

## 3Q12 Letter to shareholders

Dear shareholders

In the third quarter of 2012, our businesses produced solid results, while at the same time improving the efficiency of their operations. Adjusting for accounting-driven fair value losses on own debt of CHF 1.0 billion due to the tightening of our own credit spreads and other significant non-operating items, we delivered underlying\* core pre-tax income of CHF 1,203 million, underlying\* net income attributable to shareholders of CHF 891 million and underlying\* return on equity of 9.6% for the third quarter of 2012. Without these adjustments, we reported core pre-tax income of CHF 359 million, net income attributable to shareholders of CHF 254 million and a return on equity of 2.9% for the third quarter of 2012.

For the first nine months of 2012, we delivered underlying\* core pre-tax income of CHF 3,835 million, underlying\* net income attributable to shareholders of CHF 2,761 million and underlying\* return on equity of 10.4%, adjusting for fair value losses on own debt of CHF 2.6 billion and other significant non-operating items. Our reported core pre-tax income was CHF 1,510 million, net income attributable to shareholders was CHF 1,086 million and return on equity was 4.2% for the first nine months of 2012.

We are successfully executing on the measures we began last year, while maintaining strong momentum with our clients. We have realigned our business to better meet the demands of a changed regulatory and market environment and, in doing so, have substantially reduced risks. At the same time, we have significantly cut costs and improved efficiencies across the bank. Additionally, we have further strengthened our capital base and have improved our balance sheet structure to meet future regulatory requirements.

### Performance of our businesses in the third quarter

In Private Banking in the third quarter of 2012, we reported net revenues of CHF 2,591 million. This is a 4% decline compared to the previous quarter. Total operating expenses for Private Banking were stable compared to the second quarter of 2012, as lower compensation and benefits were offset by higher general and administrative expenses, primarily driven by regulatory costs. Private Banking results reflect margin pressure in an operating environment characterized by low levels of client activity and a rise in the cost of doing business, partially mitigated by the continuing implementation of our strategic initiatives.

In Investment Banking in the third quarter of 2012, we reported net revenues of CHF 3,296 million, up 13% from the previous quarter due to strong results in both fixed income sales and trading and underwriting and advisory. As a result of



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

our refined strategy, fixed income results reflected a more balanced business portfolio with reduced revenue volatility, including a significant decline in inventory levels. Investment Banking results benefited from the expense reduction measures implemented over the past 15 months, improving the pre-tax margin for the first nine months of 2012 to 18%, compared to 10% in the prior-year period.

In Asset Management in the third quarter of 2012, we reported net revenues of CHF 607 million, up 10% from the previous quarter. This result included a gain of CHF 140 million on the sale of our remaining ownership interest in Aberdeen Asset Management. Total operating expenses in Asset Management were 8% lower than in the prior quarter, driven by both lower compensation and benefits and lower general and administrative expenses.

### Cost savings and capital measures well on track

While investing in our client franchise, we are continuing to significantly reduce expenses. Cost savings for the first nine months of 2012 were CHF 2.0 billion compared to an adjusted\* run rate for the first half of 2011 on an annualized basis and we expect to exceed CHF 3.0 billion in total cost savings in the full year 2013. Furthermore, we are now targeting annual savings in excess of CHF 3.5 billion during 2014 and savings of CHF 4.0 billion by the end of 2015, compared to the adjusted\* annualized run rate for the first half of 2011.

These targeted expense reductions provide us with additional operating flexibility, which is crucial to our success, especially in light of the increasing cost of doing business in a changing regulatory environment.

The implementation of the capital actions that we announced in July 2012 is well underway. By the end of the third quarter of 2012, these capital measures generated CHF 12.8 billion of our end-2012 target of CHF 15.3 billion and our Look-through Swiss Core Capital ratio\*\* stood at 8.2%. We are continuing to execute on the balance of these measures and estimate our end-2012 Look-through Swiss Core Capital ratio\*\* to be around 9.3% on a pro-forma basis.

Furthermore, while we have already reduced our Basel III risk-weighted assets in Investment Banking by 31% to USD 204 billion since the third quarter of 2011 in preparation for the implementation of the Basel III regime in Switzerland, we intend to reduce our risk-weighted assets in Investment Banking by a further 10% to USD 180 billion by the end of 2013. Combined with our capital measures, this should ensure that we achieve our target and the Swiss end-2018 requirement of a Swiss Core Capital ratio\*\* of 10% by mid-2013.

Additionally, we intend to further reduce our balance sheet by CHF 130 billion or 13% of total assets by the end of 2013 on a foreign-exchange neutral basis. We expect this reduction to have a limited impact on our earnings, while ensuring that

our leverage ratio is in a strong position. With a FINMA leverage ratio of 5.2% at the end of the third quarter 2012, Credit Suisse is already well in excess of current requirements.

Our strong capital position and funding structure, combined with our high-quality balance sheet affirm our position as one of the strongest global banks.

#### Confirming our targets

Year to date, we have generated an underlying\* return on equity of 10.4% in what we consider to be a very volatile environment with low levels of client activity. We are confident that the full implementation of the strategic, capital and cost-saving measures that we began in 2011 will enable us to reach our target return on equity of 15% or more over the cycle as well as the other stated targets for the bank.

Sincerely

Urs Rohner

Brady W. Dougan

October 2012

\* Underlying and adjusted results are non-GAAP financial measures. The table below includes a reconciliation of certain of these measures. For further information on the calculation of underlying and adjusted measures, including reconciliations for historical periods and the cost run rate on an adjusted annualized basis, see the 3Q12 Results Presentation Slides.

\*\*The definitions of regulatory capital and capital ratios 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 capital measures announced in July 2012 and using Bloomberg consensus net income estimates (adjusted for actual 9M12 net income and fair value losses on own debt in 3Q12) and our Basel III risk-weighted assets estimates. As Basel III will not be implemented before January 1, 2013, our Basel III risk-weighted assets and capital were calculated in accordance with the currently proposed requirements and our current interpretation of such requirements, including relevant assumptions. Changes in the actual implementation of Basel III or any of our assumptions or estimates would result in different numbers from those used herein.

end of	Core pre-tax income		Net income attributable to shareholders		Return on equity (%)	
	3Q12	9M12	3Q12	9M12	3Q12	9M12
<b>Overview of significant items (CHF million)</b>						
<b>Reported</b>	<b>359</b>	<b>1,510</b>	<b>254</b>	<b>1,086</b>	<b>2.9</b>	<b>4.2</b>
Fair value losses from movement in own credit spreads	1,048	2,563	865	1,957	-	-
Realignment costs	144	395	100	287	-	-
Gain on sale of ownership interest in Aberdeen Asset Management	(140)	(384)	(122)	(326)	-	-
Gain on sale of non-core business from the integration of Clariden Leu	0	(41)	0	(37)	-	-
Gain on sale of real estate	(382)	(382)	(325)	(325)	-	-
Impairment of Asset Management Finance LLC	38	38	23	23	-	-
Significant Investment Banking litigation provisions	136	136	96	96	-	-
<b>Underlying results</b>	<b>1,203</b>	<b>3,835</b>	<b>891</b>	<b>2,761</b>	<b>9.6</b>	<b>10.4</b>

## Financial highlights

	in / end of			% change		in / end of			% change
	3Q12	2Q12	3Q11	QoQ	YoY	9M12	9M11	YoY	
<b>Net income (CHF million)</b>									
Net income attributable to shareholders	254	788	683	(68)	(63)	1,086	2,590	(58)	
<b>Earnings per share (CHF)</b>									
Basic earnings per share	0.16	0.48	0.54	(67)	(70)	0.72	1.96	(63)	
Diluted earnings per share	0.16	0.46	0.53	(65)	(70)	0.71	1.95	(64)	
<b>Return on equity (% , annualized)</b>									
Return on equity attributable to shareholders	2.9	9.2	8.7	–	–	4.2	10.7	–	
<b>Core Results (CHF million) <sup>1</sup></b>									
Net revenues	5,766	6,241	6,817	(8)	(15)	17,885	20,956	(15)	
Provision for credit losses	41	25	84	64	(51)	100	90	11	
Total operating expenses	5,366	5,105	5,697	5	(6)	16,275	17,119	(5)	
Income before taxes	359	1,111	1,036	(68)	(65)	1,510	3,747	(60)	
<b>Core Results statement of operations metrics (%) <sup>1</sup></b>									
Cost/income ratio	93.1	81.8	83.6	–	–	91.0	81.7	–	
Pre-tax income margin	6.2	17.8	15.2	–	–	8.4	17.9	–	
Effective tax rate	28.1	28.0	32.0	–	–	26.2	28.5	–	
Net income margin <sup>2</sup>	4.4	12.6	10.0	–	–	6.1	12.4	–	
<b>Assets under management and net new assets (CHF billion)</b>									
Assets under management	1,250.7	1,213.1	1,151.4	3.1	8.6	1,250.7	1,151.4	8.6	
Net new assets	5.3	4.4	8.0	20.5	(33.8)	4.0	42.1	(90.5)	
<b>Balance sheet statistics (CHF million)</b>									
Total assets	1,023,292	1,043,455	1,061,521	(2)	(4)	1,023,292	1,061,521	(4)	
Net loans	242,456	239,164	226,447	1	7	242,456	226,447	7	
Total shareholders' equity	35,682	34,774	33,519	3	6	35,682	33,519	6	
Tangible shareholders' equity <sup>3</sup>	26,798	25,831	24,889	4	8	26,798	24,889	8	
<b>Book value per share outstanding (CHF)</b>									
Total book value per share	27.60	27.10	27.86	2	(1)	27.60	27.86	(1)	
Tangible book value per share <sup>3</sup>	20.73	20.13	20.69	3	0	20.73	20.69	0	
<b>Shares outstanding (million)</b>									
Common shares issued	1,320.1	1,286.6	1,203.0	3	10	1,320.1	1,203.0	10	
Treasury shares	(27.4)	(3.5)	0.0	–	–	(27.4)	0.0	–	
Shares outstanding	1,292.7	1,283.1	1,203.0	1	7	1,292.7	1,203.0	7	
<b>Market capitalization</b>									
Market capitalization (CHF million)	26,309	22,207	28,872	18	(9)	26,309	28,872	(9)	
Market capitalization (USD million)	27,920	23,583	31,567	18	(12)	27,920	31,567	(12)	
<b>BIS statistics (Basel II.5) <sup>4</sup></b>									
Risk-weighted assets (CHF million)	233,509	233,705	243,758	0	(4)	233,509	243,758	(4)	
Tier 1 ratio (%)	18.5	16.5	14.3	–	–	18.5	14.3	–	
Core tier 1 ratio (%)	14.7	12.5	10.0	–	–	14.7	10.0	–	
<b>Number of employees (full-time equivalents)</b>									
Number of employees	48,400	48,200	50,700	0	(5)	48,400	50,700	(5)	

<sup>1</sup> Refer to "Credit Suisse Reporting structure and Core Results" in I – Credit Suisse results – Credit Suisse for further information on Core Results. <sup>2</sup> Based on amounts attributable to shareholders. <sup>3</sup> A non-GAAP financial measure. Tangible shareholders' equity is calculated by deducting goodwill and other intangible assets from total shareholders' equity. <sup>4</sup> 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

Fourth quarter / Full year 2012 results	Thursday, February 7, 2013
Annual General Meeting	Friday, April 26, 2013

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### Cautionary statement regarding forward-looking information/non-GAAP information

This letter contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 2012 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 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, as well as the information set forth in our Annual Report 2011 under "Risk factors" in the Appendix.

This letter contains non-GAAP financial information. Information needed to reconcile such non-GAAP financial information to the most directly comparable measures under GAAP can be found in the 3Q12 Credit Suisse Financial Release and the 3Q12 Results Presentation Slides.