CREDIT SUISSE

2Q12 Letter to shareholders

Dear shareholders

For the second quarter of 2012, we reported pre-tax income of CHF 1.1 billion, net income attributable to shareholders of CHF 0.8 billion and return on equity of 9%, evidencing the resilience of our business model. We achieved our year-end 2013 cost-savings target of CHF 2.0 billion 18 months early and have increased the target by an additional CHF 1.0 billion by the end of 2013. Together with our results, we also announced that we are increasing our capital by CHF 15.3 billion through a set of targeted capital measures. These measures will significantly strengthen the Group's capital base in preparation for the Basel III regulatory framework. Through these measures, we expect to raise our year-end 2012 Look-through Swiss Core Capital Ratio to 9.4%*, compared to the year-end 2018 Swiss requirement of 10%. Even with this significantly strengthened capital base, we are reconfirming our previously announced return on equity target of 15% or above over the cycle.

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

Our performance in the second quarter and the first half of 2012

Our result for the second quarter underscores the positive impact of the changes we have made to adapt to the new environment. The first quarter showed that we can produce high returns despite moderate markets, and the second quarter provides evidence that our approach is resilient under more challenging conditions. Improved profitability in Private Banking, resilient results in Investment Banking and solid results in Asset Management demonstrate the balance and strength of the evolved business model.

In Private Banking, we reported net revenues of CHF 2,704 million, down CHF 50 million from the second quarter of 2011, reflecting low client activity and low transaction volumes. Wealth Management Clients reported net new assets of CHF 8.9 billion, driven by inflows mainly from its ultra-high-net-worth individual client segment and from emerging markets, before the impact of outflows of CHF 3.4 billion relating to the integration of Clariden Leu. The integration of Clariden Leu is now substantially complete, with a pre-tax income benefit to the Group of CHF 125 million to be realized in 2013.

In Investment Banking, we reported net revenues of CHF 2,909 million, up from CHF 2,817 million in the second quarter of 2011. During the second quarter of 2012, we made significant progress in executing our refined strategy, resulting in a more consistent performance and continued market share momentum. Investment Banking further reduced Basel III risk-weighted assets by USD 4 billion to USD 206 billion during the quarter.

In Asset Management, we had net revenues of CHF 550 million, down from CHF 654 million in the second quarter of 2011. A partial sale of our investment in Aberdeen Asset Management was completed, leading to a gain of CHF 66 million in the second quarter of 2012. In July 2012, we completed the sale of our residual stake in Aberdeen for a gain of approximately CHF 140 million, which will be recognized in the third quarter.

For the first half of 2012, we reported normalized** net income attributable to shareholders of CHF 2.1 billion with a normalized** after-tax return on equity of 12%. Both the second quarter and the first half performance demonstrate that our business model is working and delivering good results, even under challenging conditions.

Good progress on cost savings and risk reduction

Expense reductions and capital discipline also help us ensure the effectiveness of our model going forward. In the first half of 2012, we achieved our CHF 2.0 billion cost reduction target 18 months early, and we have further increased the year-end 2013 target to CHF 3.0 billion. Roughly half of the additional CHF 1.0 billion in cost savings will come from the Shared Services functions. Our significantly reduced cost base provides us with considerable operating flexibility.

The progress we have made towards full Basel III compliance – including the reduction of CHF 65 billion in risk-

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weighted assets from the third quarter of 2011 – positions us favorably in the industry's inevitable transition to the new environment. This allows us to serve our clients consistently and helps us to generate more stable returns.

Capital measures to solidify our position as one of the stronger capitalized and funded global banks

Capital strength is of paramount importance to the Group. Given the current environment, we decided to accelerate the implementation of our capital plans in a manner, which fully addresses any questions raised by the Swiss National Bank's (SNB) 2012 Financial Stability Report.

A Look-through Swiss Core Capital Ratio of 9.4%* by the end of this year, along with our leading total capital and funding structure, confirms our place among the stronger banks globally.

Even before the capital measures we have announced, we were well in excess of the capital requirements by the Swiss regulator, FINMA, with a Basel II.5 tier 1 capital ratio of 16.5%. Our FINMA leverage ratio stood at 4.7% as of the end of the second quarter.

Using a methodology broadly comparable to that used in the SNB Financial Stability Report, we expect that our Look-through Swiss Total Capital Ratio will immediately move to 8.5%* and to 10.8*% by year-end, almost double the 5.9% as of the end of the first quarter, as stated in the SNB report.

The capital measures include the issuance of CHF 3.8 billion mandatory and contingent convertible securities. Among the strategic investors that have fully underwritten this issuance are some of our existing long-term shareholders, who are extremely important to our broad and well diversified shareholder base, as well as some new high quality investors. Their vote of confidence in our strategy, the Group and this transaction is a very significant statement.

The set of measures we announced to further build our common equity is robust and well-balanced. Close to 80% of the measures are non- dilutive to the ownership of existing shareholders subscribing for their rights to the mandatory and contingent convertible securities. Over the years and prior to these measures, our shareholders have incurred minimal dilution. While the Group is strongly capitalized under the existing Swiss regulations, the announced measures accelerate our transition to the new Basel III regulatory requirements. We continue to believe that our business model will generate a best-in-class return on equity, at or above 15% over the cycle, even with the significant strengthening of our capital base due to our cost-saving initiatives. With a business that has demonstrated resilience in a changing economic climate, we are confident that Credit Suisse will further enhance its ability to best serve our clients and provide industry leading returns to our shareholders.

Sincerely

Urs Rohner Brady W. Dougan

July 2012

* The definitions for regulatory capital and respective ratios used refer to the regulations under the Swiss too-big-to-fail regime as determined by FINMA. Ratio calculations based on these capital definitions use projected Basel III year-end 2012 risk-weighted assets. The expected year-end 2012 ratios are based on a pro-forma calculation assuming successful completion of the announced capital actions and using Bloomberg consensus earnings estimates and Credit Suisse Basel III risk-weighted assets estimates. As Basel III will not be implemented before January 1, 2013, our Basel III risk-weighted assets were calculated for purposes of this release in accordance with the currently proposed requirements and our current interpretation of such requirements, including relevant assumptions. Changes in the requirements upon implementation of Basel III would result in different numbers from those used in the release.

**Normalized results are non-GAAP financial measures. The table includes a reconciliation of the measures mentioned above.

in 6M12	**Net income attributable to shareholders**	**After tax return on equity (%)**
Overview of significant items (CHF million)		
Reported	**832**	**4.9**
Fair value losses from movement in credit spreads	1,092	–
Realignment costs	187	–
Gain on sale of stake in Aberdeen Asset Management	(241)	–
Underlying	**1,870**	**10.8**
2011 Partner Asset Facility expense	369	–
Assumed share-based award expense [1]	(122)	–
Normalized	**2,117**	**12.2**

[1] Adjusted for the accelerated compensation expense in 6M12 by replacing 2011 Partner Asset Facility (PAF2) expense with assumed share-based awards expense for 6M12. This calculation assumes that share-based awards (with three-year vesting) had been awarded in lieu of PAF2 awards (with accelerated vesting) during 6M12.

Financial highlights

			in / end of		% change		in / end of	% change
	2Q12	1Q12	2Q11	QoQ	YoY	**6M12**	6M11	YoY
Net income (CHF million)								
Net income attributable to shareholders	788	44	768	–	3	832	1,907	(56)
Earnings per share (CHF)								
Basic earnings per share	0.48	0.03	0.48	–	–	0.52	1.43	(64)
Diluted earnings per share	0.46	0.03	0.48	–	(4)	0.50	1.42	(65)
Return on equity (%, annualized)								
Return on equity attributable to shareholders	9.2	0.5	9.7	–	–	4.9	11.6	–
Core Results (CHF million) [1]								
Net revenues	6,241	5,878	6,326	6	(1)	12,119	14,139	(14)
Provision for credit losses	25	34	13	(26)	92	59	6	–
Total operating expenses	5,105	5,804	5,227	(12)	(2)	10,909	11,422	(4)
Income before taxes	1,111	40	1,086	–	2	1,151	2,711	(58)
Core Results statement of operations metrics (%) [1]								
Cost/income ratio	81.8	98.7	82.6	–	–	90.0	80.8	–
Pre-tax income margin	17.8	0.7	17.2	–	–	9.5	19.2	–
Effective tax rate	28.0	(40.0)	25.0	–	–	25.6	27.1	–
Net income margin [2]	12.6	0.7	12.1	–	–	6.9	13.5	–
Assets under management and net new assets (CHF billion)								
Assets under management	1,213.1	1,204.8	1,186.3	0.7	2.3	1,213.1	1,186.3	2.3
Net new assets	4.4	(5.7)	14.2	–	(69.0)	(1.3)	34.1	–
Balance sheet statistics (CHF million)								
Total assets	1,043,455	1,000,020	976,923	4	7	1,043,455	976,923	7
Net loans	239,164	231,696	220,030	3	9	239,164	220,030	9
Total shareholders' equity	34,774	33,585	31,216	4	11	34,774	31,216	11
Tangible shareholders' equity [3]	25,831	24,992	23,027	3	12	25,831	23,027	12
Book value per share outstanding (CHF)								
Total book value per share	27.10	27.43	26.03	(1)	4	27.10	26.03	4
Tangible book value per share [3]	20.13	20.41	19.21	(1)	5	20.13	19.21	5
Shares outstanding (million)								
Common shares issued	1,286.6	1,224.5	1,202.2	5	7	1,286.6	1,202.2	7
Treasury shares	(3.5)	0.0	(3.1)	–	13	(3.5)	(3.1)	13
Shares outstanding	1,283.1	1,224.5	1,199.1	5	7	1,283.1	1,199.1	7
Market capitalization								
Market capitalization (CHF million)	22,207	31,507	39,312	(30)	(44)	22,207	39,312	(44)
Market capitalization (USD million)	23,583	34,911	46,910	(32)	(50)	23,583	46,910	(50)
BIS statistics (Basel II.5) [4]								
Risk-weighted assets (CHF million)	233,705	234,390	238,629	0	(2)	233,705	238,629	–
Tier 1 ratio (%)	16.5	15.6	14.5	–	–	16.5	14.5	–
Core tier 1 ratio (%)	12.5	11.8	10.2	–	–	12.5	10.2	–
Number of employees (full-time equivalents)								
Number of employees	48,200	48,700	50,700	(1)	(5)	48,200	50,700	(5)

[1] Refer to "Credit Suisse Reporting structure and Core Results" in I – Credit Suisse results – Credit Suisse for further information on Core Results. [2] Based on amounts attributable to shareholders. [3] A non-GAAP financial measure. Tangible shareholders' equity is calculated by deducting goodwill and other intangible assets from total shareholders' equity. [4] Reported under Basel II.5 since December 31, 2011. Previously reported under Basel II. Prior periods have been adjusted to conform to the current presentation. Refer to "Treasury management" in II – Treasury, risk, balance sheet and off-balance sheet for further information.

Financial calendar and contacts

Financial calendar

Third quarter 2012 results	Thursday, October 25, 2012
Forth quarter / Full year 2012 results	Thursday, February 7, 2013

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