

3Q10 Letter to shareholders

Dear shareholders

We have delivered a solid result in a quarter characterized by challenging conditions with low market volumes and subdued client activity. We are continuing to make disciplined investments in client focused, capital efficient, high return businesses, which are already producing strong net new assets and improved market share. Our strategy had already anticipated the impact of tighter regulation, both in Investment Banking, where we have exited less capital efficient businesses, and in Private Banking, where we have continued to build our global multi-shore presence. We achieved net income of CHF 609 million with total net new assets of CHF 14.6 billion and a tier 1 ratio of 16.7%.

Performance of our businesses

Private Banking delivered pre-tax income of CHF 836 million and attracted net new assets of CHF 12.6 billion, with a particularly encouraging performance from Asia Pacific, where we saw annualized net new asset growth of over 20%. This underscores the trust clients have in Credit Suisse. Revenues have remained relatively subdued and we believe the business is close to a cyclical low characterized by the low interest rate environment and low levels of client activity. However, we believe the prospects for growth remain very attractive and that we are positioned to capitalize as markets improve given our disciplined investment in our global platform. In Switzerland, our Corporate & Institutional Clients business, which is an important provider of finance and services to the Swiss economy, achieved another strong result and maintained a strong pre-tax profit margin.

Investment Banking has shown its resilience in a difficult market environment, recording pre-tax income of CHF 395 million with net revenues of CHF 3,421 million as the business was impacted by a decline in client activity that was exacerbated by the seasonal slowdown. Fixed income sales and trading results were higher than in the prior quarter driven by strong revenues in US RMBS trading, global rates and emerging markets while equity sales and trading results reflected lower client trading volume. In equities, the performance of our client focused business was in line with industry volume. Underwriting and advisory results were solid and in line with industry-wide capital issuance levels and M&A activity. We had strong debt underwriting revenues, driven by higher industry-wide issuance levels, particularly in high yield, while revenues in our equity underwriting and advisory businesses reflected continued weakness in equity issuance levels and completed M&A volumes.



Brady W. Dougan, Chief Executive Officer (left) and Hans-Ulrich Doerig, Chairman of the Board of Directors. In the background is a portrait of Alfred Escher, who founded Credit Suisse in 1856.

Asset Management reported pre-tax income of CHF 135 million and maintained a positive trend in asset inflows for the fifth consecutive quarter, with net new assets of CHF 3.6 billion in the third quarter. We will focus on building on this encouraging trend and on growing this core business. In 3Q10, Asset Management agreed to acquire a noncontrolling interest in York Capital Management (York), a leading global event-driven hedge fund manager. The acquisition of a noncontrolling stake in York is an important next step in the continuing implementation of a strategy focused on high margin, capital-efficient businesses capable of leveraging our global platform.

Positioned to succeed in new industry landscape

Our results for the first nine months with a return on equity of 15.9% underscore that our business model is able to produce strong returns over the cycle. We anticipated much of the regulatory change, both in terms of capital requirements and the new cross border regime. Most recently the Basel Committee presented its recommendations for a new Basel III regulatory framework and the expert commission of the Swiss Government submitted its recommendation to solve the issue of “too big to fail” in Switzerland. The new measures will require strengthened liquidity and substantial new capital buffers. We have already introduced the new liquidity regime and expect to comply with the new capital regime by retaining earnings and without having to substantially change our growth plans or dividend policy.

Outlook

Our business model, growth strategy and the measures taken over the last three years have placed us well to meet these new requirements and at the same time compete and deliver attractive returns to our shareholders.

Yours sincerely

Hans-Ulrich Doerig
October 2010

Brady W. Dougan

Financial highlights

			in / end of		% change		in / end of		% change	
	3Q10	2Q10	3Q09	QoQ	YoY	9M10	9M09		YoY	
Net income (CHF million)										
Net income attributable to shareholders	609	1,593	2,354	(62)	(74)	4,257	5,931		(28)	
of which from continuing operations	609	1,593	2,166	(62)	(72)	4,276	5,762		(26)	
Earnings per share (CHF)										
Basic earnings per share from continuing operations	0.48	1.15	1.73	(58)	(72)	3.33	4.55		(27)	
Basic earnings per share	0.48	1.15	1.88	(58)	(74)	3.31	4.69		(29)	
Diluted earnings per share from continuing operations	0.48	1.15	1.67	(58)	(71)	3.31	4.46		(26)	
Diluted earnings per share	0.48	1.15	1.81	(58)	(73)	3.29	4.59		(28)	
Return on equity (%)										
Return on equity attributable to shareholders (annualized)	7.0	17.8	25.1	–	–	15.9	21.8		–	
Core Results (CHF million) ¹										
Net revenues	6,284	8,420	8,917	(25)	(30)	23,665	27,084		(13)	
Provision for credit losses	(26)	20	53	–	–	(56)	546		–	
Total operating expenses	5,557	6,594	6,244	(16)	(11)	18,228	19,300		(6)	
Income from continuing operations before taxes	753	1,806	2,620	(58)	(71)	5,493	7,238		(24)	
Core Results statement of operations metrics (%) ¹										
Cost/income ratio	88.4	78.3	70.0	–	–	77.0	71.3		–	
Pre-tax income margin	12.0	21.4	29.4	–	–	23.2	26.7		–	
Effective tax rate	15.5	10.4	16.3	–	–	20.8	19.0		–	
Net income margin ²	9.7	18.9	26.4	–	–	18.0	21.9		–	
Assets under management and net new assets (CHF billion)										
Assets under management from continuing operations	1,251.2	1,242.6	1,225.3	0.7	2.1	1,251.2	1,225.3		2.1	
Net new assets	14.6	14.5	16.7	–	–	55.1	31.7		–	
Balance sheet statistics (CHF million)										
Total assets	1,067,388	1,137,948	1,064,208	(6)	0	1,067,388	1,064,208		0	
Net loans	222,660	227,205	242,186	(2)	(8)	222,660	242,186		(8)	
Total shareholders' equity	34,088	35,633	38,191	(4)	(11)	34,088	38,191		(11)	
Tangible shareholders' equity ³	24,874	25,674	28,520	(3)	(13)	24,874	28,520		(13)	
Book value per share outstanding (CHF)										
Total book value per share	28.78	30.04	32.63	(4)	(12)	28.78	32.63		(12)	
Shares outstanding (million)										
Common shares issued	1,186.1	1,186.1	1,185.0	0	0	1,186.1	1,185.0		0	
Treasury shares	(1.8)	0.0	(14.6)	–	(88)	(1.8)	(14.6)		(88)	
Shares outstanding	1,184.3	1,186.1	1,170.4	0	1	1,184.3	1,170.4		1	
Market capitalization										
Market capitalization (CHF million)	49,818	48,535	68,137	3	(27)	49,818	68,137		(27)	
Market capitalization (USD million)	50,483	44,395	65,945	14	(23)	50,483	65,945		(23)	
BIS statistics										
Risk-weighted assets (CHF million)	227,683	232,964	221,983	(2)	3	227,683	221,983		3	
Tier 1 ratio (%)	16.7	16.3	16.4	–	–	16.7	16.4		–	
Total capital ratio (%)	21.9	21.8	20.9	–	–	21.9	20.9		–	
Number of employees (full-time equivalents)										
Number of employees	50,500	49,200	47,400	3	7	50,500	47,400		7	

¹ For further information on Core Results, refer to I – Credit Suisse results – Credit Suisse – Credit Suisse reporting structure. 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

4Q10 / full year results	Thursday, February 10, 2011
1Q11 results	Wednesday, April 27, 2011
Annual General Meeting	Friday, April 29, 2011

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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;
- 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 a continued US or global economic downturn in 2010 and beyond;
- the direct and indirect impacts of continuing deterioration of subprime and other real estate markets;
- further adverse rating actions by credit rating agencies in respect of structured credit products or other credit-related exposures or of monoline insurers;

- 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 other 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 2009 under IX – Additional Information – Risk Factors.