CREDIT SUISSE

# First Quarter Results 2011

Zurich

April 27, 2011

# Cautionary statement

**Cautionary statement regarding forward-looking and non-GAAP information**

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve inherent risks and uncertainties, and we might not be able to achieve the predictions, forecasts, projections and other outcomes we describe or imply in forward-looking statements.

A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions we express in these forward-looking statements, including those we identify in "Risk Factors" in our Annual Report on Form 20-F for the fiscal year ended December 31, 2010 filed with the US Securities and Exchange Commission, and in other public filings and press releases. We do not intend to update these forward-looking statements except as may be required by applicable laws.

This presentation 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 Credit Suisse Group's first quarter report 2011.

**Introduction**
Brady W. Dougan, Chief Executive Officer

**First quarter 2011 results detail**
David Mathers, Chief Financial Officer

**Summary**
Brady W. Dougan, Chief Executive Officer

# Introduction

| | |
|---|---|
| Balanced and high quality results | ▪ Underlying results: pre-tax income of CHF 2.2 bn, net income of CHF 1.6 bn and after-tax return on equity of 19%<br>▪ Net new assets of CHF 19 bn |
| Delivering client-focused franchise | **Private Banking** with strong inflows and improved transaction revenues offsetting decline in net interest income<br>**Investment Banking** with record first quarter revenues (in USD) driven by continued market share momentum and beneficial impact of client flow-sales expansion<br>**Asset Management** with solid inflows and higher quality results reflecting increased fee-based revenues and reduced expenses |
| Further strengthened our capital position | ▪ Basel 2 tier 1 capital ratio of 18.2% and core tier 1 ratio of 13.0%<br>▪ Executed more than 70% of required high trigger Contingent Capital<br>▪ Shareholders' equity up 2% (CHF 0.8 bn) and deferred tax assets down 9% (CHF 0.8 bn)<br>▪ Strong liquidity and funding position as competitive advantage<br>▪ Global regulatory trends indicating emergence of a more level playing field |

Introduction

First quarter 2011 results detail

Summary

# Core results overview

| Underlying in CHF bn | 1Q11 | 4Q10 | 3Q10 | 2Q10 | 1Q10 |
|---|---|---|---|---|---|
| Net revenues | 8.4 | 7.1 | 6.9 | 7.5 | 8.8 |
| Pre-tax income | 2.2 | 1.5 | 1.4 | 1.6 | 2.7 |
| **Net income attributable to shareholders** | **1.6** | **1.0** | **1.0** | **1.1** | **1.9** |
| **Diluted earnings per share in CHF** | **1.28** | **0.71** | **0.76** | **0.74** | **1.53** |
| Pre-tax income margin | 27% | 21% | 20% | 21% | 31% |
| **Return on equity** | **19%** | **12%** | **11%** | **12%** | **21%** |
| Net new assets in CHF bn | 19.1 | 13.9 | 14.6 | 14.5 | 26.0 |

| Reported in CHF bn | 1Q11 | 4Q10 | 3Q10 | 2Q10 | 1Q10 |
|---|---|---|---|---|---|
| Net revenues | 7.8 | 7.0 | 6.3 | 8.4 | 9.0 |
| Pre-tax income | 1.6 | 1.3 | 0.8 | 1.8 | 2.9 |
| Net income attributable to shareholders | 1.1 | 0.8 | 0.6 | 1.6 | 2.1 |
| Diluted earnings per share in CHF | 0.90 | 0.59 | 0.48 | 1.15 | 1.63 |

A reconciliation from reported results to underlying results can be found in the appendix of this presentation

# Private Banking with **solid performance** despite ongoing **low interest environment**

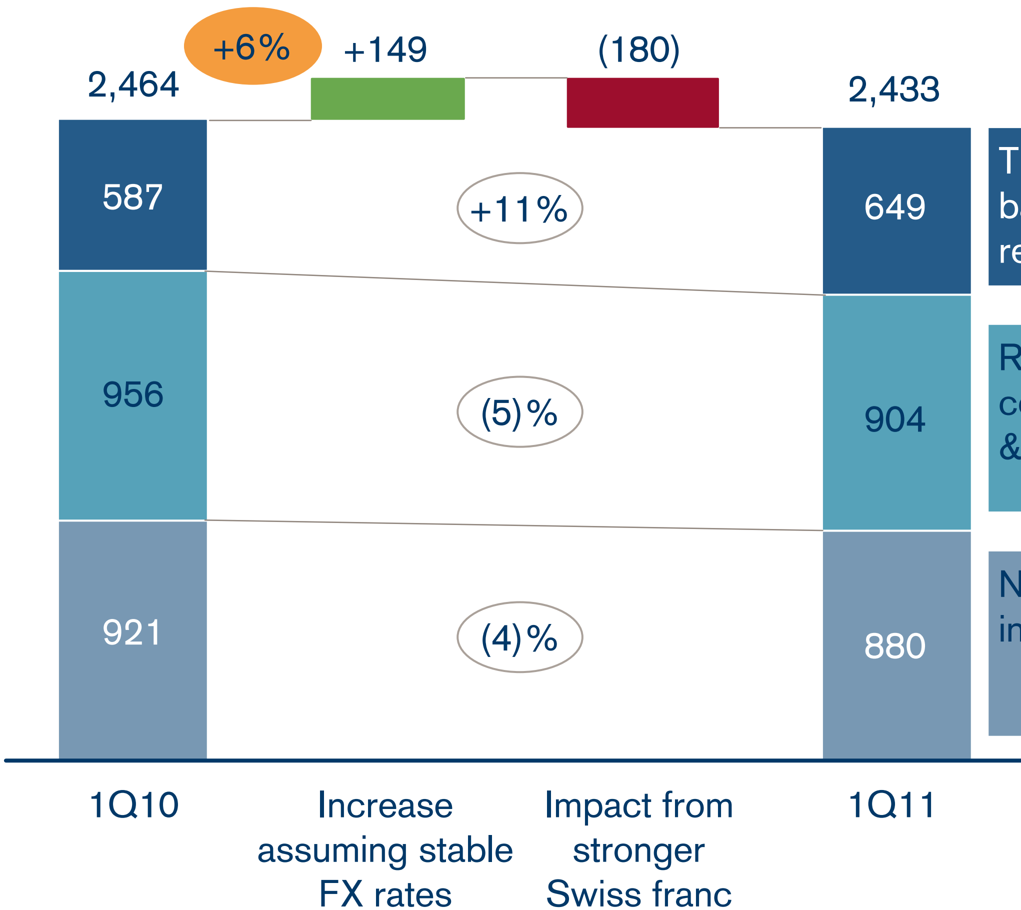
| | |
|---|---|
| Strong asset inflows | ▪ Net new assets of CHF 18 bn, with very strong inflows in Wealth Management of CHF 15.7 bn, representing an annual growth rate of 7.8%<br>▪ Evidence of clients' trust in Credit Suisse multi-shore business model |
| Diverging revenue trends | ▪ Net interest income suffered from an FX-related decrease in average deposits and lower reinvestment rates<br>▪ Transaction-based revenues increased due to higher brokerage and product issuing fees, including stronger demand for structured products<br>▪ Continue to benefit from strength of our Swiss businesses in an environment with strong economic fundamentals |
| Continue focus on efficiency | ▪ Pre-tax margin of 30% in 1Q11<br>▪ 1Q11 expenses of CHF 2 bn in line with 2010 quarterly run-rate, reflecting continued investment into our international franchise offset by ongoing cost saving measures<br>▪ Continue to upgrade relationship manager population while keeping headcount stable<br>▪ Productivity gains from front-to-back efficiency enhancements |

# Wealth Management with **strong asset inflows** and **stable results**

| CHF m | 1Q11 | 4Q10 | 3Q10 | 2Q10 | 1Q10 |
|---|---|---|---|---|---|
| Net revenues | 2,433 | 2,464 | 2,385 | 2,516 | 2,464 |
| Provisions for credit losses | 12 | 14 | 8 | 16 | 32 |
| Total operating expenses | 1,798 | 1,844 | 1,765 | 1,867 | 1,755 |
| Pre-tax income | 623 | 606 | 612 | 633 | 677 |
| Pre-tax income margin | 26% | 25% | 26% | 25% | 28% |
| Gross margin in basis points | 118 | 120 | 118 | 120 | 121 |
| Net new assets in CHF bn | 15.7 | 8.1 | 12.4 | 11.9 | 12.9 |
| Number of relationship managers | 4,200 | 4,200 | 4,190 | 4,130 | 4,110 |

# **Adverse foreign exchange impact** masks **underlying growth trend** in Wealth Management

Net revenues in CHF m




Strengthening of Swiss franc negatively impacted **pre-tax income by CHF 130 m**

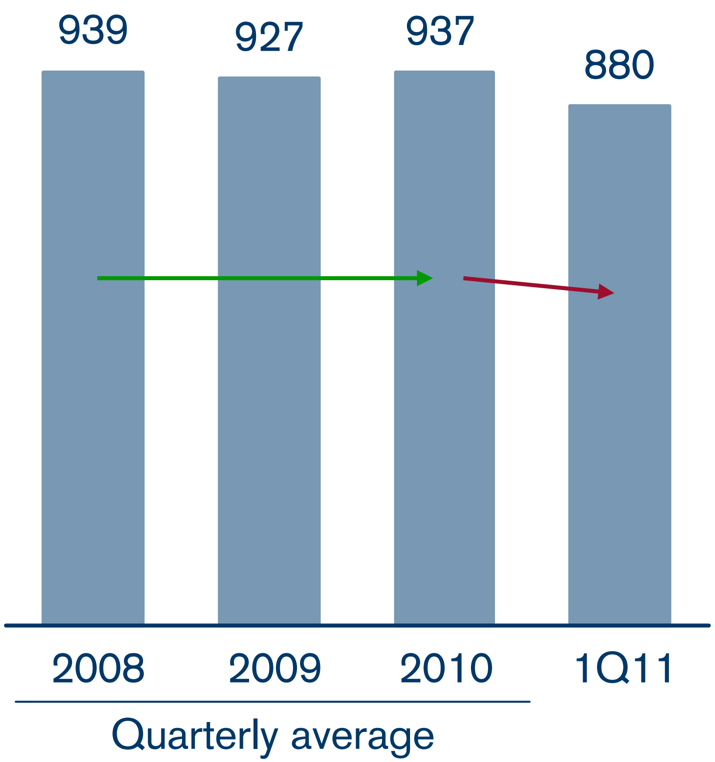
**Transaction-based revenues**
- Higher brokerage and product issuing fees, including stronger demand for structured products, reflecting increased client activity

**Recurring commissions & fees**
- Mainly reflects gain from change in estimate for fee accruals that benefited 1Q10
- Low fee level continues to reflect risk-averse asset mix

**Net interest income**
- Mainly reflects reduction in average deposit volumes (FX-related) and lower margins
- Ongoing impact from low interest rate environment

# **Short-term pressure** but **mid-term potential** in net interest income

Wealth Management – Net interest income in CHF m

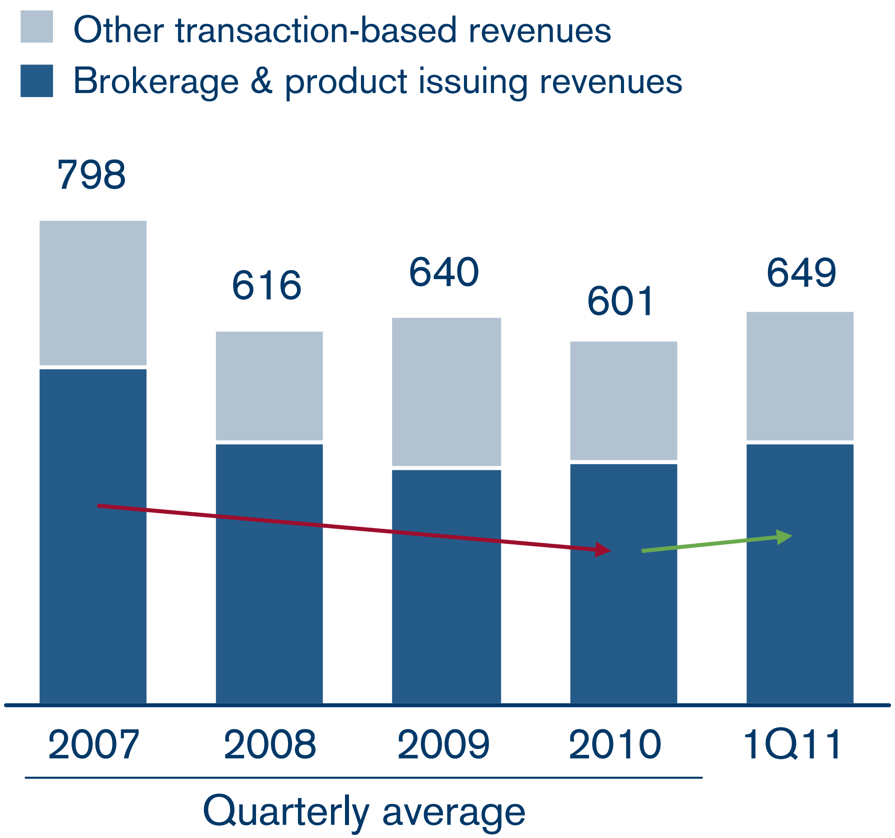



- Interest income suffered due to a FX rate-driven decrease in average deposit volumes and a continued roll-over of the portfolio at a low reinvestment rate
- Scenario analysis:
  - a roll-off at current low rates would lead to approx. CHF 20 m reduction in quarterly revenues
  - a 100 bp parallel shift in major interest rates would lead to approx. CHF 75 to 100 m additional quarterly revenues over time

Note: Scenario analysis assumes stable volumes

# **Recent recovery** in transaction-based revenues

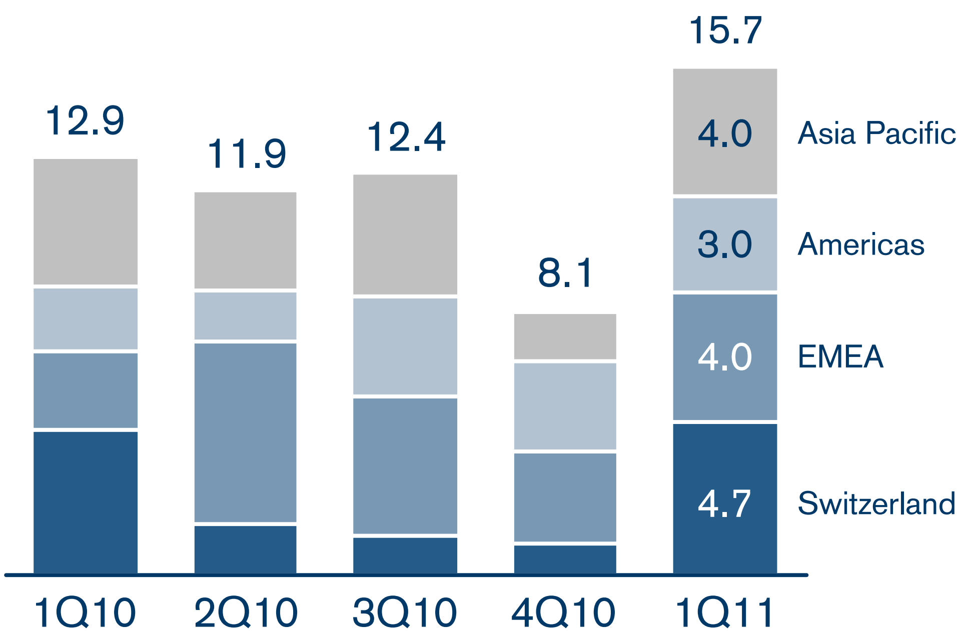
Wealth Management – Transaction-based revenues in CHF m




- Since 2007, lower client activity and change in product mix negatively affected revenues
- Client behavior expected to normalize over time
  - seeing signs of a recovery since 3Q10 low-point
- Further upside from integrated solutions revenues from intensified collaboration with Investment Banking

# Wealth Management with continued **strong and broadly distributed** net new asset inflows

Net new assets in CHF bn




Annualized net new assets growth in %

| 1Q10 | 2Q10 | 3Q10 | 4Q10 | 1Q11 |
|---|---|---|---|---|
| 6.4 | 5.8 | 6.2 | 4.0 | 7.8 |

- 1Q11 growth rate of 7.8% well above our 6% target growth rate
- Total inflows of CHF 140 bn since 2008 evidencing significant market share gains
- Broad inflows across all client segments with strong contribution from emerging markets

# Corporate & Institutional Clients business **continues to deliver** strong results

| CHF m | 1Q11 | 4Q10 | 3Q10 | 2Q10 | 1Q10 |
|---|---|---|---|---|---|
| Net revenues | 463 | 450 | 441 | 475 | 436 |
| Provisions for credit losses | 0 | (10) | (16) | (13) | (13) |
| Total operating expenses | 231 | 242 | 233 | 247 | 234 |
| Pre-tax income | 232 | 218 | 224 | 241 | 215 |
| Pre-tax income margin | 50% | 48% | 51% | 51% | 49% |
| Net new assets in CHF bn | 2.3 | 1.5 | 0.2 | 1.9 | 5.7 |

**Highlights 1Q11**

- Maintained very strong pre-tax margin at 50%
- Solid net new assets of CHF 2.3 bn
- Continued low credit provisions, reflecting quality of the loan book

# **Strong Investment Banking** results

| | |
|---|---|
| **Strong** fixed income sales and trading results | ▪ Strong revenues reflecting franchise build-out, market share gains, increased client activity and an improved market environment from 4Q10<br>▪ Strong results in Securitized Products, Rates and Credit<br>▪ Impact of sales force expansion continues to materialize, with further opportunity to capitalize on increasing client volumes |
| **Solid** equity sales and trading results | ▪ Revenues continued to be solid reflecting an increase in client volumes<br>▪ Sustained strong market share positions across key businesses<br>▪ Record revenues in Derivatives and stable results in Cash Equities and Prime Services |
| **Solid** underwriting and advisory results | ▪ Strong debt underwriting revenues, driven by continued strength in high yield issuance volumes<br>▪ Solid results in equity underwriting and advisory, although lower compared to the seasonally strong 4Q10, driven by lower industry-wide issuance volumes and completed M&A activity |

# Investment Banking delivered **strong results** in 1Q11

| CHF m | 1Q11 | 4Q10 | 3Q10 | 2Q10 | 1Q10 |
|---|---|---|---|---|---|
| Net revenues | 4,981 | 3,532 | 3,478 | 4,161 | 5,275 |
| Provisions for credit losses | (19) | (27) | (18) | 17 | (69) |
| Compensation and benefits | 2,408 | 1,823 | 1,872 | 2,014 | 2,324 |
| Other operating expenses | 1,198 | 1,124 | 1,172 | 1,284 | 1,167 |
| Pre-tax income | 1,394 | 612 | 452 | 846 | 1,853 |
| Pre-tax income margin | 28% | 17% | 13% | 20% | 35% |

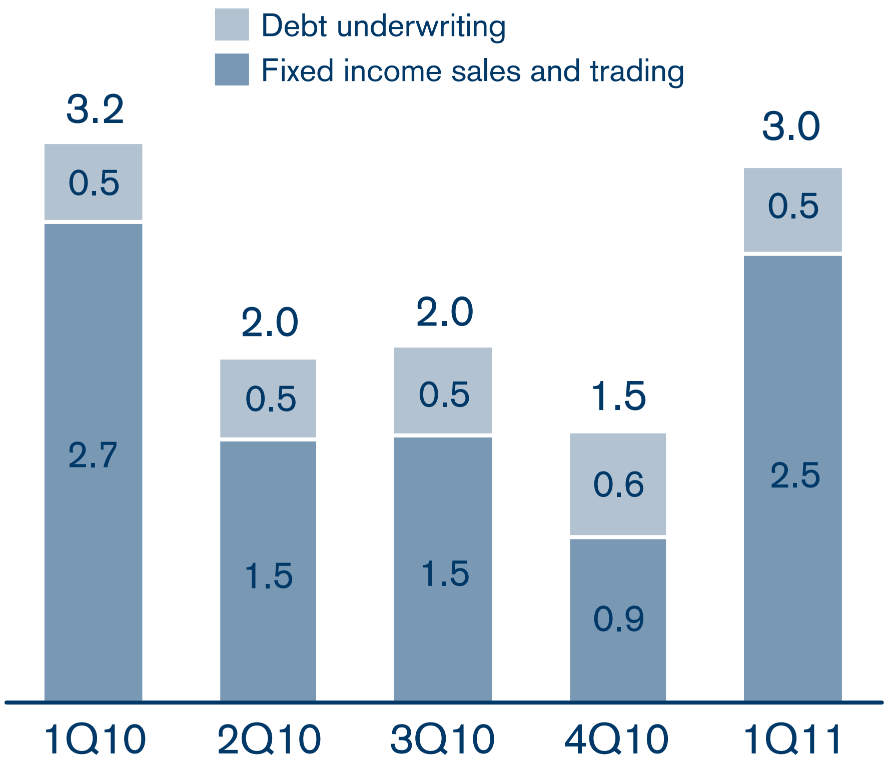
## Significant quarter-on-quarter revenue momentum in USD

| | | | | | |
|---|---|---|---|---|---|
| Net revenues (USD) | 5,367 | 3,618 | 3,456 | 3,793 | 4,986 |
| Pre-tax income (USD) | 1,499 | 624 | 467 | 794 | 1,756 |

Note: Excluding impact of movements in spreads on own debt of CHF (52) m, CHF (54) m, CHF (57) m, CHF (62) m and CHF (59) m in 1Q11, 4Q10, 3Q10, 2Q10 and 1Q10, respectively. Including debit valuation adjustments (DVA) related to certain structured note liabilities of CHF (85) m, CHF 15 m, CHF (172) m, CHF 121 m and CHF (37) m in 1Q11, 4Q10, 3Q10, 2Q10 and 1Q10, respectively.

# **Strong fixed income revenues** reflecting franchise build-out, improved market share and an increase in client activity from 4Q10

## Fixed income sales & trading and underwriting revenues in CHF bn [1)]




| in USD bn | | | | |
|---|---|---|---|---|
| 3.0 | 1.8 | 2.0 | 1.6 | 3.3 |

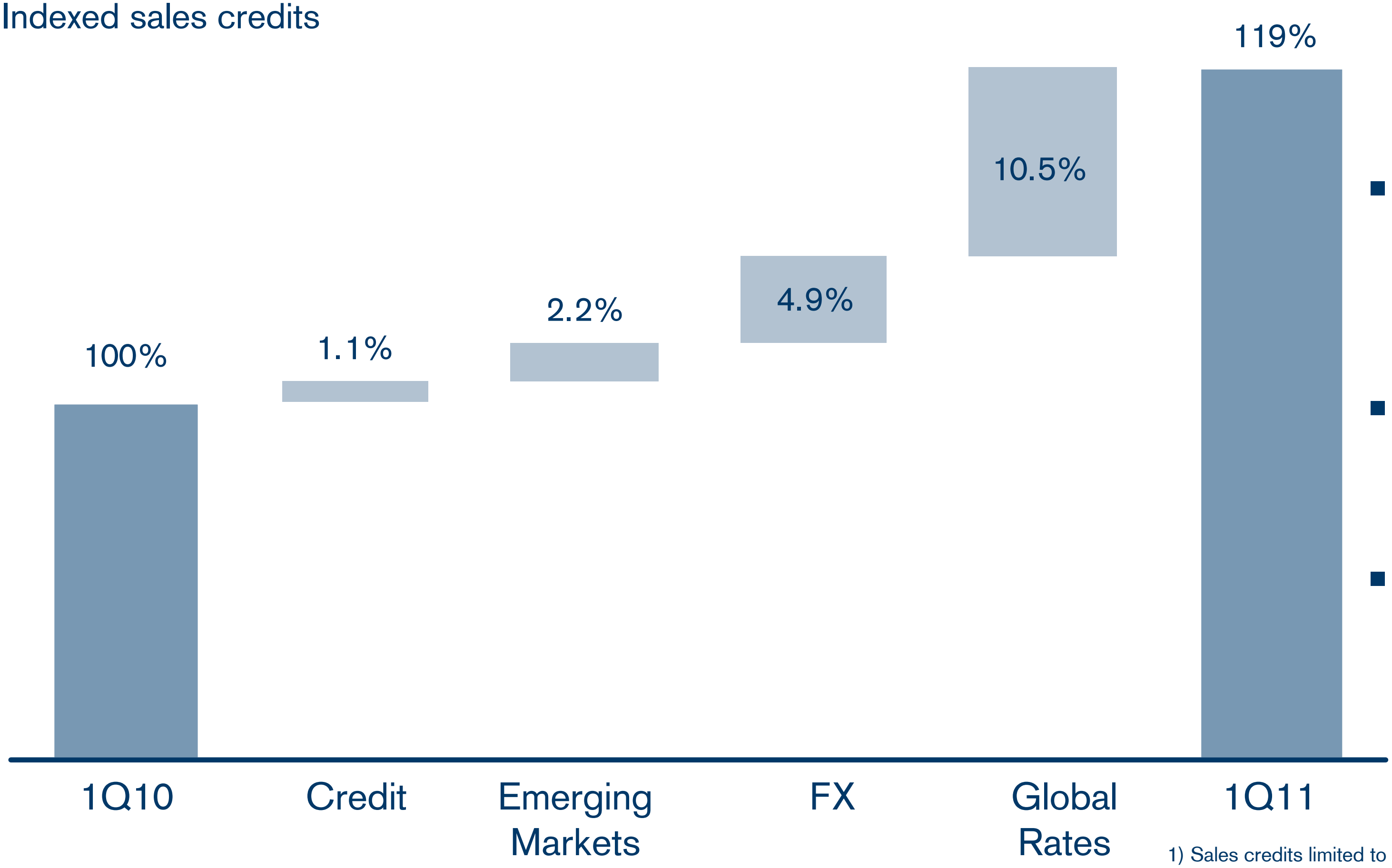
- Increased client activity and revenues across most businesses; in US dollar terms revenues increased 10% from 1Q10
- Strong revenues in Securitized Products, driven by increased client flows in non-agency RMBS
- Credit performance driven by robust Leveraged Finance trading and strong new issue activity
- Strong results in Rates, benefitting from higher client flows, expanded footprint and higher interest rate volatility

1) Excludes impact of movements in spreads on own debt and includes DVA of CHF (20) m, CHF 5 m, CHF (54) m, CHF 57 m and CHF (17) m in 1Q11, 4Q10, 3Q10, 2Q10 and 1Q10, respectively

# Impact of **sales force expansion continues to materialize**, with further opportunity to capitalize on increasing client volumes

## Contribution to fixed income sales credit growth [1)]

Indexed sales credits

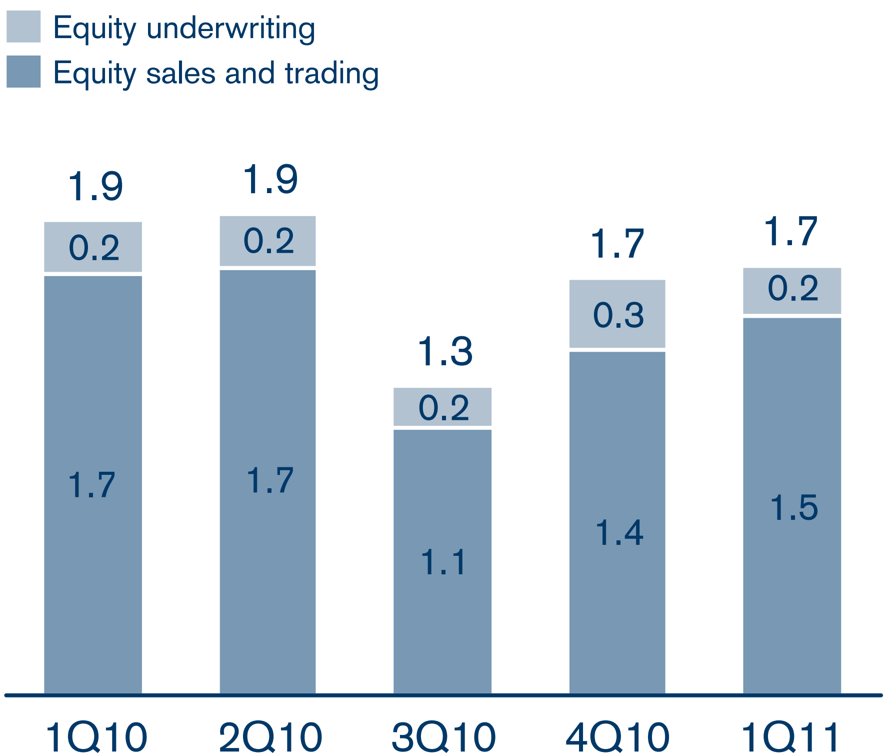



- Sales force expansion in 2010 enabled broader and deeper product offering
- Sales credit growth particularly strong in Rates and FX
- Significant revenue opportunity remains across products

1) Sales credits limited to secondary trading activity; excludes all capital markets and advisory revenues and new issue-related sales credits

# **Equity revenues continued to be solid**, driven by increased client volumes and sustained market share positions

## Equity sales & trading and underwriting revenues in CHF bn [1)]




| in USD bn | | | | |
|---|---|---|---|---|
| 1.8 | 1.8 | 1.2 | 1.7 | 1.9 |

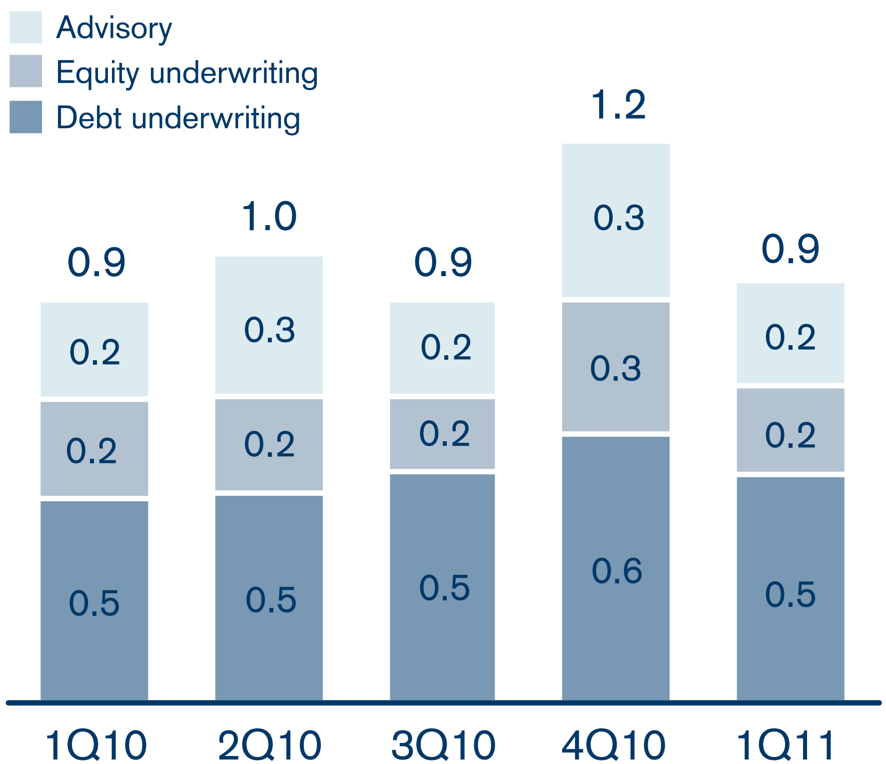
- Record revenues in Derivatives driven by increased client flows, an improvement in corporate derivatives and a more favorable trading environment
- Stable results in Cash Equities and Prime Services on mixed market trends and continued market share gains
- Maintained #1 positions and improved market share in US cash equities trading and US electronic trading [2)]
- Revenues reflect adverse foreign exchange impact of a strengthening Swiss franc; in US dollar terms, revenues were slightly higher compared to 1Q10

1) Excludes impact of movements in spreads on own debt and includes DVA of CHF (65) m, CHF 10 m, CHF (118) m, CHF 64 m and CHF (19) m in 1Q11, 4Q10, 3Q10, 2Q10 and 1Q10, respectively

2) Source: Greenwich Associates for rank and Credit Suisse estimates for market share

# **Solid advisory and underwriting revenues**, although lower than a seasonally strong 4Q10

## Advisory and underwriting in CHF bn [1)]




| in USD bn | | | | |
|---|---|---|---|---|
| 0.8 | 0.9 | 0.9 | 1.3 | 1.0 |

- Solid debt underwriting revenues driven by continued strong high yield issuance volumes and improved market share
- Equity underwriting revenues stable compared to 1Q10, but lower than a strong 4Q10 given a decline in industry-wide issuance levels
- Advisory results reflect lower industry-wide completed M&A activity vs. 4Q10; M&A and capital markets pipelines remain strong
- Improved or maintained market share across key products

1) Underwriting revenues are also included in the Securities view revenues on slides 15 and 17

# Continued client market share momentum; upside potential remains

## Securities

| | (Rank/market share) | 2008 | 2009 | 2010 | Current | Trend |
|---|---|---|---|---|---|---|
| Equities | US cash equities [1] | #5/12% | #2/12% | **#1/13%** | **#1/14%** | ↑ |
| Equities | US electronic trading [1] | #1/8% | #1/8% | **#1/11%** | **#1/12%** | ↑ |
| Equities | Prime services [2] | Top 3/ >10% | Top 3/ >10% | **#3/13%** | **#3/13%** | ↑ |
| Fixed Income | US rates | #8/6% | #8/7% | **#7/8%** | **#7/8%** | ↔ |
| Fixed Income | Foreign exchange | #9/3% | #8/4% | **NA** | **NA** | ↑ |
| Fixed Income | RMBS pass-throughs | #1/18% | #1/19% | **#1/17%** | **#1/18%** | ↑ |
| Fixed Income | High yield secondary | #5/11% | #5/11% | **#7/10%** | **#7/10%** | ↔ |
| Fixed Income | Leveraged loans [3] | #2/16% | #2/19% | **#3/13%** | **#3/13%** | ↔ |

## Underwriting and advisory

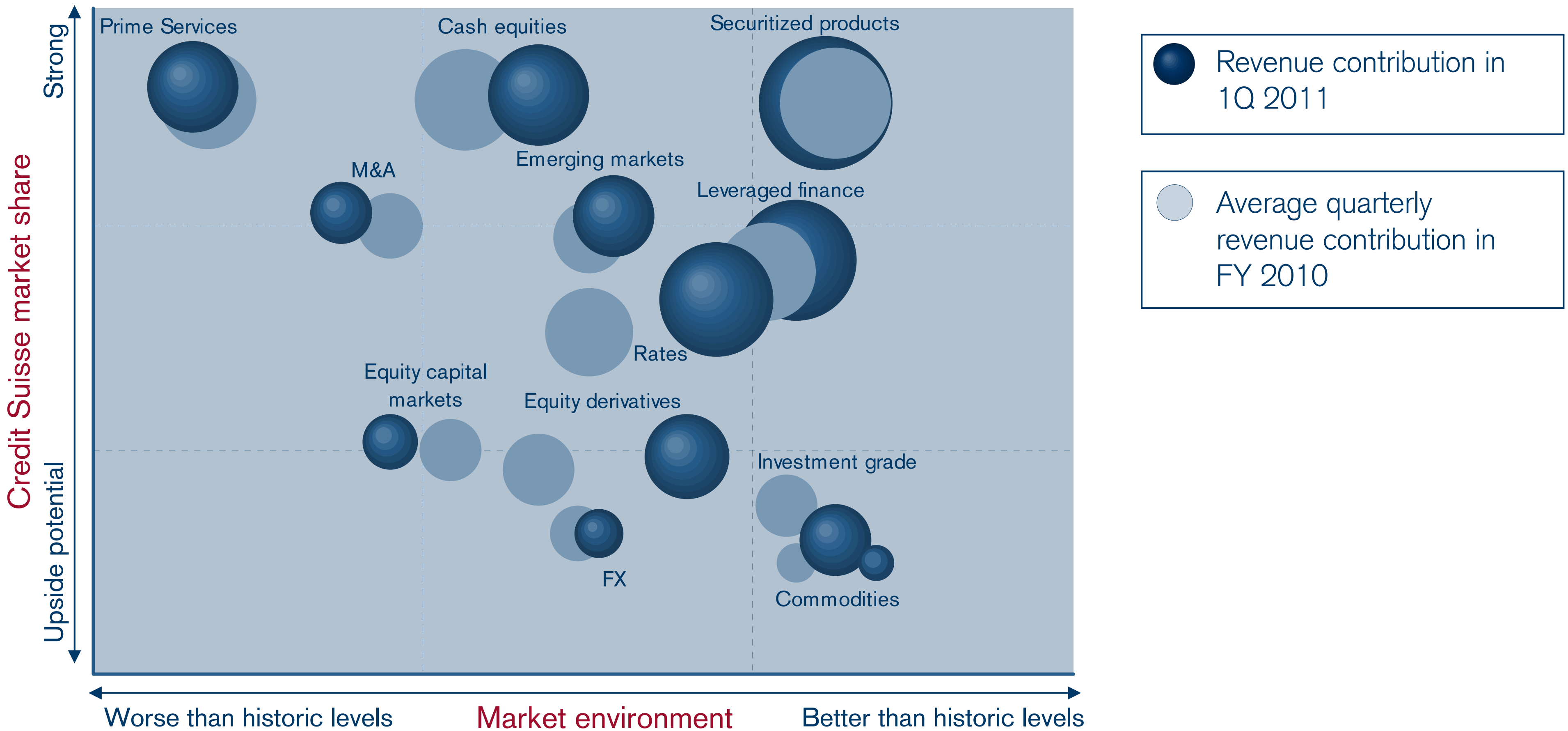
| | (Rank/market share) | 2008 | 2009 | 2010 | 1Q11 | Trend |
|---|---|---|---|---|---|---|
| M&A | Global announced | #8/13% | #8/12% | **#3/16%** | **#4/19%** | ↑ |
| M&A | Global completed | #7/16% | #9/13% | **#4/15%** | **#10/10%** | ↓ |
| DCM | Investment grade global | #12/4% | #8/5% | **#8/4%** | **#12/3%** | ↓ |
| DCM | High yield global | #3/7% | #4/9% | **#3/8%** | **#2/10%** | ↑ |
| ECM | ECM global | #7/5% | #7/6% | **#6/6%** | **#5/7%** | ↑ |
| Emerging Markets | Total fees [4] | #1/8% | #1/12% | **#1/8%** | **#1/8%** | ↔ |

Source: Dealogic, Tradeweb, *Euromoney* magazine and *Greenwich Associates*

1. Market share based on Credit Suisse estimates; rank based on Greenwich Associates
2. Based on Credit Suisse estimates
3. Represents leveraged loans secondary trading
4. Emerging markets fee data includes India, China, Indonesia, Brazil, Mexico, Russia, Middle East and Africa

# Improved revenues across most businesses driven by higher client activity, market share gains and a more favorable market environment

## Revenue contribution from major business lines

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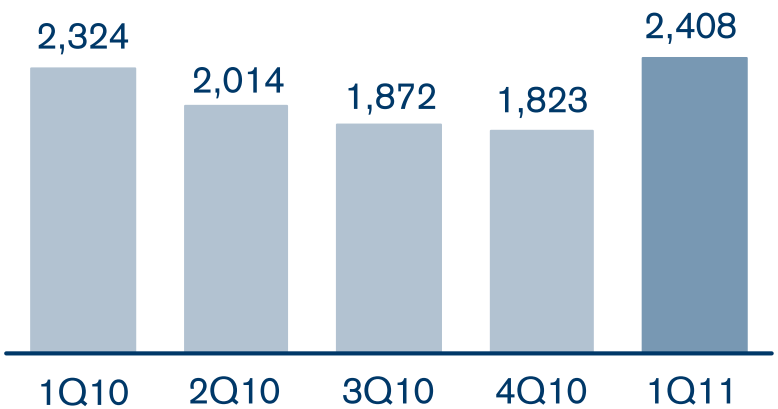
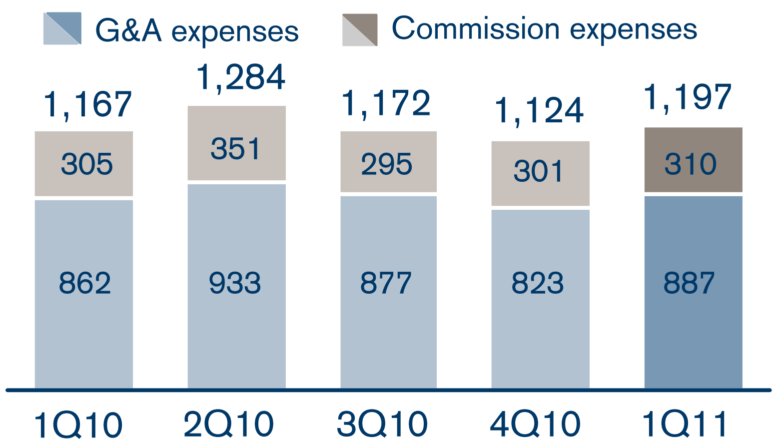
# Compensation and non-compensation expenses

## Investment Banking compensation expenses in CHF m




- Increase from 1Q10 driven by higher social security taxes of CHF 70 m relating to share award deliveries in 1Q11 (prior year deliveries occurred in 2Q10)
- Compensation/revenue ratio of 48% in 1Q11 compared to 49% in full-year 2010 and 44% in 1Q10

## Investment Banking non-compensation expenses in CHF m




- Increase in G&A from 4Q10 driven by a CHF 34 m increase in litigation provisions, higher professional and consulting fees driven by regulatory changes, and non-income taxes
- 1Q11 commission expenses reflect the reclassification of CHF 22 m of commodities storage costs from contra revenue to commission expense

Note: Compensation/revenue ratio excluding fair value on own debt

# Asset Management delivers **better and higher quality** results

| | |
|---|---|
| Growing fee-based revenues | ▪ Fee-based revenues up 9% from 1Q10, adjusted for FX impact<br>▪ Potential upside from performance fees<br>▪ Positive fund raising trends result in higher placement fees |
| Continued business momentum | ▪ Solid asset inflows of CHF 4.5 bn in 1Q11<br>▪ Positive inflows for the seventh consecutive quarter, reflecting strong investment performance and an expansion of our product offering |
| Significant and sustainable expense reductions | ▪ Total operating expenses down 4% from 1Q10, adjusted for FX impact<br>▪ Disciplined approach to spending and execution of efficiency programs<br>▪ Further efficiency initiatives in the pipeline |

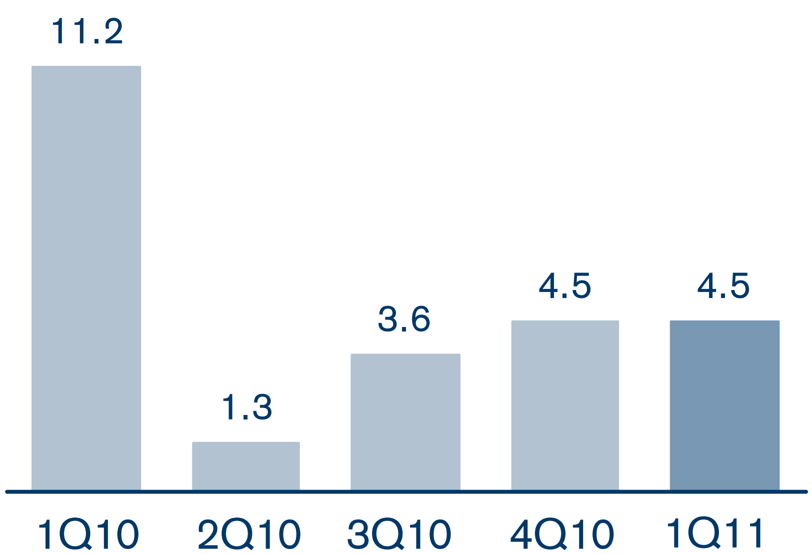
Better results through increased scale, strong investment performance and a general improvement in efficiency

# Asset Management consistently building **sound profitability** and **steady asset inflows**

| CHF m | 1Q11 | 4Q10 | 3Q10 | 2Q10 | 1Q10 |
|---|---|---|---|---|---|
| Net revenues | 591 | 617 | 582 | 502 | 631 |
| Compensation and benefits | 260 | 250 | 261 | 289 | 282 |
| Other operating expenses | 159 | 187 | 186 | 191 | 183 |
| Pre-tax income | 172 | 180 | 135 | 22 | 166 |
| Pre-tax income margin | 29% | 29% | 23% | 4% | 26% |
| Net new assets in CHF bn | 4.5 | 4.5 | 3.6 | 1.3 | 11.2 |

# **Solid net new asset inflows** in Asset Management

Net new assets in CHF bn




Annualized net new assets growth in %

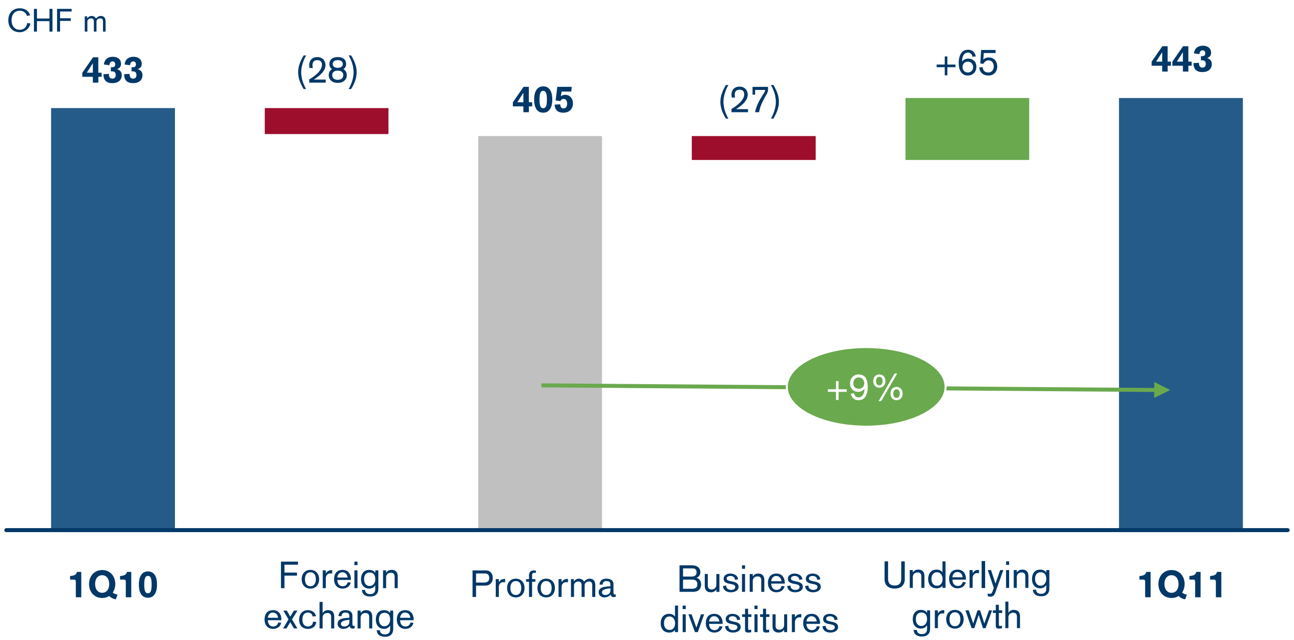
| 1Q10 | 2Q10 | 3Q10 | 4Q10 | 1Q11 |
|---|---|---|---|---|
| 10.8 | 1.2 | 3.4 | 4.3 | 4.2 |

- Strong inflows in asset allocation (MACS) driven by improving investment performance
- Equities and single-manager hedge fund inflows reflect solid performance, expanded product offering and renewed client interest

MACS = multi-asset class solutions

# Asset Management fee-based revenue with **underlying growth**; progress in **driving efficiency gains**

**41** — Stable → **41** Fee-based gross margin in basis points

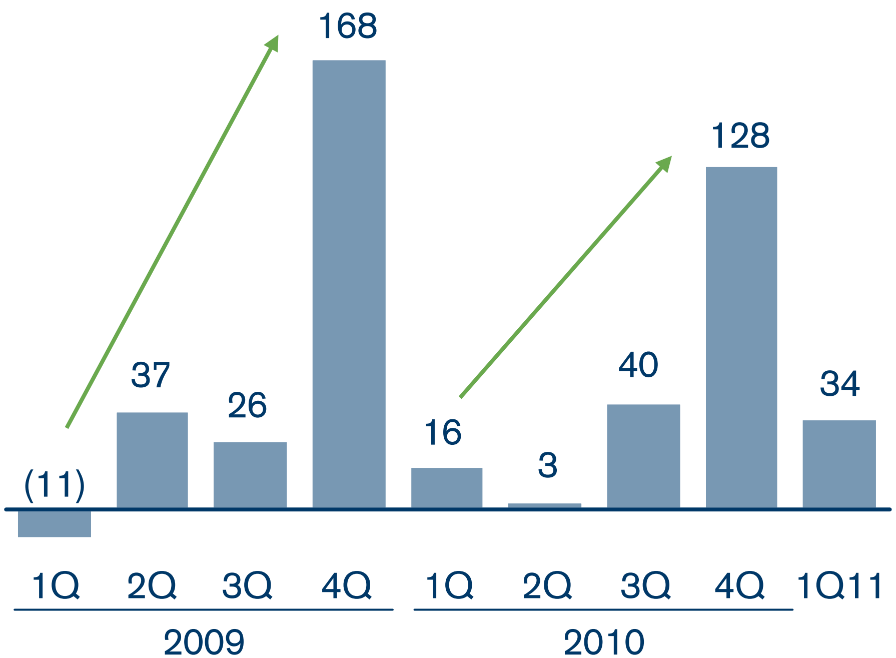



| | | | | | | |
|---|---|---|---|---|---|---|
| **465** | (30) | **435** | (30) | +14 | **419** | Total operating expenses in CHF m |

(4)%

# **Seasonality** of performance fees with **upside potential**

Performance fees and carried interest in CHF m




- Performance fee recognition typically semi-annual (Hedging Griffo) or annual (York Capital)
- Full year impact of annual performance fees from York Capital expected in 4Q11
- Carried interest earned upon investment realizations

# **Selected European risk exposures** at end 1Q11

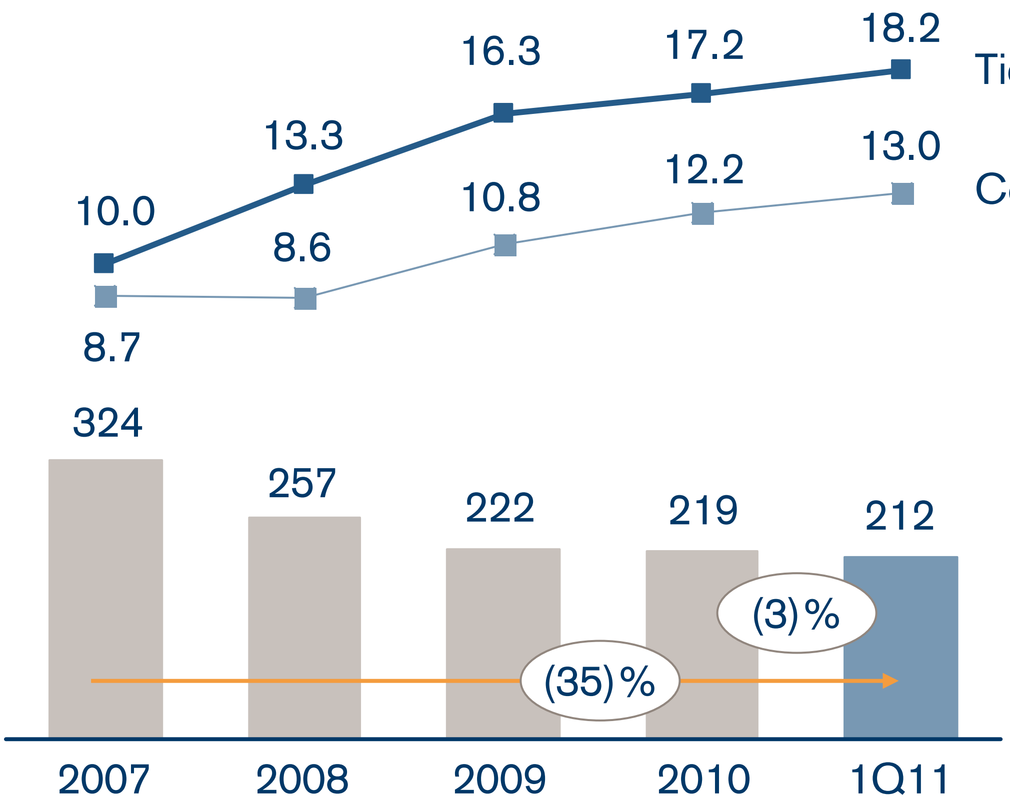
Exposure in **EUR** bn

| | Sovereigns | |
|---|---|---|
| | **Gross** | **Net** |
| Italy | 2.3 | 0.3 |
| Spain | 0.1 | 0.1 |
| Portugal | 0.2 | 0.0 |
| Greece | 0.1 | 0.0 |
| Ireland | 0.0 | 0.0 |
| **Total** | **2.7** | **0.4** |

| | Other exposures to | |
|---|---|---|
| | Financial institutions | Corporates / Other |
| Italy | 1.0 | 0.9 |
| Spain | 0.9 | 0.9 |
| Portugal | 0.1 | 0.1 |
| Greece | 0.1 | 0.1 |
| Ireland | 0.3 | 0.4 |
| **Net** | **2.4** | **2.4** |
| **Gross** | **4.5** | **5.6** |

# Maintained **leading capital position**

Basel 2 risk-weighted assets in CHF bn and tier 1 capital ratios in %

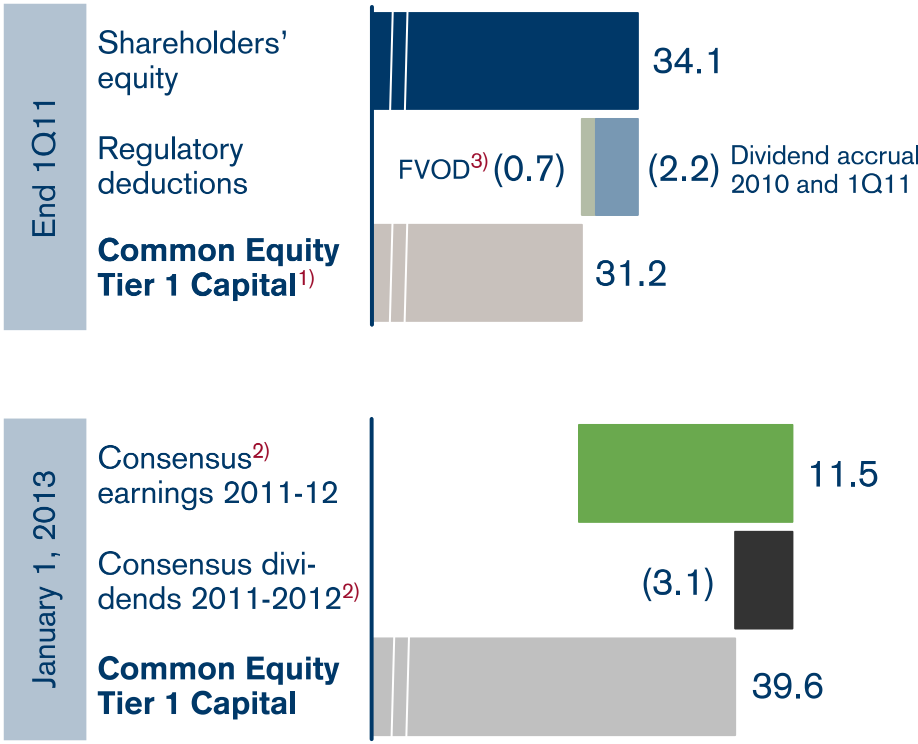



**Strong capital base**

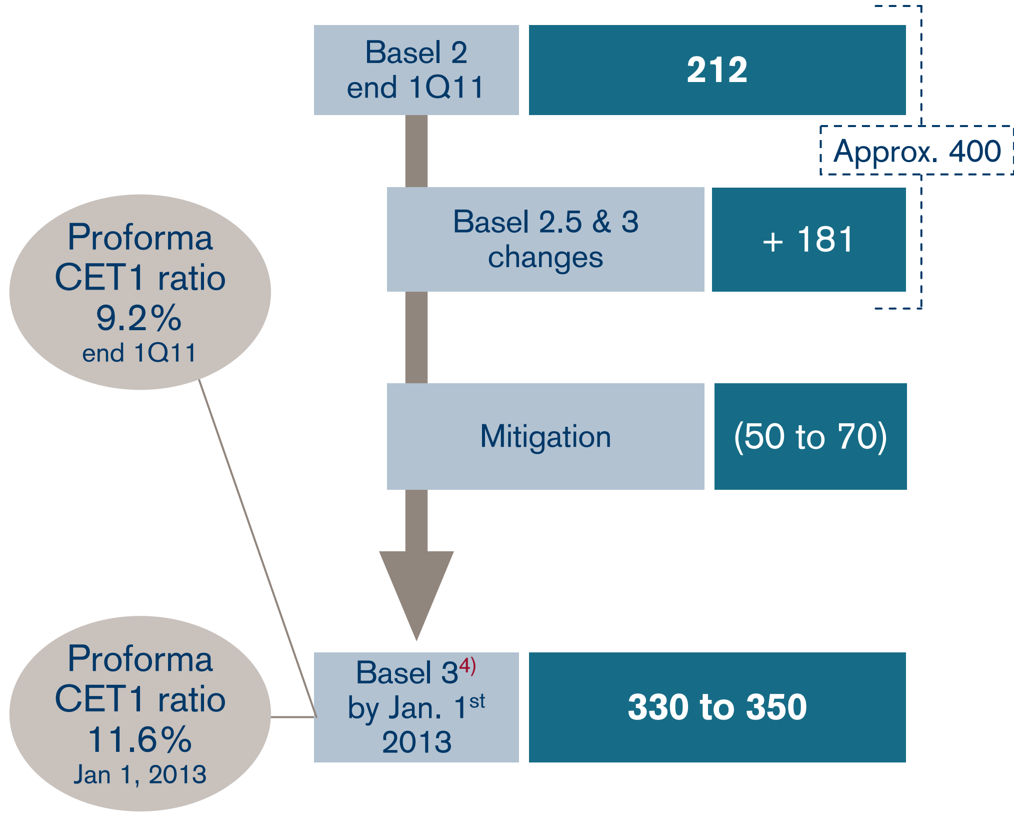
- Basel 2 tier 1 ratio of 18.2%
- Core tier 1 ratio of 13.0%
- Proforma Basel 2.5 core tier 1 ratio of 10.2%
- Regulatory capital reflects CHF 423 m deduction for quarterly dividend accrual (amount in line with dividend for FY 2010)

# Common Equity Tier 1 ratio simulation for January 1, 2013 (Basel 3)

## Capital development in CHF bn

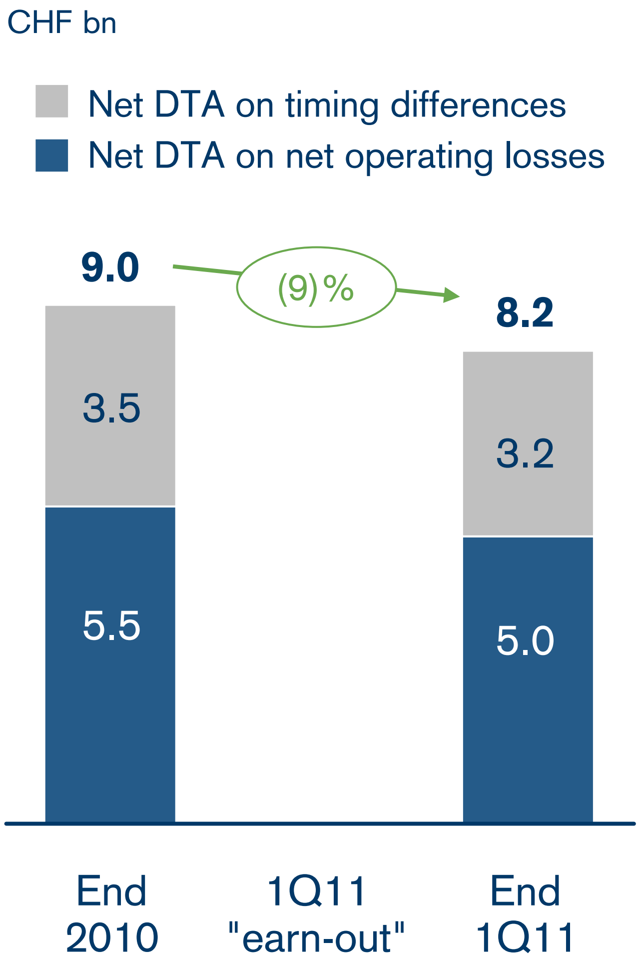



## Risk-weighted assets development in CHF bn




1) Applying January 1, 2013 Basel 3 capital rules 2) Bloomberg consensus net income and dividend estimates for 2011 and 2012 adjusted for 1Q11 net income and dividend accrual. Not endorsed or verified and is used solely for illustrative purposes. Actual net income may differ significantly. 3) FVOD = fair value changes from movements in spreads on own debt and structured notes, net of tax
4) Assumes no gross increase in RWA from business growth

# Reduction in net deferred tax assets (DTA)




- Significant DTA utilization in 1Q11
  - *Net DTA on net operating losses* reduced by CHF 0.5 bn, driven by profitable US businesses, resulting in a higher effective Group tax rate
  - *Net DTA on timing differences* reduced by CHF 0.3 bn
- *Net DTA on net operating losses* expected to be substantially reduced by the beginning of 2014
- Any residual balance of *net DTA on timing differences* by 1.1.2014 not expected to lead to regulatory capital deduction under the “15% limit on specific items under Basel 3”

# New regulatory regime compared to current subordinated capital

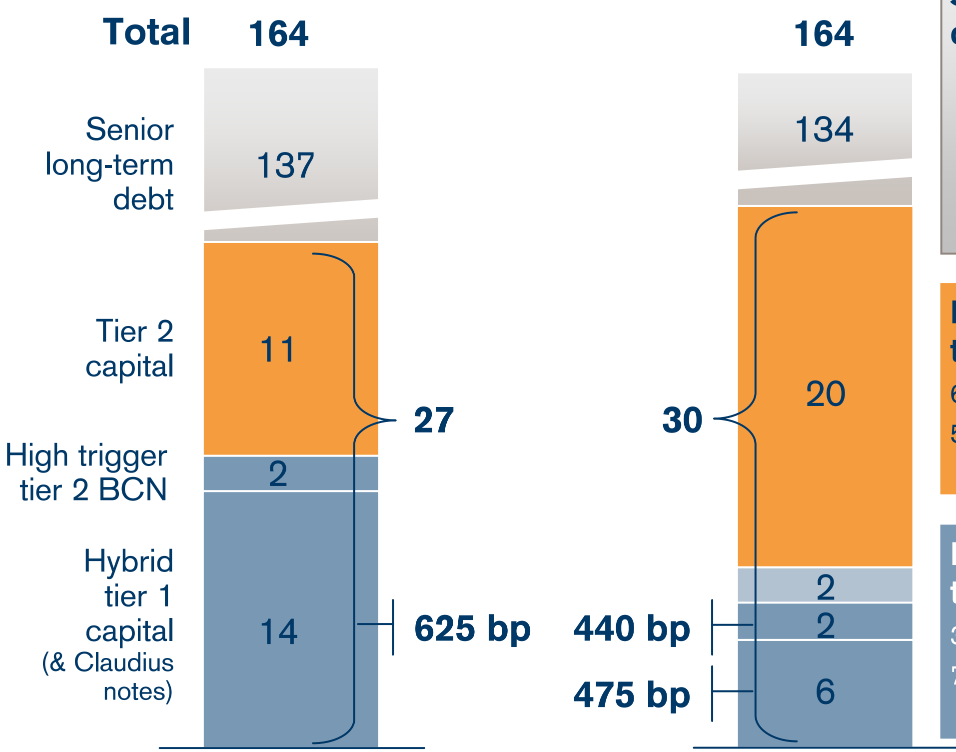
End 1Q11 capital/ funding components

CHF bn

Indicative spreads over senior debt

(at time of issuance)

Future capital / funding components[1)]




**Senior long-term debt**

- Increased contingent capital and equity balances imply a lower funding requirement via senior bond markets
- Spreads may price tighter, as the risk profile improves and the theoretical liquidation value increases

**Low trigger contingent capital**

6% of RWA

5% trigger point

- Expected to price in line with tier 2 debt
- May reflect new developments in regulations around acceptable structures (e.g. write-down features)

**High trigger contingent capital**

3% of RWA

7% trigger point

- Completed CHF 6 bn private placement and USD 2 bn public offering in Feb-11
- Secured over 70% of requirement

1) Based on CHF 340 bn of Basel 3 risk-weighted assets

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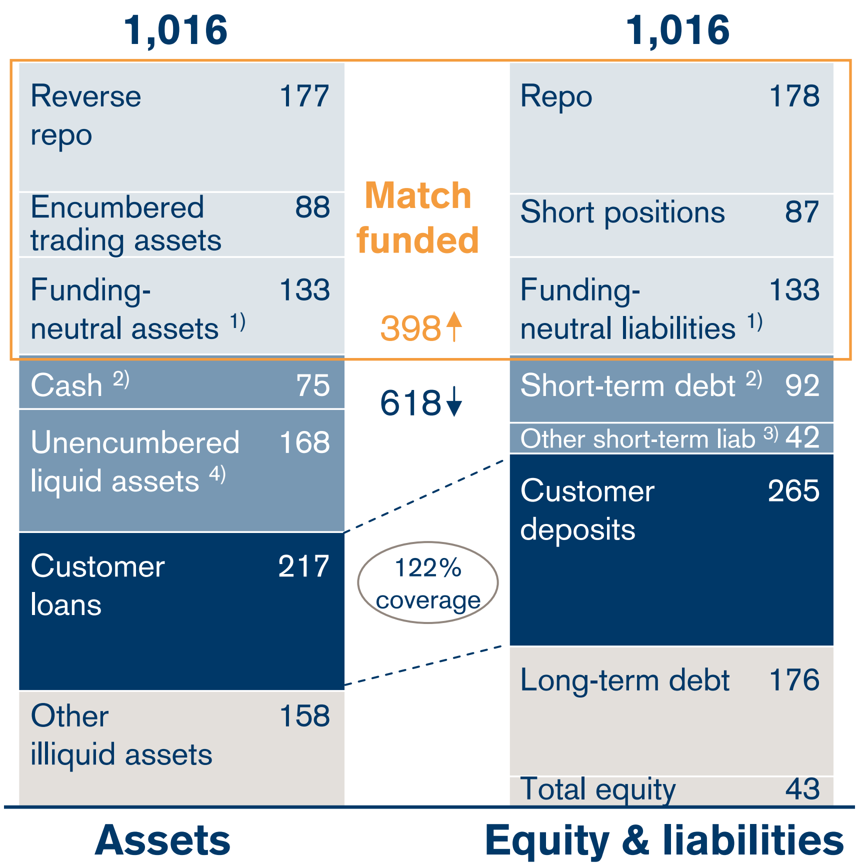
# **Strong funding and liquidity** position

## Asset and liabilities by category (end 1Q11 in CHF bn)



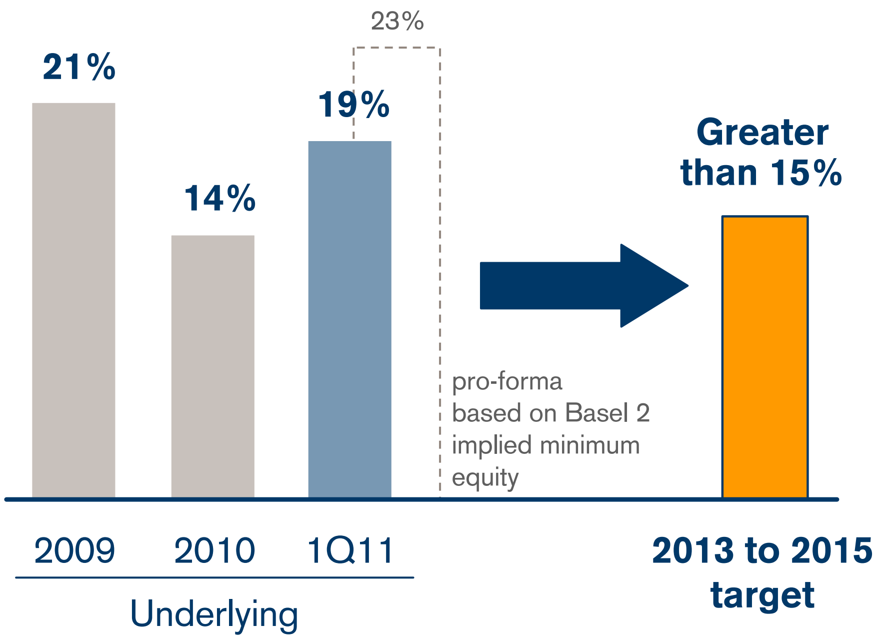

- Well prepared for Basel 3 liquidity and funding requirements
  - Excess short-term (30 days) liquidity of CHF 119 bn represents a ratio of 127% under Swiss regulation; approach similar to the Basel 3 "Liquidity coverage ratio (LCR)"
  - Basel 3 "Net Stable Funding Ratio (NSFR)" (1-year) estimated at around 94%, with future funding plans projected to raise the ratio to over 100% by 2013
- Regulatory leverage ratio at 4.7% (vs. 4.2% at 1Q10)
- Funding spreads remain amongst the tightest of the peer group
- Already completed more than 40% of CHF 16 bn long-term debt funding plan for year 2011

1) Primarily brokerage receivables/payables, positive/negative replacement values and cash collateral
2) Includes due from/to banks
3) Primarily includes excess of funding neutral liabilities (brokerage payables) over corresponding assets
4) Primarily includes unencumbered trading assets, investment securities and excess reverse repo agreements, after haircuts

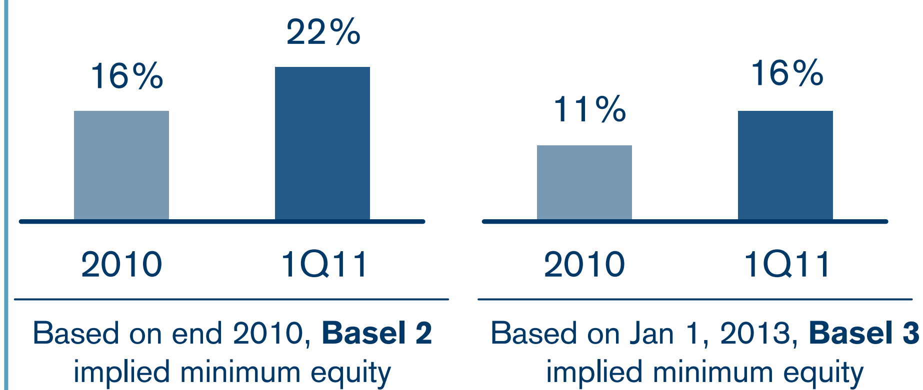
Note: Basel 3 liquidity rules and calculation of NSFR and LCR ratios are not finalized; statements and ratios shown here are based on interpretation of current proposals

# Annual rate of **return on equity above 15%** reflecting **increased capital requirements** under Basel 3

## Credit Suisse Group
After-tax return on equity




## Investment Banking
Pro-forma after-tax return on equity




- 2010 returns were ahead of cost of equity under Basel 2
- 2010 return under Basel 3 capital requirement is lower, but does not reflect any mitigating actions (re-pricing, portfolio realignments and run-off of CHF 0.5 bn losses in "Exit" businesses)
- 1Q11 returns well ahead of cost of equity under Basel 3

Implied minimum equity calculation: Basel 2 assumes 12.5% target core tier 1 ratio with hybrid capital representing buffer capital; Basel 3 assumed 10% CET1 ratio per Swiss capital regime proposals

Proforma returns based on 2010 and 1Q11 effective Group tax rate

Introduction

First quarter 2011 results detail

Summary

# Summary

| | |
|---|---|
| Balanced and high quality results | ▪ Underlying results: pre-tax income of CHF 2.2 bn, net income of CHF 1.6 bn and after-tax return on equity of 19%<br>▪ Net new assets of CHF 19 bn |
| Delivering client-focused franchise | **Private Banking** with strong inflows and improved transaction revenues offsetting decline in net interest income<br>**Investment Banking** with record first quarter revenues (in USD) driven by continued market share momentum and beneficial impact of client flow-sales expansion<br>**Asset Management** with solid inflows and higher quality results reflecting increased fee-based revenues and reduced expenses |
| Further strengthened our capital position | ▪ Basel 2 tier 1 capital ratio of 18.2% and core tier 1 ratio of 13.0%<br>▪ Executed more than 70% of required high trigger Contingent Capital<br>▪ Shareholders' equity up 2% (CHF 0.8 bn) and deferred tax assets down 9% (CHF 0.8 bn)<br>▪ Strong liquidity and funding position as competitive advantage<br>▪ Global regulatory trends indicating emergence of a more level playing field |

# Appendix

# Reconciliation from reported to underlying results 1Q11

| CHF m | 1Q11 reported | Impact from the movement of spreads on own debt[1] | 1Q11 underlying |
|---|---|---|---|
| **Net revenues** | **7.813** | **0.617** | **8.430** |
| Provisions for credit losses / (release) | (0.007) | – | (0.007) |
| Total operating expenses | 6.195 | – | 6.195 |
| **Pre-tax income** | **1.625** | **0.617** | **2.242** |
| Income tax expense | 0.462 | 0.150 | 0.615 |
| **Net income** | **1.139** | **0.467** | **1.606** |
| Return on equity | 13.4% | | 18.8% |

1) Including fair valuation gains/losses on stand-alone derivatives related to certain of our funding liabilities

# Reconciliation from reported to underlying results 2010

| CHF m | 2010 reported | Impact from movements in spreads on own debt[1] | UK bonus levy | Litigation provisions | Normalization to tax rate of 28% | 2010 underlying |
|---|---|---|---|---|---|---|
| **Net revenues** | **30,625** | **(343)** | **–** | **–** | **–** | **30,282** |
| Prov. for credit losses / (release) | (79) | – | – | – | – | (79) |
| Total operating expenses | 23,904 | – | (404) | (289) | – | 23,211 |
| **Pre-tax income** | **6,800** | **(343)** | **404** | **289** | **–** | **7,150** |
| Income tax expense | 1,548 | (124) | – | 116 | 488 | 2,028 |
| Discontinued operations | (19) | – | – | – | – | (19) |
| Noncontrolling interests | (135) | – | – | – | – | (135) |
| **Net income** | **5,098** | **(219)** | **404** | **173** | **(488)** | **4,968** |
| Return on equity | 14.4% | | | | | 14.1% |

1) Including fair valuation gains/losses on stand-alone derivatives related to certain of our funding liabilities

# Results in the Corporate Center

| CHF m | 2009 | 2010 | 1Q11 |
|---|---|---|---|
| **Reported pre-tax income / (loss)** | **(1,948)** | **(660)** | **(745)** |
| Losses/(gains) from the movement of spreads on own debt[1)] | 327 | (590) | 562 |
| Impairment in a equity method investment | – | – | 47 |
| Litigation provisions | – | 216 | – |
| UK bonus levy | – | 404 | – |
| Litigation and settlement expenses | 818 | – | – |
| Reclassification of gain to discontinued operations[2)] | 228 | – | – |
| **Adjusted pre-tax income / (loss)** | **(575)** | **(630)** | **(136)** |

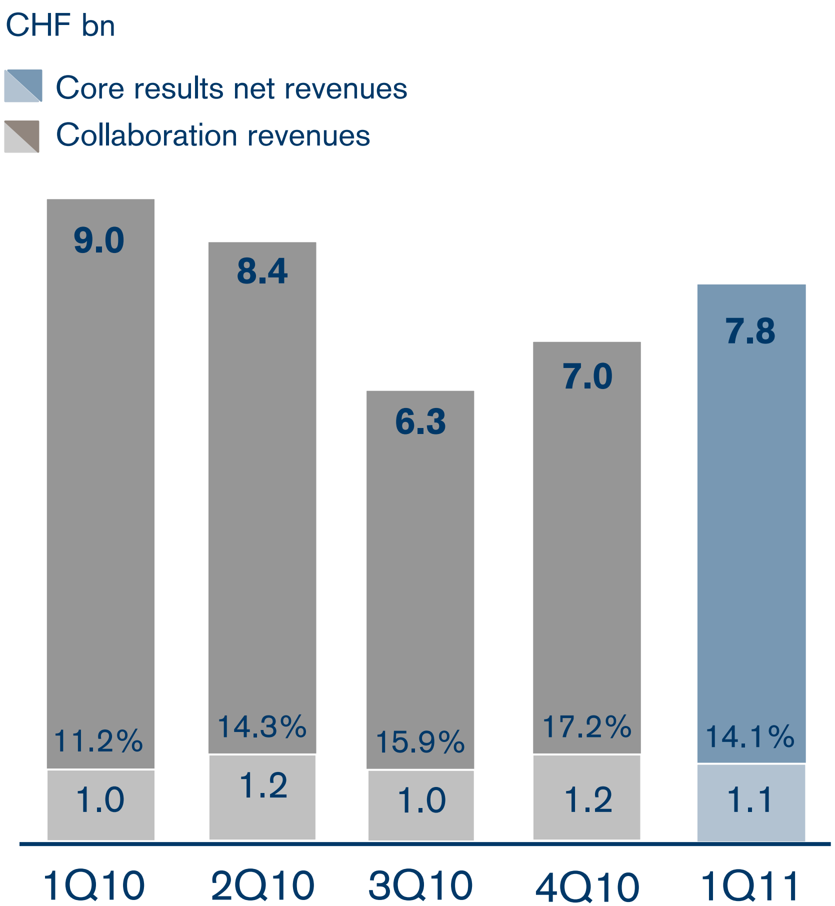
The underlying Corporate Center pre-tax loss reflects:

- consolidation and elimination adjustments
- expenses for centrally sponsored projects
- certain expenses and revenues that have not been allocated to the segments

1) Including fair valuation gains/losses on stand-alone derivatives related to certain of our funding liabilities
2) Gain on sale of part of Asset Management's traditional fund business

Note: numbers may not add to total due to rounding

# Collaboration revenues



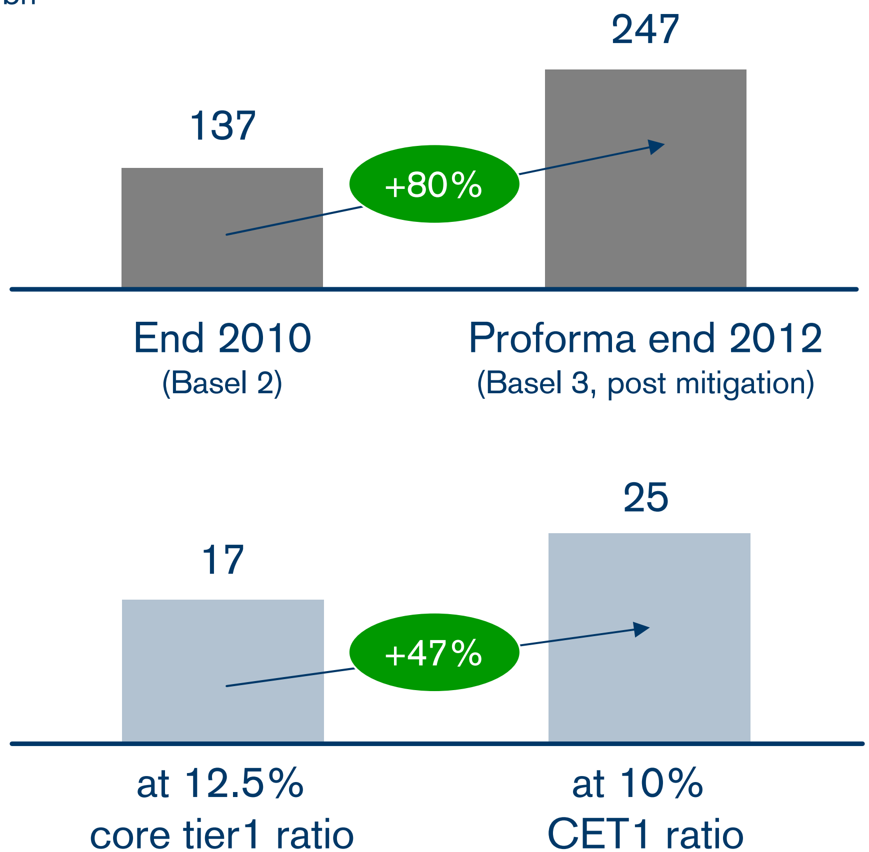

- Collaboration revenues are up 10% vs. 1Q10 across all regions
- As markets normalize, we expect revenues to increase in line with overall performance
- The pipeline on tailored solutions for Private Banking clients continues to build

# Investment Banking capital simulation

Investment Banking gross risk-weighted assets

Implied minimum shareholders' equity

in CHF bn




Implied minimum shareholders' equity calculation: for Basel 2, assumed 12.5% target core tier 1 ratio with hybrid capital representing buffer capital; for Basel 3, assumed 10% CET1 ratio per Swiss capital regime proposals

# **Optimizing returns** in Investment Banking

| | |
|---|---|
| Industry leader-ship in **Equities** | ▪ Cash Equities and Prime Services largely unaffected by Basel 3<br>▪ Focus on derivatives flow businesses, where Basel 3 has limited impact |
| Build position in **Banking** | ▪ Continue to improve M&A and underwriting market share<br>▪ Lock in #1 position within financial sponsors<br>▪ Business largely unaffected by Basel 3 changes |
| Achieve capital efficient scale in **Fixed Income** | ▪ Maintain leadership in RMBS and High-Yield products, where returns are expected to be good also under Basel 3<br>▪ Continue to build capital-efficient scale in Rates and FX client-flow capabilities<br>▪ Exit wind-down businesses (pre-tax loss of CHF 0.5 bn in 2010 and 120 m in 1Q11) |

**Overall**

- Product re-pricing or enhanced market share as industry adjusts to increased capital requirements
- Portfolio focus on scaleable capital-efficient and client-focused businesses
- Continued cost discipline with further benefit from efficiency gains and the inte-grated banking model

# Tier 1 capital and shareholders' equity roll-forward

| | Tier 1 | | RWA |
|---|---|---|---|
| | Capital in CHF bn | Ratio in % | in CHF bn |
| End 2010 (Basel 2) | 37.7 | 17.2% | 218.7 |
| Net income | 1.1 | | |
| Fair value movements | 0.3 | | |
| FX impact | (0.4) | | |
| 2011 dividend accrual | (0.4) | | |
| Other[1)] | 0.2 | | |
| Change in RWA | | | (6.5) |
| End 1Q11 (Basel 2) | 38.5 | 18.2% | 212.2 |
| Basel 2.5 impact | (2.7) | | 30.6 |
| End 1Q11 (Basel 2.5) | 35.8 | 14.7% | 242.8 |

| | Shareholders' equity | |
|---|---|---|
| | Common in CHF bn | Per share in CHF |
| End 2010 | 33.3 | 28.35 |
| Net income | 1.1 | 0.97 |
| Share-based compensation & other share activity[2)] | 0.2 | (0.44) |
| FX impact | (0.4) | (0.37) |
| Other | (0.1) | (0.15) |
| End 1Q11 | 34.1 | 28.36 |

Note: numbers may not add to total due to rounding
1) Reflects the issuance and redemption of tier 1 capital, the effect of share-based compensation and the change in regulatory deductions
2) Includes impact from issuance of shares for share-based compensation purposes (14.8 m shares) and reduction in treasury shares (12.2 m shares)

# Basel 2.5 impact by division

Risk-weighted assets in CHF m

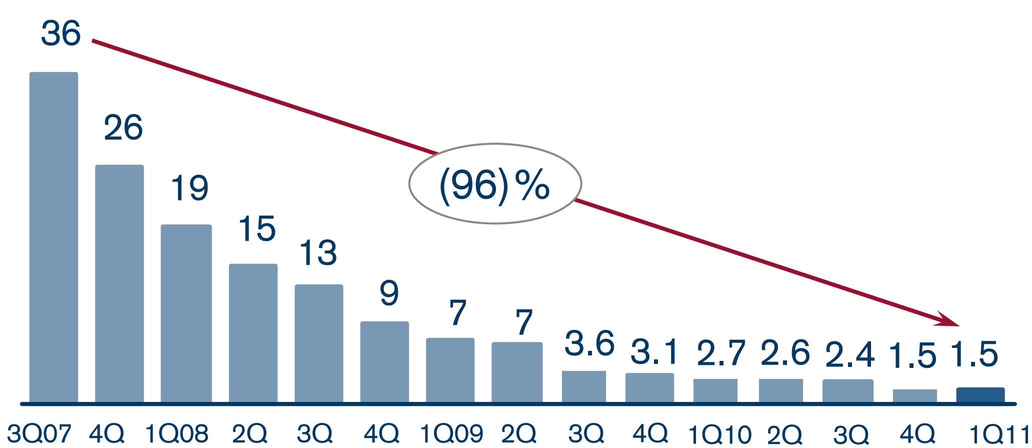
| | Private Banking | Investment Banking | Asset Management | Corporate Center | Total |
|---|---|---|---|---|---|
| Under Basel 2 | 64,041 | 124,233 | 12,709 | 11,213 | 212,196 |
| Incremental Basel 2.5 impact | 11 | 30,032 | – | 594 | 30,637 |
| Total under Basel 2.5 | 64,052 | 154,265 | 12,709 | 11,807 | 242,833 |

Capital deductions in CHF m

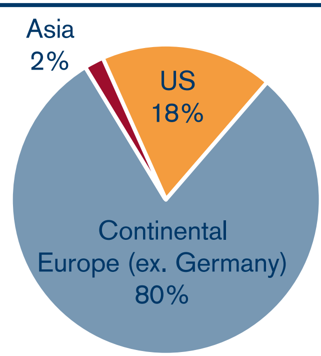
| | Private Banking | Investment Banking | Asset Management | Corporate Center | Total |
|---|---|---|---|---|---|
| Under Basel 2 | 306 | 447 | 459 | 22 | 1,234 |
| Incremental Basel 2.5 impact | – | 2,743 | – | – | 2,743 |
| Total under Basel 2.5 | 306 | 3,190 | 459 | 22 | 3,977 |

# Commercial mortgage exposure reduction in Investment Banking

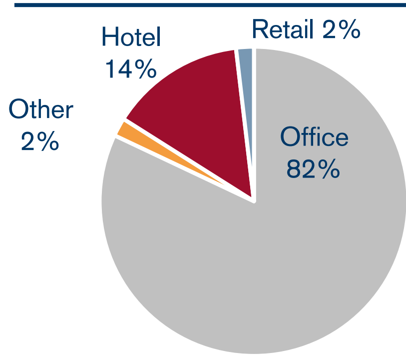
## Commercial mortgages (CHF bn)




## Exposure by region




## Exposure by loan type




- Average price of remaining positions is stable at 56%[1)]
- Positions are fair valued; no reclassifications to accrual book

1) This price represents the average mark on loans and bonds combined

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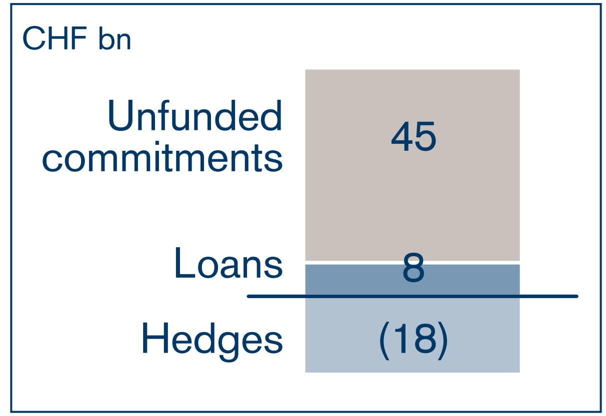
# Investment Banking loan book

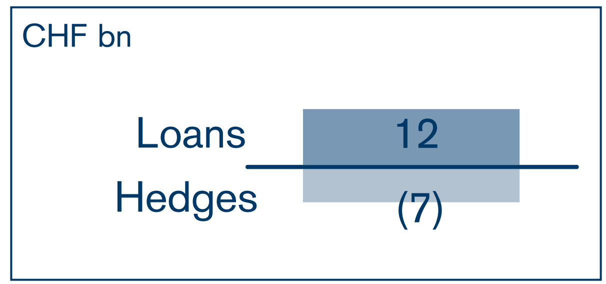
## Developed market lending

- Corporate loan portfolio 76% is investment grade, and is **mostly (92%) accounted for on a fair value basis**
- Fair value **is a forward looking** view which balances accounting risks, matching treatment of loans and hedges
- Loans are carried at an **average mark of approx. 99%** with average mark of **97% in non-investment grade portfolio**
- Continuing **good performance** of individual credits: limited specific provisions during the quarter




## Emerging market lending

- Well-diversified by name and evenly spread between EMEA, Americas and Asia and **approx. 25% accounted for on a fair value basis**
- Emerging market loans are carried at an **average mark of approx. 95%**
- **No significant provisions** during the quarter




Note: Average mark data is net of fair value discounts and credit provisions

# Private Banking loan book

## Loan book of CHF 187 bn focused on Switzerland; more than 85% collateralized; primarily on accrual accounting basis

Wealth Management Clients: CHF 134 bn

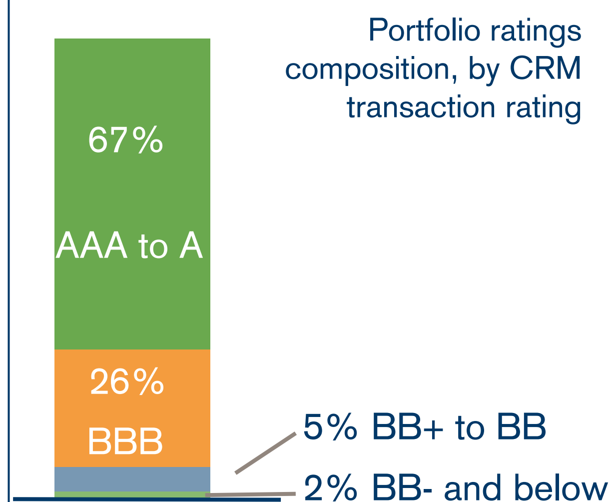
- Portfolio remains geared towards mortgages (CHF 90 bn) and securities-backed lending (CHF 37 bn)
- Lending is based on well-proven, conservative standards
- Residential real-estate: Prices continue to rise in most regions while rents are moving sluggishly; Prices have reached considerable levels in lake Geneva region, partially in the Zurich-Zug area and major tourist spots; Some risk of major price falls only conceivable in those regions

Corporate & Institutional Clients: CHF 53 bn

- Over 64% collateralized by mortgages and securities
- Counterparties mainly Swiss corporates incl. real-estate industry
- Sound credit quality with relatively low concentrations;
- Portfolio quality improved in line with continued recovery of Swiss economy
- Ship finance portfolio (CHF 6 bn) remains under special focus due to increased risk level caused by overcapacity in the market
- Commercial real-estate: Prices moving sideways for office and retail spaces; outlook raised from negative to stable for both office and retail space due to quick recovery of the economy from cycle downturn; higher price potential for central and prime locations

### Private Banking Loan Book

Total: CHF 187 bn



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