF 1.1 billion and CHF 3.1 billion, respectively) of equity from special purpose entities that are deconsolidated under US GAAP. Hybrid tier 1 capital represented 27.7% and 29.5% of the Group's and the Bank's adjusted tier 1 capital, respectively, as of the end of 3Q11 (2Q11: 27.3% and 28.8%, respectively; 4Q10: 28.6% and 29.1%, respectively). Under the decree with the FINMA, a maximum of 35% of tier 1 capital can be in the form of these hybrid capital instruments, which will be phased out under Basel III.

Capital issuances and redemptions

In 3Q11, the Bank announced the call of a EUR 400 million of hybrid tier 1 capital instrument to occur on November 7, 2011.

Regulatory capital – Group

The tier 1 ratio was 17.7% compared to 18.2% in 2Q11, reflecting a 3% increase in RWAs and stable tier 1 capital.

Tier 1 capital was CHF 37.1 billion as of the end of 3Q11. The positive foreign exchange translation impact was offset by a dividend accrual in the quarter and net losses (excluding the impact of fair value gains/(losses) on Credit Suisse debt, net of tax) and the announced call of EUR 400 million of a hybrid tier 1 instrument. Refer to the table "Tier 1 capital movement" for further information.

Tier 1 capital movement

in	3Q11	2Q11	4Q10	% change QoQ	% change Ytd
Tier 1 capital (CHF million)					
Balance at beginning of period	**37,076**	**38,514**	**37,928**	(4)	(2)
Net income	683	768	841	(11)	(19)
Adjustments for fair value gains/(losses) reversed for regulatory purposes, net of tax	(1,381)	(64)	456	–	–
Foreign exchange impact on tier 1 capital	1,380	(1,991)	(1,276)	–	–
Other [1]	(634)	(151)	(224)	320	183
Balance at end of period	**37,124**	**37,076**	**37,725**	0	(2)

[1] Reflects the issuance and redemption of tier 1 capital, a dividend accrual, the effect of share-based compensation and the change in regulatory deductions.

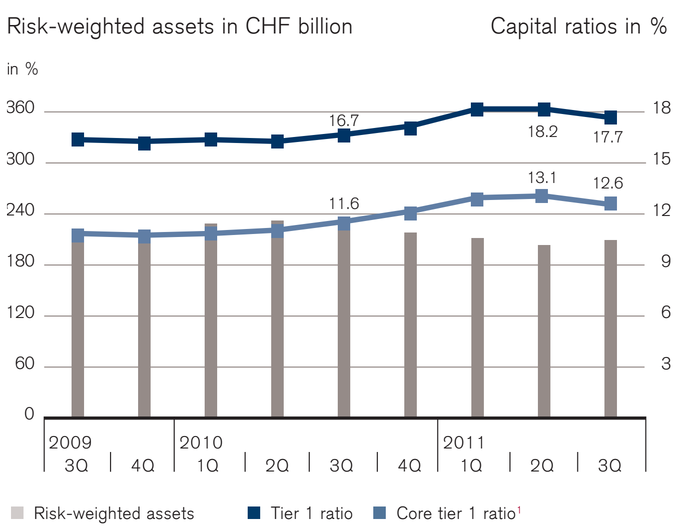
Total eligible capital increased 3% to CHF 49.5 billion from 2Q11. Tier 2 capital increased 12% to CHF 12.3 billion, primarily due to the foreign exchange translation impact, fair value gains and a higher benefit from excess provisions, offset by the regulatory amortization of lower tier 2 instruments.

RWAs increased 3% to CHF 210.1 billion as of the end of 3Q11, primarily reflecting the foreign exchange translation impact. Excluding the foreign exchange translation impact, RWAs decreased slightly with a decrease in market risk, partially offset by an increase in credit risk. Market risk decreased following the implementation of significant VaR methodology changes in 2Q11, partially offset by increased risk from market volatility and widening credit spreads. The 2Q11 VaR methodology changes were implemented in June 2011 and are only reflected in average regulatory VaR from implementation. For further information regarding market risk and the VaR methodology changes in 2Q11, refer to *Risk management – Market risk and IV – Treasury, risk, balance sheet and off-balance sheet – Risk Management – Market risk in the Credit Suisse Financial Report 2Q11*. Credit risk increased equally across both Private Banking and Investment Banking while Asset Management decreased mainly due to the sale of a portfolio company in the healthcare sector. Increases in Investment Banking counterparty credit risk were partially offset by reductions resulting from the update of the corporate lending parameters.

Our total capital ratio decreased to 23.5% as of the end of 3Q11 compared to 23.6% as of the end of 2Q11, reflecting the increase in eligible capital and the increase in RWAs. For further information, refer to the table "BIS statistics".

As of the end of 3Q11, we had CHF 3.4 billion of qualifying noncontrolling interests, of which CHF 3.2 billion were core tier 1 capital securities secured by participation securities issued by the Bank, and CHF 10.6 billion of tier 1 capital hybrid instruments, of which CHF 2.4 billion were innovative instruments. The tier 1 capital hybrid instruments include USD 3.45 billion 11% tier 1 capital notes and CHF 2.5 billion 10% tier 1 capital notes that will be purchased or exchanged for an aggregate of CHF 5.6 billion of tier 1 buffer capital notes no earlier than October 23, 2013, the first call date of the tier 1 capital notes. For further information, refer to *IV – Treasury, risk, balance sheet and off-balance sheet – Treasury management – Capital management – Capital issuances in the Credit Suisse Financial Report 1Q11*.

Risk-weighted assets and capital ratios



[1] Excludes hybrid instruments. Reflects revision of the previously reported method of calculating core tier 1 ratio, which now includes certain capital deductions.

Risk-weighted assets by division

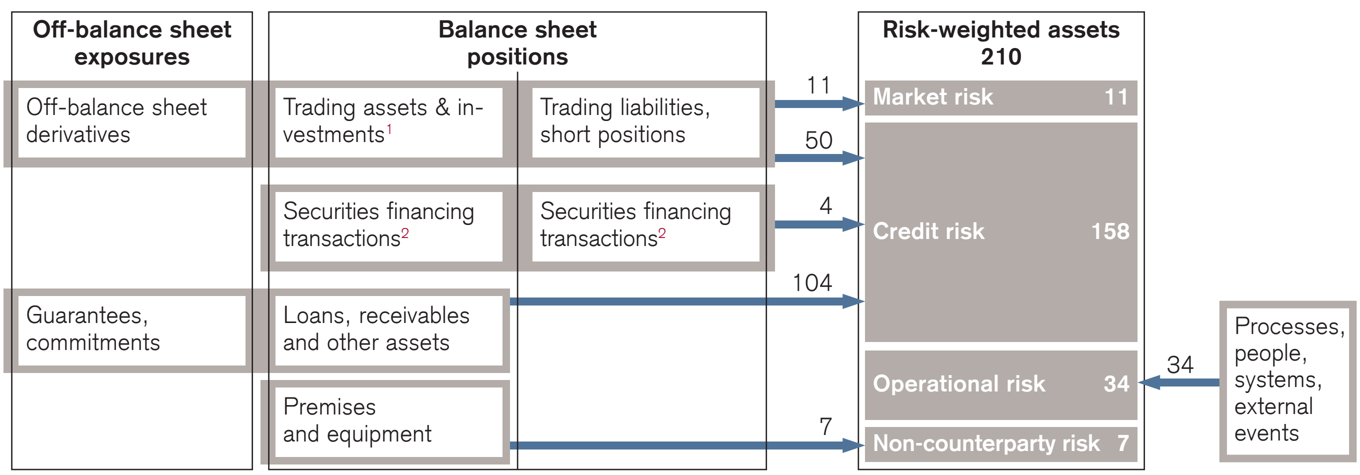
	end of			% change	
	3Q11	2Q11	4Q10	QoQ	Ytd
Risk-weighted assets by division (CHF million)					
Private Banking	67,717	66,195	63,588	2	6
Investment Banking	118,565	114,162	131,233	4	(10)
Asset Management	12,121	12,120	13,544	0	(11)
Corporate Center	11,735	11,264	10,337	4	14
Risk-weighted assets	**210,138**	**203,741**	**218,702**	3	(4)

For management purposes, the Group allocates to the divisions risk-weighted asset equivalents related to regulatory capital and certain intangible asset deductions from Group tier 1 capital.

The "Risk-weighted assets" chart illustrates the main types of balance sheet positions and off-balance sheet exposures that translate into market, credit, operational and non-counter-party-risk RWAs. Market risk RWAs 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 RWAs 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. Operational risk RWAs 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 RWAs primarily reflect the capital requirements for our premises and equipment.

Risk-weighted assets

as of September 30, 2011 (CHF billion)



[1] Includes primarily trading assets, investment securities and other investments. [2] Includes central bank funds sold, securities purchased under resale agreements and central bank funds purchased, securities sold under repurchase agreements and securities lending transactions.

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 RWAs. For further information, refer to *Regulatory capital developments and proposals*.

Capital

				end of			% change
	3Q11	2Q11	4Q10	3Q10	QoQ	Ytd	YoY
Shares outstanding (million)							
Common shares issued	1,203.0	1,202.2	1,186.1	1,186.1	0	1	1
Treasury shares	0.0	(3.1)	(12.2)	(1.8)	100	100	100
Shares outstanding	**1,203.0**	**1,199.1**	**1,173.9**	**1,184.3**	0	2	2
Par value (CHF)							
Par value	**0.04**	**0.04**	**0.04**	**0.04**	0	0	0
Shareholders' equity (CHF million)							
Common shares	48	48	47	47	0	2	2
Additional paid-in capital	21,159	21,107	23,026	22,656	0	(8)	(7)
Retained earnings	27,804	27,121	25,316	24,570	3	10	13
Treasury shares, at cost	0	(111)	(552)	(93)	100	100	100
Accumulated other comprehensive income/(loss)	(15,492)	(16,949)	(14,555)	(13,092)	(9)	6	18
Total shareholders' equity	**33,519**	**31,216**	**33,282**	**34,088**	7	1	(2)
Goodwill	(8,361)	(7,908)	(8,585)	(8,874)	6	(3)	(6)
Other intangible assets	(269)	(281)	(312)	(340)	(4)	(14)	(21)
Tangible shareholders' equity [1]	**24,889**	**23,027**	**24,385**	**24,874**	8	2	0
Book value per share (CHF)							
Total book value per share	**27.86**	**26.03**	**28.35**	**28.78**	7	(2)	(3)
Goodwill per share	(6.95)	(6.59)	(7.31)	(7.49)	5	(5)	(7)
Other intangible assets per share	(0.22)	(0.23)	(0.27)	(0.29)	(4)	(19)	(24)
Tangible book value per share [1]	**20.69**	**19.21**	**20.77**	**21.00**	8	0	(1)

[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.

Shareholders' equity

Our total shareholders' equity increased CHF 2.3 billion to CHF 33.5 billion as of the end of 3Q11 from CHF 31.2 billion as of the end of 2Q11. The increase in total shareholders' equity was primarily due to an increase in other comprehensive income due to the impact of foreign exchange-related movements on cumulative translation adjustments and the net income in 3Q11.

For further information on shareholders' equity, refer to the *Consolidated statements of changes in equity (unaudited) in V – Condensed consolidated financial statements – unaudited*.

Regulatory capital developments and proposals

In December 2010, the BCBS issued the Basel III framework, with higher minimum capital requirements and new conservation and countercyclical buffers, revised risk-based capital measures, a leverage ratio and liquidity standards. The framework is designed to strengthen the resilience of the banking sector. The new capital standards and capital buffers will require banks to hold more capital, mainly in the form of common equity. The new capital standards will be phased in from January 1, 2013 through January 1, 2019. In June 2011, the BCBS agreed to measures for globally systemically important banks (G-SIBs). These measures include the methodology for assessing systemic importance and commensurate additional capital requirements (between 1% and 2.5% common equity tier 1 (CET1)). This progressive capital buffer will be phased in with the capital conservation buffer from the beginning of 2016 through the end of 2018. For more information, refer to the table "Basel III phase-in arrangements". The BCBS agreement was adopted by the Group of Twenty Finance Ministers and Central Bank Governors (G-20) nations in November 2010. Each G-20 nation will now need to implement the rules, and stricter or different requirements may be adopted by any G-20 nation.

Basel III phase-in arrangements

January 1	2013	2014	2015	2016	2017	2018	2019
Basel III phase-in arrangements							
Minimum common equity capital ratio	3.5% [1]	4.0% [1]	4.5%	4.5%	4.5%	4.5%	4.5%
Capital conservation buffer				0.625% [1]	1.25% [1]	1.875% [1]	2.5%
Minimum common equity plus capital conservation buffer	3.5% [1]	4.0% [1]	4.5% [1]	5.125% [1]	5.75% [1]	6.375% [1]	7.0%
Phase-in deductions from common equity tier 1 [2]		20.0% [1]	40.0% [1]	60.0% [1]	80.0% [1]	100.0%	100.0%
Minimum tier 1 capital	4.5% [1]	5.5% [1]	6.0%	6.0%	6.0%	6.0%	6.0%
Minimum total capital	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Minimum total capital plus conservation buffer	8.0%	8.0%	8.0%	8.625% [1]	9.25% [1]	9.875% [1]	10.5%
Capital instruments that no longer qualify as non-core tier 1 capital or tier 2 capital	Phased out over ten-year horizon beginning 2013						

Source: BCBS.
[1] Indicates transition period. [2] Includes amounts exceeding the limit for deferred tax assets and participations in financial institutions.

In September 2011, the Swiss Parliament passed the "Too Big to Fail" legislation relating to big banks. The legislation includes capital and liquidity requirements and rules regarding risk diversification and emergency plans designed to maintain systemically important functions even in the event of threatened insolvency. The legislation on capital requirements builds on Basel III, but goes beyond its minimum standards and the current "Swiss finish", requiring the Group and the Bank to have common equity of at least 10% of RWAs and contingent capital or other qualifying capital of another 9% of RWAs by January 1, 2019.

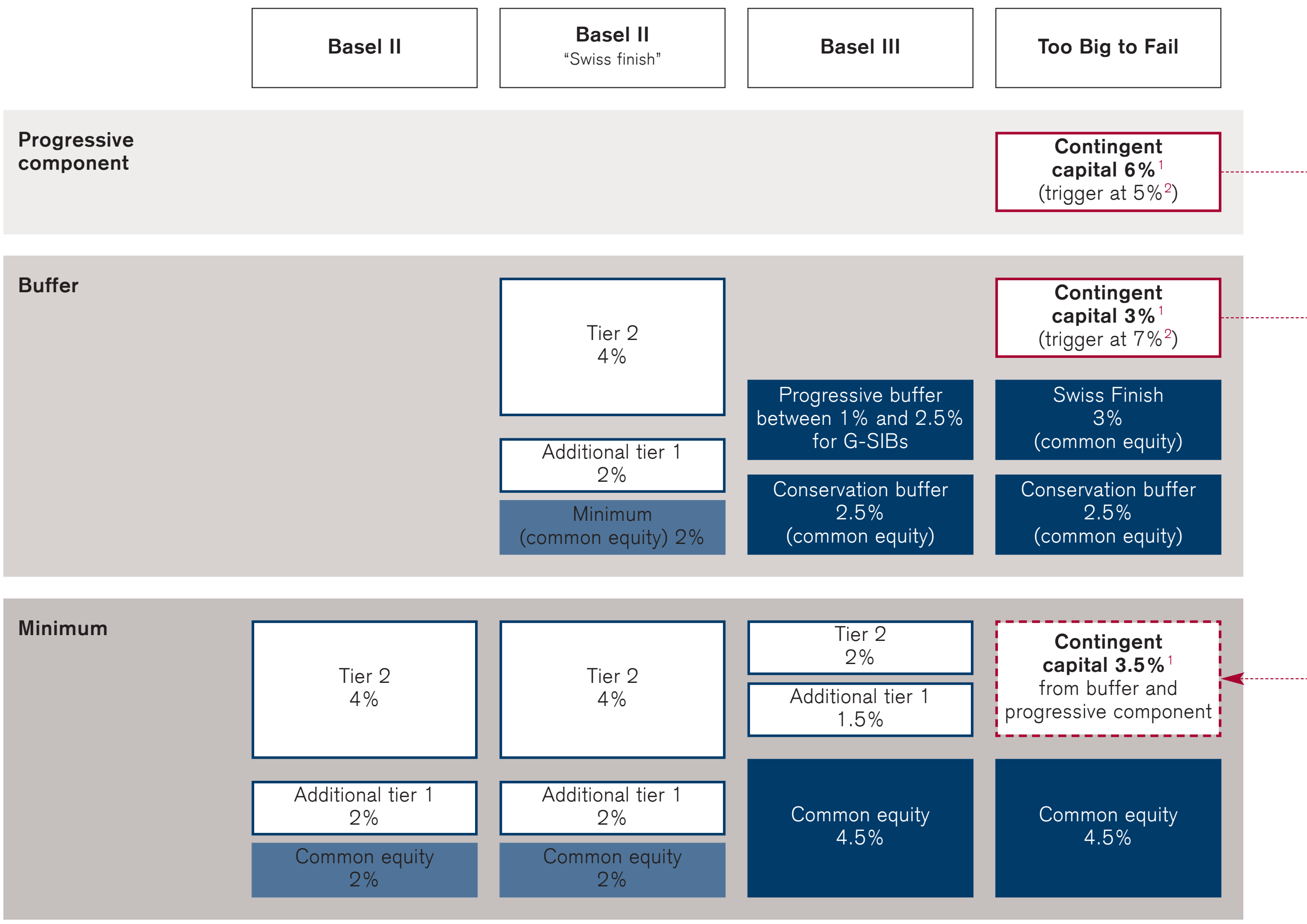
The "Too Big to Fail" legislation is expected to become effective in the first quarter of 2012. Implementing ordinances further detailing the requirements of the legislation will require parliamentary approval, which is expected to be completed in the first half of 2012.

Credit Suisse believes that it can meet the new requirements within the prescribed time frame by building capital through earnings and by issuing contingent capital or other instruments that qualify for the buffer and progressive capital components.

In September 2011, the Swiss Bank Law was amended to streamline the procedure by which troubled banks are restructured, providing FINMA with increased regulatory authority to expedite restructurings, including the power to require a bank to complete a debt-for-stock swap in order to avoid insolvency.

For more information, refer to the chart "Comparison of capital requirement frameworks", *III – Treasury, Risk, Balance sheet and Off-balance sheet – Treasury management – Regulatory capital developments and proposals in the Credit Suisse Annual Report 2010.*

Comparison of capital requirement frameworks



■ Common equity with lower quality. ■ Common equity with higher quality.

[1] Counts towards Basel III minimum requirements as tier 1 or tier 2 depending on the underlying instruments. [2] Trigger at 5% or 7% of CET1 under Basel III.

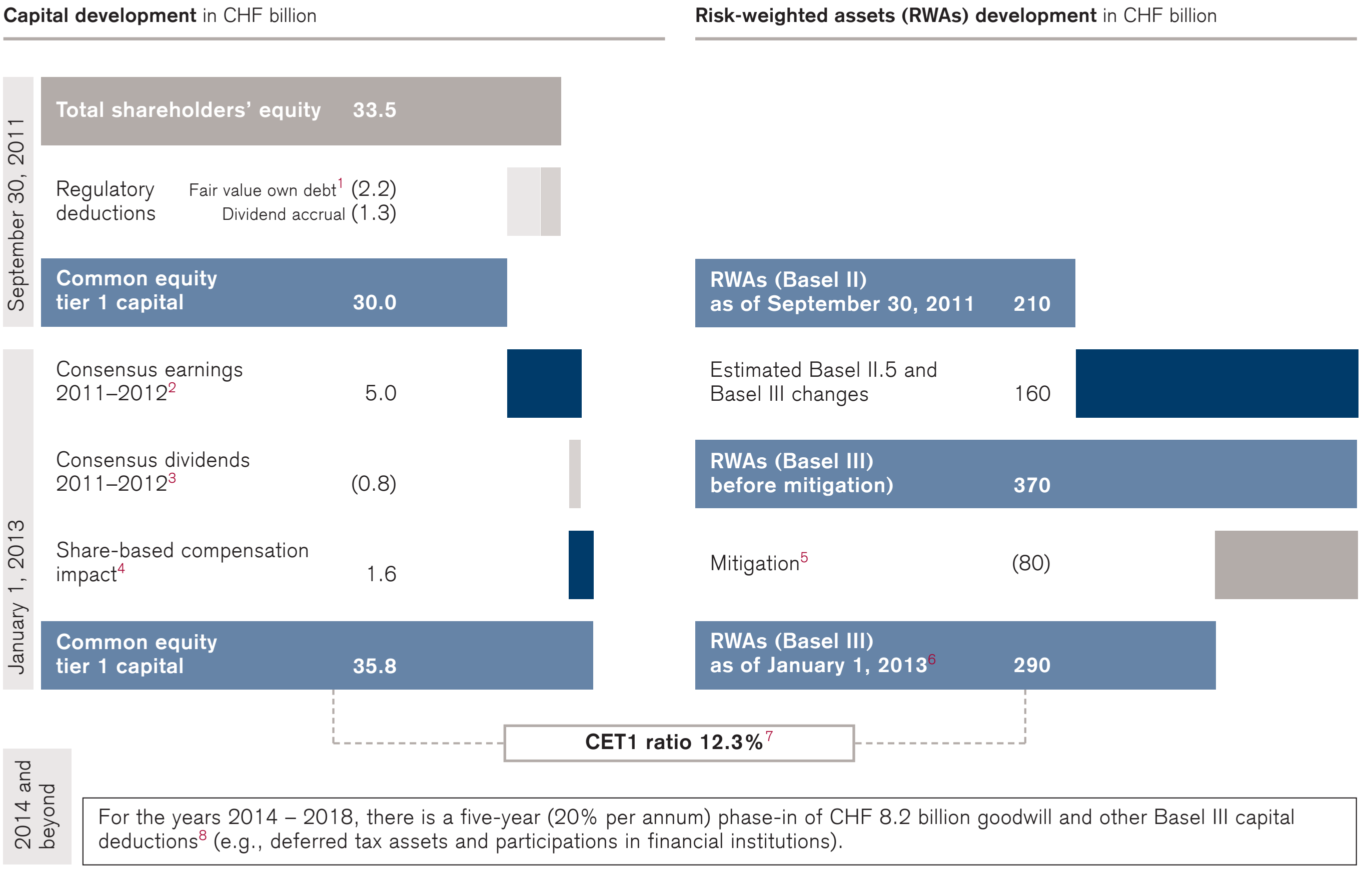
In June 2010, the BCBS announced its decision to postpone the implementation of the revisions to the Basel II market risk framework (Basel II.5) to no later than December 31, 2011. On November 10, 2010, the Swiss Federal Council decided to follow the proposal of FINMA and implement the revisions to the Basel II market risk framework for FINMA regulatory capital purposes by the original implementation date of January 2011. The Basel II.5 revisions include an incremental risk charge, for default and migration risk, and a stressed VaR framework, which are reflected in RWAs. The implementation of the Basel II.5 revisions for FINMA capital purposes increased our RWAs as of the end of 3Q11 by CHF 33.6 billion and reduced core tier 1 capital as of the end of 3Q11 by CHF 2.2 billion, resulting in a core tier 1 ratio of 10.0% under Basel II.5. This Basel II.5 impact mainly related to the Investment Banking securitized products business. For management purposes, the Group allocates to the divisions RWA equivalents related to regulatory capital and certain intangible asset deductions from Group tier 1 capital (refer to the table "Basel II.5 risk-weighted assets and allocated deductions"). In 3Q11, we revised our estimate of the RWA increase from the combined impact of Basel II.5 and Basel III from approximately CHF 355 billion to CHF 370 billion to reflect the foreign exchange translation impact. We expect substantially all of the combined Basel II.5 and Basel III RWA increase to be in securitized products, rates, credit and equity derivatives businesses in Investment Banking on January 1, 2013, before mitigation. We expect to mitigate this increase by reducing RWAs by approximately CHF 80 billion primarily in rates, securitized products, credit, emerging markets and exit businesses in Investment Banking. This mitigation of RWAs reflects our evolving strategy, including the reduction in fixed income RWAs. For further information, refer to *I – Credit Suisse results – Core Results – Evolution of our strategy.* In addition, our CET1 ratio simulation as of January 1, 2013 assumes that, of the compensation expense included in the consensus earnings, management expects CHF 1.6 billion to be share-based compensation that will be settled with shares issued from conditional capital. For more information, refer to the chart "Basel III Common equity tier 1 ratio simulation as of January 1, 2013".

Basel II.5 risk-weighted assets and allocated deductions

end of 3Q11	Basel II RWAs	Additional Basel II.5 RWAs	Total Basel II.5 RWAs	Capital deductions under Basel II [1]	Additional capital deductions under Basel II.5 [1]	Total capital deductions [1]
Risk-weighted assets and allocated deductions (CHF million)						
Private Banking	67,717	43	67,760	310	17	327
Investment Banking	118,565	33,309	151,874	267	2,140	2,407
Asset Management	12,121	0	12,121	610	0	610
Corporate Center	11,735	268	12,003	22	0	22
Total	**210,138**	**33,620**	**243,758**	**1,209**	**2,157**	**3,366**

[1] For management purposes, the Group allocates to the divisions risk-weighted asset equivalents related to regulatory capital and certain intangible asset deductions from Group tier 1 capital.

Basel III Common equity tier 1 ratio simulation as of January 1, 2013



Note: Basel III is expected to be implemented by January 1, 2013, but may be delayed.

[1] Fair value own debt represents the fair value changes from movements in spreads on our own vanilla debt and structured notes, net of tax. [2] Bloomberg consensus net income estimate for 2011-2012, adjusted for 9M11 net income. Consensus earnings are not endorsed or verified and are used solely for illustrative purposes. Actual net income may differ significantly. [3] Bloomberg consensus dividend estimate for 2011-2012, adjusted for 9M11 dividend accrual of CHF 1.3 billion, based on 1.2 billion outstanding Group shares. [4] Of the compensation expense included in the consensus earnings, management expects CHF 1.6 billion to be share-based compensation that will be settled with shares issued from conditional capital. [5] The Group expects to mitigate the increase in risk-weighted assets by reducing them in securitized products, exit businesses, derivatives and emerging markets in Investment Banking. [6] Under our strategic business plan, business growth will require reallocation of capital, as there will be no gross increase in risk-weighted assets. [7] Assuming a fully phased in CHF 8.2 billion of goodwill and CHF 6.0 billion of other capital deductions, the CET1 ratio would be 7.4% rather than 12.3%. The risk-weighted asset mitigation reflects our evolving strategy. For further information refer to I – Credit Suisse results – Core Results – Evolution of our strategy. [8] Other Basel III capital deductions are expected to be CHF 6.0 billion by December 31, 2012.

Economic capital

Overview

Economic capital is used as a consistent and comprehensive tool for risk management, capital management and performance measurement. 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).

For further information, refer to *III – Treasury, Risk, Balance sheet and Off-balance sheet – Treasury management in the Credit Suisse Annual Report 2010*.

Economic capital

				in / end of			% change
	3Q11	2Q11	4Q10	3Q10	QoQ	Ytd	YoY
Economic capital resources (CHF million)							
Tier 1 capital (Basel II)	37,124	37,076	37,725	37,928	0	(2)	(2)
Economic adjustments [1]	2,014	1,924	2,912	2,846	5	(31)	(29)
Economic capital resources	**39,138**	**39,000**	**40,637**	**40,774**	0	(4)	(4)
Utilized economic capital (CHF million)							
Position risk (99.97% confidence level)	20,574	20,903	21,262	23,073	(2)	(3)	(11)
Operational risk	2,889	2,892	2,936	2,872	0	(2)	1
Other risks [2]	8,742	6,273	5,773	5,545	39	51	58
Utilized economic capital	**32,205**	**30,068**	**29,971**	**31,490**	7	7	2
Utilized economic capital by segment (CHF million)							
Private Banking	7,074	6,845	6,477	6,913	3	9	2
Investment Banking	19,725	19,671	19,073	19,751	0	3	0
Asset Management	3,491	3,251	3,345	3,726	7	4	(6)
Corporate Center [3]	1,921	316	1,092	1,120	–	76	72
Utilized economic capital – Credit Suisse [4]	**32,205**	**30,068**	**29,971**	**31,490**	7	7	2
Average utilized economic capital by segment (CHF million)							
Private Banking	6,959	6,894	6,695	6,974	1	4	0
Investment Banking	19,698	19,967	19,412	21,416	(1)	1	(8)
Asset Management	3,371	3,324	3,536	3,732	1	(5)	(10)
Corporate Center [3]	1,119	704	1,106	982	59	1	14
Average utilized economic capital – Credit Suisse [5]	**31,137**	**30,874**	**30,731**	**33,086**	1	1	(6)

Prior utilized economic capital and economic capital resources balances have been restated for methodology changes in order to show meaningful trends.
[1] Primarily includes anticipated dividends and unrealized gains on owned real estate. Economic adjustments are made to tier 1 capital to enable comparison between capital utilization and resources under Basel II. [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 benefit and an estimate for the impacts of certain methodology changes planned for 2011. [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 6 million, CHF 15 million, CHF 16 million and CHF 20 million as of the end of 3Q11, 2Q11, 4Q10 and 3Q10, respectively. [5] Includes a diversification benefit of CHF 10 million, CHF 15 million, CHF 18 million and CHF 18 million as of the end of 3Q11, 2Q11, 4Q10 and 3Q10, respectively.

We regularly review the economic capital methodology in order to ensure that the model remains relevant as markets and business strategies evolve. In 3Q11, we made an enhancement to the position risk methodology for risk management purposes. For further information on the position risk enhancement, refer to *Risk management – Economic capital and position risk*. For capital management purposes, we refined our approach for aggregating the risks associated with our defined benefit pension plans. Prior period balances have been restated for methodology changes in order to show meaningful trends. The total impact of methodology changes on 2Q11 utilized economic capital was an increase of CHF 1,305 million, or 5%.

We are assessing the implications for the economic capital framework of the implementation of Basel II.5 and Basel III. For further information, refer to *Regulatory capital developments and proposals*.

Utilized economic capital trends

In 3Q11, our utilized economic capital increased 7% compared to 2Q11, due to increased expense risk, increased foreign exchange risk between utilized economic capital and economic capital resources and increased international lending and counterparty position risk. The increases were partially offset by position risk decreases in fixed income trading and real estate & structured assets. Excluding the US dollar translation impact, utilized economic capital increased 3%.

For Private Banking, utilized economic capital increased 3%, due to higher pension risk, reflecting updates to asset and liability valuations, higher emerging markets country event risk and higher fixed income trading risk.

For Investment Banking, utilized economic capital was stable. Excluding the US dollar translation impact, utilized economic capital decreased 5%, mainly due to decreased fixed income trading risk and lower real estate & structured assets exposures. The decreases were partially offset by an increase in expense risk.

For Asset Management, utilized economic capital increased 7%. Excluding the US dollar translation impact, utilized economic capital increased 2%, mainly due to an increase in expense risk, partially offset by a decrease in equity trading & investments risk.

For Corporate Center, higher utilized economic capital reflected an increase in foreign exchange risk between utilized economic capital and economic capital resources and an increase in expense risk.

For further information on our position risk, refer to *Risk management – Key position risk trends*.

Risk management

Our overall position risk decreased 2% in 3Q11. Excluding the US dollar translation impact, position risk decreased 8%. Average risk management VaR increased 12% to USD 91 million in 3Q11 and period-end risk management VaR increased 31% to USD 111 million.

Economic capital and position risk

Position risk, which is a component of the economic capital framework, is our core Group-wide risk management tool. It is used to assess, monitor and report risk exposures throughout the Group and represents good market practice. Position risk is the level of unexpected loss in economic value on our portfolio of positions over a one-year horizon, which is exceeded with a given small probability (1% for risk management purposes and 0.03% for capital management purposes).

For further information, refer to *III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management – Economic capital and position risk in the Credit Suisse Annual Report 2010*.

We regularly review the economic capital methodology to ensure that the model remains relevant as markets and business strategies evolve. In 3Q11, we modified our position risk methodology relating to traded credit exposures within fixed income trading to increase the granularity of our spread shocks to cover market sectors and improve yield curve risk modeling. Prior periods have been restated for these methodology changes in order to show meaningful trends. The total impact of 3Q11 methodology changes on 2Q11 position risk was an increase of CHF 756 million, or 7%.

Position risk

			end of		% change
	3Q11	2Q11	3Q10	QoQ	YoY
Position risk (CHF million)					
Fixed income trading [1]	1,966	2,553	3,276	(23)	(40)
Equity trading & investments	2,429	2,305	2,705	5	(10)
Private banking corporate & retail lending	2,059	2,067	2,191	0	(6)
International lending & counterparty exposures	4,607	4,189	4,446	10	4
Emerging markets country event risk	731	645	522	13	40
Real estate & structured assets [2]	2,389	2,591	2,626	(8)	(9)
Simple sum across risk categories	**14,181**	**14,350**	**15,766**	(1)	(10)
Diversification benefit [3]	(2,636)	(2,593)	(2,816)	2	(6)
Position risk (99% confidence level for risk management purposes)	**11,545**	**11,757**	**12,950**	(2)	(11)
Position risk (99.97% confidence level for capital management purposes)	**20,574**	**20,903**	**23,073**	(2)	(11)

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), ABS 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.

Key position risk trends

Position risk for risk management purposes at the end of 3Q11 decreased 2% compared to the end of 2Q11. Excluding the US dollar translation impact, position risk decreased 8%, mainly due to lower credit spread exposures from reduced bond positions in fixed income trading and decreased RMBS exposure including the sale of wind-down positions in real estate & structured assets. These decreases were partially offset by higher corporate banking loan risk in international lending & counterparty exposures.

Compared to the end of 3Q10, position risk for risk management purposes decreased 11%. Excluding the US dollar translation impact, position risk decreased 5%, primarily due to significantly lower credit spread and commodity exposures in fixed income trading and lower private banking corporate & retail lending from updated loan default and recovery parameters. The decreases were partially offset by higher corporate banking and leveraged finance loan risk in international lending & counterparty exposures and higher exposures in Asia and Eastern Europe in emerging markets country event risk.

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 portfolio they were designated to hedge. Due to the varying nature and structure of hedges, these gains or losses may not perfectly offset the losses or gains on the portfolio.

Market risk

We primarily assume market risk through the trading activities in Investment Banking. The other divisions also engage in trading activities, but to a much lesser extent. Trading risks are measured using VaR along with a number of other risk measurement tools. VaR is the potential loss in fair value of trading positions due to adverse market movements over a defined time horizon and for 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 and regulatory VaR for regulatory capital purposes. 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.

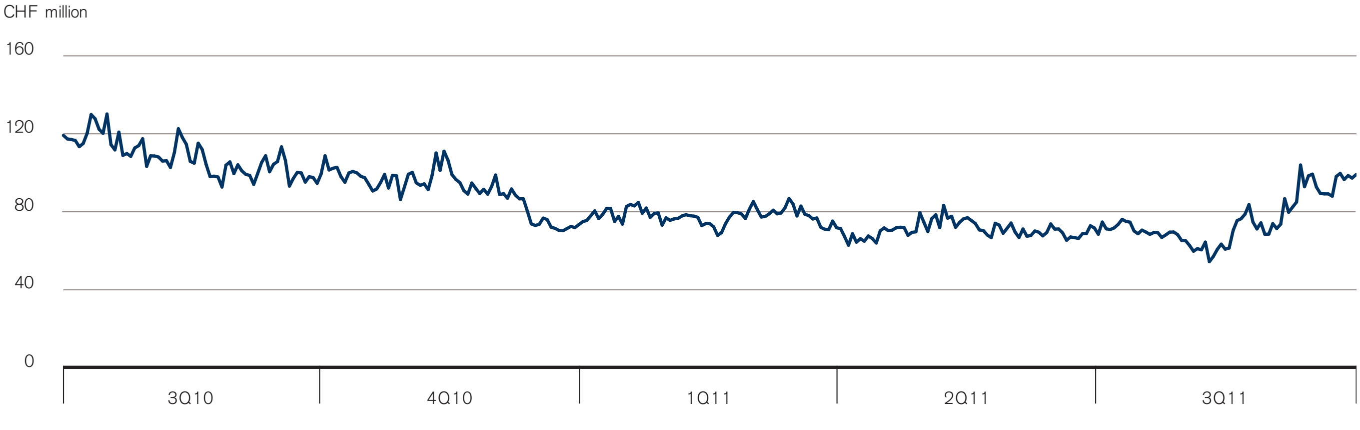
Effective January 1, 2011, we implemented new risk measurement models, including an incremental risk charge and stressed VaR, to meet the Basel II.5 market risk framework for FINMA regulatory capital purposes. The incremental risk charge is a regulatory capital charge for default and migration risk on positions in the trading books and 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.

We regularly review our VaR model to ensure that it remains appropriate given evolving market conditions and the composition of our trading portfolio. In June 2011, we made significant revisions to our VaR methodology, including changing the historical dataset from three to two years, employing exponential weighting to give emphasis to more recent market data, and modifying the confidence level and holding period of risk management VaR. We have restated risk management VaR for prior periods to show meaningful trends. The 2Q11 methodology changes were implemented in June 2011 and are fully reflected in average risk management VaR and are only reflected in average regulatory VaR for 2Q11 from implementation. For further information, refer to *IV – Treasury, risk, balance sheet and off-balance sheet – Risk management – Market risk in the Credit Suisse Financial Report 2Q11*.

For risk management VaR, we use a one-day holding period based on 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.

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.

Daily risk management VaR



Excludes risks associated with counterparty and own credit exposures.

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

						Risk management VaR (98%)	Regulatory VaR (99%)
in / end of	Interest rate & credit spread	Foreign exchange	Commodity	Equity	Diversi-fication benefit	**Total**	**Total**
3Q11 (CHF million)							
Average	69	10	7	20	(30)	76	62
Minimum	54	6	2	15	– [1]	54	50
Maximum	88	25	14	28	– [1]	104	77
End of period	84	10	5	23	(23)	99	56
2Q11 (CHF million)							
Average	66	13	12	27	(48)	70	111
Minimum	60	5	8	18	– [1]	62	52
Maximum	77	22	17	40	– [1]	83	146
End of period	70	8	13	20	(40)	71	56
3Q10 (CHF million)							
Average	100	21	19	28	(60)	108	145
Minimum	91	9	9	19	– [1]	92	121
Maximum	110	35	25	44	– [1]	130	171
End of period	99	25	17	27	(69)	99	159

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)

						Risk management VaR (98%)	Regulatory VaR (99%)
in / end of	Interest rate & credit spread	Foreign exchange	Commodity	Equity	Diversi-fication benefit	**Total**	**Total**
3Q11 (USD million)							
Average	83	12	9	24	(37)	91	75
Minimum	74	8	3	18	– [1]	74	62
Maximum	99	29	16	32	– [1]	117	87
End of period	94	11	5	26	(25)	111	62
2Q11 (USD million)							
Average	76	14	14	31	(54)	81	126
Minimum	70	6	10	21	– [1]	68	63
Maximum	83	24	18	48	– [1]	95	163
End of period	83	10	16	24	(48)	85	67
3Q10 (USD million)							
Average	97	20	19	27	(59)	104	141
Minimum	87	9	9	20	– [1]	90	120
Maximum	109	35	24	42	– [1]	124	163
End of period	102	26	17	28	(71)	102	163

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.

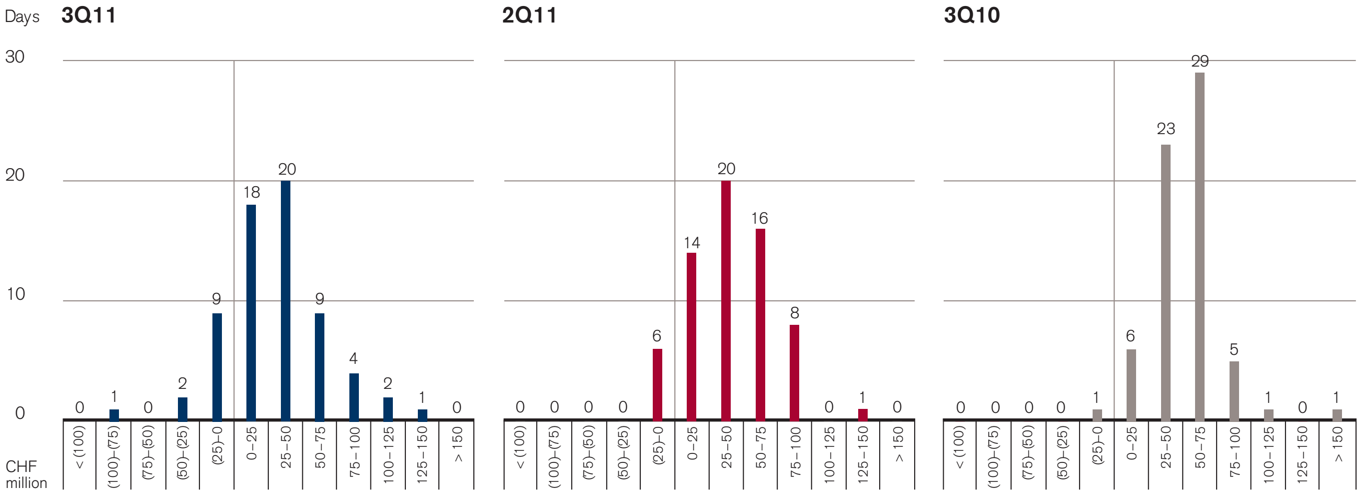
We measure VaR in US dollars, as substantially all market risk relates to Investment Banking.

Average risk management VaR increased 12% to USD 91 million from 2Q11 reflecting increased market volatility, widening credit spreads and reduced diversification benefit, partially offset by risk reductions, particularly in credit and securitized products, as client activity, liquidity and prices in these businesses declined. We also reduced risk in equities, reflecting defensive risk positioning and the decline in equity prices. Compared to 3Q10, average risk management VaR decreased 13%, reflecting decreased risk across fixed income from reductions in risk taking to support the client flow business, mainly in securitized products and foreign exchange, due to the deteriorating economic and market conditions and the risk reductions in 3Q11, partially offset by widening credit spreads in 3Q11 and reduced diversification benefit.

Period-end risk management VaR increased 31% to USD 111 million from 2Q11 reflecting the increased market volatility and widening credit spreads. Compared to 3Q10, period-end risk management VaR increased 9%, reflecting widening credit spreads in 3Q11 and reduced diversification benefit, partially offset by the risk reductions since 3Q10.

The histogram entitled "Actual daily trading revenues" compares the actual daily trading revenues for 3Q11 with those for 2Q11 and 3Q10. The dispersion of trading revenues indicates the day-to-day volatility in our trading activities. In 3Q11, we had 12 loss days, compared to six in 2Q11, reflecting the difficult market-making and market conditions, particularly in fixed income.

Actual daily trading revenues



Excludes Clariden Leu and Neue Aargauer Bank.

Trading revenues do not include valuation adjustments associated with counterparty and own credit exposures.

We assume non-trading interest rate risk through interest rate-sensitive positions originated by Private Banking 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 to Treasury on a pooled basis using replicating portfolios (approximating the re-pricing behavior of the underlying product). Treasury and other desks running interest rate risk positions actively manage the positions within approved limits.

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 5.4 million as of the end of 3Q11, compared to a valuation increase of CHF 7.9 million as of the end of 2Q11.

Credit risk

Credit risk is the possibility of a loss being incurred as the result of a borrower or counterparty failing to meet its financial obligations. In the event of a default, a bank generally incurs a loss equal to the amount owed by the debtor, less any recoveries resulting from foreclosure, liquidation of collateral or the restructuring of the debtor company.

The majority of our credit risk is concentrated in Private Banking and Investment Banking. Credit risk exists within lending products, commitments and letters of credit, and results from counterparty exposure arising from derivatives, foreign exchange and other transactions and may be on or off-balance sheet.

Our regular review of the creditworthiness of clients and counterparties does not depend on the accounting treatment of the asset or commitment. Adverse changes in the creditworthiness of counterparties of loans held at fair value are reflected in valuation changes reported directly in revenues, and therefore are not part of the impaired loans balance. For further information on credit risk, refer to *III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management – Credit risk in the Credit Suisse Annual Report 2010*. For further information on counterparty credit risk, refer to *Note 26 – Financial instruments in V – Condensed consolidated financial statements – unaudited*.

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 and unused credit limits which can be revoked at our sole discretion upon notice to the client in Private Banking.

Credit risk

				end of			% change
	3Q11	2Q11	4Q10	3Q10	QoQ	Ytd	YoY
Balance sheet (CHF million)							
Gross loans	227,369	220,978	219,891	223,806	3	3	2
Loans held-for-sale	22,215	23,816	24,925	28,033	(7)	(11)	(21)
Traded loans	3,756	4,167	4,346	4,744	(10)	(14)	(21)
Derivative instruments [1]	67,934	42,491	50,477	62,333	60	35	9
Total balance sheet	**321,274**	**291,452**	**299,639**	**318,916**	10	7	1
Off-balance sheet (CHF million)							
Loan commitments [2]	219,668	210,823	209,553	220,009	4	5	0
Credit guarantees and similar instruments	6,715	5,493	7,408	8,056	22	(9)	(17)
Irrevocable commitments under documentary credits	5,385	4,848	4,551	4,173	11	18	29
Total off-balance sheet	**231,768**	**221,164**	**221,512**	**232,238**	5	5	0
Total credit risk	**553,042**	**512,616**	**521,151**	**551,154**	8	6	0

Before risk mitigation, for example, collateral, credit hedges.
[1] Positive replacement value after netting agreements. [2] Includes CHF 138 billion, CHF 136 billion, CHF 137 billion and CHF 138 billion of unused credit limits which were revocable at our sole discretion upon notice to the client at the end of 3Q11, 2Q11, 4Q10 and 3Q10, respectively.

Selected European credit risk exposures

Gross credit risk exposures presented include loans and loan commitments, investments (such as cash, securities and other investments) and all exposures of derivatives (not limited to credit protection purchased and sold), after consideration of legally enforceable netting agreements. Net exposures reflect risk mitigation including credit default swaps (CDS) and other hedges, guarantees, insurance and collateral (primarily cash, securities and real estate).

Selected European credit risk exposures

end of 3Q11	Sovereigns		Financial institutions		Corporates & Other	
	Gross	Net [1]	Gross	Net [1]	Gross	Net [1]
Credit risk exposure (EUR billion)						
Portugal	0.2	0.0	0.2	0.0	0.2	0.1
Italy	3.1	0.6	2.0	0.9	2.2	0.9
Ireland	0.0	0.0	1.9	0.5	0.8	0.1
Greece	0.1	0.0	0.1	0.0	0.5	0.1
Spain	0.3	0.3	1.4	0.9	1.8	0.9
Total	**3.7**	**0.9**	**5.6**	**2.3**	**5.5**	**2.1**

[1] Net of risk mitigation including CDS and other hedges, guarantees, insurance and collateral (primarily cash, securities and real estate).

On a gross basis, before taking into account risk mitigation, our risk-based sovereign credit risk exposure to Portugal, Italy, Ireland, Greece and Spain as of the end of 3Q11 was EUR 3.7 billion. Our net exposure to these sovereigns was EUR 0.9 billion. Our non-sovereign risk-based credit risk exposure in these countries as of the end of 3Q11 included net exposure to financial institutions of EUR 2.3 billion and to corporates and other counterparties of EUR 2.1 billion.

Loan exposure

Compared to the end of 2Q11, gross loans increased CHF 6.4 billion to CHF 227.4 billion. In Private Banking, gross loans increased 3% to CHF 192.9 billion, reflecting increases in commercial and industrial loans and residential and commercial mortgages, and the strengthening of the US dollar against the Swiss franc. Gross loans in Investment Banking increased 3% to CHF 34.5 billion, primarily due to the US dollar translation impact. Excluding the US dollar translation impact, gross loans in Investment Banking were down, mainly reflecting decreased loans to financial institutions.

Gross impaired loans decreased 9% to CHF 1.5 billion, mainly due to a decrease of CHF 123 million in Investment Banking, primarily in non-performing loans, reflecting a loan restructuring, with subsequent change to fair value accounting, and repayments. A portion of the impaired loans in Investment Banking is economically hedged by insurance and other risk mitigation, including CDS.

We recorded a net provision for credit losses of CHF 84 million in 3Q11, compared to a net provision of CHF 13 million in 2Q11, with a net provision of CHF 59 million and CHF 25 million in Investment Banking and Private Banking, respectively. For further information, refer to *II – Results by division – Private Banking and Investment Banking*.

Compared to the end of 3Q10, gross loans increased 2%, as an increase in Private Banking was partially offset by a decrease in Investment Banking. In Investment Banking, in addition to the US dollar translation impact, gross loans decreased, primarily due to lower loans to governments and public institutions and commercial and industrial loans. The increase of gross loans of 5% in Private Banking was primarily due to higher consumer loans and commercial and industrial loans, partially offset by lower exposure to financial institutions. Gross impaired loans decreased CHF 334 million, or 18%, driven by lower non-performing loans in Investment Banking and lower non-interest-earning loans in Private Banking.

Loans

	Private Banking			Investment Banking			Credit Suisse [1]		
end of	**3Q11**	2Q11	3Q10	**3Q11**	2Q11	3Q10	**3Q11**	2Q11	3Q10
Loans (CHF million)									
Mortgages	87,640	86,374	84,449	0	0	0	87,640	86,374	84,449
Loans collateralized by securities	26,465	25,725	25,432	0	0	0	26,465	25,725	25,432
Consumer finance	5,524	5,379	4,475	702	634	875	6,228	6,024	5,350
Consumer loans	119,629	117,478	114,356	702	634	875	120,333	118,123	115,231
Real estate	23,318	22,247	21,911	1,964	1,916	2,091	25,282	24,163	24,002
Commercial and industrial loans	41,838	39,325	38,021	14,582	13,406	17,061	56,426	52,733	55,083
Financial institutions	6,863	7,112	8,419	16,176	16,569	17,117	23,045	23,674	25,541
Governments and public institutions	1,240	1,236	1,132	1,043	1,049	2,817	2,283	2,285	3,949
Corporate and institutional loans	73,259 [2]	69,920 [2]	69,483 [2]	33,765	32,940	39,086	107,036	102,855	108,575
Gross loans	**192,888**	**187,398**	**183,839**	**34,467**	**33,574**	**39,961**	**227,369**	**220,978**	**223,806**
of which held at fair value	387	353	–	19,294	18,838	21,329	19,681	19,191	21,329
Net (unearned income) / deferred expenses	(12)	(7)	(2)	(27)	(25)	(35)	(39)	(32)	(37)
Allowance for loan losses [3]	(699)	(700)	(822)	(184)	(216)	(287)	(883)	(916)	(1,109)
Net loans	**192,177**	**186,691**	**183,015**	**34,256**	**33,333**	**39,639**	**226,447**	**220,030**	**222,660**
Impaired loans (CHF million)									
Non-performing loans	564	570	595	174	310	360	738	880	955
Non-interest-earning loans	233	253	349	33	19	19	266	272	368
Total non-performing and non-interest-earning loans	797	823	944	207	329	379	1,004	1,152	1,323
Restructured loans	4	5	0	37	41	53	41	46	53
Potential problem loans	358	354	348	95	92	108	453	446	456
Total other impaired loans	362	359	348	132	133	161	494	492	509
Gross impaired loans [3]	**1,159**	**1,182**	**1,292**	**339**	**462**	**540**	**1,498**	**1,644**	**1,832**
of which loans with a specific allowance	941	987	1,143	323	388	512	1,264	1,375	1,655
of which loans without a specific allowance	218	195	149	16	74	28	234	269	177
Allowance for loan losses (CHF million)									
Balance at beginning of period [3]	**700**	**752**	**883**	**216**	**222**	**370**	**916**	**974**	**1,253**
Net movements recognized in statements of operations	27	(4)	(9)	3	7	(30)	30	3	(39)
Gross write-offs	(44)	(47)	(48)	(54)	0	(20)	(98)	(47)	(68)
Recoveries	9	13	8	0	2	7	9	15	15
Net write-offs	(35)	(34)	(40)	(54)	2	(13)	(89)	(32)	(53)
Provisions for interest	1	0	1	0	3	(5)	1	3	(4)
Foreign currency translation impact and other adjustments, net	6	(14)	(13)	19	(18)	(35)	25	(32)	(48)
Balance at end of period [3]	**699**	**700**	**822**	**184**	**216**	**287**	**883**	**916**	**1,109**
of which individually evaluated for impairment	505	508	599	122	160	169	627	668	768
of which collectively evaluated for impairment	194	192	223	62	56	118	256	248	341
Loan metrics (%)									
Total non-performing and non-interest-earning loans / Gross loans [4]	0.4	0.4	0.5	1.4	2.2	2.0	0.5	0.6	0.7
Gross impaired loans / Gross loans [4]	0.6	0.6	0.7	2.2	3.1	2.9	0.7	0.8	0.9
Allowance for loan losses / Total non-performing and non-interest-earning loans [3]	87.7	85.1	87.1	88.9	65.7	75.7	87.9	79.5	83.8
Allowance for loan losses / Gross impaired loans [3]	60.3	59.2	63.6	54.3	46.8	53.1	58.9	55.7	60.5

[1] Includes Asset Management and Corporate Center. [2] Of which CHF 47,838 million, CHF 45,629 million and CHF 48,758 million were secured by financial collateral and mortgages at the end of 3Q11, 2Q11 and 3Q10, 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 1,061.5 billion and total liabilities were CHF 1,019.0 billion. 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
	3Q11	2Q11	4Q10	3Q10	QoQ	Ytd	YoY
Assets (CHF million)							
Cash and due from banks	92,376	68,073	65,467	49,377	36	41	87
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	239,747	200,091	220,443	225,630	20	9	6
Trading assets	300,342	302,626	324,704	348,033	(1)	(8)	(14)
Net loans	226,447	220,030	218,842	222,660	3	3	2
Brokerage receivables	57,020	40,845	38,769	46,493	40	47	23
All other assets	145,589	145,258	163,780	175,195	0	(11)	(17)
Total assets	**1,061,521**	**976,923**	**1,032,005**	**1,067,388**	9	3	(1)
Liabilities and equity (CHF million)							
Due to banks	47,876	41,987	37,493	32,430	14	28	48
Customer deposits	314,952	286,455	287,564	278,128	10	10	13
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	169,373	142,245	168,394	198,373	19	1	(15)
Trading liabilities	137,554	120,452	133,997	140,948	14	3	(2)
Long-term debt	164,177	164,159	173,752	178,780	0	(6)	(8)
Brokerage payables	70,212	67,315	61,746	69,907	4	14	0
All other liabilities	114,899	114,003	126,044	124,147	1	(9)	(7)
Total liabilities	**1,019,043**	**936,616**	**988,990**	**1,022,713**	9	3	0
Total shareholders' equity	**33,519**	**31,216**	**33,282**	**34,088**	7	1	(2)
Noncontrolling interests	8,959	9,091	9,733	10,587	(1)	(8)	(15)
Total equity	**42,478**	**40,307**	**43,015**	**44,675**	5	(1)	(5)
Total liabilities and equity	**1,061,521**	**976,923**	**1,032,005**	**1,067,388**	9	3	(1)

Balance sheet

Total assets were CHF 1,061.5 billion as of the end of 3Q11, up CHF 84.6 billion, or 9%, from the end of 2Q11, primarily driven by the strengthening of the US dollar against the Swiss franc. Excluding the foreign exchange translation impact, total assets increased CHF 29.6 billion.

In Swiss francs, central bank funds sold, securities purchased under resale agreements and securities borrowing transactions increased CHF 39.7 billion, or 20%, due to increases in resale agreements including resale agreements collateralized by government securities, and the foreign exchange translation impact. Cash and due from banks increased CHF 24.3 billion, or 36%, mainly from a net increase in central bank holdings and the foreign exchange translation impact. Brokerage receivables increased CHF 16.2 billion, or 40%, reflecting client activity including margin lending and the foreign exchange translation impact. Net loans increased CHF 6.4 billion, or 3%, from a slight increase in Private Banking lending and the foreign exchange translation impact. Trading assets decreased CHF 2.3 billion, or 1%, driven by decreases in equity securities across most businesses reflecting the challenging equity markets, mostly offset by the foreign exchange translation impact.

All other assets were stable at CHF 145.6 billion, as increases in other assets and across most other categories were offset by a decrease in securities received as collateral. The increase in other assets reflected higher cash collateral on derivative instruments, partially offset by a decrease in assets held-for-sale, mainly loans.

Total liabilities were CHF 1,019.0 billion as of the end of 3Q11, up CHF 82.4 billion, or 9%, from the end of 2Q11, primarily driven by the strengthening of the US dollar against the Swiss franc. Excluding the foreign exchange translation impact, total liabilities increased CHF 28.2 billion.

In Swiss francs, customer deposits increased CHF 28.5 billion, or 10%, reflecting increases in certificates of deposit and time deposits, and the foreign exchange translation impact. Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions increased CHF 27.1 billion, or 19%, due to increases in resale agreements collateralized by government securities and equity securities borrowed, and the foreign exchange translation impact. Trading liabilities increased CHF 17.1 billion, or 14%, reflecting the foreign exchange translation impact and higher average trading volumes due to volatile markets. Due to banks was up CHF 5.9 billion, or 14%, due to an increase in overnight time deposits from banks. Brokerage payables increased CHF 2.9 billion, or 4%, reflecting the foreign exchange translation impact, partially offset by a decrease in client margin balances.

All other liabilities were stable at CHF 114.9 billion, as increases in short-term borrowing and other liabilities were offset by a decrease in obligation to return securities received as collateral. The increase in other liabilities was mainly due to derivative instruments including derivatives used for hedging purposes and fair value adjustments on loan commitments, partially offset by lower cash collateral on derivative instruments mainly from higher cash collateral netting.

For further information, including our funding of the balance sheet and the leverage ratio, refer to *Treasury management – Funding sources and uses and Capital management*.

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.

For further information, refer to *III – Treasury, Risk, Balance sheet and Off-balance sheet in the Credit Suisse Annual Report 2010 and Note 24 – Guarantees and commitments and Note 29 – Litigation in V – Condensed consolidated financial statements – unaudited.*

V

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 September 30, 2011 and 2010 and the related condensed consolidated statements of operations, changes in equity and comprehensive income for the three and nine-month periods ended September 30, 2011 and 2010 and the related condensed consolidated statement of cash flows for the nine-month periods ended September 30, 2011 and 2010. 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, 2010, 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 24, 2011, 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, 2010, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

KPMG AG

Marc Ufer
Licensed Audit Expert

Simon Ryder
Licensed Audit Expert

Zurich, Switzerland
November 10, 2011

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Condensed consolidated financial statements – unaudited

Consolidated statements of operations (unaudited)

			in		% change		in	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Consolidated statements of operations (CHF million)								
Interest and dividend income	5,375	7,082	6,037	(24)	(11)	17,909	19,902	(10)
Interest expense	(3,729)	(5,705)	(4,321)	(35)	(14)	(13,133)	(15,037)	(13)
Net interest income	1,646	1,377	1,716	20	(4)	4,776	4,865	(2)
Commissions and fees	3,061	3,463	3,258	(12)	(6)	10,195	10,251	(1)
Trading revenues	1,920	1,116	943	72	104	5,047	8,023	(37)
Other revenues	62	936	649	(93)	(90)	1,719	979	76
Net revenues	**6,689**	**6,892**	**6,566**	(3)	2	**21,737**	**24,118**	(10)
Provision for credit losses	**84**	**13**	**(26)**	–	–	**90**	**(56)**	–
Compensation and benefits	3,067	3,096	3,355	(1)	(9)	10,192	11,228	(9)
General and administrative expenses	2,209	1,652	1,752	34	26	5,493	5,488	0
Commission expenses	485	491	484	(1)	0	1,512	1,573	(4)
Total other operating expenses	2,694	2,143	2,236	26	20	7,005	7,061	(1)
Total operating expenses	**5,761**	**5,239**	**5,591**	10	3	**17,197**	**18,289**	(6)
Income from continuing operations before taxes	**844**	**1,640**	**1,001**	(49)	(16)	**4,450**	**5,885**	(24)
Income tax expense	332	271	117	23	184	1,068	1,143	(7)
Income from continuing operations	**512**	**1,369**	**884**	(63)	(42)	**3,382**	**4,742**	(29)
Income/(loss) from discontinued operations, net of tax	0	0	0	–	–	0	(19)	100
Net income	**512**	**1,369**	**884**	(63)	(42)	**3,382**	**4,723**	(28)
Net income/(loss) attributable to noncontrolling interests	(171)	601	275	–	–	792	466	70
Net income attributable to shareholders	**683**	**768**	**609**	(11)	12	**2,590**	**4,257**	(39)
of which from continuing operations	683	768	609	(11)	12	2,590	4,276	(39)
of which from discontinued operations	0	0	0	–	–	0	(19)	100
Basic earnings per share (CHF)								
Basic earnings per share from continuing operations	0.54	0.48	0.48	13	13	1.96	3.33	(41)
Basic earnings per share from discontinued operations	0.00	0.00	0.00	–	–	0.00	(0.02)	100
Basic earnings per share	**0.54**	**0.48**	**0.48**	13	13	**1.96**	**3.31**	(41)
Diluted earnings per share (CHF)								
Diluted earnings per share from continuing operations	0.53	0.48	0.48	10	10	1.95	3.31	(41)
Diluted earnings per share from discontinued operations	0.00	0.00	0.00	–	–	0.00	(0.02)	100
Diluted earnings per share	**0.53**	**0.48**	**0.48**	10	10	**1.95**	**3.29**	(41)

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

Consolidated balance sheets (unaudited)

				end of			% change
	3Q11	2Q11	4Q10	3Q10	QoQ	Ytd	YoY
Assets (CHF million)							
Cash and due from banks	92,376	68,073	65,467	49,377	36	41	87
of which reported from consolidated VIEs	1,218	1,491	1,432	1,441	(18)	(15)	(15)
Interest-bearing deposits with banks	2,244	1,940	1,524	1,656	16	47	36
of which reported at fair value	394	336	0	0	17	–	–
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	239,747	200,091	220,443	225,630	20	9	6
of which reported at fair value	158,281	117,340	136,906	129,701	35	16	22
Securities received as collateral, at fair value	28,812	32,057	42,147	44,412	(10)	(32)	(35)
of which encumbered	18,538	18,130	21,352	24,348	2	(13)	(24)
Trading assets, at fair value	300,342	302,626	324,704	348,033	(1)	(8)	(14)
of which encumbered	79,134	85,467	87,723	98,784	(7)	(10)	(20)
of which reported from consolidated VIEs	6,420	7,479	8,717	8,305	(14)	(26)	(23)
Investment securities	5,403	5,550	8,397	8,980	(3)	(36)	(40)
of which reported at fair value	5,144	5,404	7,945	8,614	(5)	(35)	(40)
of which reported from consolidated VIEs	64	45	72	209	42	(11)	(69)
Other investments	14,566	14,086	16,482	17,104	3	(12)	(15)
of which reported at fair value	11,496	11,147	13,448	14,800	3	(15)	(22)
of which reported from consolidated VIEs	2,291	2,043	2,334	2,580	12	(2)	(11)
Net loans	226,447	220,030	218,842	222,660	3	3	2
of which reported at fair value	19,681	19,191	18,552	21,329	3	6	(8)
of which encumbered	460	347	783	788	33	(41)	(42)
of which reported from consolidated VIEs	4,329	4,036	3,745	5,643	7	16	(23)
allowance for loan losses	(883)	(916)	(1,017)	(1,109)	(4)	(13)	(20)
Premises and equipment	6,936	6,651	6,725	6,621	4	3	5
of which reported from consolidated VIEs	106	91	72	62	16	47	71
Goodwill	8,361	7,908	8,585	8,874	6	(3)	(6)
Other intangible assets	269	281	312	340	(4)	(14)	(21)
of which reported at fair value	50	50	66	78	0	(24)	(36)
Brokerage receivables	57,020	40,845	38,769	46,493	40	47	23
Other assets	78,998	76,785	79,585	87,156	3	(1)	(9)
of which reported at fair value	36,975	37,887	39,470	43,440	(2)	(6)	(15)
of which encumbered	2,281	2,510	2,388	2,471	(9)	(4)	(8)
of which reported from consolidated VIEs	15,200	16,764	19,570	17,556	(9)	(22)	(13)
Assets of discontinued operations held-for-sale	0	0	23	52	–	(100)	(100)
Total assets	**1,061,521**	**976,923**	**1,032,005**	**1,067,388**	9	3	(1)

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

Consolidated balance sheets (unaudited) (continued)

				end of			% change
	3Q11	2Q11	4Q10	3Q10	QoQ	Ytd	YoY
Liabilities and equity (CHF million)							
Due to banks	47,876	41,987	37,493	32,430	14	28	48
of which reported at fair value	3,075	3,477	3,444	3,804	(12)	(11)	(19)
Customer deposits	314,952	286,455	287,564	278,128	10	10	13
of which reported at fair value	4,534	3,675	3,537	3,544	23	28	28
of which reported from consolidated VIEs	517	433	54	37	19	–	–
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	169,373	142,245	168,394	198,373	19	1	(15)
of which reported at fair value	131,844	109,282	123,697	134,691	21	7	(2)
Obligation to return securities received as collateral, at fair value	28,812	32,057	42,147	44,412	(10)	(32)	(35)
Trading liabilities, at fair value	137,554	120,452	133,997	140,948	14	3	(2)
of which reported from consolidated VIEs	1,208	165	188	191	–	–	–
Short-term borrowings	23,176	20,373	21,683	10,460	14	7	122
of which reported at fair value	3,247	4,046	3,308	2,909	(20)	(2)	12
of which reported from consolidated VIEs	4,150	4,126	4,333	4,061	1	(4)	2
Long-term debt	164,177	164,159	173,752	178,780	0	(6)	(8)
of which reported at fair value	74,501	76,844	83,692	85,551	(3)	(11)	(13)
of which reported from consolidated VIEs	16,739	18,184	19,739	19,300	(8)	(15)	(13)
Brokerage payables	70,212	67,315	61,746	69,907	4	14	0
Other liabilities	62,911	61,573	62,214	69,275	2	1	(9)
of which reported at fair value	31,011	29,677	29,185	31,491	4	6	(2)
of which reported from consolidated VIEs	729	820	840	1,579	(11)	(13)	(54)
Total liabilities	**1,019,043**	**936,616**	**988,990**	**1,022,713**	9	3	0
Common shares	48	48	47	47	0	2	2
Additional paid-in capital	21,159	21,107	23,026	22,656	0	(8)	(7)
Retained earnings	27,804	27,121	25,316	24,570	3	10	13
Treasury shares, at cost	0	(111)	(552)	(93)	100	100	100
Accumulated other comprehensive income/(loss)	(15,492)	(16,949)	(14,555)	(13,092)	(9)	6	18
Total shareholders' equity	**33,519**	**31,216**	**33,282**	**34,088**	7	1	(2)
Noncontrolling interests	8,959	9,091	9,733	10,587	(1)	(8)	(15)
Total equity	**42,478**	**40,307**	**43,015**	**44,675**	5	(1)	(5)
Total liabilities and equity	**1,061,521**	**976,923**	**1,032,005**	**1,067,388**	9	3	(1)

				end of			% change
	3Q11	2Q11	4Q10	3Q10	QoQ	Ytd	YoY
Additional share information							
Par value (CHF)	0.04	0.04	0.04	0.04	0	0	0
Authorized shares (million)	1,868.1	1,868.1	1,468.3	1,468.3	0	27	27
Common shares issued (million)	1,203.0	1,202.2	1,186.1	1,186.1	0	1	1
Treasury shares (million)	0.0	(3.1)	(12.2)	(1.8)	100	100	100
Shares outstanding (million)	1,203.0	1,199.1	1,173.9	1,184.3	0	2	2

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

Consolidated statements of changes in equity (unaudited)

	Attributable to shareholders								
	Common shares	Additional paid-in capital	Retained earnings	Treasury shares, at cost	Accumulated other comprehensive income	**Total shareholders' equity**	Noncontrolling interests	**Total equity**	Number of common shares outstanding
3Q11 (CHF million)									
Balance at beginning of period	**48**	**21,107**	**27,121**	**(111)**	**(16,949)**	**31,216**	**9,091**	**40,307**	**1,199,099,753** [1]
Purchase of subsidiary shares from noncontrolling interests, changing ownership	–	3	–	–	–	3	(4)	(1)	–
Purchase of subsidiary shares from noncontrolling interests, not changing ownership [2, 3]	–	–	–	–	–	–	(631)	(631)	–
Sale of subsidiary shares to noncontrolling interests, not changing ownership [3]	–	–	–	–	–	–	248	248	–
Net income/(loss)	–	–	683	–	–	683	(178) [4]	505	–
Foreign currency translation	–	–	–	–	1,394	1,394	448	1,842	–
Unrealized gains/(losses) on securities	–	–	–	–	28	28	–	28	–
Actuarial gains/(losses)	–	–	–	–	31	31	–	31	–
Net prior service cost	–	–	–	–	4	4	–	4	–
Total other comprehensive income/(loss), net of tax	–	–	–	–	1,457	1,457	448	1,905	–
Issuance of common shares	–	16	–	–	–	16	–	16	800,843
Sale of treasury shares	–	6	–	2,473	–	2,479	–	2,479	98,020,445
Repurchase of treasury shares	–	–	–	(2,373)	–	(2,373)	–	(2,373)	(95,274,393)
Share-based compensation, net of tax	–	224 [5]	–	11	–	235	–	235	357,344
Financial instruments indexed to own shares [6]	–	(38)	–	–	–	(38)	–	(38)	–
Cash dividends paid	–	–	–	–	–	–	(15)	(15)	–
Changes in redeemable noncontrolling interests	–	(159) [7]	–	–	–	(159)	–	(159)	–
Balance at end of period	**48**	**21,159**	**27,804**	**0**	**(15,492)**	**33,519**	**8,959**	**42,478**	**1,203,003,992** [8]

[1] At par value CHF 0.04 each, fully paid, net of 3,103,396 treasury shares. In addition to the treasury shares, a maximum of 665,936,917 unissued shares (conditional and authorized capital) were available for issuance without further approval of the shareholders. [2] Distributions to owners in funds include the return of original capital invested and any related dividends. [3] Transactions with and without ownership changes related to fund activity are all displayed under "not changing ownership". [4] Net income attributable to noncontrolling interests excludes CHF 7 million due to redeemable noncontrolling interests. [5] Includes a net tax charge of CHF 63 million from the excess recognized compensation expense over fair value of shares delivered. [6] The Group has purchased certain call options on its own shares to economically hedge share-based compensation awards. In accordance with US GAAP, these call options are designated as equity instruments and, as such, are initially recognized in shareholders' equity at their fair values and not subsequently remeasured. [7] Represents the accrued portion of the redemption value of redeemable noncontrolling interests in Credit Suisse Hedging-Griffo Investimentos S.A. For further information, refer to Note 24 – Guarantees and commitments – Other commitments. [8] At par value CHF 0.04 each, fully paid. A maximum of 665,136,074 unissued shares (conditional and authorized capital) were available for issuance without further approval of the shareholders.

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**	Number of common shares outstanding
2Q11 (CHF million)									
Balance at beginning of period	**48**	**22,565**	**26,455**	**0**	**(15,011)**	**34,057**	**9,231**	**43,288**	**1,201,020,793**
Purchase of subsidiary shares from non-controlling interests, changing ownership	–	(1)	–	–	–	(1)	(1)	(2)	–
Purchase of subsidiary shares from non-controlling interests, not changing ownership	–	–	–	–	–	–	(372)	(372)	–
Sale of subsidiary shares to noncontrolling interests, not changing ownership	–	–	–	–	–	–	153	153	–
Net income/(loss)	–	–	768	–	–	768	580	1,348	–
Gains/(losses) on cash flow hedges	–	–	–	–	(10)	(10)	–	(10)	–
Foreign currency translation	–	–	–	–	(1,959)	(1,959)	(473)	(2,432)	–
Unrealized gains/(losses) on securities	–	–	–	–	2	2	–	2	–
Actuarial gains/(losses)	–	–	–	–	26	26	–	26	–
Net prior service cost	–	–	–	–	3	3	–	3	–
Total other comprehensive income/(loss), net of tax	–	–	–	–	(1,938)	(1,938)	(473)	(2,411)	–
Issuance of common shares	–	43	–	–	–	43	–	43	1,182,356
Sale of treasury shares	–	(221)	–	3,166	–	2,945	–	2,945	85,354,994
Repurchase of treasury shares	–	–	–	(3,292)	–	(3,292)	–	(3,292)	(88,801,653)
Share-based compensation, net of tax	–	358	–	15	–	373	–	373	343,263
Financial instruments indexed to own shares	–	217	–	–	–	217	–	217	–
Cash dividends paid	–	(1,646)	(102)	–	–	(1,748)	(46)	(1,794)	–
Changes in redeemable noncontrolling interests	–	(208)	–	–	–	(208)	–	(208)	–
Change in scope of consolidation, net	–	–	–	–	–	–	19	19	–
Balance at end of period	**48**	**21,107**	**27,121**	**(111)**	**(16,949)**	**31,216**	**9,091**	**40,307**	**1,199,099,753**

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

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

	Attributable to shareholders								
	Common shares	Additional paid-in capital	Retained earnings	Treasury shares, at cost	Accumulated other comprehensive income	**Total shareholders' equity**	Non-controlling interests	**Total equity**	Number of common shares outstanding
3Q10 (CHF million)									
Balance at beginning of period	**47**	**22,462**	**23,961**	**0**	**(10,837)**	**35,633**	**10,951**	**46,584**	**1,186,091,476**
Purchase of subsidiary shares from non-controlling interests, changing ownership	–	1	–	–	–	1	(7)	(6)	–
Purchase of subsidiary shares from non-controlling interests, not changing ownership	–	–	–	–	–	–	(501)	(501)	–
Sale of subsidiary shares to noncontrolling interests, not changing ownership	–	–	–	–	–	–	1,661	1,661	–
Net income/(loss)	–	–	609	–	–	609	275	884	–
Gains/(losses) on cash flow hedges	–	–	–	–	19	19	–	19	–
Foreign currency translation	–	–	–	–	(2,305)	(2,305)	(863)	(3,168)	–
Unrealized gains/(losses) on securities	–	–	–	–	23	23	–	23	–
Actuarial gains/(losses)	–	–	–	–	4	4	–	4	–
Net prior service cost	–	–	–	–	4	4	–	4	–
Total other comprehensive income/(loss), net of tax	–	–	–	–	(2,255)	(2,255)	(863)	(3,118)	–
Issuance of common shares	–	(21)	–	–	–	(21)	–	(21)	59,351
Sale of treasury shares	–	4	–	6,336	–	6,340	–	6,340	139,075,243
Repurchase of treasury shares	–	–	–	(6,471)	–	(6,471)	–	(6,471)	(141,789,201)
Share-based compensation, net of tax	–	334	–	42	–	376	7	383	899,490
Financial instruments indexed to own shares	–	(124)	–	–	–	(124)	–	(124)	–
Cash dividends paid	–	–	–	–	–	–	(35)	(35)	–
Change in scope of consolidation, net	–	–	–	–	–	–	(979)	(979)	–
Other	–	–	–	–	–	–	78	78	–
Balance at end of period	**47**	**22,656**	**24,570**	**(93)**	**(13,092)**	**34,088**	**10,587**	**44,675**	**1,184,336,359**

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**	Number of common shares outstanding
9M11 (CHF million)									
Balance at beginning of period	**47**	**23,026**	**25,316**	**(552)**	**(14,555)**	**33,282**	**9,733**	**43,015**	**1,173,946,065** [1]
Purchase of subsidiary shares from non-controlling interests, changing ownership	–	1	–	–	–	1	(5)	(4)	–
Purchase of subsidiary shares from non-controlling interests, not changing ownership [2, 3]	–	–	–	–	–	–	(1,378)	(1,378)	–
Sale of subsidiary shares to non-controlling interests, changing ownership	–	(7)	–	–	–	(7)	7	–	–
Sale of subsidiary shares to noncontrolling interests, not changing ownership [3]	–	–	–	–	–	–	494	494	–
Net income/(loss)	–	–	2,590	–	–	2,590	759 [4]	3,349	–
Gains/(losses) on cash flow hedges	–	–	–	–	(27)	(27)	–	(27)	–
Foreign currency translation	–	–	–	–	(994)	(994)	(178)	(1,172)	–
Unrealized gains/(losses) on securities	–	–	–	–	(10)	(10)	–	(10)	–
Actuarial gains/(losses)	–	–	–	–	84	84	–	84	–
Net prior service cost	–	–	–	–	10	10	–	10	–
Total other comprehensive income/(loss), net of tax	–	–	–	–	(937)	(937)	(178)	(1,115)	–
Issuance of common shares	1	681	–	–	–	682	–	682	16,829,550
Sale of treasury shares	–	(77)	–	10,302	–	10,225	–	10,225	295,174,972
Repurchase of treasury shares	–	–	–	(10,045)	–	(10,045)	–	(10,045)	(289,886,140)
Share-based compensation, net of tax	–	(489) [5]	–	295	–	(194)	(1)	(195)	6,939,545
Financial instruments indexed to own shares [6]	–	164	–	–	–	164	–	164	–
Cash dividends paid	–	(1,646) [7]	(102)	–	–	(1,748)	(72)	(1,820)	–
Changes in redeemable noncontrolling interests	–	(494) [8]	–	–	–	(494)	(90)	(584)	–
Change in scope of consolidation, net	–	–	–	–	–	–	(310)	(310)	–
Balance at end of period	**48**	**21,159**	**27,804**	**0**	**(15,492)**	**33,519**	**8,959**	**42,478**	**1,203,003,992** [9]

[1] At par value CHF 0.04 each, fully paid, net of 12,228,377 treasury shares. In addition to the treasury shares, a maximum of 282,101,278 unissued shares (conditional and authorized capital) were available for issuance without further approval of the shareholders. [2] Distributions to owners in funds include the return of original capital invested and any related dividends. [3] Transactions with and without ownership changes related to fund activity are all displayed under "not changing ownership". [4] Net income attributable to noncontrolling interests excludes CHF 33 million due to redeemable noncontrolling interests. [5] Includes a net tax charge of CHF 262 million from the excess recognized compensation expense over fair value of shares delivered. [6] The Group has purchased certain call options on its own shares to economically hedge share-based compensation awards. In accordance with US GAAP, these call options are designated as equity instruments and, as such, are initially recognized in shareholders' equity at their fair values and not subsequently remeasured. [7] Paid out of reserves from capital contributions. [8] Represents the accrued portion of the redemption value of redeemable noncontrolling interests in Credit Suisse Hedging-Griffo Investimentos S.A. For further information, refer to Note 24 – Guarantees and commitments – Other commitments. [9] At par value CHF 0.04 each, fully paid. A maximum of 665,136,074 unissued shares (conditional and authorized capital) were available for issuance without further approval of the shareholders.

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

	Attributable to shareholders								
	Common shares	Additional paid-in capital	Retained earnings	Treasury shares, at cost	Accumulated other comprehensive income	**Total shareholders' equity**	Non-controlling interests	**Total equity**	Number of common shares outstanding
9M10 (CHF million)									
Balance at beginning of period	**47**	**24,706**	**25,258**	**(856)**	**(11,638)**	**37,517**	**10,811**	**48,328**	**1,169,210,895**
Purchase of subsidiary shares from non-controlling interests, changing ownership	–	1	–	–	–	1	(21)	(20)	–
Purchase of subsidiary shares from non-controlling interests, not changing ownership	–	–	–	–	–	–	(1,111)	(1,111)	–
Sale of subsidiary shares to non-controlling interests, changing ownership	–	–	–	–	–	–	1	1	–
Sale of subsidiary shares to noncontrolling interests, not changing ownership	–	–	–	–	–	–	1,859	1,859	–
Net income/(loss)	–	–	4,257	–	–	4,257	466	4,723	–
Cumulative effect of accounting changes, net of tax	–	–	(2,384)	–	135	(2,249)	–	(2,249)	–
Gains/(losses) on cash flow hedges	–	–	–	–	24	24	–	24	–
Foreign currency translation	–	–	–	–	(1,541)	(1,541)	(453)	(1,994)	–
Unrealized gains/(losses) on securities	–	–	–	–	42	42	–	42	–
Actuarial gains/(losses)	–	–	–	–	(124)	(124)	–	(124)	–
Net prior service cost	–	–	–	–	10	10	–	10	–
Total other comprehensive income/(loss), net of tax	–	–	–	–	(1,589)	(1,589)	(453)	(2,042)	–
Issuance of common shares	–	8	–	–	–	8	–	8	780,645
Sale of treasury shares	–	(34)	–	21,273	–	21,239	–	21,239	442,728,811
Repurchase of treasury shares	–	–	–	(22,903)	–	(22,903)	–	(22,903)	(474,310,766)
Share-based compensation, net of tax	–	(1,901)	–	2,393	–	492	7	499	45,926,774
Financial instruments indexed to own shares	–	(124)	–	–	–	(124)	–	(124)	–
Cash dividends paid	–	–	(2,561)	–	–	(2,561)	(128)	(2,689)	–
Change in scope of consolidation, net	–	–	–	–	–	–	(922)	(922)	–
Other	–	–	–	–	–	–	78	78	–
Balance at end of period	**47**	**22,656**	**24,570**	**(93)**	**(13,092)**	**34,088**	**10,587**	**44,675**	**1,184,336,359**

Consolidated statements of comprehensive income (unaudited)

			in		% change		in	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Comprehensive income (CHF million)								
Net income	512	1,369	884	(63)	(42)	3,382	4,723	(28)
Other comprehensive income/(loss), net of tax	1,905	(2,411)	(3,118)	–	–	(1,115)	(2,042)	(45)
Comprehensive income/(loss)	**2,417**	**(1,042)**	**(2,234)**	–	–	**2,267**	**2,681**	(15)
Comprehensive income/(loss) attributable to noncontrolling interests	**277**	**128**	**(588)**	116	–	**614**	**13**	–
Comprehensive income/(loss) attributable to shareholders	**2,140**	**(1,170)**	**(1,646)**	–	–	**1,653**	**2,668**	(38)

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

Consolidated statements of cash flows (unaudited)

		in	% change
	9M11	9M10	YoY
Operating activities of continuing operations (CHF million)			
Net income	**3,382**	**4,723**	(28)
(Income)/loss from discontinued operations, net of tax	0	19	(100)
Income from continuing operations	**3,382**	**4,742**	(29)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities of continuing operations (CHF million)			
Impairment, depreciation and amortization	854	872	(2)
Provision for credit losses	90	(56)	–
Deferred tax provision	662	911	(27)
Share of net income from equity method investments	(26)	(60)	(57)
Trading assets and liabilities, net	22,507	(18,769)	–
(Increase)/decrease in other assets	(22,535)	(9,438)	139
Increase/(decrease) in other liabilities	11,213	15,005	(25)
Other, net	(3,184)	4,320	–
Total adjustments	9,581	(7,215)	–
Net cash provided by/(used in) operating activities of continuing operations	**12,963**	**(2,473)**	–
Investing activities of continuing operations (CHF million)			
(Increase)/decrease in interest-bearing deposits with banks	(732)	(504)	45
(Increase)/decrease in central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	(24,910)	(26,197)	(5)
Purchase of investment securities	(1,437)	(1,738)	(17)
Proceeds from sale of investment securities	2,100	859	144
Maturities of investment securities	1,738	2,717	(36)
Investments in subsidiaries and other investments	(1,326)	(1,603)	(17)
Proceeds from sale of other investments	4,323	1,724	151
(Increase)/decrease in loans	(11,323)	2,415	–
Proceeds from sales of loans	302	691	(56)
Capital expenditures for premises and equipment and other intangible assets	(1,172)	(1,168)	0
Proceeds from sale of premises and equipment and other intangible assets	5	4	25
Other, net	171	275	(38)
Net cash provided by/(used in) investing activities of continuing operations	**(32,261)**	**(22,525)**	43

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	% change
	9M11	9M10	YoY
Financing activities of continuing operations (CHF million)			
Increase/(decrease) in due to banks and customer deposits	41,139	4,144	–
Increase/(decrease) in short-term borrowings	2,112	(1,924)	–
Increase/(decrease) in central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	5,805	17,933	(68)
Issuances of long-term debt	27,431	45,314	(39)
Repayments of long-term debt	(27,553)	(38,205)	(28)
Issuances of common shares	682	8	–
Sale of treasury shares	10,225	21,239	(52)
Repurchase of treasury shares	(10,045)	(22,903)	(56)
Dividends paid/capital repayments	(1,820)	(2,689)	(32)
Excess tax benefits related to share-based compensation	0	636	(100)
Other, net	335	920	(64)
Net cash provided by/(used in) financing activities of continuing operations	**48,311**	**24,473**	97
Effect of exchange rate changes on cash and due from banks (CHF million)			
Effect of exchange rate changes on cash and due from banks	**(2,129)**	**(1,884)**	13
Net cash provided by/(used in) discontinued operations (CHF million)			
Net cash provided by/(used in) operating activities of discontinued operations	**25**	**(71)**	–
Net increase/(decrease) in cash and due from banks (CHF million)			
Net increase/(decrease) in cash and due from banks	**26,909**	**(2,480)**	–
Cash and due from banks at beginning of period	65,467	51,857	26
Cash and due from banks at end of period	**92,376**	**49,377**	87

Supplemental cash flow information (unaudited)

		in	% change
	9M11	9M10	YoY
Cash paid for income taxes and interest (CHF million)			
Cash paid for income taxes	833	724	15
Cash paid for interest	13,623	15,028	(9)

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

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, 2010, included in the Credit Suisse Annual Report 2010. For a description of the Group's significant accounting policies, refer to *Note 1 – Summary of significant accounting policies in V – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2010*.

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 presentation of period over period change, the 2Q11 consolidated statements of operations, consolidated balance sheet and consolidated statements of changes in equity and the 3Q10 consolidated balance sheet 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. For a description of accounting standards adopted in 2010, refer to *Note 2 – Recently issued accounting standards in V – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2010*.

ASC Topic 310 – Receivables

In April 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-02, "A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring" (ASU 2011-02), an update to Accounting Standards Codification (ASC) Topic 310 – Receivables. ASU 2011-02 provides guidance in evaluating whether a restructuring constitutes a troubled debt restructuring. In order to meet the requirements for a troubled debt restructuring, a creditor must separately conclude that both the restructuring constitutes a concession and the debtor is experiencing financial difficulties. The amendments clarify the guidance on a creditor's evaluation of whether it has granted a concession and also clarify the guidance on a creditor's evaluation of whether a debtor is experiencing financial difficulties. ASU 2011-02 is effective for the first interim or annual period beginning on or after June 15, 2011 and has to be applied retrospectively to the beginning of the annual period of adoption. The Group adopted the provisions of ASU 2011-02 retrospectively to January 1, 2011 and this did not result in loans newly identified as impaired and as such did not impact the Group's financial condition, results of operations or cash flows.

In January 2011, the FASB issued ASU 2011-01, "Deferral of the Effective Date of Disclosures about Troubled Debt Restructurings in Update No. 2010-20" (ASU 2011-01), an update to ASC Topic 310 – Receivables. The amendment in

ASU 2011-01 temporarily delayed the effective date of the disclosures about troubled debt restructurings in ASU 2010-20. ASU 2011-01 was effective upon issuance and the adoption thereof did not impact the Group's financial condition, results of operations or cash flows.

In July 2010, the FASB issued ASU 2010-20, "Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses" (ASU 2010-20), an update to ASC Topic 310 – Receivables. The amendments in ASU 2010-20 enhance disclosures about the credit quality of financing receivables and the allowance for credit losses. As a result of the update, entities are required to provide a greater level of disaggregated information about the credit quality of financing receivables and the allowance for credit losses. Entities are also required to disclose credit quality indicators, past due information, and modifications of its financing receivables. The enhanced disclosures are designed to help financial statement users assess an entity's credit risk exposures and its allowance for credit losses. The disclosures as of the end of a reporting period were effective for the first interim or annual reporting period ending after December 15, 2010. The disclosures about activity that occurred during a reporting period are effective for the first interim or annual reporting period beginning after December 15, 2010. ASU 2010-20 is an update only for disclosures and as such did not impact the Group's financial position, results of operations or cash flows. The Group adopted ASU 2010-20 on December 31, 2010 and provided the disclosures under this ASU that were effective for the first annual reporting period ending after December 15, 2010 in the Group's consolidated financial statements in the Credit Suisse Annual Report 2010. Disclosures about activity that occurred during the reporting period were provided in 1Q11 for the first time. For further information, refer to *Note 16 – Loans, allowance for loan losses and credit quality*.

ASC Topic 820 – Fair Value Measurement

In January 2010, the FASB issued ASU 2010-06, "Improving Disclosures about Fair Value Measurements" (ASU 2010-06), an update to ASC Topic 820 – Fair Value Measurement. ASU 2010-06 requires both new and clarifies existing fair value measurement disclosures. The new requirements include disclosure of significant transfers in and out of level 1 and 2 and gross presentation of purchases, sales, issuances, and settlements in the reconciliation of beginning and ending balances of level 3 instruments. The clarifications required by ASU 2010-06 include the level of disaggregation in the fair value hierarchy and level 3 reconciliation of assets and liabilities by class of financial instrument. In addition the ASU expanded disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements included in levels 2 and 3 of the fair value hierarchy.

The new disclosures and clarifications were effective for interim and annual periods beginning after December 15, 2009, except the disclosures about purchases, sales, issuances, and settlements in reconciliation of beginning and ending balances of level 3 instruments, which are effective for interim and annual periods beginning after December 15, 2010. ASU 2010-06 is an update only for disclosures and as such did not impact the Group's financial position, results of operations or cash flows. For further information, refer to *Note 26 – Financial instruments*.

Standards to be adopted in future periods

ASC Topic 220 – Comprehensive Income

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 was issued to improve the comparability, consistency and transparency of financial reporting. The amendment provides the entity an option to present the total of comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The amendments do not change the items that must be reported in other comprehensive income. ASU 2011-05 is required to be applied retrospectively and is effective for interim and annual periods beginning after December 15, 2011. ASU 2011-05 is an update only for presentation and as such will not impact the Group's financial position, results of operations or cash flows.

ASC Topic 350 – Intangibles – Goodwill and Other

In September 2011, the FASB issued ASU 2011-08, "Testing Goodwill for Impairment" (ASU 2011-08), an update to ASC Topic 350 – Intangibles – Goodwill and Other. The amendments in ASU 2011-08 permit an entity to qualitatively assess whether the fair value of the reporting unit is less than the carrying amount. Based on the qualitative assessment, if an entity determines that it is more likely than not that the fair value of the reporting unit is less than the carrying amount, then the entity must perform step one of the goodwill impairment test by calculating the fair value of the reporting unit and comparing the fair value to the carrying amount of the reporting unit. If the carrying amount of the reporting unit exceeds its fair value, then the entity is required to perform the second step of the goodwill impairment test to measure the amount of the impairment loss, if any. ASU 2011-08 should be applied prospectively for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The adoption of ASU 2011-08 is not expected to impact the Group's financial condition, results of operations or cash flows.

ASC Topic 820 – Fair Value Measurement

In May 2011, the FASB issued ASU 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs", an update to ASC Topic 820 – Fair Value Measurement. ASU 2011-04 results in common fair value measurement and disclosure requirements in US GAAP and IFRS. The amendments in ASU 2011-04 include clarifications about the application of existing fair value measurement requirements and changes to principles for measuring fair value. ASU 2011-04 also requires additional disclosures about fair value measurements. ASU 2011-04 is required to be applied prospectively and is effective for interim and annual periods beginning after December 15, 2011. The Group is currently evaluating the impact of adoption of ASU 2011-04 on the Group's financial condition, results of operations and cash flows.

ASC Topic 860 – Transfers and Servicing

In April 2011, the FASB issued ASU 2011-03, "Reconsideration of Effective Control for Repurchase Agreements" (ASU 2011-03), an update to ASC Topic 860 – Transfers and Servicing. Current guidance prescribes when an entity may or may not recognize a sale upon the transfer of financial assets subject to repurchase agreements. That determination is based, in part, on whether the entity has maintained effective control over the transferred financial assets. ASU 2011-03 removes from the assessment of effective control the criterion requiring the transferor to have the ability to repurchase or redeem the financial assets. ASU 2011-03 is effective for the first interim or annual period beginning on or after December 15, 2011 and should be applied prospectively to transactions or modifications of existing transactions that occur on or after the effective date. The adoption of ASU 2011-03 is not expected to have any impact on the Group's financial condition, results of operations or cash flows.

Note 3 Business developments

There were no significant acquisitions and divestitures in 3Q11.

Note 4 Discontinued operations

On December 31, 2008, the Group signed an agreement to sell part of its traditional investments business in Asset Management to Aberdeen. The transaction was completed with the final closing on July 1, 2009. As part of the sale of the traditional investments business, the Group purchased certain assets in the amount of CHF 114 million in 1Q10 in accordance with contractual obligations and recognized losses of CHF 19 million that were included in discontinued operations in 9M10. The remaining balance of the assets purchased in 1Q10 was sold or matured in 1Q11.

Note 5 **Segment information**

Overview

The Group is a global financial services company domiciled in Switzerland. The Group's business consists of three segments: Private Banking, Investment Banking and Asset Management. The three segments are complemented by Shared Services, which provides support in the areas of finance, operations, including human resources, legal and compliance, risk management and IT. The segment information reflects the Group's reportable segments as follows:

- Private Banking offers comprehensive advice and a broad range of wealth management solutions, including pension planning, life insurance products, tax planning and wealth and inheritance advice, which are tailored to the needs of high-net-worth individuals and UHNWI worldwide. In Switzerland, it supplies banking products and services to individual clients, including affluent, high-net-worth and UHNWI clients, and corporates and institutions.
- Investment Banking offers investment banking and securities products and services to corporate, institutional and government clients around the world. Its products and services include debt and equity underwriting, sales and trading, M&A advice, divestitures, corporate sales, restructuring and investment research.
- Asset Management offers integrated investment solutions and services to institutions, governments and private clients. It provides access to a wide range of investment classes, building on its global strengths in alternative investments and traditional investments.

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.

Noncontrolling interest-related revenues and expenses resulting from the consolidation of certain private equity funds and other entities in which the Group does not have SEI in such revenues and expenses are reported as noncontrolling interests without SEI. The consolidation of these entities does not affect net income attributable to shareholders as the amounts recorded in net revenues and total operating expenses are offset by corresponding amounts reported as noncontrolling interests. In addition, the Group's tax expense is not affected by these revenues and expenses.

Revenue sharing and cost allocation

Responsibility for each product is allocated to a segment, which records all related revenues and expenses. Revenue-sharing and service level agreements govern the compensation received by one segment for generating revenue or providing services on behalf of another. These agreements are negotiated periodically by the relevant segments on a product-by-product basis.

The aim of revenue-sharing and cost allocation agreements is to reflect the pricing structure of unrelated third-party transactions.

Corporate services and business support in finance, operations, including human resources, legal and compliance, risk management and IT are provided by the Shared Services area. Shared Services costs are allocated to the segments and Corporate Center based on their requirements and other relevant measures.

Funding

The Group centrally manages its funding activities. New securities for funding and capital purposes are issued primarily by Credit Suisse AG, the Swiss bank subsidiary of the Group (the Bank). 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 capitalize on opportunities. 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 expense in each of the segments for this capital and funding. The Group's funds transfer pricing system is designed to allocate to its businesses funding costs in a way that incentivizes their efficient use of funding. The Group's funds transfer pricing system is an essential tool that allocates to the businesses the short-term and long-term costs of funding their balance sheet and the costs associated with funding liquidity and balance sheet items, such as goodwill, which are beyond the control of individual businesses. This is of greater importance in a stressed capital markets environment where raising funds is more challenging and expensive. Under this system, the Group's businesses are also credited to the extent they provide long-term stable funding.

Taxes

The Group's segments are managed and reported on a pre-tax basis.

Net revenues and income before taxes

	in			% change		in		% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Net revenues (CHF million)								
Private Banking	2,610	2,797	2,826	(7)	(8)	8,303	8,717	(5)
Investment Banking	2,494	2,822	3,421	(12)	(27)	10,245	12,736	(20)
Asset Management	471	629	582	(25)	(19)	1,691	1,715	(1)
Corporate Center	1,242	78	(545)	–	–	717	497	44
Noncontrolling interests without SEI	(128)	566	282	–	–	781	453	72
Net revenues	**6,689**	**6,892**	**6,566**	(3)	2	**21,737**	**24,118**	(10)
Income/(loss) from continuing operations before taxes (CHF million)								
Private Banking	183	843	836	(78)	(78)	1,881	2,602	(28)
Investment Banking	(190)	231	395	–	–	1,384	2,973	(53)
Asset Management	92	202	135	(54)	(32)	466	323	44
Corporate Center	951	(190)	(613)	–	–	16	(405)	–
Noncontrolling interests without SEI	(192)	554	248	–	–	703	392	79
Income from continuing operations before taxes	**844**	**1,640**	**1,001**	(49)	(16)	**4,450**	**5,885**	(24)

Total assets

				end of			% change
	3Q11	2Q11	4Q10	3Q10	QoQ	Ytd	YoY
Total assets (CHF million)							
Private Banking	350,759	335,098	337,496	351,731	5	4	0
Investment Banking	817,957	741,067	803,613	838,484	10	2	(2)
Asset Management	28,097	27,813	27,986	27,233	1	0	3
Corporate Center [1]	(141,541)	(133,347)	(143,945)	(157,877)	6	(2)	(10)
Noncontrolling interests without SEI	6,249	6,292	6,855	7,817	(1)	(9)	(20)
Total assets	**1,061,521**	**976,923**	**1,032,005**	**1,067,388**	9	3	(1)

[1] Under the central treasury model, Group financing results in intra-Group balances between the segments. The elimination of these assets and liabilities occurs in the Corporate Center.

Note 6 **Net interest income**

			in		% change		in	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Net interest income (CHF million)								
Loans	1,202	1,253	1,289	(4)	(7)	3,677	4,006	(8)
Investment securities	22	23	20	(4)	10	76	69	10
Trading assets	2,514	4,159	3,138	(40)	(20)	9,350	11,177	(16)
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	848	870	758	(3)	12	2,425	1,966	23
Other	789	777	832	2	(5)	2,381	2,684	(11)
Interest and dividend income	5,375	7,082	6,037	(24)	(11)	17,909	19,902	(10)
Deposits	(429)	(427)	(428)	0	0	(1,260)	(1,194)	6
Short-term borrowings	(15)	(14)	(17)	7	(12)	(47)	(49)	(4)
Trading liabilities	(1,334)	(3,264)	(1,648)	(59)	(19)	(5,974)	(7,393)	(19)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(396)	(505)	(555)	(22)	(29)	(1,244)	(1,271)	(2)
Long-term debt	(1,425)	(1,422)	(1,568)	0	(9)	(4,317)	(4,881)	(12)
Other	(130)	(73)	(105)	78	24	(291)	(249)	17
Interest expense	(3,729)	(5,705)	(4,321)	(35)	(14)	(13,133)	(15,037)	(13)
Net interest income	**1,646**	**1,377**	**1,716**	20	(4)	**4,776**	**4,865**	(2)

Note 7 **Commissions and fees**

			in		% change		in	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Commissions and fees (CHF million)								
Lending business	340	349	397	(3)	(14)	1,031	990	4
Investment and portfolio management	939	1,072	1,054	(12)	(11)	3,081	3,195	(4)
Other securities business	30	22	19	36	58	67	59	14
Fiduciary business	969	1,094	1,073	(11)	(10)	3,148	3,254	(3)
Underwriting	264	491	473	(46)	(44)	1,297	1,524	(15)
Brokerage	1,028	989	856	4	20	3,225	2,980	8
Underwriting and brokerage	1,292	1,480	1,329	(13)	(3)	4,522	4,504	0
Other services	460	540	459	(15)	0	1,494	1,503	(1)
Commissions and fees	**3,061**	**3,463**	**3,258**	(12)	(6)	**10,195**	**10,251**	(1)

Note 8 Trading revenues

			in		% change		in	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Trading revenues (CHF million)								
Interest rate products	3,034	1,389	1,518	118	100	5,486	4,828	14
Foreign exchange products	(2,386)	(1,562)	2	53	–	(3,270)	1,749	–
Equity/index-related products	228	689	(138)	(67)	–	1,430	2,039	(30)
Credit products	1,266	317	(930)	299	–	1,108	(964)	–
Commodity, emission and energy products	69	232	169	(70)	(59)	375	131	186
Other products	(291)	51	322	–	–	(82)	240	–
Trading revenues	**1,920**	**1,116**	**943**	72	104	**5,047**	**8,023**	(37)

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.

Trading revenues includes revenues from trading financial assets and liabilities as follows:
- Equities;
- Commodities;
- Listed and OTC derivatives;
- Derivatives linked to funds of hedge funds and providing financing facilities to funds of hedge funds;
- Market making in the government bond and associated OTC derivative swap markets;
- Domestic, corporate and sovereign debt, convertible and non-convertible preferred stock and short-term securities such as floating rate notes and CP;
- Market making and positioning in foreign exchange products;
- Credit derivatives on investment grade and high yield credits;
- Trading and securitizing all forms of securities that are based on underlying pools of assets; and
- Life settlement contracts.

Trading revenues also includes changes in the fair value of financial assets and liabilities elected to fair value under US GAAP. The main components include certain instruments from the following categories:
- Central bank funds purchased/sold;
- Securities purchased/sold under resale/repurchase agreements;
- Securities borrowing/lending transactions;
- Loans and loan commitments; and
- Customer deposits, short-term borrowings and long-term debt.

Managing the risks

As a result of the Group's broad involvement in financial products and markets, its trading strategies are correspondingly diverse and exposures are generally spread across a diversified range of risk factors and locations. The Group uses an economic capital limit structure to limit overall risk taking. The level of risk incurred by its divisions is further restricted by a variety of specific limits, including consolidated controls over trading exposures. Also, as part of its overall risk management, the Group holds a portfolio of economic hedges. Hedges are impacted by market movements, similar to trading securities, and may result in gains or losses on the hedges which offset losses or gains on the portfolios they were designed to economically hedge. The Group manages its trading risk with regard to both market and credit risk. For market risk, it uses tools capable of calculating comparable exposures across its many activities, as well as focused tools that can specifically model unique characteristics of certain instruments or portfolios.

The principal measurement methodology for trading assets, as well as most instruments for which the fair value option was elected, is VaR. The Group holds securities as collateral and enters into CDS to mitigate the credit risk on these products.

Note 9 **Other revenues**

		in		% change		in	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Other revenues (CHF million)								
Noncontrolling interests without SEI	(224)	584	273	–	–	683	433	58
Loans held-for-sale	(12)	17	(11)	–	9	23	(83)	–
Long-lived assets held-for-sale	(21)	65	(36)	–	(42)	43	(128)	–
Equity method investments	43	52	32	(17)	34	101	153	(34)
Other investments	107	91	234	18	(54)	447	148	202
Other	169	127	157	33	8	422	456	(7)
Other revenues	**62**	**936**	**649**	(93)	(90)	**1,719**	**979**	76

Note 10 **Provision for credit losses**

			in		% change		in	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Provision for credit losses (CHF million)								
Provision for loan losses	30	3	(39)	–	–	45	(56)	–
Provision for lending-related and other exposures	54	10	13	440	315	45	0	–
Provision for credit losses	**84**	**13**	**(26)**	–	–	**90**	**(56)**	–

Note 11 **Compensation and benefits**

			in		% change		in	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Compensation and benefits (CHF million)								
Salaries and variable compensation	2,683	2,719	3,018	(1)	(11)	8,905	9,487	(6)
Social security	164	207	187	(21)	(12)	693	753	(8)
Other [1]	220	170	150	29	47	594	988	(40)
Compensation and benefits	**3,067** [2]	**3,096** [2]	**3,355**	(1)	(9)	**10,192** [2]	**11,228**	(9)

[1] Includes pension and other post-retirement expense of CHF 158 million, CHF 112 million, CHF 128 million, CHF 404 million and CHF 369 million in 3Q11, 2Q11, 3Q10, 9M11 and 9M10, respectively, and the UK levy on variable compensation of CHF (43) million and CHF 404 million in in 3Q10 and 9M10, respectively. [2] Includes severance and other compensation expense relating to headcount reductions of CHF 235 million, CHF 142 million and CHF 377 million in 3Q11, 2Q11 and 9M11, respectively.

Note 12 **General and administrative expenses**

			in	% change			in	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
General and administrative expenses (CHF million)								
Occupancy expenses	271	269	289	1	(6)	804	884	(9)
IT, machinery, etc.	379	333	332	14	14	1,039	1,009	3
Provisions and losses	540	42	126	–	329	629	471	34
Travel and entertainment	104	115	110	(10)	(5)	323	352	(8)
Professional services	489	541	535	(10)	(9)	1,515	1,598	(5)
Amortization and impairment of other intangible assets	7	8	8	(13)	(13)	22	26	(15)
Other	419	344	352	22	19	1,161	1,148	1
General and administrative expenses	**2,209**	**1,652**	**1,752**	34	26	**5,493**	**5,488**	0

Note 13 **Earnings per share**

			in	% change			in	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Net income attributable to shareholders (CHF million)								
Income from continuing operations	**683**	**768**	**609**	(11)	12	**2,590**	**4,276**	(39)
Income/(loss) from discontinued operations, net of tax	0	0	0	–	–	0	(19)	100
Net income attributable to shareholders	**683**	**768**	**609**	(11)	12	**2,590**	**4,257**	(39)
Preferred securities dividends	–	(102)	–	100	–	(102)	(67)	52
Net income attributable to shareholders for basic earnings per share	**683**	**666**	**609**	3	12	**2,488**	**4,190**	(41)
Available for common shares	644	575	575	12	12	2,348	3,965	(41)
Available for unvested share-based payment awards	39	91	34	(57)	15	140	225	(38)
Net income attributable to shareholders for diluted earnings per share	**683**	**666**	**609**	3	12	**2,488**	**4,190**	(41)
Available for common shares	645	575	575	12	12	2,349	3,965	(41)
Available for unvested share-based payment awards	38	91	34	(58)	12	139	225	(38)
Weighted-average shares outstanding (million)								
Weighted-average shares outstanding for basic earnings per share available for common shares	**1,203.6**	**1,199.3**	**1,190.6**	0	1	**1,195.8**	**1,197.6**	0
Dilutive share options and warrants	6.2	2.9	5.4	114	15	3.9	5.7	(32)
Dilutive share awards	14.3	5.6	0.0	155	–	7.0	0.5	–
Weighted-average shares outstanding for diluted earnings per share available for common shares [1]	**1,224.1**	**1,207.8**	**1,196.0**	1	2	**1,206.7**	**1,203.8**	0
Weighted-average shares outstanding for basic/ diluted earnings per share available for unvested share-based payment awards	**72.8**	**74.6**	**69.7**	(2)	4	**73.2**	**66.8**	10
Basic earnings per share available for common shares (CHF)								
Basic earnings per share from continuing operations	0.54	0.48	0.48	13	13	1.96	3.33	(41)
Basic earnings per share from discontinued operations	0.00	0.00	0.00	–	–	0.00	(0.02)	100
Basic earnings per share available for common shares	**0.54**	**0.48**	**0.48**	13	13	**1.96**	**3.31**	(41)
Diluted earnings per share available for common shares (CHF)								
Diluted earnings per share from continuing operations	0.53	0.48	0.48	10	10	1.95	3.31	(41)
Diluted earnings per share from discontinued operations	0.00	0.00	0.00	–	–	0.00	(0.02)	100
Diluted earnings per share available for common shares	**0.53**	**0.48**	**0.48**	10	10	**1.95**	**3.29**	(41)

[1] 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 34.2 million, 36.4 million, 54.0 million, 38.4 million and 48.4 million for 3Q11, 2Q11, 3Q10, 9M11 and 9M10, respectively.

Note 14 Trading assets and liabilities

				end of			% change
	3Q11	2Q11	4Q10	3Q10	QoQ	Ytd	YoY
Trading assets (CHF million)							
Debt securities	153,714	155,058	154,555	179,978	(1)	(1)	(15)
Equity securities [1]	65,390	89,077	102,941	89,330	(27)	(36)	(27)
Derivative instruments [2]	64,656	40,313	47,744	58,709	60	35	10
Other	16,582	18,178	19,464	20,016	(9)	(15)	(17)
Trading assets	**300,342**	**302,626**	**324,704**	**348,033**	(1)	(8)	(14)
Trading liabilities (CHF million)							
Short positions	73,063	74,137	76,094	77,918	(1)	(4)	(6)
Derivative instruments [2]	64,491	46,315	57,903	63,030	39	11	2
Trading liabilities	**137,554**	**120,452**	**133,997**	**140,948**	14	3	(2)

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

Cash collateral on derivative instruments

				end of			% change
	3Q11	2Q11	4Q10	3Q10	QoQ	Ytd	YoY
Cash collateral receivables (CHF million)							
Receivables netted against derivative positions	35,153	25,333	28,500	34,537	39	23	2
Receivables not netted [1]	17,600	13,739	14,987	16,498	28	17	7
Total	**52,753**	**39,072**	**43,487**	**51,035**	35	21	3
Cash collateral payables (CHF million)							
Payables netted against derivative positions	38,014	27,166	29,238	35,352	40	30	8
Payables not netted [1]	13,375	14,562	14,428	18,918	(8)	(7)	(29)
Total	**51,389**	**41,728**	**43,666**	**54,270**	23	18	(5)

[1] Recorded as cash collateral on derivative instruments in Note 17 – Other assets and other liabilities.

Note 15 Investment securities

end of	**3Q11**	4Q10	% change
Investment securities (CHF million)			
Debt securities held-to-maturity	259	452	(43)
Securities available-for-sale	5,144	7,945	(35)
Total investment securities	**5,403**	**8,397**	(36)

Investment securities by type

end of	Amortized cost	Gross unrealized gains	Gross unrealized losses	**Fair value**
3Q11 (CHF million)				
Debt securities issued by foreign governments	259	0	0	259
Debt securities held-to-maturity	**259**	**0**	**0**	**259**
Debt securities issued by the Swiss federal, cantonal or local governmental entities	297	24	0	321
Debt securities issued by foreign governments	3,221	131	8	3,344
Corporate debt securities	802	21	5	818
Collateralized debt obligations	550	19	0	569
Debt securities available-for-sale	**4,870**	**195**	**13**	**5,052**
Banks, trust and insurance companies	67	9	0	76
Industry and all other	15	1	0	16
Equity securities available-for-sale	**82**	**10**	**0**	**92**
Securities available-for-sale	**4,952**	**205**	**13**	**5,144**
4Q10 (CHF million)				
Debt securities issued by foreign governments	452	0	0	452
Debt securities held-to-maturity	**452**	**0**	**0**	**452**
Debt securities issued by the Swiss federal, cantonal or local governmental entities	267	15	0	282
Debt securities issued by foreign governments	5,975	233	2	6,206
Corporate debt securities	969	19	4	984
Collateralized debt obligations	371	13	1	383
Debt securities available-for-sale	**7,582**	**280**	**7**	**7,855**
Banks, trust and insurance companies	69	10	0	79
Industry and all other	10	1	0	11
Equity securities available-for-sale	**79**	**11**	**0**	**90**
Securities available-for-sale	**7,661**	**291**	**7**	**7,945**

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
3Q11 (CHF million)						
Debt securities issued by foreign governments	94	8	0	0	94	8
Corporate debt securities	53	2	17	3	70	5
Debt securities available-for-sale	**147**	**10**	**17**	**3**	**164**	**13**
4Q10 (CHF million)						
Debt securities issued by foreign governments	88	2	0	0	88	2
Corporate debt securities	88	1	37	3	125	4
Collateralized debt obligation	64	1	0	0	64	1
Debt securities available-for-sale	**240**	**4**	**37**	**3**	**277**	**7**

Management determined that the unrealized losses on debt securities are primarily attributable to general market interest rate, credit spread or exchange rate movements. 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

	9M11		9M10	
in	Debt securities	Equity securities	Debt securities	Equity securities
Additional information (CHF million)				
Proceeds from sales	2,099	1	856	3
Realized gains	40	0	5	0
Realized losses	(22)	0	(11)	0

Amortized cost, fair value and average yield of debt securities

	Debt securities held-to-maturity			Debt securities available-for-sale		
end of	Amortized cost	Fair value	Average yield (in %)	Amortized cost	Fair value	Average yield (in %)
3Q11 (CHF million)						
Due within 1 year	259	259	0.00	1,860	1,890	3.05
Due from 1 to 5 years	0	0	–	2,377	2,498	3.24
Due from 5 to 10 years	0	0	–	507	525	2.46
Due after 10 years	0	0	–	126	139	3.33
Total debt securities	**259**	**259**	**0.00**	**4,870**	**5,052**	**3.09**

Note 16 **Loans, allowance for loan losses and credit quality**

Loans are divided in two portfolio segments, "consumer loans" and "corporate and institutional loans". Consumer loans are disaggregated into the classes of mortgages, loans collateralized by securities and consumer finance. Corporate and 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 and Investment Banking, that 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 (PD) 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.

Loans

				end of			% change
	3Q11	2Q11	4Q10	3Q10	QoQ	Ytd	YoY
Loans (CHF million)							
Mortgages	87,640	86,374	84,625	84,449	1	4	4
Loans collateralized by securities	26,465	25,725	24,552	25,432	3	8	4
Consumer finance	6,228	6,024	5,708	5,350	3	9	16
Consumer loans	120,333	118,123	114,885	115,231	2	5	4
Real estate	25,282	24,163	23,362	24,002	5	8	5
Commercial and industrial loans	56,426	52,733	54,673	55,083	7	3	2
Financial institutions	23,045	23,674	24,764	25,541	(3)	(7)	(10)
Governments and public institutions	2,283	2,285	2,207	3,949	0	3	(42)
Corporate and institutional loans	107,036	102,855	105,006	108,575	4	2	(1)
Gross loans	**227,369**	**220,978**	**219,891**	**223,806**	3	3	2
of which held at amortized cost	207,688	201,787	201,339	202,477	3	3	3
of which held at fair value	19,681	19,191	18,552	21,329	3	6	(8)
Net (unearned income)/deferred expenses	(39)	(32)	(32)	(37)	22	22	5
Allowance for loan losses	(883)	(916)	(1,017)	(1,109)	(4)	(13)	(20)
Net loans	**226,447**	**220,030**	**218,842**	**222,660**	3	3	2
Gross loans by location (CHF million)							
Switzerland	144,324	142,091	138,989	138,455	2	4	4
Foreign	83,045	78,887	80,902	85,351	5	3	(3)
Gross loans	**227,369**	**220,978**	**219,891**	**223,806**	3	3	2
Impaired loan portfolio (CHF million)							
Non-performing loans	738	880	961	955	(16)	(23)	(23)
Non-interest-earning loans	266	272	340	368	(2)	(22)	(28)
Total non-performing and non-interest-earning loans	1,004	1,152	1,301	1,323	(13)	(23)	(24)
Restructured loans	41	46	52	53	(11)	(21)	(23)
Potential problem loans	453	446	510	456	2	(11)	(1)
Total other impaired loans	494	492	562	509	0	(12)	(3)
Gross impaired loans	**1,498**	**1,644**	**1,863**	**1,832**	(9)	(20)	(18)

Allowance for loan losses

			3Q11			2Q11	3Q10
	Consumer loans	Corporate and institutional loans	Total	Consumer loans	Corporate and institutional loans	Total	
Allowance for loan losses (CHF million)							
Balance at beginning of period	**269**	**647**	**916**	**281**	**693**	**974**	**1,253**
Net movements recognized in statements of operations	28	2	30	2	1	3	(39)
Gross write-offs	(44)	(54)	(98)	(17)	(30)	(47)	(68)
Recoveries	10	(1)	9	14	1	15	15
Net write-offs	(34)	(55)	(89)	(3)	(29)	(32)	(53)
Provisions for interest	1	0	1	1	2	3	(4)
Foreign currency translation impact and other adjustments, net	6	19	25	(12)	(20)	(32)	(48)
Balance at end of period	**270**	**613**	**883**	**269**	**647**	**916**	**1,109**

			9M11	9M10
	Consumer loans	Corporate and institutional loans	Total	
Allowance for loan losses (CHF million)				
Balance at beginning of period	**279**	**738**	**1,017**	**1,395**
Net movements recognized in statements of operations	42	3	45	(56)
Gross write-offs	(85)	(121)	(206)	(244)
Recoveries	30	2	32	48
Net write-offs	(55)	(119)	(174)	(196)
Provisions for interest	3	3	6	(1)
Foreign currency translation impact and other adjustments, net	1	(12)	(11)	(33)
Balance at end of period	**270**	**613**	**883**	**1,109**

Allowance for loan losses and gross loans held at amortized cost

			3Q11			2Q11	3Q10
	Consumer loans	Corporate and institutional loans	Total	Consumer loans	Corporate and institutional loans	Total	
Allowance for loan losses (CHF million)							
Balance at end of period	**270**	**613**	**883**	**269**	**647**	**916**	**1,109**
of which individually evaluated for impairment	201	426	627	198	470	668	768
of which collectively evaluated for impairment	69	187	256	71	177	248	341
Gross loans held at amortized cost (CHF million)							
Balance at end of period	**120,324**	**87,364**	**207,688**	**118,118**	**83,669**	**201,787**	**202,477**
of which individually evaluated for impairment	538	726	1,264	538	837	1,375	1,655
of which collectively evaluated for impairment	119,786	86,638	206,424	117,580	82,832	200,412	200,822

Loans held at amortized cost – purchases, reclassifications and sales

			3Q11			2Q11			9M11
in	Consumer loans	Corporate and institutional loans	Total	Consumer loans	Corporate and institutional loans	Total	Consumer loans	Corporate and institutional loans	Total
Loans held at amortized cost (CHF million)									
Purchases	–	510	510	–	541	541	–	2,587	2,587
Reclassifications to loans held-for-sale [1]	–	294	294	–	286	286	–	950	950
Sales [1]	–	420	420	–	113	113	–	903	903

[1] 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, price, 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 independent validation procedures.

Internal ratings are assigned to all loans reflecting the Group's internal view of the credit quality of the obligor. Internal ratings may differ from a loan's external ratings where present. Internal ratings are reviewed at least annually. For the calculation of internal risk estimates and RWAs, a PD is assigned to each loan. For corporate and institutional loans, the PD is determined by the internal credit rating. The PD for each rating is calibrated based on historic default experience, using external data from Standard & Poor's, and backtested to ensure consistency with internal experience. For consumer loans, the PD may be determined directly from the borrower characteristics. In this case, an equivalent rating is assigned for reporting purposes, based on the PD band associated with each rating.

Loans modified in a troubled debt restructuring are reported as restructured loans to the end of the reporting year in which the loan was modified or as long as an allowance for loan losses is associated with the restructured loan.

Reverse repurchase agreements are fully collateralized and in the event of counterparty default the repurchase agreement provides the Group the right to liquidate the collateral held. The Group risk manages these instruments on the basis of the value of the underlying collateral, as opposed to loans, which are risk managed on the ability of the counterparty to repay. Therefore the underlying collateral coverage is the most appropriate credit quality indicator for reverse repurchase agreements. Also, the Group has elected the fair value option for the majority of its reverse repurchase agreements. As such, reverse repurchase agreements have not been included in the following tables.

The following tables present the Group's recorded investment in loans held at amortized cost by internal counterparty credit ratings that are used as credit quality indicators for the purpose of this disclosure, and a related aging analysis.

Gross loans held at amortized cost by internal counterparty rating

end of	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	**Total**
3Q11 (CHF million)											
Mortgages	156	591	7,203	52,886	25,696	845	20	18	0	225	87,640
Loans collateralized by securities	8	14	366	23,763	2,194	74	2	0	0	44	26,465
Consumer finance	3	3	30	2,976	2,012	556	57	12	307	263	6,219
Consumer loans	167	608	7,599	79,625	29,902	1,475	79	30	307	532	120,324
Real estate	340	214	1,240	12,496	10,346	311	0	0	0	70	25,017
Commercial and industrial loans	342	414	1,671	20,949	17,462	3,172	148	72	153	489	44,872
Financial institutions	2,862	1,996	2,718	5,158	1,955	827	0	45	0	137	15,698
Governments and public institutions	111	93	329	469	166	112	491	0	0	6	1,777
Corporate and institutional loans	3,655	2,717	5,958	39,072	29,929	4,422	639	117	153	702	87,364
Gross loans held at amortized cost	**3,822**	**3,325**	**13,557**	**118,697**	**59,831**	**5,897**	**718**	**147**	**460**	**1,234**	**207,688**
Value of collateral [1]	3,000	1,720	12,077	108,874	49,612	3,395	101	82	8	628	179,497
4Q10 (CHF million)											
Mortgages	147	1,267	10,206	48,270	23,499	949	29	3	0	255	84,625
Loans collateralized by securities	1	69	355	22,547	1,495	28	0	0	0	57	24,552
Consumer finance	1	3	114	2,340	2,065	522	51	28	266	312	5,702
Consumer loans	149	1,339	10,675	73,157	27,059	1,499	80	31	266	624	114,879
Real estate	25	278	1,955	9,758	10,496	499	0	0	0	77	23,088
Commercial and industrial loans	351	714	1,926	21,008	16,190	3,085	102	239	162	765	44,542
Financial institutions	2,183	2,742	1,635	7,143	2,047	1,305	0	0	20	106	17,181
Governments and public institutions	119	157	235	464	91	60	517	0	0	6	1,649
Corporate and institutional loans	2,678	3,891	5,751	38,373	28,824	4,949	619	239	182	954	86,460
Gross loans held at amortized cost	**2,827**	**5,230**	**16,426**	**111,530**	**55,883**	**6,448**	**699**	**270**	**448**	**1,578**	**201,339**
Value of collateral [1]	2,490	3,792	14,125	103,362	47,813	3,991	76	0	8	740	176,397

[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, 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 in multi-year cycles). In volatile markets or in times of increasing general market risk, collateral values may be appraised more frequently. For impaired loans, the fair value of collateral is determined within 90 days of the date the impairment was identified and thereafter regularly revalued.

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**
3Q11 (CHF million)							
Mortgages	87,245	189	15	12	179	395	87,640
Loans collateralized by securities	26,070	305	18	3	69	395	26,465
Consumer finance	5,330	588	80	33	188	889	6,219
Consumer loans	118,645	1,082	113	48	436	1,679	120,324
Real estate	24,955	26	5	2	29	62	25,017
Commercial and industrial loans	44,023	533	37	17	262	849	44,872
Financial institutions	15,192	441	5	4	56	506	15,698
Governments and public institutions	1,776	1	0	0	0	1	1,777
Corporate and institutional loans	85,946	1,001	47	23	347	1,418	87,364
Gross loans held at amortized cost	**204,591**	**2,083**	**160**	**71**	**783**	**3,097**	**207,688**
4Q10 (CHF million)							
Mortgages	84,305	81	16	18	205	320	84,625
Loans collateralized by securities	24,421	100	10	2	19	131	24,552
Consumer finance	5,032	393	83	28	166	670	5,702
Consumer loans	113,758	574	109	48	390	1,121	114,879
Real estate	23,004	39	0	1	44	84	23,088
Commercial and industrial loans	43,267	736	96	43	400	1,275	44,542
Financial institutions	17,028	125	4	0	24	153	17,181
Governments and public institutions	1,645	3	1	0	0	4	1,649
Corporate and institutional loans	84,944	903	101	44	468	1,516	86,460
Gross loans held at amortized cost	**198,702**	**1,477**	**210**	**92**	**858**	**2,637**	**201,339**

Impaired loans

For further information on impaired loan categories and allowance for specifically identified credit losses on impaired loans, 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 2010*.

Gross impaired loans by category

	Non-performing and non-interest-earning loans			Other impaired loans			
end of	Non-performing loans	Non-interest-earning loans	Total	Restructured loans	Potential problem loans	Total	**Total**
3Q11 (CHF million)							
Mortgages	182	15	197	1	68	69	266
Loans collateralized by securities	27	17	44	0	0	0	44
Consumer finance	234	29	263	0	19	19	282
Consumer loans	443	61	504	1	87	88	592
Real estate	43	6	49	0	23	23	72
Commercial and industrial loans	192	135	327	40	285	325	652
Financial institutions	60	58	118	0	58	58	176
Governments and public institutions	0	6	6	0	0	0	6
Corporate and institutional loans	295	205	500	40	366	406	906
Gross impaired loans	**738**	**266**	**1,004**	**41**	**453**	**494**	**1,498**
4Q10 (CHF million)							
Mortgages	208	22	230	0	74	74	304
Loans collateralized by securities	40	19	59	0	1	1	60
Consumer finance	282	30	312	0	4	4	316
Consumer loans	530	71	601	0	79	79	680
Real estate	55	13	68	0	15	15	83
Commercial and industrial loans	353	207	560	52	339	391	951
Financial institutions	23	43	66	0	77	77	143
Governments and public institutions	0	6	6	0	0	0	6
Corporate and institutional loans	431	269	700	52	431	483	1,183
Gross impaired loans	**961**	**340**	**1,301**	**52**	**510**	**562**	**1,863**

Gross impaired loan detail

	3Q11			4Q10		
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	226	215	42	270	256	50
Loans collateralized by securities	43	36	35	60	52	50
Consumer finance	269	255	124	304	290	110
Consumer loans	538	506	201	634	598	210
Real estate	60	50	24	80	67	34
Commercial and industrial loans	502	469	309	794	733	407
Financial institutions	158	156	87	137	135	92
Governments and public institutions	6	4	6	6	4	6
Corporate and institutional loans	726	679	426	1,017	939	539
Gross impaired loans with a specific allowance	**1,264**	**1,185**	**627**	**1,651**	**1,537**	**749**
Mortgages	40	40	–	34	34	–
Loans collateralized by securities	1	1	–	0	0	–
Consumer finance	13	13	–	12	12	–
Consumer loans	54	54	–	46	46	–
Real estate	12	12	–	3	3	–
Commercial and industrial loans	150	149	–	157	156	–
Financial institutions	18	18	–	6	6	–
Corporate and institutional loans	180	179	–	166	165	–
Gross impaired loans without specific allowance	**234**	**233**	**–**	**212**	**211**	**–**
Gross impaired loans	**1,498**	**1,418**	**627**	**1,863**	**1,748**	**749**
of which consumer loans	592	560	201	680	644	210
of which corporate and institutional loans	906	858	426	1,183	1,104	539

Gross impaired loan detail (continued)

	3Q11			2Q11			9M11		
end of	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	230	0	0	237	0	0	230	1	0
Loans collateralized by securities	41	0	0	39	0	0	43	0	0
Consumer finance	260	0	0	264	1	0	259	1	0
Consumer loans	531	0	0	540	1	0	532	2	0
Real estate	60	0	0	59	1	1	60	1	1
Commercial and industrial loans	531	2	1	655	1	1	564	5	4
Financial institutions	149	0	0	151	0	0	160	0	0
Governments and public institutions	6	0	0	6	0	0	6	0	0
Corporate and institutional loans	746	2	1	871	2	2	790	6	5
Gross impaired loans with a specific allowance	**1,277**	**2**	**1**	**1,411**	**3**	**2**	**1,322**	**8**	**5**
Mortgages	50	0	0	38	0	0	77	0	0
Loans collateralized by securities	3	0	0	1	0	0	4	0	0
Consumer finance	19	0	0	13	0	0	21	0	0
Consumer loans	72	0	0	52	0	0	102	0	0
Real estate	64	2	2	57	3	3	72	5	5
Commercial and industrial loans	147	1	0	155	0	0	202	1	0
Financial institutions	19	0	0	4	0	0	16	0	0
Corporate and institutional loans	230	3	2	216	3	3	290	6	5
Gross impaired loans without specific allowance	**302**	**3**	**2**	**268**	**3**	**3**	**392**	**6**	**5**
Gross impaired loans	**1,579**	**5**	**3**	**1,679**	**6**	**5**	**1,714**	**14**	**10**
of which consumer loans	603	0	0	592	1	0	634	2	0
of which corporate and institutional loans	976	5	3	1,087	5	5	1,080	12	10

Note 17 Other assets and other liabilities

	end of				% change		
	3Q11	2Q11	4Q10	3Q10	QoQ	Ytd	YoY
Other assets (CHF million)							
Cash collateral on derivative instruments	17,600	13,739	14,987	16,498	28	17	7
Cash collateral on non-derivative transactions	1,431	1,841	1,792	1,337	(22)	(20)	7
Derivative instruments used for hedging	3,278	2,178	2,733	3,623	51	20	(10)
Assets held-for-sale	23,224	25,362	26,886	29,638	(8)	(14)	(22)
of which loans	22,215	23,816	24,925	28,033	(7)	(11)	(21)
of which real estate	993	1,528	1,946	1,589	(35)	(49)	(38)
Assets held for separate accounts	14,411	14,712	13,815	14,544	(2)	4	(1)
Interest and fees receivable	5,377	5,748	5,158	6,196	(6)	4	(13)
Deferred tax assets	8,190	7,754	9,417	9,882	6	(13)	(17)
Prepaid expenses	624	718	452	643	(13)	38	(3)
Failed purchases	1,337	1,245	1,279	1,117	7	5	20
Other	3,526	3,488	3,066	3,678	1	15	(4)
Other assets	**78,998**	**76,785**	**79,585**	**87,156**	3	(1)	(9)
Other liabilities (CHF million)							
Cash collateral on derivative instruments	13,375	14,562	14,428	18,918	(8)	(7)	(29)
Cash collateral on non-derivative transactions	54	52	20	22	4	170	145
Derivative instruments used for hedging	2,105	982	1,203	1,506	114	75	40
Provisions [1]	1,270	1,177	1,724	1,758	8	(26)	(28)
of which off-balance sheet risk	64	488	552	567	(87)	(88)	(89)
Liabilities held for separate accounts	14,411	14,712	13,815	14,544	(2)	4	(1)
Interest and fees payable	7,371	7,588	6,798	7,394	(3)	8	0
Current tax liabilities	763	783	1,137	1,076	(3)	(33)	(29)
Deferred tax liabilities	488	354	412	537	38	18	(9)
Failed sales	6,784	6,963	7,354	8,209	(3)	(8)	(17)
Other	16,290	14,400	15,323	15,311	13	6	6
Other liabilities	**62,911**	**61,573**	**62,214**	**69,275**	2	1	(9)

[1] Includes provisions for bridge commitments.

Note 18 Long-term debt

	end of				% change		
	3Q11	2Q11	4Q10	3Q10	QoQ	Ytd	YoY
Long-term debt (CHF million)							
Senior	123,222	122,668	130,792	134,220	0	(6)	(8)
Subordinated	24,216	23,307	23,221	25,260	4	4	(4)
Non-recourse liabilities from consolidated VIEs	16,739	18,184	19,739	19,300	(8)	(15)	(13)
Long-term debt	**164,177**	**164,159**	**173,752**	**178,780**	0	(6)	(8)
of which reported at fair value	74,501	76,844	83,692	85,551	(3)	(11)	(13)

Note 19 **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**
3Q11 (CHF million)						
Balance at beginning of period	**(60)**	**(13,858)**	**79**	**(3,083)**	**(27)**	**(16,949)**
Increase/(decrease)	0	1,385	28	5	1	1,419
Reclassification adjustments, included in net income	0	9	0	26	3	38
Balance at end of period	**(60)**	**(12,464)**	**107**	**(3,052)**	**(23)**	**(15,492)**
2Q11 (CHF million)						
Balance at beginning of period	**(50)**	**(11,899)**	**77**	**(3,109)**	**(30)**	**(15,011)**
Increase/(decrease)	2	(1,961)	15	0	0	(1,944)
Increase/(decrease) due to equity method investments	1	0	0	0	0	1
Reclassification adjustments, included in net income	(13)	2	(13)	26	3	5
Balance at end of period	**(60)**	**(13,858)**	**79**	**(3,083)**	**(27)**	**(16,949)**
3Q10 (CHF million)						
Balance at beginning of period	**(36)**	**(7,871)**	**129**	**(3,019)**	**(40)**	**(10,837)**
Increase/(decrease)	26	(2,290)	23	(23)	0	(2,264)
Increase/(decrease) due to equity method investments	6	0	0	0	0	6
Reclassification adjustments, included in net income	(13)	(15)	0	27	4	3
Balance at end of period	**(17)**	**(10,176)**	**152**	**(3,015)**	**(36)**	**(13,092)**
9M11 (CHF million)						
Balance at beginning of period	**(33)**	**(11,470)**	**117**	**(3,136)**	**(33)**	**(14,555)**
Increase/(decrease)	4	(1,010)	14	5	1	(986)
Increase/(decrease) due to equity method investments	(4)	0	0	0	0	(4)
Reclassification adjustments, included in net income	(27)	16	(24)	79	9	53
Balance at end of period	**(60)**	**(12,464)**	**107**	**(3,052)**	**(23)**	**(15,492)**
9M10 (CHF million)						
Balance at beginning of period	**(41)**	**(8,770)**	**110**	**(2,891)**	**(46)**	**(11,638)**
Increase/(decrease)	49	(1,528)	35	(190)	0	(1,634)
Increase/(decrease) due to equity method investments	(12)	0	1	0	0	(11)
Reclassification adjustments, included in net income	(13)	(13)	6	66	10	56
Cumulative effect of accounting changes, net of tax	0	135	0	0	0	135
Balance at end of period	**(17)**	**(10,176)**	**152**	**(3,015)**	**(36)**	**(13,092)**

Note 20 **Tax**

Effective tax rate

in	**3Q11**	2Q11	3Q10	**9M11**	9M10
Effective tax rate (%)					
Effective tax rate	**39.3**	16.5	11.7	**24.0**	19.4

The 3Q11 effective tax rate was mainly impacted by the geographical mix of results, a CHF 139 million tax charge related to a write-down of deferred tax assets following the enactment of UK legislation to reduce the rate of corporation tax from 27% to 25%, an increase in valuation allowances against deferred tax assets mainly in the UK of CHF 62 million and an increase of net deferred tax balances of CHF 127 million following a re-measurement of deferred tax liabilities in Switzerland.

Net deferred tax assets

end of	**3Q11**	2Q11	Change
Net deferred tax assets (CHF million)			
Deferred tax assets	8,190	7,755	435
of which net operating losses	3,997	3,398	599
of which deductible temporary differences	4,193	4,357	(164)
Deferred tax liabilities	(488)	(354)	(134)
Net deferred tax assets	**7,702**	**7,401**	301

Overall, net deferred tax assets increased CHF 301 million to CHF 7,702 million as of the end of 3Q11. The increase in net deferred tax assets primarily related to foreign exchange translation gains of CHF 519 million, a write-down of CHF 139 million as a result of the change in rate of UK corporation tax from 27% to 25% and an increase in net deferred tax balances of CHF 127 million following a re-measurement of deferred tax liabilities in Switzerland.

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. Deferred tax balances as of the end of 2Q11 have been amended to reflect this change for comparative purposes.

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 36 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 – 2007; Japan – 2005; the Netherlands – 2005; the UK – 2003; and the US – 1999.

Note 21 **Employee deferred compensation**

Payment of deferred compensation to employees is determined by the nature of the business, role, location and performance of the employee. Unless there is a contractual obligation, granting deferred compensation is solely at the discretion of senior management. For further information on cash and share-based awards and the related fair value assumptions, refer to *Note 27 – Employee deferred compensation in V – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2010*.

The Group repurchases its own shares in the open market and issues new shares out of available conditional capital to satisfy obligations in connection with share-based compensation.

The following tables show the compensation expense for deferred compensation awards that was recognized in the consolidated statements of operations, the total shares delivered, the estimated unrecognized compensation expenses for deferred compensation awards granted in 3Q11 and prior periods outstanding as of 3Q11 and the remaining requisite service period over which the unrecognized compensation expense will be recognized. The estimated unrecognized 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	**3Q11**	2Q11	3Q10	**9M11**	9M10
Deferred compensation expense (CHF million)					
Share-based awards	155	223	81	578	208
Adjustable Performance Plan awards	201	318	241	889	758
Restricted Cash Awards	54	47	-	202	-
Scaled Incentive Share Units	99	98	131	314	434
Incentive Share Units	42	46	166	124	593
Cash Retention Awards	0	0	141	0	448
Performance Incentive Plans (PIP I and PIP II)	0	0	0	0	1
Partner Asset Facility [1]	(86)	20	20	(13)	(20)
Other cash awards	43	93	130	248	318
Total deferred compensation expense	**508**	**845**	**910**	**2,342**	**2,740**
Total shares delivered (million)					
Total shares delivered	1.2	1.5	0.9	23.8	46.7

[1] Compensation expense represents the change in underlying fair value of the indexed assets during the period.

Additional information

end of	**3Q11**
Estimated unrecognized compensation expense (CHF million)	
Share-based awards	1,283
Adjustable Performance Plan awards	877
Restricted Cash Awards	214
Scaled Incentive Share Units	339
Incentive Share Units	135
Other cash awards	97
Total	**2,945**
Aggregate remaining weighted-average requisite service period (years)	
Aggregate remaining weighted-average requisite service period	1.4

Share-based awards

Share-based awards were granted in January 2011 as part of the 2010 deferred compensation. These awards replace other plans introduced in prior years, including Scaled Incentive Share Units (SISUs), Incentive Share Units (ISUs) and the Performance Incentive Plan (PIP). Each share-based award granted entitles the holder of the award to receive one Group share. One quarter of the share awards vest on each of the four anniversaries of the date of grant. The value that is delivered is equal to the Group share price at the time of delivery, as the share-based awards do not contain any leverage component or multiplier effect as contained in earlier awards.

The Group's share-based awards also include other awards, such as blocked shares and longevity premium awards, which were primarily used in previous years, and special awards, which may be granted to new employees. These awards entitle the holder to receive one Group share, subject to continued employment with the Group, contain restrictive covenants and cancellation provisions and generally vest between zero and five years.

As part of the deferred compensation for 2010, the Group awarded a small population of employees in a number of EU countries 50% of the amount they otherwise would have received in unrestricted cash in the form of blocked shares in order to comply with differing European regulatory requirements. The blocked shares vested immediately upon grant, have no future service requirements and were attributed to services performed in 2010. The shares remain blocked for a period of time, which varies from six months to three years, dependent on location, after which they are subject to no restrictions.

Share-based award activities

in	3Q11		2Q11		3Q10		9M11		9M10	
	Number of share-based awards in million	Weighted-average grant-date fair value in CHF	Number of share-based awards in million	Weighted-average grant-date fair value in CHF	Number of share-based awards in million	Weighted-average grant-date fair value in CHF	Number of share-based awards in million	Weighted-average grant-date fair value in CHF	Number of share-based awards in million	Weighted-average grant-date fair value in CHF
Share-based award activities										
Balance at beginning of period	**49.3**	**43.11**	**50.5**	**43.28**	**15.0**	**46.24**	**17.3**	**43.86**	**15.5**	**45.67**
Granted	1.4	25.77	1.1	38.53	2.0	45.11	39.1	41.73	4.9	47.64
Settled	(1.7)	46.21	(1.9)	44.80	(0.9)	53.95	(6.9)	43.46	(4.1)	48.99
Forfeited	(1.1)	43.96	(0.4)	43.38	(0.1)	41.14	(1.6)	43.97	(0.3)	49.89
Balance at end of period	**47.9**	**42.47**	**49.3**	**43.11**	**16.0**	**45.71**	**47.9**	**42.47**	**16.0**	**45.71**
of which vested	0.8	–	0.9	–	0.9	–	0.8	–	0.9	–
of which unvested	47.1	–	48.4	–	15.1	–	47.1	–	15.1	–

Adjustable Performance Plan awards

The Adjustable Performance Plan is a deferred, cash-based plan for the Executive Board, managing directors and directors. The Group introduced and granted Adjustable Performance Plan awards as part of deferred compensation for 2009 (2009 Adjustable Performance Plan). The Group continued to grant Adjustable Performance Plan awards as part of deferred compensation for 2010 (2010 Adjustable Performance Plan) and amended and simplified certain features in the 2010 Adjustable Performance Plan.

The 2009 Adjustable Performance Plan awards are subject to a three-year, pro rata vesting schedule. The final value of the Adjustable Performance Plan awards paid out to individual employees may be adjusted positively or negatively from the initial amount awarded on the grant date depending on the financial performance of the specific business areas and the Group return on equity and the value paid out each year for vested awards will reflect these adjustments.

The 2010 Adjustable Performance Plan awards are similar to the 2009 Adjustable Performance Plan awards, except the pro rata vesting will occur over a four-year period and the outstanding 2010 Adjustable Performance Plan awards will be subject to annual adjustments, increasing or decreasing the outstanding balances by a percentage equal to the Group return on equity, unless the division that granted the awards incurs a pre-tax loss. In this case, outstanding awards in that division will be subject to a negative adjustment of 15% for every CHF 1 billion of loss unless a negative Group return on equity applies for that year and is greater than the divisional adjustment.

Restricted Cash Award

The cash component of variable compensation is generally free from conditions. However, managing directors in Investment Banking received the cash component of variable compensation in 2010 in the form of a restricted cash award with ratable vesting over a two-year period and other restrictive covenants and provisions. These cash awards were paid in 1Q11 and must be repaid by the employee, either in part or in full, if a claw-back event such as voluntary termination of employment or termination for cause occurs during the vesting period.

Scaled Incentive Share Unit

The SISU plan is a share-based, long-term incentive plan for managing directors and directors. SISUs were granted in January 2010 as part of 2009 deferred compensation. SISUs are similar to ISUs (refer to *Incentive Share Unit* below) except with four-year vesting, subject to early retirement rules, and the leverage component contains an additional performance condition which could increase or decrease the number of any additional shares based on Group return on equity.

Scaled Incentive Share Unit activities

in	3Q11	2Q11	3Q10	9M11	9M10
Number of awards (million)					
Balance at beginning of period	**15.0**	**15.2**	**21.0**	**20.4**	**–**
Granted	0.0	0.0	0.0	0.0	21.1
Settled	0.0	0.0	(0.2)	(5.1)	(0.2)
Forfeited	(0.2)	(0.2)	(0.2)	(0.5)	(0.3)
Balance at end of period	**14.8**	**15.0**	**20.6**	**14.8**	**20.6**
of which vested	0.7	0.5	0.1	0.7	0.1
of which unvested	14.1	14.5	20.5	14.1	20.5

Incentive Share Unit

ISUs were the main form of share-based deferred compensation for all employees from 2006 to 2009. For 2009, ISUs were used for the deferred compensation awards granted to employees up to and including vice presidents. An ISU is similar to a share, but offers additional upside depending on the development of the Group share price compared to predefined targets set at grant date. For each ISU granted, the employee will receive at least one Group share (ISU base unit) over a three-year vesting period and could receive additional shares (ISU leverage unit) at the end of the three-year vesting period. The ISU leverage units granted in 2007 were settled in 1Q11 and did not have a value at settlement as the Group share price performance was below the minimum predefined target of CHF 58.45.

Incentive Share Unit activities

in	3Q11	2Q11	3Q10	9M11	9M10
Number of awards (million)					
Balance at beginning of period	**13.8**	**14.5**	**38.9**	**37.7**	**41.5**
Granted [1]	0.0	0.0	0.0	0.0	6.0
Settled	0.0	(0.5)	(0.3)	(23.3)	(8.4)
Forfeited	(0.4)	(0.2)	(0.5)	(1.0)	(1.0)
Balance at end of period	**13.4**	**13.8**	**38.1**	**13.4**	**38.1**
of which vested	1.3	1.0	3.5	1.3	3.5
of which unvested	12.1	12.8	34.6	12.1	34.6

[1] Includes ISUs granted in January and through out the year.

Partner Asset Facility

As part of the 2008 annual compensation process, the Group granted employees in Investment Banking with a corporate title of managing director or director the majority of the deferred compensation in the form of PAF awards, denominated in US dollars. The PAF awards are indexed to, and represent a first-loss interest in, a specified pool of illiquid assets that originated in Investment Banking.

PAF awards, which have a contractual term of eight years, are fully vested. Compensation expense will be updated at each reporting period date to reflect any change in the underlying fair value of the PAF awards until the awards are finally settled.

Other cash awards

Other cash awards consist of voluntary deferred compensation, proprietary trading and employee investment plans. The compensation expense related to these awards was primarily driven by mark to market and performance adjustments, as the majority of the awards are fully vested.

Note 22 Pension and other post-retirement benefits

The Group previously disclosed that it expected to contribute CHF 525 million to the Swiss and international defined benefit plans and other post-retirement defined benefit plans in 2011. As of the end of 3Q11, CHF 390 million of contributions have been made.

Components of total pension costs

			in		% change		in	% change
	3Q11	2Q11	3Q10	QoQ	YoY	**9M11**	9M10	YoY
Total pension costs (CHF million)								
Service costs on benefit obligation	87	89	75	(2)	16	264	227	16
Interest costs on benefit obligation	135	136	149	(1)	(9)	409	446	(8)
Expected return on plan assets	(205)	(206)	(200)	0	2	(620)	(601)	3
Amortization of recognized prior service cost	4	3	4	33	0	11	12	(8)
Amortization of recognized actuarial losses	35	36	35	(3)	0	108	92	17
Net periodic pension costs	**56**	**58**	**63**	(3)	(11)	**172**	**176**	(2)
Settlement (gains)/losses	0	0	0	–	–	0	(2)	100
Curtailment (gains)/losses	0	0	0	–	–	1	0	–
Total pension costs	**56**	**58**	**63**	(3)	(11)	**173**	**174**	(1)

Note 23 Derivatives and hedging activities

Derivatives are generally either privately negotiated OTC contracts or standard contracts transacted through regulated exchanges. The Group's most frequently used freestanding derivative products, entered into for trading and risk management purposes, include interest rate, credit default and cross-currency swaps, interest rate and foreign exchange options, foreign exchange forward contracts and foreign exchange and interest rate futures.

The Group also enters into contracts that are not considered derivatives in their entirety but include embedded derivative features. Such transactions primarily include issued and purchased structured debt instruments where the return may be calculated by reference to an equity security, index or third-party credit risk, or that have non-standard interest or foreign exchange terms.

On the date a derivative contract is entered into, the Group designates it as belonging to one of the following categories:
- trading activities;
- a risk management transaction that does not qualify as a hedge under accounting standards (referred to as an economic hedge);
- a hedge of the fair value of a recognized asset or liability;

- a hedge of the variability of cash flows to be received or paid relating to a recognized asset or liability or a forecasted transaction; or
- a hedge of a net investment in a foreign operation.

Trading activities

The Group is active in most of the principal trading markets and transacts in many popular trading and hedging products. As noted above, this includes the use of swaps, futures, options and structured products, such as custom transactions using combinations of derivatives, in connection with its sales and trading activities. Trading activities include market making, positioning and arbitrage activities. The majority of the Group's derivatives were used for trading activities.

Economic hedges

Economic hedges arise when the Group enters into derivative contracts for its own risk management purposes, but the contracts entered into do not qualify for hedge accounting under US GAAP. These economic hedges include the following types:

- interest rate derivatives to manage net interest rate risk on certain core banking business assets and liabilities;
- foreign exchange derivatives to manage foreign exchange risk on certain core banking business revenue and expense items, as well as on core banking business assets and liabilities;
- credit derivatives to manage credit risk on certain loan portfolios; and
- futures to manage risk on equity positions including convertible bonds.

Derivatives used in economic hedges are included as trading assets or trading liabilities in the consolidated balance sheets.

Hedge accounting

Fair value hedges

The Group designates fair value hedges as part of an overall interest rate risk management strategy that incorporates the use of derivative instruments to minimize fluctuations in earnings that are caused by interest rate volatility. In addition to hedging changes in fair value due to interest rate risk associated with fixed rate loans, repurchase agreements and long-term debt instruments, the Group uses:

- cross-currency swaps to convert foreign-currency-denominated fixed rate assets or liabilities to floating rate functional currency assets or liabilities; and
- foreign exchange forward contracts to hedge the foreign exchange risk associated with available-for-sale securities.

Cash flow hedges

The Group designates cash flow hedges as part of its strategy to mitigate its risk to variability of cash flows on loans, deposits and other debt obligations by using interest rate swaps to convert variable rate assets or liabilities to fixed rates. The Group also uses cross-currency swaps to convert foreign-currency-denominated fixed and floating rate assets or liabilities to fixed rate assets or liabilities based on the currency profile that the Group elects to be exposed. This includes, but is not limited to, Swiss francs and US dollars. Further, the Group uses derivatives to hedge its cash flows associated with forecasted transactions.

Net investment hedges

The Group designates net investment hedges as part of its strategy to hedge selected net investments in foreign operations against adverse movements in foreign exchange rates, typically using forward foreign exchange contracts.

Hedge effectiveness assessment

The Group assesses the effectiveness of hedging relationships both prospectively and retrospectively. The prospective assessment is made both at the inception of a hedging relationship and on an ongoing basis, and requires the Group to justify its expectation that the relationship will be highly effective over future periods. The retrospective assessment is also performed on an ongoing basis and requires the Group to determine whether or not the hedging relationship has actually been effective. If the Group concludes, through a retrospective evaluation, that hedge accounting is appropriate for the current period, then it measures the amount of hedge ineffectiveness to be recognized in earnings.

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.

For further discussion of the fair value of derivatives, refer to *Note 26 – Financial instruments*.

Fair value of derivative instruments

end of 3Q11	Trading			Hedging [1]		
	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	8,282.7	4.9	4.1	0.0	0.0	0.0
Swaps	29,806.1	612.7	607.4	66.7	3.2	2.0
Options bought and sold (OTC)	2,862.2	63.4	63.1	0.0	0.0	0.0
Futures	2,841.3	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	986.8	0.5	0.4	0.0	0.0	0.0
Interest rate products	**44,779.1**	**681.5**	**675.0**	**66.7**	**3.2**	**2.0**
Forwards	2,389.1	52.9	49.4	18.5	0.2	0.4
Swaps	1,196.0	43.4	63.0	0.0	0.0	0.0
Options bought and sold (OTC)	2,428.7	18.4	18.7	0.0	0.0	0.0
Futures	19.2	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	10.3	0.1	0.3	0.0	0.0	0.0
Foreign exchange products	**6,043.3**	**114.8**	**131.4**	**18.5**	**0.2**	**0.4**
Forwards	20.1	1.9	1.8	0.0	0.0	0.0
Options bought and sold (OTC)	46.5	1.3	1.3	0.0	0.0	0.0
Futures	0.5	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange traded)	1.6	0.0	0.0	0.0	0.0	0.0
Precious metals products	**68.7**	**3.2**	**3.1**	**0.0**	**0.0**	**0.0**
Forwards	5.4	1.0	0.0	0.0	0.0	0.0
Swaps	234.7	10.5	7.2	0.0	0.0	0.0
Options bought and sold (OTC)	287.1	16.9	18.1	0.0	0.0	0.0
Futures	68.5	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	515.2	29.2	30.1	0.0	0.0	0.0
Equity/index-related products	**1,110.9**	**57.6**	**55.4**	**0.0**	**0.0**	**0.0**
Credit derivatives [2]	**2,140.3**	**71.5**	**67.4**	**0.0**	**0.0**	**0.0**
Forwards	18.7	1.2	1.4	0.0	0.0	0.0
Swaps	70.4	8.9	7.5	0.0	0.0	0.0
Options bought and sold (OTC)	36.9	2.2	2.0	0.0	0.0	0.0
Futures	223.7	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	104.2	4.2	4.3	0.0	0.0	0.0
Other products [3]	**453.9**	**16.5**	**15.2**	**0.0**	**0.0**	**0.0**
Total derivative instruments	**54,596.2**	**945.1**	**947.5**	**85.2**	**3.4**	**2.4**

The notional amount for derivative instruments (trading and hedging) was CHF 54,681.4 billion as of September 30, 2011.
[1] Relates to derivative contracts that qualify for hedge accounting under US GAAP. [2] Primarily credit default swaps. [3] Primarily commodity, energy and emission products.

Fair value of derivative instruments (continued)

end of 4Q10	Trading Notional amount	Trading Positive replacement value (PRV)	Trading Negative replacement value (NRV)	Hedging [1] Notional amount	Hedging [1] Positive replacement value (PRV)	Hedging [1] Negative replacement value (NRV)
Derivative instruments (CHF billion)						
Forwards and forward rate agreements	8,073.9	6.3	5.9	0.0	0.0	0.0
Swaps	24,103.8	429.2	422.3	70.0	2.5	1.7
Options bought and sold (OTC)	2,420.3	44.9	46.1	0.0	0.0	0.0
Futures	2,769.2	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	1,365.6	0.5	0.3	0.0	0.0	0.0
Interest rate products	**38,732.8**	**480.9**	**474.6**	**70.0**	**2.5**	**1.7**
Forwards	2,062.4	35.2	37.9	19.4	0.4	0.1
Swaps	1,059.0	35.0	45.8	0.0	0.0	0.0
Options bought and sold (OTC)	796.9	14.4	15.1	0.0	0.0	0.0
Futures	13.5	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	5.6	0.1	0.1	0.0	0.0	0.0
Foreign exchange products	**3,937.4**	**84.7**	**98.9**	**19.4**	**0.4**	**0.1**
Forwards	15.9	1.7	1.4	0.0	0.0	0.0
Options bought and sold (OTC)	25.4	0.7	0.8	0.0	0.0	0.0
Futures	0.5	0.0	0.0	0.0	0.0	0.0
Precious metals products	**41.8**	**2.4**	**2.2**	**0.0**	**0.0**	**0.0**
Forwards	6.2	1.1	0.1	0.0	0.0	0.0
Swaps	213.7	4.2	7.5	0.0	0.0	0.0
Options bought and sold (OTC)	268.2	15.0	16.2	0.0	0.0	0.0
Futures	77.9	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	389.5	17.0	18.0	0.0	0.0	0.0
Equity/index-related products	**955.5**	**37.3**	**41.8**	**0.0**	**0.0**	**0.0**
Credit derivatives [2]	**1,989.5**	**49.5**	**46.6**	**0.0**	**0.0**	**0.0**
Forwards	32.0	2.0	1.9	0.0	0.0	0.0
Swaps	100.9	14.1	15.7	0.0	0.0	0.0
Options bought and sold (OTC)	50.1	3.2	2.9	0.0	0.0	0.0
Futures	219.8	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	128.6	4.8	4.8	0.0	0.0	0.0
Other products [3]	**531.4**	**24.1**	**25.3**	**0.0**	**0.0**	**0.0**
Total derivative instruments	**46,188.4**	**678.9**	**689.4**	**89.4**	**2.9**	**1.8**

The notional amount for derivative instruments (trading and hedging) was CHF 46,277.8 billion as of December 31, 2010.
[1] Relates to derivative contracts that qualify for hedge accounting under US GAAP. [2] Primarily credit default swaps. [3] Primarily commodity, energy and emission products.

Fair value of derivative instruments (continued)

end of	3Q11 Positive replacement value (PRV)	3Q11 Negative replacement value (NRV)	4Q10 Positive replacement value (PRV)	4Q10 Negative replacement value (NRV)
Derivative instruments (CHF billion)				
Replacement values (trading and hedging) before netting agreements	948.5	949.9	681.8	691.2
Counterparty netting [1]	(845.3)	(845.3)	(602.9)	(602.9)
Cash collateral netting [1]	(35.2)	(38.0)	(28.5)	(29.2)
Replacement values (trading and hedging) after netting agreements	**68.0**	**66.6**	**50.4**	**59.1**
of which recorded in trading assets (PRV) and trading liabilities (NRV)	64.7	64.5	47.7	57.9
of which recorded in other assets (PRV) and other liabilities (NRV)	3.3	2.1	2.7	1.2

[1] Netting was based on legally enforceable netting agreements.

Fair value hedges

in	**3Q11**	2Q11	3Q10	**9M11**	9M10
Gains/(losses) recognized in income on derivatives (CHF million)					
Interest rate products	576	248	375	563	1,279
Foreign exchange products	18	9	(8)	16	23
Total	**594**	**257**	**367**	**579**	**1,302**
Gains/(losses) recognized in income on hedged items (CHF million)					
Interest rate products	(581)	(273)	(376)	(595)	(1,294)
Foreign exchange products	(20)	(9)	8	(18)	(24)
Total	**(601)**	**(282)**	**(368)**	**(613)**	**(1,318)**
Details of fair value hedges (CHF million)					
Net gains/(losses) on the ineffective portion	(7)	(25)	(1)	(34)	(16)

Represents gains/(losses) recognized in trading revenues.

Cash flow hedges

in	**3Q11**	2Q11	3Q10	**9M11**	9M10
Gains/(losses) recognized in AOCI on derivatives (CHF million)					
Foreign exchange products	0	3	31	0	38
Gains/(losses) reclassified from AOCI into income (CHF million)					
Foreign exchange products [1]	0	14	13	31	13

Represents gains/(losses) on effective portion.
[1] Included in commissions and fees.

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

Net investment hedges

in	3Q11	2Q11	3Q10	9M11	9M10
Gains/(losses) recognized in AOCI on derivatives (CHF million)					
Interest rate products	0	0	0	0	8
Foreign exchange products	(335)	955	603	665	1,095
Total	**(335)**	**955**	**603**	**665**	**1,103**
Gains/(losses) reclassified from AOCI into income (CHF million)					
Foreign exchange products [1]	6	1	(7)	4	(4)
Total	**6**	**1**	**(7)**	**4**	**(4)**

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. For gains and losses on trading activities by product type, refer to *Note 8 – Trading revenues*.

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 that 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 by contract may include amounts other than or in addition to the NRV of derivative instruments with credit risk-related contingent features.

Contingent credit risk

end of	Bilateral counterparties	Special purpose entities	Accelerated terminations	Total
3Q11 (CHF billion)				
Current net exposure	16.9	1.8	0.7	**19.4**
Collateral posted	15.5	1.8	–	**17.3**
Additional collateral required in a one-notch downgrade event	0.2	1.6	0.0	**1.8**
Additional collateral required in a two-notch downgrade event	0.4	3.0	0.5	**3.9**
4Q10 (CHF billion)				
Current net exposure	14.6	2.1	0.8	**17.5**
Collateral posted	13.0	2.0	–	**15.0**
Additional collateral required in a one-notch downgrade event	0.2	1.8	0.1	**2.1**
Additional collateral required in a two-notch downgrade event	0.4	3.2	0.4	**4.0**

Credit derivatives

Credit derivatives are contractual agreements in which the buyer generally pays a fee in exchange for a contingent payment by the seller if there is a credit event on the underlying referenced entity or asset. They are generally privately negotiated OTC contracts, with numerous settlement and payment terms, and most are structured so that they specify the occurrence of an identifiable credit event, which can include bankruptcy, insolvency, receivership, material adverse restructuring of debt or failure to meet obligations when due.

The Group enters into credit derivative contracts in the normal course of business, buying and selling protection to facilitate client transactions and as a market maker. This includes providing structured credit products for its clients to enable them to hedge their credit risk. The referenced instruments of these structured credit products are both investment grade and non-investment grade and could include corporate bonds, sovereign debt, asset-backed securities (ABS) and loans. These instruments can be formed as single items (single-named instruments) or combined on a portfolio basis (multi-named instruments). The Group purchases protection to economically hedge various forms of credit exposure, for example, the economic hedging of loan portfolios or other cash positions. Finally, the Group also takes proprietary positions which can take the form of either purchased or sold protection.

The credit derivatives most commonly transacted by the Group are CDS and credit swaptions. CDSs are contractual agreements in which the buyer of the swap pays an upfront and/or a periodic fee in return for a contingent payment by the seller of the swap following a credit event of the referenced entity or asset. Credit swaptions are options with a specified maturity to buy or sell protection under a CDS on a specific referenced credit event.

In addition, to reduce its credit risk, the Group enters into legally enforceable netting agreements with its derivative counterparties. Collateral on these derivative contracts is usually posted on a net counterparty basis and cannot be allocated to a particular derivative contract.

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. The Group believes that the maximum potential payout is not representative of the actual loss exposure based on historical experience. This amount has not been reduced by the Group's rights to the underlying assets and the related cash flows. In accordance with most credit derivative contracts, should a credit event (or settlement trigger) occur, the Group is usually liable for the difference between the credit protection sold and the recourse it holds in the value of the underlying assets. The maximum potential amount of future payments has not been reduced for any cash collateral paid to a given counterparty as such payments would be calculated after netting all derivative exposures, including any credit derivatives with that counterparty in accordance with a related master netting agreement. Due to such netting processes, determining the amount of collateral that corresponds to credit derivative exposures only is not possible.

To reflect the quality of the payment risk on credit protection sold, the Group assigns an internally generated rating to those instruments referenced in the contracts. Internal ratings are assigned by experienced credit analysts based on expert judgment that incorporates analysis and evaluation of both quantitative and qualitative factors. The specific factors analyzed, and their relative importance, are dependent on the type of counterparty. The analysis emphasizes a forward-looking approach, concentrating on economic trends and financial fundamentals, and making use of peer analysis, industry comparisons and other quantitative tools. External ratings and market information are also used in the analysis process where available.

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. The maximum potential payout amount of credit protection purchased for each individual identical underlying reference instrument may be greater or lower than the notional amount of credit protection sold.

The Group also considers estimated recoveries that they would receive if the specified credit event occurred, including both the anticipated value of the underlying referenced asset that would, in most instances, be transferred to the Group and the impact of any purchased protection with an identical reference instrument and product type.

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.

The Group purchases its protection from banks and broker dealers, other financial institutions and other counterparties.

Fair value of credit protection sold

The fair values of the credit protection sold also 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.

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. Total return swaps (TRS) are 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/purchased

end of 3Q11	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 million)					
Investment grade [2]	(471,236)	449,844	(21,392)	56,159	(13,693)
Non-investment grade	(196,481)	175,077	(21,404)	16,989	(16,207)
Total single-name instruments	**(667,717)**	**624,921**	**(42,796)**	**73,148**	**(29,900)**
of which sovereigns	(128,374)	126,503	(1,871)	13,078	(8,405)
of which non-sovereigns	(539,343)	498,418	(40,925)	60,070	(21,495)
Multi-name instruments (CHF million)					
Investment grade [2]	(297,756)	271,564	(26,192)	17,654	(18,250)
Non-investment grade	(85,874)	64,823	(21,051)	13,209	(3,539)
Total multi-name instruments	**(383,630)**	**336,387**	**(47,243)**	**30,863**	**(21,789)**
of which sovereigns	(23,953)	22,561	(1,392)	1,149	(2,162)
of which non-sovereigns	(359,677)	313,826	(45,851)	29,714	(19,627)
end of 4Q10					
Single-name instruments (CHF million)					
Investment grade [2]	(467,460)	450,139	(17,321)	49,008	975
Non-investment grade	(195,340)	169,173	(26,167)	17,161	(2,208)
Total single-name instruments	**(662,800)**	**619,312**	**(43,488)**	**66,169**	**(1,233)**
of which sovereigns	(115,191)	113,546	(1,645)	10,305	(2,390)
of which non-sovereigns	(547,609)	505,766	(41,843)	55,864	1,157
Multi-name instruments (CHF million)					
Investment grade [2]	(238,372)	215,052	(23,320)	14,480	(4,765)
Non-investment grade	(60,283)	55,884	(4,399)	16,112	(1,088)
Total multi-name instruments	**(298,655)**	**270,936**	**(27,719)**	**30,592**	**(5,853)**
of which sovereigns	(15,425)	14,589	(836)	643	(636)
of which non-sovereigns	(283,230)	256,347	(26,883)	29,949	(5,217)

[1] Represents credit protection purchased with identical underlyings and recoveries. [2] Based on internal ratings of BBB and above.

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**
3Q11 (CHF million)				
Single-name instruments	108,926	407,064	151,727	667,717
Multi-name instruments	42,305	284,251	57,074	383,630
Total	**151,231**	**691,315**	**208,801**	**1,051,347**
4Q10 (CHF million)				
Single-name instruments	90,718	468,223	103,859	662,800
Multi-name instruments	27,257	227,007	44,391	298,655
Total	**117,975**	**695,230**	**148,250**	**961,455**

Note 24 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

end of	Maturity less than 1 year	Maturity greater than 1 year	**Total gross amount**	Total net amount [1]	Carrying value	Collateral received
3Q11 (CHF million)						
Credit guarantees and similar instruments	2,622	4,093	6,715	6,326	48	2,421
Performance guarantees and similar instruments	6,065	5,392	11,457	10,322	65	4,691
Securities lending indemnifications	17,453	0	17,453	17,453	0	17,453
Derivatives [2]	28,585	26,281	54,866	54,866	3,714	– [3]
Other guarantees	3,800	1,023	4,823	4,786	6	2,254
Total guarantees	**58,525**	**36,789**	**95,314**	**93,753**	**3,833**	**26,819**
4Q10 (CHF million)						
Credit guarantees and similar instruments	3,413	3,995	7,408	6,922	512	4,357
Performance guarantees and similar instruments	8,076	4,030	12,106	10,840	100	4,317
Securities lending indemnifications	18,254	0	18,254	18,254	0	18,254
Derivatives [2]	35,804	29,839	65,643	65,643	2,246	– [3]
Other guarantees	4,349	1,109	5,458	5,387	8	2,622
Total guarantees	**69,896**	**38,973**	**108,869**	**107,046**	**2,866**	**29,550**

[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 considered significant.

Credit guarantees and similar instruments

Credit guarantees and similar instruments are contracts that require the Group to make payments should a third party fail to do so under a specified existing credit obligation. The position includes standby letters of credit, commercial and residential mortgage guarantees and other guarantees associated with VIEs.

Standby letters of credit are made in connection with the corporate lending business and other corporate activities, where the Group provides guarantees to counterparties in the form of standby letters of credit, which represent obligations to make payments to third parties if the counterparties fail to fulfill their obligations under a borrowing arrangement or other contractual obligation.

Commercial and residential mortgage guarantees are made in connection with the Group's commercial mortgage activities in the US, where the Group sells certain commercial and residential mortgages to the Federal National Mortgage Association (FNMA) and agrees to bear a percentage of the losses triggered by the borrowers failing to perform on the mortgage. The Group also issues guarantees that require it to reimburse FNMA for losses on certain whole loans underlying mortgage-backed securities issued by FNMA, which are triggered by borrowers failing to perform on the underlying mortgages.

The Group also provides guarantees to VIEs and other counterparties under which it may be required to buy assets from such entities upon the occurrence of certain triggering events such as rating downgrades and/or substantial decreases in fair value of those assets.

Performance guarantees and similar instruments

Performance guarantees and similar instruments are arrangements that require contingent payments to be made when certain performance-related targets or covenants are not met. Such covenants may include a customer's obligation to deliver certain products and services or to perform under a construction contract. Performance guarantees are frequently executed as part of project finance transactions. The position includes private equity fund guarantees and guarantees related to residential mortgage securitization activities.

For private equity fund guarantees, the Group has provided investors in private equity funds sponsored by a Group entity guarantees on potential obligations of certain general partners to return amounts previously paid as carried interest to those general partners if the performance of the remaining investments declines. To manage its exposure, the Group generally withholds a portion of carried interest distributions to cover any repayment obligations. In addition, pursuant to certain contractual arrangements, the Group is obligated to make cash payments to certain investors in certain private equity funds if specified performance thresholds are not met.

Further, as part of the Group's residential mortgage securitization activities in the US, the Group may guarantee the collection by the servicer and remittance to the securitization trust of prepayment penalties. The Group will have to perform under these guarantees in the event the servicer fails to remit the prepayment penalties.

Securities lending indemnifications

Securities lending indemnifications include arrangements in which the Group agreed to indemnify securities lending customers against losses incurred in the event that security borrowers do not return securities subject to the lending agreement and the collateral held is insufficient to cover the market value of the securities borrowed. As indicated in the Guarantees table, the Group was fully collateralized in respect of securities lending indemnifications.

Derivatives

Derivatives are issued in the ordinary course of business, generally in the form of written put options. Disclosures about derivative contracts are not required under US GAAP if such contracts may be cash settled and the Group has no basis to conclude it is probable that the counterparties held, at inception, the underlying instruments related to the derivative contracts. The Group has concluded that these conditions were met for certain active commercial and investment banks and certain other counterparties, and accordingly, the Group has not included such contracts as guarantees.

The Group manages its exposure to these derivatives by engaging in various hedging strategies to reduce its exposure. For some contracts, such as written interest rate caps or foreign exchange options, the maximum payout is not determinable as interest rates or exchange rates could theoretically rise without limit. For these contracts, notional amounts were disclosed in the table above in order to provide an indication of the underlying exposure. In addition, the Group carries all derivatives at fair value in the consolidated balance sheets and has considered the performance triggers and probabilities of payment when determining those fair values. It is more likely than not that written put options that are in-the-money to the counterparty will be exercised, for which the Group's exposure was limited to the carrying value reflected in the table.

Other guarantees

Other guarantees include bankers' acceptances, residual value guarantees, deposit insurance, contingent considerations in business combinations, the minimum value of an investment in mutual funds or private equity funds and all other guarantees that were not allocated to one of the categories above.

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 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 scheme for the period July 1, 2011 to June 30, 2012 is CHF 0.7 billion. These deposit insurance guarantees were reflected in other guarantees.

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 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.

The following tables present the total amount of residential mortgage loans sold during the period from January 1, 2004 to September 30, 2011 by counterparty and the outstanding repurchase claims and related provisions as of the end of 3Q11 and 4Q10.

Residential mortgage loans sold

Residential mortgage loans sold from January 1, 2004 to September 30, 2011 (USD billion)	
Government-sponsored enterprises	8.2
Private investors [1]	22.1
Non-agency securitizations	128.5 [2]
Total	**158.8**

[1] Primarily banks. [2] The outstanding balance of residential mortgage loans as of the end of 3Q11 was USD 32.2 billion. The difference of the total balance of mortgage loans sold and the outstanding balance as of the end of 3Q11 is attributable to borrower payments of USD 81.3 billion and losses of USD 15.0 billion due to loan defaults.

Residential mortgage loans sold – repurchase claims and provisions

end of	3Q11	4Q10
Outstanding repurchase claims (USD million)		
Government-sponsored enterprises	60	39
Private investors [1]	448	434
Non-agency securitizations	1,808 [2]	–
Total	**2,316**	**473**
Provisions related to repurchase claims (USD million)		
Total provisions [3]	**53**	**29**

Excludes repurchase claims that are in litigation for both residential mortgage loans sold and residential mortgage-backed securities. For further information, refer to Note 29 – Litigation.
[1] Primarily banks. [2] Substantially all in connection with repurchase claims by Assured Guaranty Corp., a monoline insurer, related to certain insured non-agency securitizations. On October 17, 2011, Assured Guaranty Corp. filed an action against Credit Suisse demanding repurchase of the loans underlying these repurchase claims. [3] Substantially all related to government-sponsored enterprises.

Representations and warranties relating to 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. For further information, refer to *Note 29 – Litigation*.

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

The following table presents the repurchase losses incurred from the repurchase of residential mortgage loans sold including indemnifications paid.

Losses from repurchase of residential mortgage loans sold

in	3Q11	2Q11	3Q10	9M11	9M10
Losses from repurchase of residential mortgage loans sold (USD million)					
Net losses [1]	2	0	6	5	17

Includes indemnifications paid to resolve loan repurchase claims.
[1] Primarily related to government-sponsored enterprises.

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 are not reflected in the table above and are discussed below.

Disposal-related contingencies

In connection with the sale of assets or businesses, the Group sometimes provides the acquirer with certain indemnification provisions. These indemnification provisions vary by counterparty in scope and duration and depend upon the type of assets or businesses sold. They are designed to transfer the potential risk of certain unquantifiable and unknowable loss contingencies, such as litigation, tax and intellectual property matters, from the acquirer to the seller. The Group closely monitors all such contractual agreements in order to ensure that indemnification provisions are adequately provided for in the Group's consolidated financial statements.

Other indemnifications

The Group provides indemnifications to certain counterparties in connection with its normal operating activities, for which it is not possible to estimate the maximum amount that it could be obligated to pay. As a normal part of issuing its own securities, the Group typically agrees to reimburse holders for additional tax-withholding charges or assessments resulting from changes in applicable tax laws or the interpretation of those laws. Securities that include these agreements to pay additional amounts generally also include a related redemption or call provision if the obligation to pay the additional amounts results from a change in law or its interpretation and the obligation cannot be avoided by the issuer taking reasonable steps to avoid the payment of additional amounts. Since such potential obligations are dependent on future changes in tax laws, the related liabilities the Group may incur as a result of such changes cannot be reasonably estimated. In light of the related call provisions typically included, the Group does not expect any potential liabilities in respect of tax gross-ups to be material.

The Group is a member of numerous securities exchanges and clearing houses and may, as a result of its membership arrangements, be required to perform if another member defaults. The Group has determined that it is not possible to estimate the maximum amount of these obligations and believes that any potential requirement to make payments under these arrangements is remote.

Other commitments

end of	Maturity less than 1 year	Maturity greater than 1 year	**Total gross amount**	Total net amount [1]	Collateral received
3Q11 (CHF million)					
Irrevocable commitments under documentary credits	5,347	38	5,385	5,182	2,582
Loan commitments	164,543	55,125	219,668 [2]	215,005	144,944
Forward reverse repurchase agreements	52,796	0	52,796	52,796	52,796
Other commitments	1,595	2,220	3,815	3,815	17
Total other commitments	**224,281**	**57,383**	**281,664**	**276,798**	**200,339**
4Q10 (CHF million)					
Irrevocable commitments under documentary credits	4,500	51	4,551	4,162	1,883
Loan commitments	153,759	55,794	209,553 [2]	202,999	142,425
Forward reverse repurchase agreements	51,968	0	51,968	51,968	51,968
Other commitments	1,375	2,485	3,860	3,860	55
Total other commitments	**211,602**	**58,330**	**269,932**	**262,989**	**196,331**

[1] Total net amount is computed as the gross amount less any participations. [2] Includes CHF 138,166 million and CHF 136,533 million of unused credit limits which were revocable at our sole discretion upon notice to the client at the end of 3Q11 and 4Q10, respectively.

Irrevocable commitments under documentary credits

Irrevocable commitments under documentary credits include exposures from trade finance related to commercial letters of credit under which the Group guarantees payments to exporters against presentation of shipping and other documents.

Loan commitments

Loan commitments include unused credit facilities that can be revoked at our sole discretion upon notice to the client. A small portion of total loan commitments is related to the leveraged finance business. Commitments to originate mortgage loans that will be held for sale are considered derivatives for accounting purposes and are not included in this disclosure. Such commitments are reflected as derivatives in the consolidated balance sheets.

Forward reverse repurchase agreements

Forward reverse repurchase agreements represent transactions in which the initial cash exchange of the reverse repurchase transactions takes place on specified future dates.

Other commitments

Other commitments include private equity commitments, firm commitments in underwriting securities, commitments arising from deferred payment letters of credit and from acceptances in circulation and liabilities for calls and puts on shares and other equity instruments.

The Group has redeemable noncontrolling interests in its consolidated Brazilian subsidiary Credit Suisse Hedging-Griffo Investimentos S.A. The minority investors have the right to put their interest at a value that is based on a formula relating to the subsidiary's performance. The put is exercisable December 31, 2011 and, if exercised, would give the Group full control and ownership in the first quarter of 2012. The Group currently estimates the redemption value of the put to be BRL 1,270 million (CHF 621 million). The Group has elected to accrete the value of the payment over 2011, and the accrued portion is included in the balance of the redeemable noncontrolling interest. In addition, Credit Suisse has a call option to acquire the noncontrolling interests.

Note 25 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 are 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 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 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 purchases loans and other debt obligations from clients, which are then sold by the Group directly or indirectly to SPEs that issue CDOs. The Group structures, underwrites and makes a market in these CDOs. CDOs are collateralized by the assets transferred to the CDO vehicle and pay a return based on the returns on those assets. Investors typically only have recourse to the collateral of the CDO 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.

As a result of the issuance of new guidance effective January 1, 2010, the Group lost sale accounting treatment for certain asset transfers and for certain transfers of portions of assets that do not meet the definition of participating interests. The impact of this change in accounting guidance did not have a material impact on the Group's financial condition, result of operations or cash flow.

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 following table provides the gains or losses and proceeds from the transfer of assets relating to 9M11 and 9M10 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 as of the end of 9M11 and 9M10, regardless of when the securitization occurred.

Securitizations

in	**9M11**	9M10
Gains and cash flows (CHF million)		
CMBS		
Net gain [1]	7	13
Proceeds from transfer of assets	331	523
Servicing fees	1	1
Cash received on interests that continue to be held	53	100
RMBS		
Net gain [1]	66	221
Proceeds from transfer of assets	23,532	35,334
Purchases of previously transferred financial assets or its underlying collateral	(1)	0
Servicing fees	3	4
Cash received on interests that continue to be held	346	361
ABS [2]		
Cash received on interests that continue to be held	4	6
CDO		
Net gain/(loss) [1]	20	32
Proceeds from transfer of assets	685	2,554
Purchases of previously transferred financial assets or its underlying collateral [3]	(205)	(1,689)
Cash received on interests that continue to be held	8	161

[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] Primarily home equity loans. [3] Represents market making activity and voluntary repurchases at fair value where no repurchase obligations were present.

Other asset-based financing arrangements

The Group also uses SPEs for other client-driven activity and for Group tax or regulatory purposes. These activities include various leveraged finance, repack and other types of structures.

Leveraged finance structures are used to assist in the syndication of certain loans held by the Group. Typically, a third-party private equity sponsor will establish a SPE which in turn will purchase a loan from the Group. The debt (loan facility) provided by the Group has recourse only to the assets held within the SPE.

Repack structures are designed to give a client collateralized exposure to specific cash flows or credit risk. Typically, the SPE structure will issue notes to the client, enter into a derivative through which the desired exposure is introduced and then collateral will be purchased from the Group.

Other types of structures in this category include 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.

The following table provides the gains or losses and proceeds from the transfer of assets relating to 9M11 and 9M10 transfers (which were not securitizations) treated as sales, along with the cash flows between the Group and the SPEs used in such transfers in which the Group had continuing involvement as of the end of 9M11 and 9M10, regardless of when the transfer of assets occurred.

Other asset-backed financing activities

in	**9M11**	9M10
Gains and cash flows (CHF million)		
Net gain/(loss) [1]	(1)	16
Proceeds from transfer of assets [2]	248	288
Purchases of previously transferred financial assets or its underlying collateral	(33)	(697)
Servicing fees	1	0
Cash received on interests that continue to be held	402	1,078

[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 other asset-backed financing activity. The gains or losses on the sale of the collateral is the difference between the fair value on the day prior to the other asset-backed financing activity pricing date and the sale price of the loans. [2] Primarily home equity loans.

The Group does not retain material servicing responsibilities from securitizations or other asset-backed financing activities.

Continuing involvement in transferred financial assets

The Group may have continuing involvement in the financial assets that are transferred to an SPE, regardless of whether the transfer was accounted for as a sale or a secured borrowing, 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. Beneficial interests, which are valued at fair value, include rights to receive all or portions of specified cash inflows received by an SPE, including, but not limited to, senior and subordinated shares of interest, principal, or other cash inflows to be "passed through" or "paid through", premiums due to guarantors, CP obligations, and residual interests, whether in the form of debt or equity.

The Group's exposure resulting from continuing involvement in transferred financial assets is generally limited to beneficial interests typically held by the Group in the form of instruments issued by SPEs that are senior, subordinated or residual tranches. These instruments are held by the Group typically in connection with underwriting or market-making activities and are included in trading assets in the consolidated balance sheets. Any changes in the fair value of these beneficial interests are recognized in the consolidated statements of operations.

Investors usually have recourse to the assets in the SPE and often benefit from other credit enhancements, such as collateral accounts, or from liquidity facilities, such as lines of credit or liquidity put option of asset purchase agreements. The SPE may also enter into a derivative contract in order to convert the yield or currency of the underlying assets to match the needs of the SPE investors, or to limit or change the credit risk of the SPE. The Group may be the provider of certain credit enhancements as well as the counterparty to any related derivative contract.

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 3Q11 and 4Q10, regardless of when the transfer of assets occurred.

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

end of	3Q11	4Q10
CHF million		
CMBS		
Principal amount outstanding	40,320 [1]	45,129 [1]
Total assets of SPE	59,320	65,667
RMBS		
Principal amount outstanding	92,204 [1]	79,077 [1]
Total assets of SPE	96,368	85,556
ABS		
Principal amount outstanding	3,965	4,171
Total assets of SPE	3,965	4,171
CDO		
Principal amount outstanding	25,709	29,275 [1]
Total assets of SPE	25,709	29,279
Other asset-backed financing activities		
Principal amount outstanding	10,925	10,770
Total assets of SPE	10,925	10,770

[1] Principal amount outstanding relates to assets transferred from the Group and does not include principle 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 are 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

In January 2010, the FASB amended the disclosure requirements for the Group's reporting of the fair value of beneficial interests retained at the time of transfer. Further, the beneficial interests are categorized according to their fair value hierarchy levels. As this requirement is not retroactive, comparable data is not presented for prior periods. For further information on fair value hierarchy, refer to *Note 26 – Financial instruments – Fair value hierarchy*.

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

at time of transfer	RMBS
CHF million, except where indicated	
Fair value of beneficial interests	4,097
of which level 2	3,968
of which level 3	129
Weighted-average life, in years	5.5
Prepayment speed assumption (rate per annum), in % [1]	9.0-33.0
Cash flow discount rate (rate per annum), in % [2]	0.5-71.2
Expected credit losses (rate per annum), in %	0.7-71.0

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] The rate was based on the weighted-average yield on the beneficial interests.

Key economic assumptions as of the reporting date

The following tables provide the sensitivity analysis of key economic assumptions used in measuring the fair value of beneficial interests held in SPEs as of the end of 3Q11 and 4Q10.

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

end of 3Q11	CMBS [1]	RMBS	ABS	CDO [2]	Other asset-backed financing activities
CHF million, except where indicated					
Fair value of beneficial interests	279	3,798	15	279	1,818
of which non-investment grade	78	1,116	15	51	1,780
Weighted-average life, in years	4.6	5.8	7.9	2.9	2.7
Prepayment speed assumption (rate per annum), in % [3]	-	0.6-30.6	2.0-2.4	-	-
Impact on fair value from 10% adverse change	-	(56.2)	0.0	-	-
Impact on fair value from 20% adverse change	-	(110.3)	(0.1)	-	-
Cash flow discount rate (rate per annum), in % [4]	2.5-50.8	0.6-51.7	32.2-46.3	1.4-49.5	0.5-12.2
Impact on fair value from 10% adverse change	(4.8)	(97.1)	(0.2)	(4.9)	(5.0)
Impact on fair value from 20% adverse change	(9.4)	(172.5)	(0.4)	(9.4)	(9.9)
Expected credit losses (rate per annum), in %	2.3-48.6	0.4-49.5	30.2-45.4	2.2-49.4	8.7-10.8
Impact on fair value from 10% adverse change	(4.2)	(82.5)	(0.2)	(3.7)	(1.8)
Impact on fair value from 20% adverse change	(8.1)	(144.8)	(0.4)	(7.0)	(3.7)

end of 4Q10	CMBS [1]	RMBS	ABS	CDO [2]	Other asset-backed financing activities
CHF million, except where indicated					
Fair value of beneficial interests	412	1,694	22	262	2,440
of which non-investment grade	25	1,070	22	35	2,397
Weighted-average life, in years	3.4	6.9	11.4	1.8	3.7
Prepayment speed assumption (rate per annum), in % [3]	-	0.2-35.8	0.0-4.1	-	-
Impact on fair value from 10% adverse change	-	(38.8)	(0.1)	-	-
Impact on fair value from 20% adverse change	-	(78.1)	(0.3)	-	-
Cash flow discount rate (rate per annum), in % [4]	2.2-40.3	2.2-52.5	7.5-28.0	0.7-29.2	0.8-7.8
Impact on fair value from 10% adverse change	(13.7)	(61.8)	(1.0)	(1.3)	(4.6)
Impact on fair value from 20% adverse change	(26.6)	(117.6)	(1.8)	(2.6)	(9.3)
Expected credit losses (rate per annum), in %	1.8-40.2	1.5-49.9	3.6-24.9	0.8-27.6	6.6-13.3
Impact on fair value from 10% adverse change	(9.8)	(48.2)	(0.6)	(0.8)	(4.1)
Impact on fair value from 20% adverse change	(19.2)	(92.1)	(1.2)	(1.5)	(8.4)

[1] To deter prepayment, commercial mortgage loans typically have prepayment protection in the form of prepayment lockouts and yield maintenances. [2] CDOs are generally structured to be protected from prepayment risk. [3] PSA is an industry standard prepayment speed metric used for projecting prepayments over the life of a residential mortgage loan. PSA utilizes the 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 3Q11 and 4Q10. For information on assets pledged or assigned, refer to *Note 27 – Assets pledged or assigned*.

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

end of	**3Q11**	4Q10
CHF million		
CMBS		
Other assets	641	602
Liability to SPE, included in Other liabilities	(641)	(602)
RMBS		
Other assets	0	58
Liability to SPE, included in Other liabilities	0	(58)
ABS		
Trading assets	52	19
Other assets	1,318	1,341
Liability to SPE, included in Other liabilities	(1,371)	(1,360)
CDO		
Trading assets	44	203
Other assets	213	171
Liability to SPE, included in Other liabilities	(257)	(374)
Other asset-backed financing activities		
Trading assets	1,530	1,381
Net loans	27	0
Other assets	0	29
Liability to SPE, included in Other liabilities	(1,557)	(1,410)

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 broadly grouped into three primary categories: CDOs, CP conduits and financial intermediation. VIEs are SPEs that typically either lack sufficient equity to finance their activities without additional subordinated financial support or are structured such that the holders of the voting rights do not substantively participate in the gains and losses of the entity. VIEs may be sponsored by the Group, unrelated third parties or clients. Such entities are required to be assessed for consolidation, compelling the primary beneficiary to consolidate the VIE. As a result of the issuance of new guidance, the FASB changed the method of analyzing whether to consolidate the VIE. The model now requires an entity to determine whether it has the power to direct the activities that most significantly affect the economics of the VIE as well as whether the reporting entity has potentially significant benefits or losses in the VIE. This is in contrast to the previous consolidation model for VIEs, which only considered whether an entity absorbed the majority of the risk and/or rewards of the VIE. In addition, the primary beneficiary must be re-evaluated on an on-going basis, whereas previously reconsideration of the primary beneficiary was only required when specified reconsideration events occurred.

Consequently, the Group consolidated certain VIEs and former qualifying SPEs with which it had involvement. The Group elected the fair value option upon transition for all of the financial assets and liabilities of the VIEs and former qualifying SPEs. For further information on the fair value option, refer to *Note 26 – Financial instruments*.

Application of the requirements for consolidation of VIEs may require the exercise of significant management judgment. In the event consolidation of a VIE is required, the exposure to the Group is limited to that portion of the VIE's assets attributable to any variable interest held by the Group prior to any risk management activities to hedge the Group's net exposure. Any interests held in the VIE by third parties, even though consolidated by the Group, will not typically impact its results of operations.

Transactions with VIEs are generally executed to facilitate securitization activities or to meet specific client needs, such as providing liquidity or investing opportunities, and, as part of these activities, the Group may hold interests in the VIEs. Securitization-related transactions with VIEs involve selling or purchasing assets as well as possibly entering into related derivatives with those VIEs, providing liquidity, credit or other support. Other transactions with VIEs include derivative transactions in the Group's capacity as the prime broker. The Group also enters into lending arrangements with VIEs for the purpose of financing projects or the acquisition of assets. Typically, the VIE's assets are restricted in nature in that they are held primarily to satisfy the obligations of the entity. Further, the Group is involved with VIEs which were formed for the purpose of offering alternative investment solutions to clients. Such VIEs relate primarily to private equity investments, fund-linked vehicles or funds of funds, where the Group acts as structurer, manager, distributor, broker, market maker or liquidity provider.

As a consequence of these activities, the Group holds variable interests in VIEs. Such variable interests consist of financial instruments issued by VIEs and which are held by the Group, certain derivatives with VIEs or loans to VIEs. Guarantees issued by the Group to or on behalf of VIEs may also qualify as variable interests. For such guarantees, including derivatives that act as guarantees, the notional amount of the respective guarantees are presented to represent the exposure. In general, investors in consolidated VIEs do not have recourse to the Group in the event of a default, except where a guarantee was provided to the investors or where the Group is the counterparty to a derivative transaction involving VIEs.

Total assets of consolidated and non-consolidated VIEs for which the Group has involvement represent the total assets of the VIEs even though the Group's involvement may be significantly less due to interests held by third-party investors. The asset balances for non-consolidated VIEs where the Group has significant involvement represent the most current information available to the Group regarding the remaining principal balance of assets owned. In most cases, the asset balances represent an amortized cost basis without regards to impairments in fair value, unless fair value information is readily available.

The Group's maximum exposure to loss is different from the carrying value of the assets of the VIE. This maximum exposure to loss consists of the carrying value of the Group variable interests held as trading assets, derivatives and loans and the notional amount of guarantees to VIEs, rather than the amount of total assets of the VIEs. The maximum exposure to loss does not reflect the Group's risk management activities, including effects from financial instruments that the Group may utilize to economically hedge the risks inherent in these VIEs. The economic risks associated with VIE exposures held by the Group, together with all relevant risk mitigation initiatives, are included in the Group's risk management framework.

The Group has not provided financial or other support to consolidated or non-consolidated VIEs that it was not contractually required to provide.

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. As part of its structured finance business, the Group purchases loans and other debt obligations from and on behalf of clients for the purpose of securitization. The loans and other debt obligations are sold to VIEs, which in turn issue CDOs to fund the purchase of assets such as investment grade and high yield corporate debt instruments.

Typically, the collateral manager in a managed CDO is deemed to be the entity that has the power to direct the activities that most affect the economics of the entity. In a static CDO this "power" role is more difficult to analyze and may be the sponsor of the entity or the CDS counterparty.

CDOs provide credit risk exposure to a portfolio of ABS (cash CDOs) or a reference portfolio of securities (synthetic CDOs). Cash CDO transactions hold actual securities whereas synthetic CDO transactions use CDS to exchange the underlying credit risk instead of using cash assets. The Group may also act as a derivative counterparty to the VIEs, which are typically not variable interests, and may invest in portions of the notes or equity issued by the VIEs. The CDO entities may have actively managed portfolios or static portfolios.

The securities issued by these VIEs are payable solely from the cash flows of the related collateral, and third-party creditors of these VIEs do not have recourse to the Group in the event of default.

The Group's exposure in CDO transactions is typically limited to interests retained in connection with its underwriting or market-making activities. Unless the Group has been deemed to have "power" over the entity and these interests are potentially significant, the Group is not the primary beneficiary of the vehicle and does not consolidate the entity. The Group's maximum exposure to loss does not include any effects from financial instruments used to economically hedge the risks of the VIEs.

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. The Group does not have any ownership interest in Alpine. However, the Group, as administrator and liquidity and credit enhancement facilities provider, has significant exposure and power over the activities of Alpine. Effective January 1, 2010, the Group was deemed the primary beneficiary of Alpine and consolidated it in accordance with the new guidance. For further information, refer to *Note 2 – Recently issued accounting standards in V – Consolidated financial statements – Credit Suisse Group in the Credit Suisse Annual Report 2010*.

The overall average maturity of the conduit's outstanding CP was approximately 15 days and 12 days as of 3Q11 and 4Q10, respectively. As of 3Q11 and 4Q10, Alpine had the highest short-term ratings from Fitch, Moody's and Dominion Bond Rating Service and was rated A-1 by Standard & Poors. In October 2011, Fitch adjusted the outlook for Alpine to rating watch negative. The majority of Alpine's purchased assets were highly rated loans or receivables in the consumer sector, including auto loans or leases, credit card receivables and student loans. As of 3Q11 and 4Q10, 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 4.2 years and 3.5 years as of 3Q11 and 4Q10, respectively.

The Group's commitment to this CP conduit consists of obligations under liquidity agreements and a program-wide credit enhancement agreement. The liquidity agreements are asset-specific arrangements, which require the Group to purchase assets from the CP conduit in certain circumstances, including a lack of liquidity in the CP market such that the CP conduit cannot refinance its obligations or, in some cases, a default of an underlying asset. The Group may, at its discretion, purchase assets that fall below investment grade in order to support the CP conduit. In both circumstances, the asset-specific credit enhancements provided by the client seller of the assets and the first-loss investor's respective exposures to those assets remain unchanged. In entering into such agreements, the Group reviews the credit risk associated with these transactions on the same basis that would apply to other extensions of credit. The program-wide credit enhancement agreement with the CP conduit would absorb potential defaults of the assets, but is senior to the credit protection provided by the client seller of assets and the first-loss investor.

The Group believes that the likelihood of incurring a loss equal to the maximum exposure is remote because the assets held by the CP conduit, after giving effect to related asset-specific credit enhancement primarily provided by the clients, are classified as investment grade. The Group's economic risks associated with the purchased assets of the CP conduit are included in the Group's risk management framework including counterparty, economic capital and scenario analysis.

Financial intermediation

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

The Group considers the likelihood of incurring a loss equal to the maximum exposure to be remote because of the Group's risk mitigation efforts, including, but not limited to, economic hedging strategies and collateral arrangements. The Group's economic risks associated with consolidated and non-consolidated VIE exposures arising from financial intermediation, together with all relevant risk mitigation initiatives, are included in the Group's risk management framework.

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

Securitizations

Securitizations are primarily CMBS, RMBS and ABS vehicles. The Group acts as an underwriter, market maker, liquidity provider, derivative counterparty and/or provider of credit enhancements to VIEs related to certain securitization transactions.

The maximum exposure to loss is the carrying value of the loan securities and derivative positions that are variable interests, if any, plus the exposure arising from any credit enhancements the Group provided. The Group's maximum exposure to loss does not include any effects from financial instruments used to economically hedge the risks of the VIEs.

Typically, the servicer of the assets in the VIE will be deemed to have the power that most significantly affects the economics of the entity. When a servicer or its related party also has an economic interest that has the potential to absorb a significant portion of the gains and/or losses, it will be deemed the primary beneficiary and consolidate the vehicle. The Group typically consolidates securitization vehicles when it is the servicer and has holdings stemming from its role as underwriter. Short-term market making holdings in vehicles are not typically considered to be potentially significant for the purposes of this assessment.

Funds

Funds include investment structures such as mutual funds, funds of funds, private equity funds and fund-linked products where the investors' interest is typically in the form of debt rather than equity, thereby making them VIEs. The Group may have various relationships with such VIEs in the form of structurer, investment advisor, investment manager, administrator, custodian, underwriter, placement agent, market maker and/or as prime broker. These activities include the use of VIEs in structuring fund-linked products, hedge funds of funds or private equity investments to provide clients with investment opportunities in alternative investments. In such transactions, a VIE holds underlying investments and issues securities that provide the investors with a return based on the performance of those investments.

The maximum exposure to loss consists of the fair value of instruments issued by such structures that are held by the Group as a result of underwriting or market-making activities, financing provided to the vehicles and the Group's exposure resulting from principal protection and redemptions features. The investors typically retain the risk of loss on such transactions, but for certain fund types, the Group may provide principal protection on the securities to limit the investors' exposure to downside market risk. The Group's maximum exposure to loss does not include any effects from financial instruments used to economically hedge the risk of the VIEs.

Funds have been deferred from the application of the recent FASB guidance. Rather than the revised consolidation model which incorporated power and the potential to absorb significant risk and rewards, the previous consolidation model was used which resulted in the Group being the primary beneficiary and consolidating the funds if it held more than 50% of their outstanding issuances.

Loans

Loans are single-financing vehicles where the Group provides financing for specified assets or business ventures and the respective owner of the assets or manager of the businesses provides the equity in the vehicle. These tailored lending arrangements are established to purchase, lease or otherwise finance and manage clients' assets.

The maximum exposure to loss is the carrying value of the Group's loan exposure, which is subject to the same credit risk management procedures as loans issued directly to clients. The clients' creditworthiness is carefully reviewed, loan-to-value ratios are strictly set and, in addition, clients provide equity, additional collateral or guarantees, all of which significantly reduce the Group's exposure. The Group considers the likelihood of incurring a loss equal to the maximum exposure to be remote because of the Group's risk mitigation efforts which includes over-collateralization and effective monitoring to ensure that a sufficient loan-to-value ratio is maintained.

The third-party sponsor of the VIE will typically have control over the assets during the life structure and have the potential to absorb significant gains and losses; The Group is typically not the primary beneficiary of these structures and will not have to consolidate them. However, a change in the structure, such as a default of the sponsor, may result in the Group gaining control over the assets. If the Group's lending is significant, it may then be required to consolidate the entity.

Other

Other includes additional vehicles where the Group provides financing and trust preferred issuance vehicles. Trust preferred issuance vehicles are utilized to assist the Group in raising capital efficient financing. The VIE issues preference shares which are guaranteed by the Group and uses the proceeds to purchase the debt of the Group. The Group's guarantee of its own debt is not considered a variable interest and, as it has no holdings in these vehicles, the Group has no maximum exposure to loss. Non-consolidated VIEs include only the total assets of trust preferred issuance vehicles, as the Group has no variable interests with these entities.

Consolidated VIEs

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

As a result of the issuance of new guidance, certain consolidated entities in which the Group holds a majority of the voting rights are now being included in the disclosure as of 2010, primarily in the funds category.

The consolidated VIEs tables provide the carrying amounts and classifications of the assets and liabilities of consolidated VIEs as of the end of 3Q11 and 4Q10.

Consolidated VIEs in which the Group was the primary beneficiary

			Financial intermediation				
end of 3Q11	CDO	CP Conduit	Securi-tizations	Funds	Loans	Other	**Total**
Assets of consolidated VIEs (CHF million)							
Cash and due from banks	959	24	0	108	107	20	1,218
Trading assets	1,202	758	18	2,801	585	1,056	6,420
Investment securities	0	64	0	0	0	0	64
Other investments	0	0	0	0	1,809	482	2,291
Net loans	0	3,171	0	0	59	1,099	4,329
Premises and equipment	0	0	0	0	37	69	106
Loans held-for-sale	7,090	0	6,076	0	6	0	13,172
Other assets	43	605	0	18	1,225	137	2,028
Total assets of consolidated VIEs	**9,294**	**4,622**	**6,094**	**2,927**	**3,828**	**2,863**	**29,628**
Liabilities of consolidated VIEs (CHF million)							
Customer deposits	0	0	0	0	0	517	517
Trading liabilities	32	0	0	0	0	1,176	1,208
Short-term borrowings	0	4,150	0	0	0	0	4,150
Long-term debt	9,005	23	6,582	454	224	451	16,739
Other liabilities	56	1	0	3	165	504	729
Total liabilities of consolidated VIEs	**9,093**	**4,174**	**6,582**	**457**	**389**	**2,648**	**23,343**

			Financial intermediation				
end of 4Q10	CDO	CP Conduit	Securi-tizations	Funds	Loans	Other	**Total**
Assets of consolidated VIEs (CHF million)							
Cash and due from banks	1,011	24	95	118	129	55	1,432
Trading assets	1,943	1,392	31	3,417	605	1,329	8,717
Investment securities	0	72	0	0	0	0	72
Other investments	0	0	0	46	1,781	507	2,334
Net loans	0	2,521	0	0	60	1,164	3,745
Premises and equipment	0	0	0	0	39	33	72
Loans held-for-sale	7,510	0	7,960	0	0	0	15,470
Other assets	58	1,278	1	65	2,278	420	4,100
Total assets of consolidated VIEs	**10,522**	**5,287**	**8,087**	**3,646**	**4,892**	**3,508**	**35,942**
Liabilities of consolidated VIEs (CHF million)							
Customer deposits	0	0	0	0	0	54	54
Trading liabilities	33	0	0	149	0	6	188
Short-term borrowings	0	4,307	0	26	0	0	4,333
Long-term debt	9,617	23	9,139	499	221	240	19,739
Other liabilities	54	6	99	32	322	327	840
Total liabilities of consolidated VIEs	**9,704**	**4,336**	**9,238**	**706**	**543**	**627**	**25,154**

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.

Maximum exposure to loss represents the variable interests of non-consolidated VIEs that are recorded by the Group (for example, direct holdings in vehicles, loans and other receivables), as well as notional amounts of guarantees and off-balance sheet commitments which are variable interests that have been extended to non-consolidated VIEs. Such amounts, particularly notional amounts of derivatives and guarantees, do not represent the anticipated losses in connection with these transactions as they do not take into consideration the effect of collateral, recoveries or the probability of loss. In addition, they exclude the effect of offsetting financial instruments that are held to mitigate these risks and have not been reduced by unrealized losses previously recorded by the Group in connection with guarantees or derivatives.

Non-consolidated VIE assets are related to the non-consolidated VIEs with whom the Group has variable interests. These amounts represent the assets of the entities themselves and are typically unrelated to the exposures the Group has with the entity and thus are not amounts that are considered for risk management purposes.

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.

Non-consolidated VIEs

end of 3Q11	CDO	Securi- tizations	Financial intermediation Funds	Loans	Other	Total
Variable interest assets (CHF million)						
Trading assets	113	4,508	1,814	905	2,249	9,589
Net loans	0	186	1,596	4,894	3,032	9,708
Other assets	0	0	37	0	30	67
Total variable interest assets	**113**	**4,694**	**3,447**	**5,799**	**5,311**	**19,364**
Maximum exposure to loss (CHF million)						
Maximum exposure to loss	**251**	**6,592**	**3,625**	**6,210**	**6,126**	**22,804**
Non-consolidated VIE assets (CHF million)						
Non-consolidated VIE assets	**11,386**	**104,061**	**60,090**	**24,451**	**20,064**	**220,052**

end of 4Q10	CDO	Securi- tizations	Financial intermediation Funds	Loans	Other	Total
Variable interest assets (CHF million)						
Trading assets	130	3,847	2,426	645	2,905	9,953
Net loans	332	145	1,634	6,520	2,031	10,662
Other assets	0	0	80	0	32	112
Total variable interest assets	**462**	**3,992**	**4,140**	**7,165**	**4,968**	**20,727**
Maximum exposure to loss (CHF million)						
Maximum exposure to loss	**634**	**7,686**	**4,270**	**7,936**	**5,370**	**25,896**
Non-consolidated VIE assets (CHF million)						
Non-consolidated VIE assets	**10,491**	**115,024**	**66,068**	**31,006**	**15,778**	**238,367**

Note 26 **Financial instruments**

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.

The Group regularly monitors the credit risk portfolio by counterparties, industry, country and products to ensure that such potential concentrations are identified, using a comprehensive range of quantitative tools and metrics. Credit limits relating to counterparties and products are managed through counterparty limits which set the maximum credit exposures the Group is willing to assume to specific counterparties over specified periods. Country limits are established to avoid any undue country risk concentration.

From an industry point of view, the combined credit exposure of the Group is diversified. A large portion of the credit exposure is with individual clients, particularly through residential mortgages in Switzerland, or relates to transactions with financial institutions. In both cases, the customer base is extensive and the number and variety of transactions are broad. For transactions with financial institutions, the business is also geographically diverse, with operations focused in the Americas, Europe and, to a lesser extent, Asia Pacific.

Fair value of financial instruments

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. Further deterioration of financial markets could significantly impact the value of these financial instruments and the results of operations. For these instruments, the determination of fair value requires subjective assessment and varying degrees of judgment, depending on liquidity, concentration, 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 assumptions about the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. These instruments include certain OTC derivatives, most mortgage-related and CDO securities, certain equity derivatives and equity-linked securities, private equity investments, certain loans and credit products, including leveraged finance, certain syndicated loans and certain high-grade bonds, and life insurance 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 credit valuation adjustments) 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.

The Group has availed itself of the simplification in accounting offered under the fair value option, primarily in the Investment Banking and Asset Management segments. 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. Likewise, 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.

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 3Q11	Level 1	Level 2	Level 3	Netting impact [1]	Total
Assets (CHF million)					
Interest-bearing deposits with banks	0	369	25	0	394
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	157,111	1,170	0	158,281
Debt	346	3,339	0	0	3,685
of which corporates	0	3,282	0	0	3,282
Equity	25,092	28	7	0	25,127
Securities received as collateral	25,438	3,367	7	0	28,812
Debt	87,760	56,634	9,320	0	153,714
of which foreign governments	67,882	8,513	349	0	76,744
of which corporates	399	30,431	3,934	0	34,764
of which RMBS	18,906	7,318	2,209	0	28,433
of which CMBS	0	3,818	1,548	0	5,366
of which CDO	0	6,372	736	0	7,108
Equity	54,064	10,726	600	0	65,390
Derivatives	16,073	919,884	8,939	(880,240)	64,656
of which interest rate products	1,651	677,785	1,788	–	–
of which foreign exchange products	1	113,639	1,156	–	–
of which equity/index-related products	13,080	41,523	3,028	–	–
of which credit derivatives	0	69,570	1,963	–	–
Other	8,517	5,841	2,224	0	16,582
Trading assets	166,414	993,085	21,083	(880,240)	300,342
Debt	3,643	1,280	129	0	5,052
of which foreign governments	3,322	1	21	0	3,344
of which corporates	0	775	43	0	818
of which CDO	0	504	65	0	569
Equity	9	83	0	0	92
Investment securities	3,652	1,363	129	0	5,144
Private equity	0	0	4,490	0	4,490
of which equity funds	0	0	3,333	0	3,333
Hedge funds	0	271	272	0	543
of which debt funds	0	148	178	0	326
Other equity investments	328	68	4,151	0	4,547
of which private	0	57	4,149	0	4,206
Life finance instruments	0	0	1,916	0	1,916
Other investments	328	339	10,829	0	11,496
Loans	0	13,175	6,506	0	19,681
of which commercial and industrial loans	0	7,359	4,197	0	11,556
of which financial institutions	0	5,050	2,298	0	7,348
Other intangible assets (mortgage servicing rights)	0	0	50	0	50
Other assets	5,205	23,040	8,899	(169)	36,975
of which loans held-for-sale	0	12,710	8,335	0	21,045
Total assets at fair value	**201,037**	**1,191,849**	**48,698**	**(880,409)**	**561,175**
Less other investments – equity at fair value attributable to noncontrolling interests	(238)	(87)	(5,438)	0	(5,763)
Less assets consolidated under ASU 2009-17 [2]	0	(10,540)	(4,831)	0	(15,371)
Assets at fair value excluding noncontrolling interests and assets not risk-weighted under Basel II	**200,799**	**1,181,222**	**38,429**	**(880,409)**	**540,041**

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

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

end of 3Q11	Level 1	Level 2	Level 3	Netting impact [1]	Total
Liabilities (CHF million)					
Due to banks	0	3,075	0	0	3,075
Customer deposits	0	4,534	0	0	4,534
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	131,844	0	0	131,844
Debt	346	3,339	0	0	3,685
of which corporates	0	3,282	0	0	3,282
Equity	25,092	28	7	0	25,127
Obligations to return securities received as collateral	25,438	3,367	7	0	28,812
Debt	38,750	11,406	11	0	50,167
of which foreign governments	38,605	1,292	0	0	39,897
of which corporates	3	9,237	11	0	9,251
Equity	22,497	307	37	0	22,841
Derivatives	13,932	926,320	7,258	(882,964)	64,546
of which interest rate products	1,305	672,274	1,416	–	–
of which foreign exchange products	6	128,378	2,991	–	–
of which equity/index-related products	11,213	43,022	1,122	–	–
of which credit derivatives	0	66,151	1,276	–	–
Trading liabilities	75,179	938,033	7,306	(882,964)	137,554
Short-term borrowings	0	2,990	257	0	3,247
Long-term debt	408	59,849	14,244	0	74,501
of which treasury debt over two years	0	16,758	0	0	16,758
of which structured notes over two years	0	18,872	8,351	0	27,223
of which non-recourse liabilities	408	11,421	4,338	0	16,167
Other liabilities	0	27,262	4,055	(306)	31,011
of which failed sales	0	3,542	2,133	0	5,675
Total liabilities at fair value	**101,025**	**1,170,954**	**25,869**	**(883,270)**	**414,578**

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

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

end of 4Q10	Level 1	Level 2	Level 3	Netting impact [1]	**Total**
Assets (CHF million)					
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	135,709	1,197	0	136,906
Debt	431	5,812	0	0	6,243
of which corporates	0	5,552	0	0	5,552
Equity	35,888	16	0	0	35,904
Securities received as collateral	36,319	5,828	0	0	42,147
Debt	84,937	58,605	11,013	0	154,555
of which foreign governments	67,775	8,100	373	0	76,248
of which corporates	196	34,722	3,803	0	38,721
of which RMBS	16,233	6,937	3,264	0	26,434
of which CMBS	0	2,226	1,861	0	4,087
of which CDO	0	5,764	1,135	0	6,899
Equity	91,376	10,943	622	0	102,941
Derivatives	7,004	663,116	8,719	(631,095)	47,744
of which interest rate products	3,217	475,596	2,072	–	–
of which foreign exchange products	1	83,857	843	–	–
of which equity/index-related products	3,002	31,967	2,300	–	–
of which credit derivatives	0	46,824	2,725	–	–
Other	7,229	10,217	2,018	0	19,464
Trading assets	190,546	742,881	22,372	(631,095)	324,704
Debt	6,186	1,590	79	0	7,855
of which foreign governments	5,904	284	18	0	6,206
of which corporates	0	984	0	0	984
of which CDO	0	321	62	0	383
Equity	4	86	0	0	90
Investment securities	6,190	1,676	79	0	7,945
Private equity	0	0	4,609	0	4,609
of which equity funds	0	0	3,516	0	3,516
Hedge funds	0	575	259	0	834
of which debt funds	0	185	165	0	350
Other equity investments	631	807	4,723	0	6,161
of which private	8	614	4,719	0	5,341
Life finance instruments	0	0	1,844	0	1,844
Other investments	631	1,382	11,435	0	13,448
Loans	0	12,294	6,258	0	18,552
of which commercial and industrial loans	0	6,574	3,558	0	10,132
of which financial institutions	0	5,389	2,195	0	7,584
Other intangible assets (mortgage servicing rights)	0	0	66	0	66
Other assets	5,886	24,526	9,253	(195)	39,470
of which loans held-for-sale	0	14,866	8,932	0	23,798
Total assets at fair value	**239,572**	**924,296**	**50,660**	**(631,290)**	**583,238**
Less other investments – equity at fair value attributable to noncontrolling interests	(522)	(870)	(4,518)	0	(5,910)
Less assets consolidated under ASU 2009-17 [2]	0	(11,655)	(7,155)	0	(18,810)
Assets at fair value excluding noncontrolling interests and assets not risk-weighted under Basel II	**239,050**	**911,771**	**38,987**	**(631,290)**	**558,518**

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

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

end of 4Q10	Level 1	Level 2	Level 3	Netting impact [1]	Total
Liabilities (CHF million)					
Due to banks	0	3,444	0	0	3,444
Customer deposits	0	3,537	0	0	3,537
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	123,190	507	0	123,697
Debt	431	5,812	0	0	6,243
of which corporates	0	5,552	0	0	5,552
Equity	35,888	16	0	0	35,904
Obligations to return securities received as collateral	36,319	5,828	0	0	42,147
Debt	44,635	11,356	65	0	56,056
of which foreign governments	44,466	1,130	0	0	45,596
of which corporates	6	9,432	65	0	9,503
Equity	19,580	404	28	0	20,012
Derivatives	6,817	673,437	9,107	(631,432)	57,929
of which interest rate products	2,980	470,284	1,341	–	–
of which foreign exchange products	16	95,916	2,941	–	–
of which equity/index-related products	2,971	35,897	2,940	–	–
of which credit derivatives	0	45,343	1,256	–	–
Trading liabilities	71,032	685,197	9,200	(631,432)	133,997
Short-term borrowings	0	3,185	123	0	3,308
Long-term debt	402	66,493	16,797	0	83,692
of which treasury debt over two years	0	19,500	0	0	19,500
of which structured notes over two years	0	20,162	9,488	0	29,650
of which non-recourse liabilities	402	12,200	6,825	0	19,427
Other liabilities	0	26,047	3,734	(596)	29,185
of which failed sales	0	3,885	1,849	0	5,734
Total liabilities at fair value	**107,753**	**916,921**	**30,361**	**(632,028)**	**423,007**

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

Transfers between level 1 and level 2 during 9M11 were not significant.

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

9M11	Balance at beginning of period	Transfers in	Transfers out	Purchases
Assets (CHF million)				
Interest-bearing deposits with banks	0	0	0	26
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,197	0	(10)	0
Securities received as collateral	0	7	0	0
Debt	11,013	2,728	(2,121)	7,362
of which corporates	3,803	815	(333)	3,593
of which RMBS	3,264	1,368	(1,057)	2,092
of which CMBS	1,861	177	(217)	682
of which CDO	1,135	294	(475)	703
Equity	622	279	(420)	681
Derivatives	8,719	2,018	(1,879)	0
of which interest rate products	2,072	106	(100)	0
of which equity/index-related products	2,300	597	(615)	0
of which credit derivatives	2,725	1,027	(1,109)	0
Other	2,018	165	(326)	2,234
Trading assets	22,372	5,190	(4,746)	10,277
Investment securities	79	2	0	69
Equity	9,591	25	(71)	819
Life finance instruments	1,844	0	0	64
Other investments	11,435	25	(71)	883
Loans	6,258	1,133	(1,154)	1,233
of which commercial and industrial loans	3,558	1,128	(750)	421
of which financial institutions	2,195	5	(141)	807
Other intangible assets	66	0	0	1
Other assets	9,253	4,958	(5,783)	4,077
of which loans held-for-sale [2]	8,932	4,955	(5,779)	3,795
Total assets at fair value	**50,660**	**11,315**	**(11,764)**	**16,566**
Liabilities (CHF million)				
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	507	0	(283)	0
Obligation to return securities received as collateral	0	7	0	0
Trading liabilities	9,200	1,164	(1,309)	145
of which interest rate derivatives	1,341	61	(4)	0
of which foreign exchange derivatives	2,941	61	(5)	0
of which equity/index-related derivatives	2,940	182	(396)	0
of which credit derivatives	1,256	790	(838)	0
Short-term borrowings	123	70	(21)	0
Long-term debt	16,797	6,432	(6,976)	0
of which structured notes over two years	9,488	1,702	(1,515)	0
of which non-recourse liabilities	6,825	4,530	(5,326)	0
Other liabilities	3,734	623	(243)	219
of which failed sales	1,849	584	(215)	170
Total liabilities at fair value	**30,361**	**8,296**	**(8,832)**	**364**
Net assets/liabilities at fair value	**20,299**	**3,019**	**(2,932)**	**16,202**

[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 losses recorded in trading revenues of CHF 518 million primarily related to sub-prime exposures to RMBS (including non-agency), partially offset by gains from consolidated SPE positions and the foreign exchange translation impact across the 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**
0	0	0	0	(2)	0	0	1	25
0	54	(44)	0	10	0	0	(37)	1,170
0	0	0	0	0	0	0	0	7
(8,971)	0	0	46	(321)	0	0	(416)	9,320
(3,760)	0	0	33	(47)	0	0	(170)	3,934
(3,033)	0	0	(16)	(268)	0	0	(141)	2,209
(907)	0	0	(1)	(17)	0	0	(30)	1,548
(930)	0	0	29	20	0	0	(40)	736
(597)	0	0	35	11	0	(1)	(10)	600
0	494	(2,580)	37	2,398	0	0	(268)	8,939
0	79	(431)	4	133	0	0	(75)	1,788
0	243	(168)	(13)	727	0	0	(43)	3,028
0	23	(1,829)	46	1,183	0	0	(103)	1,963
(1,814)	0	(37)	(7)	40	0	0	(49)	2,224
(11,382)	494	(2,617)	111	2,128	0	(1)	(743)	21,083
(15)	0	(4)	0	2	0	0	(4)	129
(2,554)	0	0	0	31	0	1,321	(249)	8,913
(125)	0	0	0	185	0	0	(52)	1,916
(2,679)	0	0	0	216	0	1,321	(301)	10,829
(570)	2,001	(2,127)	20	(65)	0	0	(223)	6,506
(335)	1,716	(1,417)	5	(26)	0	0	(103)	4,197
(131)	283	(533)	(1)	(91)	0	0	(95)	2,298
0	0	0	0	0	0	(14)	(3)	50
(3,650)	1,436	(1,026)	(101)	17	0	0	(282)	8,899
(3,527)	1,436	(1,026)	(102)	(68)	0	0	(281)	8,335
(18,296)	**3,985**	**(5,818)**	**30**	**2,306**	**0**	**1,306**	**(1,592)**	**48,698**
0	0	(197)	(4)	0	0	0	(23)	0
0	0	0	0	0	0	0	0	7
(209)	423	(1,727)	26	(72)	0	0	(335)	7,306
0	22	(82)	(8)	128	0	0	(42)	1,416
0	15	(569)	0	636	0	0	(88)	2,991
0	123	(442)	(5)	(1,139)	0	0	(141)	1,122
0	126	(419)	39	357	0	0	(35)	1,276
0	284	(198)	0	1	0	0	(2)	257
0	4,883	(5,934)	(166)	(228)	0	0	(564)	14,244
0	2,218	(2,410)	(49)	(758)	0	0	(325)	8,351
0	2,087	(3,269)	(113)	(140)	0	0	(256)	4,338
(246)	18	(271)	(32)	286	0	95	(128)	4,055
(217)	0	(41)	(6)	68	0	0	(59)	2,133
(455)	**5,608**	**(8,327)**	**(176)**	**(13)**	**0**	**95**	**(1,052)**	**25,869**
(17,841)	**(1,623)**	**2,509**	**206**	**2,319**	**0**	**1,211**	**(540)**	**22,829**

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

9M10	Balance at beginning of period	Transfers in	Transfers out	Purchases, sales, issuances, settlements [1]
Assets (CHF million)				
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,514	0	0	(213)
Debt	11,980	2,343	(1,840)	(3,156)
of which corporates	4,816	639	(507)	(1,481)
of which RMBS	3,626	866	(789)	(933)
of which CMBS	2,461	190	(136)	(819)
of which CDO	559	421	(343)	130
Equity	488	144	(163)	155
Derivatives	11,192	1,525	(1,563)	(1,699)
of which interest rate products	1,529	292	(162)	(49)
of which equity/index-related products	3,298	184	(491)	(619)
of which credit derivatives	4,339	915	(694)	(610)
Other	2,310	475	(732)	(81)
Trading assets	25,970	4,487	(4,298)	(4,781)
Investment securities	86	0	(139)	157
Equity	12,205	341	(319)	(1,770)
Life finance instruments	2,048	0	0	(80)
Other investments	14,253	341	(319)	(1,850)
Loans	11,079	1,136	(1,441)	62
of which commercial and industrial loans	8,346	588	(322)	(1,466)
of which financial institutions	2,454	179	(1,018)	1,244
Other intangible assets	30	0	0	92
Other assets	6,744	3,123	(3,378)	7,768
of which loans held-for-sale	6,220	3,100	(3,340)	7,840
Total assets at fair value	**59,676**	**9,087**	**(9,575)**	**1,235**
Liabilities (CHF million)				
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	206	0	0	41
Trading liabilities	11,951	1,433	(1,924)	(2,727)
of which interest rate derivatives	1,786	158	(282)	(330)
of which foreign exchange derivatives	2,936	114	(6)	(1,228)
of which equity/index-related derivatives	3,635	177	(499)	(481)
of which credit derivatives	1,996	919	(636)	(335)
Short-term borrowings	164	14	(53)	44
Long-term debt	16,646	2,961	(4,874)	5,488
of which structured notes over two years	14,781	1,164	(2,735)	(1,792)
of which non-recourse liabilities	0	1,591	(1,854)	8,524
Other liabilities	3,995	143	(60)	632
of which failed sales	1,932	105	(23)	834
Total liabilities at fair value	**32,962**	**4,551**	**(6,911)**	**3,478**
Net assets/liabilities at fair value	**26,714**	**4,536**	**(2,664)**	**(2,243)**

[1] Includes CHF 10.1 billion of level 3 assets shown as purchases due to the adoption of ASU 2009-17 as of January 1, 2010. [2] 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			
On transfers in / out [2]	On all other	On transfers in / out [2]	On all other	Foreign currency translation impact	**Balance at end of period**
0	6	0	0	(62)	1,245
102	965	0	(1)	(414)	9,979
51	133	0	(1)	(214)	3,436
35	499	0	0	(153)	3,151
15	(86)	0	0	44	1,669
1	453	0	0	(74)	1,147
(5)	(4)	0	0	(34)	581
123	510	0	(1)	(494)	9,593
106	483	0	(1)	(125)	2,073
82	389	0	0	(159)	2,684
(91)	(705)	0	0	(107)	3,047
6	117	0	0	(124)	1,971
226	1,588	0	(2)	(1,066)	22,124
0	4	0	0	(20)	88
0	(61)	28	443	(452)	10,415
0	215	0	0	(119)	2,064
0	154	28	443	(571)	12,479
20	155	0	27	(581)	10,457
16	(144)	0	27	(303)	6,742
3	303	0	0	(240)	2,925
0	0	0	(39)	(5)	78
(17)	572	0	31	(1,028)	13,815
(20)	598	0	35	(1,009)	13,424
229	**2,479**	**28**	**460**	**(3,333)**	**60,286**
0	77	0	0	(21)	303
414	306	0	0	(453)	9,000
61	468	0	0	(108)	1,753
1	475	0	0	(90)	2,202
162	(108)	0	0	(154)	2,732
37	(519)	0	0	(37)	1,425
5	(16)	0	0	(12)	146
(224)	1,040	0	0	(1,416)	19,621
(60)	59	0	0	(671)	10,746
(175)	907	0	0	(743)	8,250
(3)	(169)	0	86	(245)	4,379
(4)	(157)	0	0	(157)	2,530
192	**1,238**	**0**	**86**	**(2,147)**	**33,449**
37	**1,241**	**28**	**374**	**(1,186)**	**26,837**

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

			9M11			9M10
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	2,525	1,211	**3,736** [1]	1,278	402	1,680 [1]
Whereof:						
Unrealized gains/(losses) relating to assets and liabilities still held as of the reporting date	1,319	1,263	**2,582**	626	58	684

[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 3Q11 were CHF 4,362 million, primarily from trading assets and loans held-for sale. The transfers were related to trading and SPE consolidated positions within the RMBS (including non-agency), alternative investments and credit businesses, primarily due to limited observability of pricing data and reduced pricing information from external providers. Transfers out of level 3 assets during 3Q11 were CHF 3,057 million, primarily in trading assets and loans held-for-sale. The transfers out of level 3 assets in trading assets were related to RMBS and equity derivatives businesses due to greater pricing information. The transfers out of level 3 assets in loans held-for-sale were mainly related to SPE consolidated positions within the RBMS (including non-agency) and alternative investments businesses due to improved observability of pricing data.

Transfers into level 3 assets during 9M11 were CHF 11,315 million, primarily from trading assets and loans held-for-sale. The transfers were related to trading and SPE consolidated positions within the RMBS (including non-agency) and alternative investments businesses, primarily due to limited observability of pricing data and reduced pricing information from external providers. Transfers out of level 3 assets during 9M11 were CHF 11,764 million, primarily in loans held-for-sale and trading assets. The transfers out of level 3 assets in loans held-for-sale were mainly related to trading and SPE consolidated positions within the RMBS and alternative investments businesses due to improved observability of pricing data. The transfers out of level 3 assets in trading assets were related to RMBS due to greater pricing information from external providers.

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.

Nonrecurring fair value changes

end of	**3Q11**	4Q10
Loans recorded at fair value on a nonrecurring basis (CHF billion)		
Loans recorded at fair value on a nonrecurring basis	**0.7**	**0.6**
of which level 2	0.1	0.1
of which level 3	0.6	0.5

Qualitative disclosures of valuation techniques

Money market instruments

Traded money market instruments include instruments such as bankers' acceptances, certificates of deposit, CP, book claims, treasury bills and other rights, which are held for trading purposes. Valuations of money market instruments are generally based on observable inputs.

Securities purchased under resale agreements and securities sold under repurchase agreements

Securities purchased under resale agreements and securities sold under repurchase agreements are measured at fair value using discounted cash flow analysis. Future cash flows are discounted using observable market interest rate repurchase/resale curves for the applicable maturity and underlying collateral of the instruments. As such, the significant majority of both securities purchased under resale agreements and securities sold under repurchase agreements are included in level 2 of the fair value hierarchy. Structured resale and repurchase agreements include embedded derivatives, which are measured using the same techniques as described below for stand-alone derivative contracts held for trading purposes or used in hedge accounting relationships. If the value of the embedded derivative is determined using significant unobservable parameters, those structured resale and repurchase agreements are classified within level 3 of the fair value hierarchy.

Securities purchased under resale agreements are usually fully collateralized or over collateralized by government securities, money market instruments, corporate bonds, or other debt instruments. In the event of counterparty default, the collateral service agreement provides the Group with the right to liquidate the collateral held.

Debt securities

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. For those securities where the price or model inputs are observable in the market they are categorized as level 2 instruments, while those securities where prices are not observable and significant model inputs are unobservable they are categorized as level 3.

Corporate bonds

Corporate bonds are priced to reflect current market levels either through recent market transactions or to 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.

CMBS, RMBS and ABS/CDO structures

Values of RMBS, CMBS and other ABS 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. Values of RMBS, CMBS and other ABS for which there are no significant observable inputs are valued using benchmarks to similar transactions or indices and other valuation models.

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 management'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 instruments. Level 2 equities include fund-linked products, convertible bonds or equity securities with restrictions and therefore are not traded in active markets.

Fund-linked products

Fund-linked products consist of investments in third-party hedge funds and funds of funds. The method of measuring fair value for these investments is the same as those described for other investments below.

Convertible bonds
Convertible bonds are generally valued using observable pricing sources. For a small minority of convertible bonds, no observable prices are available, and valuation is determined using internal and external models, for which the key inputs include stock prices, dividend rates, credit spreads (corporate and sovereign), yield curves, foreign exchange rates, prepayment rates and borrowing costs, and single stock and equity market volatility.

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. Examples of such specific unobservable inputs include long-dated volatility assumptions on OTC option transactions and recovery rate assumptions for credit derivative transactions.

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, 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 value is derived from unobservable inputs are categorized as level 3.

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 basis swap spreads, constant maturity convexity adjustments, constant maturity treasury spreads, inflation-index correlations, inflation seasonality, single and quanto interest rate correlations, cross asset correlations, mean reversion, serial correlation and conditional prepayment rate assumptions.

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 foreign exchange rate correlations, quanto cross asset correlations and volatility skew assumptions.

Equity derivatives
Equity derivatives include vanilla options and swaps in addition to different types of exotic options. Inputs for equity derivatives can include borrowing costs, dividend curves, equity to equity correlations, equity to foreign exchange rate correlations, single name and index volatility, fund gap risk, fund volatility, interest rate to equity correlation and yield curve.

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 spreads and recovery rates.

Complex structured credit derivatives are valued using proprietary models requiring inputs such as credit spreads, recovery rates, credit volatilities, default correlations, cash/synthetic basis spreads and prepayment rate. These input parameters are generally implied from available market observable data.

Commodity derivatives
Commodity derivatives include forwards, vanilla and exotic options, swaps, swaptions, and structured transactions. Vanilla

products are generally valued using industry standard models, while more complex products may use proprietary models. Commodity derivative model inputs include cross commodity correlation, foreign exchange commodity correlation, commodity forward rate curves, spot prices, commodity volatility and the yield curve. Inputs can be validated from executed trades, broker and consensus data. In other cases, historic relationships may be used to estimate model inputs.

Other trading assets

Other trading assets include cash and synthetic life finance instruments. Cash instruments include Single Premium Immediate Annuity, premium finance, and life settlement contracts at fair value, whereas synthetic instruments include longevity swaps, options and notes.

These instruments are valued using proprietary models using several inputs, however central to the calculation of fair value for life finance instruments is the estimate of mortality rates. Individual mortality 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 insured individual's medical conditions, family history and other factors to arrive at a life expectancy estimate. In addition to mortality rates, discount rates and credit spreads are also inputs into the valuation of life finance instruments.

Due to the limited observability in the market of mortality rates the vast majority of life finance instruments are categorized as level 3 instruments.

Other investments

Other 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 and funds of funds are measured at fair value based on their published net asset values (NAVs). Most of these investments are classified in 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 exists sufficient evidence that the NAV published by the investment manager is not current with observed market movements or there exists other circumstances that would require an adjustment to the published NAV. Significant management judgment is involved in making any adjustments to the published NAVs.

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 nonmarketable 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. The availability of information used in these modeling techniques is often limited and involves significant management judgment in evaluating these different factors over time. As a result, these investments are included in level 3 of the fair value hierarchy.

Loans

The Group's loan portfolio measured at fair value includes commercial loans, residential loans, corporate loans, leveraged financed 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.

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. 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 is 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.

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 firms' 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.

Vanilla debt is fair valued to the new issue market using risk-free yield curves for similar maturities and the Group's own credit spread.

Difference between the aggregate fair value and the aggregate unpaid principal balances on loans and financial instruments

			3Q11			4Q10
end of	Aggregate fair value	Aggregate unpaid principal	Difference	Aggregate fair value	Aggregate unpaid principal	Difference
Loans (CHF million)						
Non-performing loans	131	221	(90)	105	187	(82)
Non-interest-earning loans	570	2,831	(2,261)	653	2,087	(1,434)
Financial instruments (CHF million)						
Interest-bearing deposits with banks	394	391	3	0	0	0
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	158,281	157,495	786	136,906	135,939	967
Loans	19,681	20,126	(445)	18,552	18,677	(125)
Other assets [1]	22,376	35,439	(13,063)	25,078	36,195	(11,117)
Due to banks and customer deposits	(760)	(787)	27	(410)	(420)	10
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(131,844)	(131,709)	(135)	(123,697)	(123,562)	(135)
Short-term borrowings	(3,247)	(3,496)	249	(3,308)	(3,262)	(46)
Long-term debt	(74,501)	(85,603)	11,102	(83,692)	(90,271)	6,579
Other liabilities	(5,675)	(7,034)	1,359	(5,734)	(7,569)	1,835

[1] Primarily loans held-for-sale.

Gains and losses on financial instruments

in	9M11 Net gains/ (losses)	9M10 Net gains/ (losses)
Financial instruments (CHF million)		
Interest-bearing deposits with banks	0	11 [1]
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,208 [1]	1,616 [1]
Other trading assets	(7) [2]	93 [2]
Other investments	275 [2]	(35) [3]
of which related to credit risk	(14)	(6)
Loans	(773) [2]	875 [1]
of which related to credit risk	(257)	642
Other assets	680 [1]	3,742 [2]
of which related to credit risk	(93)	569
Due to banks and customer deposits	10 [2]	(33) [2]
of which related to credit risk	44	0
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(421) [1]	(427) [1]
Short-term borrowings	147 [2]	(32) [2]
of which related to credit risk [4]	0	1
Long-term debt	2,100 [2]	(4,204) [1]
of which related to credit risk [4]	1,589	584
Other liabilities	(714) [2]	(402) [2]
of which related to credit risk	(508)	(179)

[1] Primarily recognized in net interest income. [2] Primarily recognized in trading revenues. [3] Primarily recognized in other revenues. [4] Changes in fair value related to credit risk is 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 related to credit risk were CHF 1,022 million and CHF 505 million in 9M11 and 9M10, respectively.

Fair value measurements of investments in certain entities that calculate NAV per share

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

end of 3Q11	Non-redeemable	Redeemable	Total fair value	Unfunded commit-ments
Fair value and unfunded commitments (CHF million)				
Debt funds	45	13	58	0
Equity funds	25	5,982 [1]	6,007	0
Equity funds sold short	0	(131)	(131)	0
Total funds held in trading assets and liabilities	70	5,864	5,934	0
Debt funds	68	258	326	207
Equity funds	5	83	88	0
Others	4	125	129	52
Hedge funds	77	466 [2]	543	259
Debt funds	12	0	12	18
Equity funds	3,333	0	3,333	944
Real estate funds	341	0	341	188
Others	804	0	804	222
Private equities	4,490	0	4,490	1,372
Equity method investments	372	0	372	0
Total funds held in other investments	4,939	466	5,405	1,631
Total fair value	**5,009** [3]	**6,330** [4]	**11,339**	**1,631** [5]

[1] 53% 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 a monthly basis with a notice period primarily of less than 30 days, 15% is redeemable on an annual basis with a notice period primarily of more than 45 days and 15% is redeemable on a quarterly basis with a notice period primarily of more than 60 days. [2] 62% 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 16% is redeemable on an annual basis with a notice period of more than 60 days. [3] Includes CHF 2,371 million attributable to noncontrolling interests. [4] Includes CHF 88 million attributable to noncontrolling interests. [5] Includes CHF 531 million attributable to noncontrolling interests.

Fair value, unfunded commitments and term of redemption conditions (continued)

end of 4Q10	Non-redeemable	Redeemable	Total fair value	Unfunded commitments
Fair value and unfunded commitments (CHF million)				
Debt funds	0	29	29	0
Equity funds	37	6,340 [1]	6,377	0
Equity funds sold short	0	(109)	(109)	0
Total funds held in trading assets and liabilities	37	6,260	6,297	0
Debt funds	20	330	350	234
Equity funds	8	219	227	0
Others	5	252	257	0
Hedge funds	33	801 [2]	834	234
Debt funds	12	0	12	19
Equity funds	3,516	0	3,516	1,054
Real estate funds	322	0	322	223
Others	759	0	759	213
Private equities	4,609	0	4,609	1,509
Equity method investments	1,183	0	1,183	0
Total funds held in other investments	5,825	801	6,626	1,743
Total fair value	**5,862** [3]	**7,061** [4]	**12,923**	**1,743** [5]

[1] 47% of the redeemable fair value amount of equity funds is redeemable on demand with a notice period of less than 30 days, 22% is redeemable on a monthly basis with a notice period primarily of less than 30 days and 16% is redeemable on an annual basis with a notice period primarily of more than 60 days. [2] 51% 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, 22% is redeemable on demand with a notice period of less than 30 days and 17% is redeemable on a monthly basis with a notice period primarily of more than 30 days. [3] Includes CHF 2,399 million attributable to noncontrolling interests. [4] Includes CHF 95 million attributable to noncontrolling interests. [5] Includes CHF 641 million attributable to noncontrolling interests.

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 invest in private securities and, to a lesser extent, publicly traded securities and fund of funds. Several of these investments have redemption restrictions subject to 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.

Disclosures about fair value of financial instruments

US GAAP requires the disclosure of the fair values of financial instruments for which it is practicable to estimate those values, whether or not they are recognized in the consolidated financial statements, excluding all non-financial instruments such as lease transactions, real estate, premises and equipment, equity method investments and pension and benefit obligations.

Carrying value and estimated fair values of financial instruments

	3Q11		4Q10	
end of	Carrying value	Fair value	Carrying value	Fair value
Financial assets (CHF million)				
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	239,747	239,747	220,443	220,443
Securities received as collateral	28,812	28,812	42,147	42,147
Trading assets	300,342	300,342	324,704	324,704
Investment securities	5,403	5,403	8,397	8,397
Loans	226,447	230,560	218,842	221,937
Other financial assets [1]	235,529	235,569	189,973	190,011
Financial liabilities (CHF million)				
Due to banks and deposits	362,828	362,843	325,057	325,051
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	169,373	169,373	168,394	168,394
Obligation to return securities received as collateral	28,812	28,812	42,147	42,147
Trading liabilities	137,554	137,554	133,997	133,997
Short-term borrowings	23,176	23,176	21,683	21,683
Long-term debt	164,177	161,404	173,752	172,698
Other financial liabilities [2]	132,633	132,633	123,549	123,549

[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 27 Assets pledged or assigned

The Group received collateral in connection with resale agreements, securities lending and loans, derivative transactions and margined broker loans. A substantial portion of the collateral 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.

Assets pledged or assigned

end of	3Q11	4Q10
Assets pledged or assigned (CHF million)		
Book value of assets pledged or assigned as collateral	165,378	169,702
of which assets provided with the right to sell or repledge	100,413	112,246
Fair value of collateral received with the right to sell or repledge	376,181	356,970
of which sold or repledged	331,905	307,894

Note 28 **Subsidiary guarantee information**

On March 26, 2007, the Group and the Bank issued full, unconditional and several guarantees of Credit Suisse (USA), Inc.'s outstanding US 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 3Q11	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	1,805	3,388	5,193	40	142	5,375
Interest expense	(1,119)	(2,581)	(3,700)	(38)	9	(3,729)
Net interest income	686	807	1,493	2	151	1,646
Commissions and fees	821	1,996	2,817	2	242	3,061
Trading revenues	(1,452)	3,227	1,775	0	145	1,920
Other revenues	(69)	180	111	673 [2]	(722)	62
Net revenues	**(14)**	**6,210**	**6,196**	**677**	**(184)**	**6,689**
Provision for credit losses	**3**	**60**	**63**	**0**	**21**	**84**
Compensation and benefits	786	2,129	2,915	24	128	3,067
General and administrative expenses	381	1,789	2,170	(31)	70	2,209
Commission expenses	61	392	453	0	32	485
Total other operating expenses	442	2,181	2,623	(31)	102	2,694
Total operating expenses	**1,228**	**4,310**	**5,538**	**(7)**	**230**	**5,761**
Income/(loss) from continuing operations before taxes	**(1,245)**	**1,840**	**595**	**684**	**(435)**	**844**
Income tax expense/(benefit)	(424)	643	219	1	112	332
Income/(loss) from continuing operations	**(821)**	**1,197**	**376**	**683**	**(547)**	**512**
Net income/(loss)	**(821)**	**1,197**	**376**	**683**	**(547)**	**512**
Net income/(loss) attributable to noncontrolling interests	(206)	65	(141)	0	(30)	(171)
Net income/(loss) attributable to shareholders	**(615)**	**1,132**	**517**	**683**	**(517)**	**683**
of which from continuing operations	(615)	1,132	517	683	(517)	683

[1] Includes eliminations and consolidation adjustments. [2] Primarily consists of dividend income from investments in Group companies and revenues from investments accounted for under the equity method.

Condensed consolidating statements of operations

in 3Q10	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	2,228	3,637	5,865	46	126	6,037
Interest expense	(1,390)	(2,880)	(4,270)	(44)	(7)	(4,321)
Net interest income	838	757	1,595	2	119	1,716
Commissions and fees	984	2,040	3,024	2	232	3,258
Trading revenues	200	699	899	0	44	943
Other revenues	428	205	633	567 [2]	(551)	649
Net revenues	**2,450**	**3,701**	**6,151**	**571**	**(156)**	**6,566**
Provision for credit losses	**1**	**(39)**	**(38)**	**0**	**12**	**(26)**
Compensation and benefits	986	2,446	3,432	18	(95)	3,355
General and administrative expenses	434	1,292	1,726	(52)	78	1,752
Commission expenses	65	384	449	0	35	484
Total other operating expenses	499	1,676	2,175	(52)	113	2,236
Total operating expenses	**1,485**	**4,122**	**5,607**	**(34)**	**18**	**5,591**
Income/(loss) from continuing operations before taxes	**964**	**(382)**	**582**	**605**	**(186)**	**1,001**
Income tax expense/(benefit)	209	(145)	64	(4)	57	117
Income/(loss) from continuing operations	**755**	**(237)**	**518**	**609**	**(243)**	**884**
Net income/(loss)	**755**	**(237)**	**518**	**609**	**(243)**	**884**
Net income/(loss) attributable to noncontrolling interests	264	(3)	261	0	14	275
Net income/(loss) attributable to shareholders	**491**	**(234)**	**257**	**609**	**(257)**	**609**
of which from continuing operations	491	(234)	257	609	(257)	609

[1] Includes eliminations and consolidation adjustments. [2] Primarily consists of dividend income from investments in Group companies and revenues from investments accounted for under the equity method.

Condensed consolidating statements of operations

in 9M11	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	5,663	11,681	17,344	125	440	17,909
Interest expense	(3,595)	(9,437)	(13,032)	(119)	18	(13,133)
Net interest income	2,068	2,244	4,312	6	458	4,776
Commissions and fees	2,864	6,562	9,426	7	762	10,195
Trading revenues	(1,132)	6,017	4,885	0	162	5,047
Other revenues	1,178	503	1,681	2,545 [2]	(2,507)	1,719
Net revenues	**4,978**	**15,326**	**20,304**	**2,558**	**(1,125)**	**21,737**
Provision for credit losses	**4**	**38**	**42**	**0**	**48**	**90**
Compensation and benefits	2,851	6,946	9,797	73	322	10,192
General and administrative expenses	1,238	4,148	5,386	(111)	218	5,493
Commission expenses	193	1,205	1,398	1	113	1,512
Total other operating expenses	1,431	5,353	6,784	(110)	331	7,005
Total operating expenses	**4,282**	**12,299**	**16,581**	**(37)**	**653**	**17,197**
Income/(loss) from continuing operations before taxes	**692**	**2,989**	**3,681**	**2,595**	**(1,826)**	**4,450**
Income tax expense/(benefit)	(89)	978	889	5	174	1,068
Income/(loss) from continuing operations	**781**	**2,011**	**2,792**	**2,590**	**(2,000)**	**3,382**
Net income/(loss)	**781**	**2,011**	**2,792**	**2,590**	**(2,000)**	**3,382**
Net income/(loss) attributable to noncontrolling interests	741	117	858	0	(66)	792
Net income/(loss) attributable to shareholders	**40**	**1,894**	**1,934**	**2,590**	**(1,934)**	**2,590**
of which from continuing operations	40	1,894	1,934	2,590	(1,934)	2,590

[1] Includes eliminations and consolidation adjustments. [2] Primarily consists of dividend income from investments in Group companies and revenues from investments accounted for under the equity method.

Condensed consolidating statements of operations

in 9M10	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	6,820	12,554	19,374	163	365	19,902
Interest expense	(4,148)	(10,737)	(14,885)	(158)	6	(15,037)
Net interest income	2,672	1,817	4,489	5	371	4,865
Commissions and fees	3,140	6,386	9,526	7	718	10,251
Trading revenues	712	7,128	7,840	0	183	8,023
Other revenues	739	191	930	4,124 [2]	(4,075)	979
Net revenues	**7,263**	**15,522**	**22,785**	**4,136**	**(2,803)**	**24,118**
Provision for credit losses	**11**	**(90)**	**(79)**	**0**	**23**	**(56)**
Compensation and benefits	3,246	7,850	11,096	65	67	11,228
General and administrative expenses	1,521	3,917	5,438	(189)	239	5,488
Commission expenses	225	1,230	1,455	1	117	1,573
Total other operating expenses	1,746	5,147	6,893	(188)	356	7,061
Total operating expenses	**4,992**	**12,997**	**17,989**	**(123)**	**423**	**18,289**
Income/(loss) from continuing operations before taxes	**2,260**	**2,615**	**4,875**	**4,259**	**(3,249)**	**5,885**
Income tax expense	685	260	945	2	196	1,143
Income/(loss) from continuing operations	**1,575**	**2,355**	**3,930**	**4,257**	**(3,445)**	**4,742**
Income/(loss) from discontinued operations, net of tax	0	(19)	(19)	0	0	(19)
Net income/(loss)	**1,575**	**2,336**	**3,911**	**4,257**	**(3,445)**	**4,723**
Net income/(loss) attributable to noncontrolling interests	350	124	474	0	(8)	466
Net income/(loss) attributable to shareholders	**1,225**	**2,212**	**3,437**	**4,257**	**(3,437)**	**4,257**
of which from continuing operations	1,225	2,231	3,456	4,257	(3,437)	4,276
of which from discontinued operations	0	(19)	(19)	0	0	(19)

[1] Includes eliminations and consolidation adjustments. [2] Primarily consists of dividend income from investments in Group companies and revenues from investments accounted for under the equity method.

Condensed consolidating balance sheets

end of 3Q11	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	3,593	88,073	91,666	4	706	92,376
Interest-bearing deposits with banks	84	6,696	6,780	0	(4,536)	2,244
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	151,540	87,459	238,999	0	748	239,747
Securities received as collateral	29,216	(487)	28,729	0	83	28,812
Trading assets	86,665	209,289	295,954	0	4,388	300,342
Investment securities	0	3,802	3,802	0	1,601	5,403
Other investments	8,654	5,532	14,186	34,356	(33,976)	14,566
Net loans	26,580	179,429	206,009	6,309	14,129	226,447
Premises and equipment	1,042	5,407	6,449	0	487	6,936
Goodwill	577	6,649	7,226	0	1,135	8,361
Other intangible assets	92	170	262	0	7	269
Brokerage receivables	22,097	34,917	57,014	0	6	57,020
Other assets	18,375	60,239	78,614	253	131	78,998
Total assets	**348,515**	**687,175**	**1,035,690**	**40,922**	**(15,091)**	**1,061,521**
Liabilities and equity (CHF million)						
Due to banks	120	57,651	57,771	5,321	(15,216)	47,876
Customer deposits	0	290,383	290,383	0	24,569	314,952
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	145,735	23,826	169,561	0	(188)	169,373
Obligation to return securities received as collateral	29,216	(487)	28,729	0	83	28,812
Trading liabilities	25,830	110,140	135,970	1	1,583	137,554
Short-term borrowings	19,439	2,279	21,718	0	1,458	23,176
Long-term debt	43,516	117,483	160,999	1,924	1,254	164,177
Brokerage payables	50,664	19,752	70,416	0	(204)	70,212
Other liabilities	11,557	50,429	61,986	157	768	62,911
Total liabilities	**326,077**	**671,456**	**997,533**	**7,403**	**14,107**	**1,019,043**
Total shareholders' equity	**16,528**	**11,163**	**27,691**	**33,519**	**(27,691)**	**33,519**
Noncontrolling interests	5,910	4,556	10,466	0	(1,507)	8,959
Total equity	**22,438**	**15,719**	**38,157**	**33,519**	**(29,198)**	**42,478**
Total liabilities and equity	**348,515**	**687,175**	**1,035,690**	**40,922**	**(15,091)**	**1,061,521**

[1] Includes eliminations and consolidation adjustments.

Condensed consolidating balance sheets

end of 4Q10	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	5,133	59,898	65,031	18	418	65,467
Interest-bearing deposits with banks	85	4,372	4,457	0	(2,933)	1,524
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	132,338	88,370	220,708	0	(265)	220,443
Securities received as collateral	45,251	(3,151)	42,100	0	47	42,147
Trading assets	101,913	219,343	321,256	0	3,448	324,704
Investment securities	0	6,331	6,331	0	2,066	8,397
Other investments	7,878	8,177	16,055	34,611	(34,184)	16,482
Net loans	31,243	169,505	200,748	6,733	11,361	218,842
Premises and equipment	1,003	5,217	6,220	0	505	6,725
Goodwill	595	6,855	7,450	0	1,135	8,585
Other intangible assets	89	215	304	0	8	312
Brokerage receivables	15,745	23,028	38,773	0	(4)	38,769
Other assets	13,414	65,891	79,305	266	14	79,585
Assets of discontinued operations held-for-sale	0	23	23	0	0	23
Total assets	**354,687**	**654,074**	**1,008,761**	**41,628**	**(18,384)**	**1,032,005**
Liabilities and equity (CHF million)						
Due to banks	120	47,555	47,675	6,210	(16,392)	37,493
Customer deposits	0	263,767	263,767	0	23,797	287,564
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	120,189	48,205	168,394	0	0	168,394
Obligation to return securities received as collateral	45,251	(3,151)	42,100	0	47	42,147
Trading liabilities	28,589	105,348	133,937	0	60	133,997
Short-term borrowings	38,717	(19,201)	19,516	0	2,167	21,683
Long-term debt	41,984	129,156	171,140	1,989	623	173,752
Brokerage payables	44,791	17,071	61,862	0	(116)	61,746
Other liabilities	11,139	50,067	61,206	147	861	62,214
Total liabilities	**330,780**	**638,817**	**969,597**	**8,346**	**11,047**	**988,990**
Total shareholders' equity	**18,183**	**9,600**	**27,783**	**33,282**	**(27,783)**	**33,282**
Noncontrolling interests	5,724	5,657	11,381	0	(1,648)	9,733
Total equity	**23,907**	**15,257**	**39,164**	**33,282**	**(29,431)**	**43,015**
Total liabilities and equity	**354,687**	**654,074**	**1,008,761**	**41,628**	**(18,384)**	**1,032,005**

[1] Includes eliminations and consolidation adjustments.

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 judicial, regulatory and arbitration 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 2010* and updated in quarterly reports and below. Some of these actions 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 fees and expenses of external lawyers and other service providers) in connection with certain judicial, regulatory and arbitration proceedings when reasonably possible losses, additional losses or ranges of loss are probable and reasonably estimable. The Group reviews its judicial, regulatory and arbitration 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. Further provisions or releases of litigation provisions may be necessary in the future as developments in such litigation, claims or 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 these matters. In presenting the condensed consolidated financial statements, management makes estimates regarding the outcome of these matters, records a provision and takes a charge to income when losses with respect to such matters are probable and can be reasonably estimated. 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 litigation, claim or proceeding, the progress of the matter, the advice of legal counsel, the Group's defenses and its experience in similar cases or proceedings, as well as its assessment of matters, including settlements, involving other defendants in similar or related cases or proceedings. Factual and legal determinations must be made before a loss, additional losses or ranges of loss can be reasonably estimated for any proceeding or matter.

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 reasonably possible losses. The Group's aggregate litigation provisions include estimates of reasonably possible 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 the complexity of the proceedings, the novelty of some of the claims, the early stage of the proceedings and 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 is zero to CHF 2.1 billion.

In 3Q11, the Group recorded net litigation provisions of CHF 519 million, primarily in Private Banking and Investment Banking, including CHF 183 million (EUR 150 million) in connection with the German tax matter and CHF 295 million in connection with the US tax matter. After taking into account its litigation provisions, the Group believes, based on currently available information and advice of counsel, that the results of its proceedings, in the aggregate, will not have a material adverse effect on the Group's financial condition. However, in light of the uncertainties involved in such proceedings, the ultimate resolution of such proceedings may exceed current litigation provisions and any excess may be material to operating results for any particular period, depending, in part, upon the operating results for such period.

Research-related litigation

On August 26, 2011, the US District Court for the District of Massachusetts denied the motion for summary judgment made by Credit Suisse (USA) LLC (CSS LLC). The judge did not determine the admissibility of the experts' testimony, holding that it should be determined in further pre-trial proceedings. On September 28, 2011, the defendants filed a motion to certify questions for interlocutory appeal.

German tax matter

Credit Suisse and the Public Prosecutor's Office in Dusseldorf, Germany reached an agreement regarding the proceedings against Credit Suisse employees. Credit Suisse will make a payment of EUR 150 million. The relevant applications were submitted to the Dusseldorf District Court by the Dusseldorf Public Prosecutor's Office. We are currently awaiting court approval at which time the entire proceedings will be resolved.

Enron-related litigation and inquiries

On August 9, 2011, the US District Court for the Southern District of Texas granted plaintiffs' motion for leave to file a third amended complaint in the Silvercreek Management Inc., et al. v. Citigroup, Inc., et al. matter. CSS LLC and the other defendants filed motions to dismiss this complaint on September 27, 2011.

Mortgage-related matters

The amounts disclosed below do not reflect actual realized plaintiff losses to date or anticipated future litigation exposure. Rather, 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.

Class action litigations

On August 17, 2011, the US District Court for the Southern District of New York (SDNY) granted plaintiff's motion for class certification in the lawsuit against CSS LLC and certain of its affiliates and employees relating to a single USD 784 million RMBS offering sponsored and underwritten by the Credit Suisse defendants.

Individual Investor Actions

On July 11, 2011, the Western & Southern Life Insurance Company and certain of its affiliates filed an action against CSS LLC and certain of its affiliates in the Court of Common Pleas for Hamilton County, Ohio related to approximately USD 259 million of RMBS issued and/or underwritten by CSS LLC or its affiliates.

On September 2, 2011, the Federal Housing Finance Agency (FHFA), as conservator for Fannie Mae and Freddie Mac, filed seventeen separate complaints against various major financial institutions concerning a total of more than USD 196 billion of RMBS issued. CSS LLC and certain of its affiliates and employees are named as the defendants in one such action filed in the SDNY concerning approximately USD 14.1 billion of RMBS issued and/or underwritten by Credit Suisse defendants. CSS LLC is also named as an underwriter defendant in five of the other FHFA actions filed September 2, 2011, each pending in the SDNY. These claims against CSS LLC relate to approximately USD 5.5 billion of the RMBS at issue (about 11% of the approximately total USD 51 billion at issue against all banks).

Monoline insurer disputes

On October 7, 2011, the New York state court reinstituted the monoline insurer plaintiffs' fraudulent inducement claims against CSS LLC and certain of its affiliates but reinstated its earlier decisions to deny plaintiffs' demands for a jury trial.

On October 17, 2011, Assured Guaranty Corp. (Assured) and an affiliate filed an action against CSS LLC and one of its affiliates in New York State Supreme Court, New York County relating to financial guaranty insurance issued by Assured guaranteeing payment of principal and interest on approximately USD 567 million of RMBS issued in six offerings sponsored by CSS LLC or its affiliate. Assured has separately demanded that the Credit Suisse defendants repurchase loans underlying the six offerings with an aggregate principal amount of approximately USD 1.8 billion.

Auction Rate Securities

In August 2011, CSS LLC and Golden Minerals settled the Financial Industry Regulatory Authority arbitration proceeding commenced by Golden Minerals in April 2010. The settlement amount was covered by existing provisions.

UK Financial Services Authority matter

On October 25, 2011, the UK Financial Services Authority announced a settlement with Credit Suisse (UK) Limited (CSUK) in respect of findings as to the adequacy of systems and controls relating to the suitability of sales of non-principal protected products in 2007 to 2009. Under the settlement, CSUK was fined GBP 5.95 million and is required to conduct a review of sales of such products in the relevant period to determine suitability.

VI

Investor information

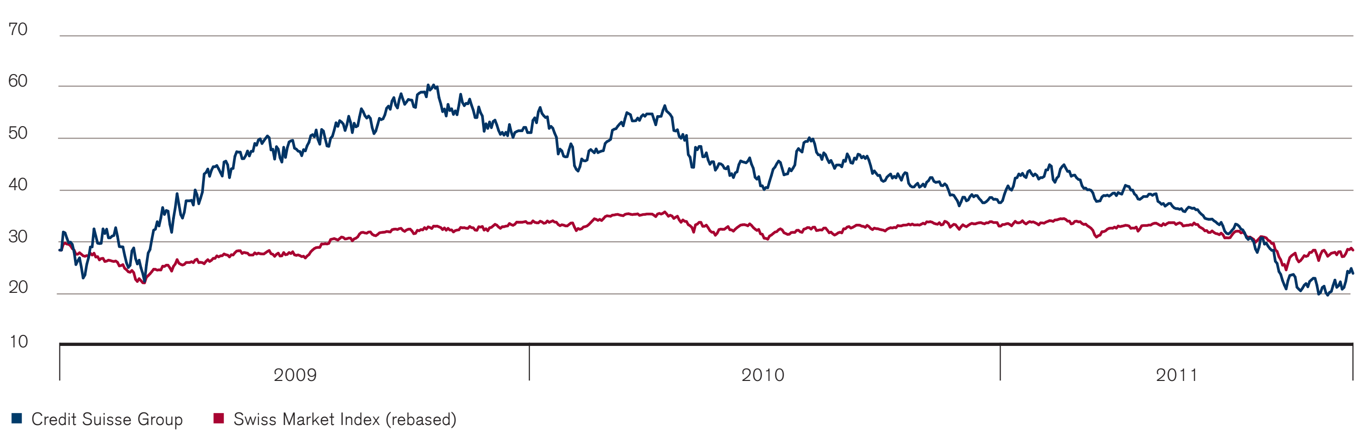
Investor information

Share data

	9M11	2010	2009	2008
in / end of				
Share price (common shares, CHF)				
Average	34.35	45.97	45.65	48.87
Minimum	19.79	37.04	22.48	24.90
Maximum	44.99	56.40	60.40	66.95
End of period	24.00	37.67	51.20	28.50
Share price (American Depositary Shares, USD)				
Average	38.81	44.16	42.61	45.48
Minimum	22.86	36.54	19.04	19.01
Maximum	47.63	54.57	59.84	59.76
End of period	26.24	40.41	49.16	28.26
Market capitalization				
Market capitalization (CHF million)	28,872	44,683	60,691	33,762
Market capitalization (USD million)	31,567	47,933	58,273	33,478
Dividend per share (CHF)				
Dividend per share paid	–	1.30 [1]	2.00	0.10

[1] Paid out of reserves from capital contributions.

Share performance



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 November 9, 2011	Moody's	Standard & Poor's	Fitch Ratings
Credit Suisse Group ratings			
Short-term	P-1	A-1	F1+
Long-term	Aa2	A	AA-
Outlook	Negative	Stable	Rating Watch Negative
Credit Suisse (the Bank) ratings			
Short-term	P-1	A-1	F1+
Long-term	Aa1	A+	AA-
Outlook	Negative	Stable	Rating Watch Negative

List of abbreviations

A	
ABS	Asset-Backed Securities
ADS	American Depositary Share
AMF	Asset Management Finance
AOCI	Accumulated Other Comprehensive Income
ARS	Auction Rate Securities
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
B	
BCBS	Basel Committee on Banking Supervision
BIS	Bank for International Settlements
bp	basis point
BRL	Brazilian Real
C	
CDO	Collateralized Debt Obligation
CDS	Credit Default Swap
CET1	Common Equity Tier 1
CMBS	Commercial Mortgage-backed Securities
CP	Commercial Paper
CPR	Constant Prepayment Rate
D	
DVA	Debit Valuation Adjustment
E	
ECB	European Central Bank
EMEA	Europe, Middle East and Africa
ETF	Exchange-Traded Funds
EU	European Union
F	
FASB	Financial Accounting Standards Board
FHFA	Federal Housing Finance Agency
FINMA	Swiss Financial Market Supervisory Authority
FNMA	Federal National Mortgage Association
G	
G-20	Group of Twenty Finance Ministers and Central Bank Governors
G-SIB	Globally Systemically Important Bank
GSE	Government-Sponsored Enterprise
I	
IPO	Initial Public Offering
ISU	Incentive Share Unit
IT	Information Technology
K	
KPI	Key Performance Indicator
L	
LCR	Liquidity Coverage Ratio
M	
M&A	Mergers and Acquisitions
N	
NAV	Net Asset Value
NRV	Negative Replacement Value
NSFR	Net Stable Funding Ratio
O	
OIS	Overnight Indexed Swap
OTC	Over-The-Counter
P	
PAF	Partner Asset Facility
PD	Probability of Default
PIP	Performance Incentive Plan
PRV	Positive Replacement Value
PSA	Prepayment Speed Assumption
Q	
QoQ	Quarter on Quarter
R	
RMBS	Residential Mortgage-backed Securities
RWA	Risk-Weighted Asset
S	
SEC	US Securities and Exchange Commission
SEI	Significant Economic Interest
SISU	Scaled Incentive Share Unit
SPE	Special Purpose Entity
T	
TRS	Total Return Swap
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

Foreign currency translation rates

				End of			Average in		Average in
	3Q11	2Q11	4Q10	3Q10	**3Q11**	2Q11	3Q10	**9M11**	9M10
1 USD / 1 CHF	0.91	0.84	0.94	0.97	0.82	0.87	1.03	0.87	1.06
1 EUR / 1 CHF	1.22	1.22	1.25	1.33	1.17	1.26	1.33	1.24	1.40
1 GBP / 1 CHF	1.42	1.35	1.45	1.54	1.33	1.42	1.59	1.41	1.63
100 JPY / 1 CHF	1.18	1.04	1.15	1.17	1.06	1.06	1.20	1.09	1.18

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. 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.

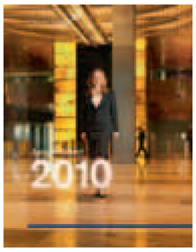
By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important 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 2011 and beyond;
- the direct and indirect impacts of continuing 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 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, as well as the information set forth in our Annual Report 2010 under *IX – Additional Information – Risk Factors*.

Financial calendar and information sources

Financial calendar	
Fourth quarter / full year 2011 results	Thursday, February 9, 2012
First quarter 2012 results	Wednesday, April 25, 2012
Annual General Meeting	Friday, April 27, 2012
Investor relations	
Phone	+41 44 333 71 49
E-mail	investor.relations@credit-suisse.com
Internet	www.credit-suisse.com/investors
Media relations	
Phone	+41 844 33 88 44
E-mail	media.relations@credit-suisse.com
Internet	www.credit-suisse.com/news
Additional information	
Results and financial information	www.credit-suisse.com/results
Printed copies	Credit Suisse AG
	Publikationenbestellungen/TLSA 221
	P.O. Box
	CH-8070 Zurich
	Switzerland
US share register and transfer agent	
ADS depositary bank	Deutsche Bank Trust Company Americas
Address	Credit Suisse c/o
	American Stock Transfer & Trust Co.
	Peck Slip Station
	P.O. Box 2050
	New York, NY 10272-2050
	United States
US and Canada phone	+1 800 301 35 17
Phone from outside US and Canada	+1 718 921 81 37
E-mail	DB@amstock.com
Swiss share register and transfer agent	
Address	Credit Suisse Group AG
	Dept. RXS
	CH-8070 Zurich
	Switzerland
Phone	+41 44 332 26 60
Fax	+41 44 332 98 96

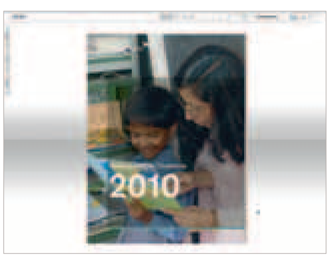


Annual Report

The Annual Report is a detailed presentation of the Group's annual financial statements, company structure, corporate governance and compensation practices, treasury and risk management framework and an in-depth review of our operating and financial results.

Company Profile

For insights about the activities of each of the Group's divisions, regions and other shared services functions, refer to the Company Profile. The Business Review, a summary of the Group's financial performance during the year, is included in the publication.



Corporate Responsibility Report and Chronicle

For a detailed presentation on how the Group addresses its diverse social and environmental responsibilities when conducting its business activities, refer to the Corporate Responsibility Report. This publication is complemented by an online Chronicle that adds a multimedia dimension by providing a selection of reports, videos and picture galleries that focus on our international projects and initiatives.
→ www.credit-suisse.com/chronicle

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Production: Management Digital Data AG
Printer: Swissprinters Zürich AG

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