CREDIT SUISSE

2Q11 Letter to shareholders

Dear shareholders

The strength of our business model is underscored by an underlying* return on equity of 15% for the first half of 2011, despite a disappointing performance in the second quarter. In a difficult quarter, we achieved underlying* income before taxes of CHF 1.2 billion and underlying* return on equity of 10% in 2Q11. Asset Management reported a strong performance in the quarter and Private Banking recorded solid results despite significant market headwinds and maintained its strength in gathering net new assets. Our performance in Investment Banking, however, was below expectations.

We achieved pre-tax income of CHF 1.1 billion, including business realignment costs of CHF 142 million and fair value gains of CHF 41 million on own debt and stand-alone derivatives relating to own funding liabilities. Net income attributable to shareholders was CHF 768 million and core net revenues were CHF 6.3 billion. The strength of the Swiss franc negatively impacted our pre-tax income by CHF 348 million compared to 2Q10. We achieved a return on equity attributable to shareholders of 9.7% and diluted earnings per share of CHF 0.48. Our Basel II tier 1 ratio was 18.2% at the end of 2Q11.

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

Performance of our businesses

Private Banking delivered pre-tax income of CHF 843 million and attracted net new assets of CHF 11.5 billion in 2Q11. Excluding the foreign exchange translation impact of CHF 205 million, pre-tax income in Private Banking increased CHF 174 million or 20%, compared to 2Q10. Wealth Management has seen continued strong growth in net new assets with broad-based inflows from both our Swiss and international businesses. In Switzerland, our Corporate & Institutional Clients business, which is an important provider of financing and services to the Swiss economy, maintained a high level of profitability and recorded low provisions for credit losses as the quality of our loan portfolio remained strong.

Investment Banking reported pre-tax income of CHF 231 million, which includes the negative foreign exchange translation impact of CHF 151 million, and net revenues of CHF 2.8 billion. Equity sales and trading revenues were solid given the weak market environment while fixed income sales and trading results were impacted by challenging trading conditions and moderately lower client flows. Our performance in underwriting and advisory remained solid.

Asset Management reported pre-tax income of CHF 202 million including a negative foreign exchange translation impact of CHF 27 million. Net new assets totaled CHF 4.0 billion in the second quarter. We are pleased with the steady performance of our Asset Management business.

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Adjusting our cost base

In order to ensure attractive returns in the face of an uncertain and challenging economic and market environment, we continue to be proactive about seeking cost efficiencies across the firm, while at the same time investing in client-focused businesses. As a result, we are implementing a number of cost efficiency initiatives to achieve CHF 1 billion in cost savings and resulting reductions in the annualized first half 2011 expense run-rate during 2012. The program includes reductions of approximately 4% of total headcount across the Group. The initiatives will involve implementation costs in 2011 of CHF 400 million to CHF 450 million, of which CHF 142 million were recognized in 2Q11. The ability to take concerted actions to achieve efficiencies, while at the same time continuing to grow our assets under management and win market share, is a confirmation of the trust clients place in the strength of our franchise and our capital position. Our reduced cost base will put us in a better position to deliver consistent, industry-leading returns and to capitalize on improvements in the market environment.

Evolving regulatory environment

We are at the forefront in addressing many of the regulatory challenges currently facing the banking industry, including capital, liquidity and compensation. We have already been operating under Basel II.5 standards since the beginning of the year and continue to maintain a leading capital position with a Basel II tier 1 ratio of 18.2%. Today, we have significantly more clarity about the global capital framework. We believe a more level playing field is emerging, in which capital efficiency and low-risk business models will prevail. We are confident that our early transition on many of these issues will serve us well in the long term and places us in a favorable position compared to our peers.

Outlook

At this point in time, we have to recognize the likelihood that the current headwinds in the economic and market environment may be more persistent than we would have hoped. We expect interest rates to remain low for an extended period of time and the strong Swiss franc to continue to have an impact on our results. We may also continue to see lower levels of client activity and a volatile trading environment. However, we continue to focus on operating a business that generates solid income and resilient returns regardless of the market environment and other external factors and we remain confident in the strength of our platform, which we expect to provide us with substantial upside potential when economic and market conditions improve.

Yours sincerely

Urs Rohner   Brady W. Dougan

July 2011

* Excluding business realignment costs of CHF 142 million (CHF 94 million after tax) and fair value gains of CHF 41 million (CHF 27 million after tax) on own debt and stand-alone derivatives relating to own funding liabilities.

Financial highlights

	in / end of			% change		in / end of		% change
	2Q11	1Q11	2Q10	QoQ	YoY	**6M11**	6M10	YoY
Net income (CHF million)								
Net income attributable to shareholders	768	1,139	1,593	(33)	(52)	1,907	3,648	(48)
of which from continuing operations	768	1,139	1,593	(33)	(52)	1,907	3,667	(48)
Earnings per share (CHF)								
Basic earnings per share from continuing operations	0.48	0.91	1.15	(47)	(58)	1.43	2.84	(50)
Basic earnings per share	0.48	0.91	1.15	(47)	(58)	1.43	2.82	(49)
Diluted earnings per share from continuing operations	0.48	0.90	1.15	(47)	(58)	1.42	2.83	(50)
Diluted earnings per share	0.48	0.90	1.15	(47)	(58)	1.42	2.81	(49)
Return on equity (%)								
Return on equity attributable to shareholders (annualized)	9.7	13.4	17.8	–	–	11.6	20.1	–
Core Results (CHF million) [1]								
Net revenues	6,326	7,813	8,420	(19)	(25)	14,139	17,381	(19)
Provision for credit losses	13	(7)	20	–	(35)	6	(30)	–
Total operating expenses	5,227	6,195	6,594	(16)	(21)	11,422	12,671	(10)
Income from continuing operations before taxes	1,086	1,625	1,806	(33)	(40)	2,711	4,740	(43)
Core Results statement of operations metrics (%) [1]								
Cost/income ratio	82.6	79.3	78.3	–	–	80.8	72.9	–
Pre-tax income margin	17.2	20.8	21.4	–	–	19.2	27.3	–
Effective tax rate	25.0	28.6	10.4	–	–	27.1	21.6	–
Net income margin [2]	12.1	14.6	18.9	–	–	13.5	21.0	–
Assets under management and net new assets (CHF billion)								
Assets under management	1,233.3	1,282.4	1,242.6	(3.8)	(0.7)	1,233.3	1,242.6	(0.7)
Net new assets	14.3	19.1	14.5	(25.1)	(1.4)	33.4	40.5	(17.5)
Balance sheet statistics (CHF million)								
Total assets	976,923	1,016,468	1,137,948	(4)	(14)	976,923	1,137,948	(14)
Net loans	220,030	222,510	227,205	(1)	(3)	220,030	227,205	(3)
Total shareholders' equity	31,216	34,057	35,633	(8)	(12)	31,216	35,633	(12)
Tangible shareholders' equity [3]	23,027	25,330	25,674	(9)	(10)	23,027	25,674	(10)
Book value per share outstanding (CHF)								
Total book value per share	26.03	28.36	30.04	(8)	(13)	26.03	30.04	(13)
Shares outstanding (million)								
Common shares issued	1,202.2	1,201.0	1,186.1	0	1	1,202.2	1,186.1	1
Treasury shares	(3.1)	0.0	0.0	–	–	(3.1)	0.0	–
Shares outstanding	1,199.1	1,201.0	1,186.1	0	1	1,199.1	1,186.1	1
Market capitalization								
Market capitalization (CHF million)	39,312	46,876	48,535	(16)	(19)	39,312	48,535	(19)
Market capitalization (USD million)	46,910	51,139	44,395	(8)	6	46,910	44,395	6
BIS statistics								
Risk-weighted assets (CHF million)	203,741	212,196	232,964	(4)	(13)	203,741	232,964	(13)
Tier 1 ratio (%)	18.2	18.2	16.3	–	–	18.2	16.3	–
Total capital ratio (%)	23.6	23.7	21.8	–	–	23.6	21.8	–
Number of employees (full-time equivalents)								
Number of employees	50,700	50,100	49,200	1	3	50,700	49,200	3

[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 attributable to shareholders is calculated by deducting goodwill and other intangible assets from total shareholders' equity attributable to shareholders.

Financial calendar and information sources

Financial calendar	
Third quarter 2011 results	Tuesday, November 1, 2011
Fourth quarter / full year 2011 results	Thursday, February 9, 2012
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