2Q15 Letter to shareholders

Dear shareholders

In the second quarter of 2015, we delivered improved results amidst a number of economic and political developments. The global economy showed signs of stabilization, with the US recovering slightly, oil prices stabilizing and economic data from the eurozone remaining solid, despite financial and political uncertainty relating to the Greek debt negotiations. While "Grexit" may have been averted for now, market volatility is likely to persist.

For Switzerland and many domestic companies, the Swiss National Bank's decision in January to discontinue the minimum exchange rate of the Swiss franc against the euro and introduce negative short-term interest rates remained a major challenge during the second quarter. Specifically, the private banking sector continued to be affected by difficult market conditions, with clients maintaining a cautious investment stance. Additionally, the changed currency environment has exerted pressure on costs, as the majority of expenses in Swiss private banking are in Swiss francs while a large proportion of revenues are generated in other currencies.

The new market conditions look set to reinforce an existing trend in Swiss private banking towards greater consolidation, as smaller domestic participants look to sell or merge. Similar developments have taken place among foreign banks with Swiss private banking subsidiaries, as such banks refocus on core markets and businesses. We are monitoring matters closely.

Internationally, debate still rages about the relative merits of universal banking, as opposed to stand-alone investment banks and retail and private banks. While the furor over the role of banks during the financial crisis has abated, our sector remains in the political and media spotlight. Rebuilding trust, improving transparency and emphasizing the importance of the financial sector for the broader economy must remain priorities.

Despite domestic and international challenges, we still achieved solid results in the second quarter. To attain consistently good long-term performance, we remain acutely focused on targeted growth initiatives, leveraging our strong position in our Swiss home market and building on our strength in emerging markets.

Improved profits in the second quarter

In the second quarter of 2015, Credit Suisse's results improved, with reported net income attributable to shareholders of CHF 1.1 billion, compared to a net loss in the second quarter of 2014, which included the CHF 1.6 billion litigation charge related to settlements with US authorities regarding US cross-border matters.

Our **Private Banking & Wealth Management** division performed well, with a strong contribution from our Wealth Management Clients and Corporate & Institutional Clients businesses, partially offset by lower Asset Management results due to the sale and restructuring measures taken in the fourth quarter of 2014. Wealth Management Clients saw improved profitability, driven by improved net interest income and higher client activity.

Reflecting our strong market position and the continued trust our clients place in us, we saw good client momentum in Private Banking & Wealth Management, attracting strategic net new assets of CHF 15.4 billion. Wealth Management Clients recorded strong inflows from Asia Pacific, and a solid contribution from Switzerland and Europe, Middle East and Africa (EMEA). Overall, we reported total net new assets of CHF 14.2 billion, including outflows from the Corporate & Institutional Clients business in Switzerland, which were due to the low interest rate environment and related pricing changes on cash deposits.

Investment Banking performed well in equities and in advisory. This was, however, offset by lower results in fixed income and an increase in costs primarily due to higher investments in our risk, regulatory and compliance infrastructure. The strong performance in equities was partly due to a very strong quarter in Asia Pacific; as one of the largest equity players in Asia Pacific, we are poised to capture opportunities in this high-growth region. Our strategic businesses generated pre-tax income of CHF 910 million, as higher operating expenses, as explained above, offset higher revenues.

We made further progress on winding down our non-strategic unit, bringing us closer to our goal of focusing resources on businesses where we see the greatest potential.

Further leverage reductions

In recent years, there has been a shift in regulatory focus toward an unweighted view of capital in the form of more restrictive leverage requirements. In order to comply with these stricter requirements, we laid out a plan to significantly reduce leverage exposure primarily through reductions in Investment Banking. During the second quarter, we continued to reduce leverage exposure, both for Investment Banking and the Group, and are on track to reach our end-2015 targets.

Separately, our look-through CET1 ratio, another important metric to measure the capital position of banks, and which fully applies the requirements as of 2019, improved to 10.3% from 10.1% as of the end of 2014 and we reported a look-through Swiss total capital ratio of 16.5%.

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Urs Rohner, Chairman of the Board of Directors (left) and Tidjane Thiam, Chief Executive Officer.

Progress on our growth initiatives in Private Banking & Wealth Management

We launched *Credit Suisse Invest*, a new advisory offering focused on improving flexibility and transparency for clients, in Switzerland and other selected markets. This supports our efforts to increase the proportion of mandates in relation to total assets under management in our Wealth Management Clients business. With mandates, our clients can delegate the management of their assets and investment decisions to Credit Suisse so that the assets can be managed securely and transparently for a specific purpose with a clear scope of action.

Our digital capabilities are highly valued by our clients at a time when they are becoming increasingly reliant on real-time mobile banking. We updated our mobile private banking app in the Swiss home market, where we already enjoyed a strong online and mobile banking presence. This followed the launch of the digital client platform in Asia Pacific. The technology gives our clients access to comprehensive portfolio information and market and research insights specific to their investment goals, whenever and wherever they choose. It also facilitates a more direct collaboration between clients and relationship managers, as well as between clients and Credit Suisse's experts across the globe. We plan to continue to upgrade our digital offering, adding new features in both regions this and next year, and to extend the technology to clients in the Americas and EMEA in 2016.

Key growth regions

Regions enjoying particularly strong economic growth remain a major focus for our expansion. Asia Pacific continues to be a significant driver of our performance in both Private Banking & Wealth Management and Investment Banking. In the first half of 2015, Asia Pacific accounted for 16% of our overall revenues and 27% of our pre-tax income. We foresee further significant opportunities in the years ahead.

Outlook

So far in the third quarter, we have seen continued momentum in Asia Pacific, Wealth Management Clients and equities. However, the weaker trends in the fixed income markets that we saw in June have continued into July, and the third quarter normally sees some seasonal weakness.

Towards a more effective operating infrastructure

Over the last two quarters, we have been implementing the program to amend the Group's legal entity structure and have completed a number of crucial steps. For example, in Switzerland this quarter, we registered two new legal entities, Credit Suisse (Schweiz) AG and Credit Suisse Services AG. We envisage further progress on additional milestones throughout the remainder of this and next year. The program addresses regulations in Switzerland, the US and the UK with respect to future requirements for global recovery and resolution planning by systemically important banks. We expect the changes will result in a more effective operating structure for the Group.

Credit Suisse of the future

Credit Suisse has a solid foundation on which to build and is well placed to develop its strategy. Our ability to harness our private banking and investment banking capabilities for the benefit of our clients remains a powerful differentiator. This is highly attractive to the dynamic client base we serve in Asia Pacific, which includes many entrepreneurs who rely on our support through all phases of their personal and corporate wealth cycle. We are, as a result, increasingly recognized as the Entrepreneurs' Bank of Asia Pacific, a status we are determined to reinforce in the years to come.

Despite our achievements, we must find ways to provide even better service to our clients, further improve profitability and shareholder returns, and reduce the capital intensity of our business model. In the coming months, we will conduct a thorough assessment of Credit Suisse's strategy, the results of which we intend to announce before year-end. We expect to build on our strong position in the Swiss market and capitalize on our presence and expertise in the emerging markets. We will strive to formulate a holistic strategy – across all regions and businesses – that aims to achieve sustainable, profitable growth through the cycle.

We would like to express our sincere gratitude to our clients, our shareholders and our employees for their continued support.

Sincerely

Urs Rohner Chairman of the Board of Directors	Tidjane Thiam Chief Executive Officer

July 2015

Ensuring future success

As announced earlier, Tidjane Thiam has taken over as the new CEO of Credit Suisse Group AG effective July 1, 2015. During the coming weeks and months, Tidjane and I will continue to meet and engage with stakeholders, both inside and outside of the bank. In the process, together with the leadership team and the Board of Directors, we will focus on the challenges, our strengths and the growth potential to best position Credit Suisse for the future, to ensure its success in good and challenging times alike. We are committed to making our bank faster, more agile and less operationally complex and to setting Credit Suisse on a clear path towards sustainable, profitable growth.

Urs Rohner

As of January 1, 2013, Basel III was implemented in Switzerland along with the Swiss "Too Big to Fail" legislation and regulations thereunder. As of January 1, 2015, the BIS leverage ratio framework, as issued by BCBS, was implemented in Switzerland by FINMA. The related disclosures are in accordance with Credit Suisse's interpretation of such requirements, including relevant assumptions. Changes in the interpretation of these requirements in Switzerland or in any of Credit Suisse's assumptions or estimates could result in different numbers from those shown herein.

References to phase-in and look-through included herein refer to Basel III requirements. Phase-in under the Basel III capital framework reflects that for the years 2014 – 2018, there will be a five-year (20% per annum) phase in of goodwill and other intangible assets and other capital deductions (e.g., certain deferred tax assets) and for the years 2013 – 2022, there will be a phase out of certain capital instruments. Look-through assumes the full phase-in of goodwill and other intangible assets and other regulatory adjustments and the full phase out of certain capital instruments.

Unless otherwise noted, leverage exposure is based on the BIS leverage ratio framework and consists of period-end balance sheet assets and prescribed regulatory adjustments. Leverage exposure target assumes constant USD/CHF and EUR/CHF exchange rates equal to those at the end of 2Q15.

Strategic net new assets are determined based on the assumption that assets managed across businesses relate to strategic businesses only.

Refer to our 2Q15 Financial Report as well as to II – Operating and financial review and III – Treasury, Risk, Balance sheet and Off-balance sheet in our Annual Report 2014 for further information.

Key metrics

	in / end of			% change		in / end of		% change
	2Q15	1Q15	2Q14	QoQ	YoY	**6M15**	6M14	YoY
Credit Suisse (CHF million, except where indicated)								
Net income/(loss) attributable to shareholders	1,051	1,054	(700)	0	–	2,105	159	–
of which from continuing operations	1,051	1,054	(691)	0	–	2,105	153	–
Basic earnings/(loss) per share from continuing operations (CHF)	0.63	0.63	(0.45)	0	–	1.26	0.05	–
Diluted earnings/(loss) per share from continuing operations (CHF)	0.61	0.62	(0.45)	(2)	–	1.23	0.05	–
Return on equity attributable to shareholders (%)	10.0	9.9	(6.7)	–	–	9.9	0.8	–
Effective tax rate (%)	35.6	31.6	(88.7)	–	–	33.7	60.8	–
Core Results (CHF million, except where indicated)								
Net revenues	6,941	6,673	6,433	4	8	13,614	12,902	6
Provision for credit losses	51	30	18	70	183	81	52	56
Total operating expenses	5,244	5,105	6,785	3	(23)	10,349	11,820	(12)
Income/(loss) from continuing operations before taxes	1,646	1,538	(370)	7	–	3,184	1,030	209
Cost/income ratio (%)	75.6	76.5	105.5	–	–	76.0	91.6	–
Pre-tax income margin (%)	23.7	23.0	(5.8)	–	–	23.4	8.0	–
Strategic results (CHF million, except where indicated)								
Net revenues	6,758	6,590	6,309	3	7	13,348	12,839	4
Income from continuing operations before taxes	1,812	1,822	1,775	(1)	2	3,634	3,719	(2)
Cost/income ratio (%)	72.6	72.0	71.5	–	–	72.3	70.7	–
Return on equity – strategic results (%)	13.9	12.0	13.0	–	–	13.0	13.5	–
Non-strategic results (CHF million)								
Net revenues	183	83	124	120	48	266	63	322
Loss from continuing operations before taxes	(166)	(284)	(2,145)	(42)	(92)	(450)	(2,689)	(83)
Assets under management and net new assets (CHF billion)								
Assets under management from continuing operations	1,355.7	1,374.0	1,319.6	(1.3)	2.7	1,355.7	1,319.6	2.7
Net new assets from continuing operations	14.2	17.0	10.7	(16.5)	32.7	31.2	25.4	22.8
Balance sheet statistics (CHF million)								
Total assets	879,322	904,390	891,580	(3)	(1)	879,322	891,580	(1)
Net loans	270,171	270,774	254,532	0	6	270,171	254,532	6
Total shareholders' equity	42,642	43,396	40,944	(2)	4	42,642	40,944	4
Tangible shareholders' equity	34,199	34,672	32,716	(1)	5	34,199	32,716	5
Basel III regulatory capital and leverage statistics								
Risk-weighted assets (CHF million)	281,886	288,514	285,421	(2)	(1)	281,886	285,421	(1)
CET1 ratio (%)	13.9	13.8	13.8	–	–	13.9	13.8	–
Look-through CET1 ratio (%)	10.3	10.0	9.5	–	–	10.3	9.5	–
Look-through CET1 leverage ratio (%)	2.7	2.6	–	–	–	2.7	–	–
Look-through Tier 1 leverage ratio (%)	3.7	3.6	–	–	–	3.7	–	–
Share information								
Shares outstanding (million)	1,632.4	1,563.5	1,600.0	4	2	1,632.4	1,600.0	2
of which common shares issued	1,638.4	1,607.2	1,607.2	2	2	1,638.4	1,607.2	2
of which treasury shares	(6.0)	(43.7)	(7.2)	(86)	(17)	(6.0)	(7.2)	(17)
Book value per share (CHF)	26.12	27.76	25.59	(6)	2	26.12	25.59	2
Tangible book value per share (CHF)	20.95	22.18	20.45	(6)	2	20.95	20.45	2
Market capitalization (CHF million)	42,107	42,076	40,758	0	3	42,107	40,758	3
Number of employees (full-time equivalents)								
Number of employees	46,600	46,400	45,100	0	3	46,600	45,100	3

Financial calendar and contacts

Financial calendar

Third quarter results 2015	Thursday, November 5, 2015

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Cautionary statement regarding forward-looking information

This letter contains statements that constitute forward-looking statements. 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 2014 and beyond;
- the direct and indirect impacts of deterioration or slow recovery in residential and commercial real estate markets;
- adverse rating actions by credit rating agencies in respect of sovereign issuers, structured credit products or other credit-related exposures;
- the ability to achieve our strategic objectives, including improved performance, reduced risks, lower costs and more efficient use of capital;
- the ability of counterparties to meet their obligations to us;
- the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations;
- political and social developments, including war, civil unrest or terrorist activity;
- the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations;
- operational factors such as systems failure, human error, or the failure to implement procedures properly;
- actions taken by regulators with respect to our business and practices in one or more of the countries in which we conduct our operations;
- the effects of changes in laws, regulations or accounting policies or practices;
- competition in geographic and business areas in which we conduct our operations;
- the ability to retain and recruit qualified personnel;
- the ability to maintain our reputation and promote our brand;
- the ability to increase market share and control expenses;
- technological changes;
- the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users;
- acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets;
- the adverse resolution of litigation and other contingencies;
- the ability to achieve our cost efficiency goals and cost targets; and
- our success at managing the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, including the information set forth in "Risk factors" in I – Information on the company in our Annual Report 2014.