CREDIT SUISSE | GROUP

# LETTER TO SHAREHOLDERS 2005 Q3

# Dear shareholders

Credit Suisse Group reported net income of CHF 1,918 million in the third quarter of 2005, as our businesses benefited from increased levels of client activity and the active market environment. Our third-quarter result is a substantial improvement compared to the same period of last year, when we produced net income of CHF 1,351 million. We are confident that we can build on this performance and deliver higher returns in the future.

The Group's return on equity for the third quarter of 2005 was 20.1%, with a return on equity of 22.7% for the banking business and 11.9% for the insurance business. Basic earnings per share were CHF 1.67.

### Third-quarter segment results

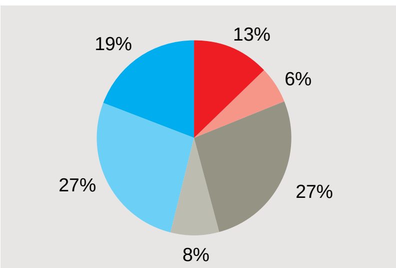
We would like to briefly present our third-quarter results in the individual banking and insurance segments in more detail.

**Private Banking** provides high-net-worth individuals in Switzerland and in numerous other markets around the world with wealth management products and services.

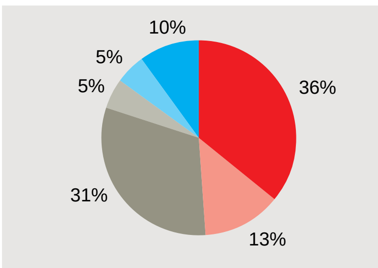
Private Banking reported net income of CHF 728 million in the third quarter of 2005, reflecting strong asset-based and transaction-based revenues as well as an increase in total operating expenses related partly to strategic investments in international growth markets. Net income increased by CHF 217 million, or 42%, compared to the third quarter of 2004 and by CHF 147 million, or 25%, compared to the previous quarter, supported by a favorable market environment and healthy levels of client activity.

Our third-quarter result in Private Banking highlights the progress we have made in the expansion of our international business. The segment generated total net new assets of CHF 14.3 billion, with healthy asset inflows from key markets in Asia and the European onshore business. Together with the 12% increase in net revenues versus the second quarter of 2005, this development reflects Private Banking's favorable position in launching new products, building on its excellent service and advice capabilities.

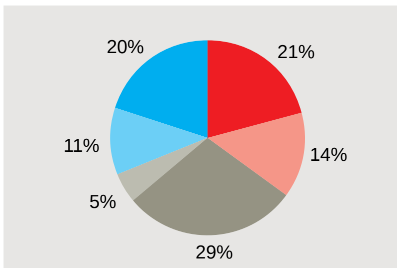
**Net revenues contribution by segment in Q3/2005**




**Net income contribution by segment in Q3/2005**




**Number of employees by segment as of September 30, 2005**




Private Banking | Corporate & Retail Banking | Institutional Securities | Wealth & Asset Management | Life & Pensions | Non-Life

For a detailed presentation of Credit Suisse Group's third quarter 2005 results please refer to the quarterly report.

**Corporate & Retail Banking** offers banking products and services to corporate and retail clients in Switzerland.

Corporate & Retail Banking reported net income of CHF 264 million for the third quarter of 2005, representing an increase of CHF 65 million, or 33%, compared to the same period of the previous year. This result reflects strong net revenues driven by higher commissions and fees and higher trading revenues, as well as the positive impact of the ongoing favorable credit environment.

The Corporate & Retail Banking segment represents a significant part of our Swiss operations. As we become a fully integrated global bank, our Swiss home market will continue to make a major contribution to our results.

**Institutional Securities** provides securities and investment banking services to institutional, corporate and government clients worldwide.

Institutional Securities improved its pre-tax margin (excluding minority interests) to 20.4% in the third quarter of 2005 and increased its net income to CHF 612 million, compared to CHF 292 million in the third quarter of 2004. This improvement reflects an increased focus on high-margin products and the generally favorable market environment.

In investment banking, our advisory business has made significant progress with improved market share and rankings from 2004. Advisory fees, which include fees from mergers and acquisitions, increased significantly versus the previous quarter.

Strong revenues in debt underwriting primarily reflected higher results in investment grade capital markets and leveraged finance. Leveraged finance, which combines high yield bonds and syndicated lending, continues to be a strong contributor to results and we were well positioned to benefit from a shift in issuer activity from the high yield market to the syndicated loan market. In investment grade debt, we have increased profitability, as we focused our resources on the most attractive opportunities.

## Net income/(loss)

| | | | | 9 months | |
|---|---|---|---|---|---|
| in CHF m | **3Q2005** | 2Q2005 | 3Q2004 | **2005** | 2004 |
| Private Banking | **728** | 581 | 511 | **1,994** | 1,857 |
| Corporate & Retail Banking | **264** | 277 | 199 | **815** | 644 |
| Institutional Securities | **612** | (408) | 292 | **744** | 1,044 |
| Wealth & Asset Management | **101** | 245 | 30 | **481** | 467 |
| Life & Pensions | **96** | 116 | 164 | **338** | 370 |
| Non-Life | **190** | 137 | 198 | **452** | 383 |
| Corporate Center | **(73)** | (29) | (43) | **(77)** | (96) |
| **Credit Suisse Group** | **1,918** | 919 | 1,351 | **4,747** | 4,669 |

In equity capital markets, IPOs continue to be a high priority. They offer significant revenue synergies with other areas in investment banking, as well as creating cross-selling opportunities with Private Banking. Our expertise in this area is underscored by our leading league table ranking for global IPOs and has resulted in strong revenue growth. Key transactions for the third quarter of 2005 reflected the geographic and industry breadth of the equity franchise and included initial public offerings for RHM plc (UK food producer), Cyrela Brazil Realty S.A. (Brazilian real estate developer) and Panalpina World Transport (Holding) Ltd (Swiss provider of forwarding and logistics services) and a follow-on common stock offering for Google Inc. (US internet company). These examples demonstrate that we are successfully deploying our resources in the businesses in which we can achieve the best returns.

Our equity business had a strong quarter with improved trading results, higher customer flows and continued growth in prime services. In fixed income, we experienced a satisfactory quarter with growth in leveraged finance and residential mortgage revenues.

**Wealth & Asset Management** offers international asset management services – including a broad range of investment funds – to institutional and private investors. In addition, it provides financial advisory services to wealthy individuals and corporate clients.

Wealth & Asset Management reported net income of CHF 101 million for the third quarter of 2005, an increase of 237% compared to the third quarter of 2004. This improved result reflects higher revenues across key areas. Net income decreased by 59% compared to the second quarter of 2005, which included a particularly high level of private equity gains in Alternative Capital. While our quarter-on-quarter results can be somewhat volatile due to the level of private equity gains, the trend is smoother over time. For the first nine months of 2005, net income increased 3% to CHF 481 million compared to the same period of 2004.

This leads us to our insurance segments. **Winterthur**, Credit Suisse Group's insurance unit, comprises two business lines. The **Life & Pensions** business line is a leading provider of life insurance and pension solutions for private and corporate clients. The **Non-Life** business line provides insurance products for private clients and small and medium-sized corporate clients.

The Life & Pensions business recorded net income of CHF 96 million for the quarter, down from CHF 164 million in the third quarter of 2004. This decrease was primarily due to a change in actuarial assumptions and models. Life & Pensions achieved improvements in its technical results and investment income compared to the third quarter of 2004. The Non-Life business recorded net income of CHF 190 million in the third quarter of 2005, down slightly from net income of CHF 198 million in the same period of last year, reflecting losses relating to the unusually heavy rainfall and flooding in Switzerland. We are continuing to manage Winterthur as a financial investment and are pleased with its operating performance.

Overall, the Group's results for the third quarter demonstrate that we are making good progress against the strategic plans we have defined for our businesses. We are convinced that by creating an integrated and more focused banking business Credit Suisse Group will continue to increase its profitability and realize its full potential across the banking and insurance businesses.

## Our strategy to integrate the banking businesses

While the business plans of our banking and insurance businesses display encouraging results in terms of future revenue growth, we are implementing a strategy that will allow us to focus even more intensively on our core strengths in investment banking, private banking and asset management.

Let us briefly summarize the aim of our strategy. The integration of our banking businesses will enable us to respond effectively to the changes that our industry will face in the future. With globalization and new technologies, our clients' requirements are growing more complex and the way we operate as a bank is changing fundamentally. We are building an integrated global bank that will allow us to benefit from these changes, to capture new opportunities in our markets and to generate sustained and profitable growth. We expect the integration of our banking businesses to create synergies for revenue growth, improve efficiency and ultimately increase shareholder value.

A particular focus of our growth strategy is the expansion of our global business in order to seize growth opportunities in key international markets. In investment banking, our recent transactions in M&A and IPOs show the geographic breadth of our revenue streams, with highlights in growth regions such as Asia and Latin America. The leveraged finance business benefited from the expansion of the franchise in Europe and Asia. We have further developed our strong position in China and have gained a leadership position in M&A and IPOs in this dynamic market. We have also gained leading positions in other emerging markets such as Brazil, where our investment banking business ranks first in debt and equity issuance.

In Private Banking, we are also targeting Asia, where we anticipate that wealth will increase in line with the region's rapidly expanding economy. In the Middle East and in Eastern Europe – especially in Russia – we expect to see significant levels of wealth creation. Latin America also remains a key region for Private Banking. Its market for wealth management is expected to experience rapid growth over the coming years. We also see significant growth potential in Europe. In addition, we are building our onshore presence through the creation of hubs in key regional centers such as Dubai, as well as with the opening of local representative offices in locations such as Bangkok (Thailand), Guangzhou (China) and St. Petersburg (Russia) in 2005.

## We have the potential to do even better

Overall, in the third quarter of 2005, Credit Suisse Group made good progress in the implementation of its strategy and we demonstrated our ability to capitalize on increased client momentum and active market conditions. While we reported satisfactory results this quarter, we know that we have the potential to do even better. We are convinced that our integration strategy will create an organization that will enable us to capture opportunities for sustainable growth.

## Outlook

We expect to see higher interest rates and increased market volatility in the fourth quarter of 2005. We anticipate that the global economy will remain robust as growth in Asia and Europe helps offset the pressure from higher energy costs and interest rates facing US consumers. Moreover, we expect that oil and other commodities will continue to experience a correction within their longer-term uptrend.

Yours sincerely

**Walter B. Kielholz**
Chairman of the Board of Directors

**Oswald J. Grübel**
Chief Executive Officer

November 2005

## Consolidated statements of income (unaudited)

| in CHF m | 3Q2005 | 2Q2005 | 3Q2004 | Change in % from 2Q2005 | Change in % from 3Q2004 | 9 months 2005 | 9 months 2004 | Change in % from 2004 |
|---|---|---|---|---|---|---|---|---|
| Interest and dividend income | **10,445** | 10,123 | 7,621 | 3 | 37 | **29,382** | 23,257 | 26 |
| Interest expense | **(7,624)** | (6,821) | (4,849) | 12 | 57 | **(20,204)** | (14,047) | 44 |
| **Net interest income** | **2,821** | 3,302 | 2,772 | (15) | 2 | **9,178** | 9,210 | 0 |
| Commissions and fees | **3,797** | 3,483 | 3,307 | 9 | 15 | **10,519** | 10,288 | 2 |
| Trading revenues | **2,953** | 915 | 931 | 223 | 217 | **5,696** | 3,159 | 80 |
| Realized gains/(losses) from investment securities, net | **373** | 441 | 128 | (15) | 191 | **1,240** | 854 | 45 |
| Insurance net premiums earned | **4,522** | 4,373 | 4,187 | 3 | 8 | **16,644** | 16,277 | 2 |
| Other revenues | **1,044** | 1,587 | 610 | (34) | 71 | **3,396** | 2,694 | 26 |
| **Total noninterest revenues** | **12,689** | 10,799 | 9,163 | 18 | 38 | **37,495** | 33,272 | 13 |
| **Net revenues** | **15,510** | 14,101 | 11,935 | 10 | 30 | **46,673** | 42,482 | 10 |
| Policyholder benefits, claims and dividends | **5,681** | 5,111 | 4,308 | 11 | 32 | **18,897** | 17,017 | 11 |
| Provision for credit losses | **(48)** | (29) | 38 | 66 | – | **(113)** | 205 | – |
| **Total benefits, claims and credit losses** | **5,633** | 5,082 | 4,346 | 11 | 30 | **18,784** | 17,222 | 9 |
| Insurance underwriting, acquisition and administration expenses | **1,292** | 1,038 | 1,043 | 24 | 24 | **3,389** | 3,207 | 6 |
| Banking compensation and benefits | **3,595** | 3,098 | 2,802 | 16 | 28 | **9,989** | 9,317 | 7 |
| Other expenses | **2,109** | 3,041 | 2,075 | (31) | 2 | **6,941** | 5,894 | 18 |
| Restructuring charges | **0** | 1 | 13 | (100) | (100) | **1** | 77 | (99) |
| **Total operating expenses** | **6,996** | 7,178 | 5,933 | (3) | 18 | **20,320** | 18,495 | 10 |
| **Income from continuing operations before taxes, minority interests and cumulative effect of accounting changes** | **2,881** | 1,841 | 1,656 | 56 | 74 | **7,569** | 6,765 | 12 |
| Income tax expense | **437** | 213 | 112 | 105 | 290 | **1,280** | 1,123 | 14 |
| Minority interests, net of tax | **510** | 708 | 205 | (28) | 149 | **1,519** | 872 | 74 |
| **Income from continuing operations before cumulative effect of accounting changes** | **1,934** | 920 | 1,339 | 110 | 44 | **4,770** | 4,770 | 0 |
| Income/(loss) from discontinued operations, net of tax | **(16)** | (1) | 12 | – | – | **(37)** | (95) | (61) |
| Cumulative effect of accounting changes, net of tax | **0** | 0 | 0 | – | – | **14** | (6) | – |
| **Net income** | **1,918** | 919 | 1,351 | 109 | 42 | **4,747** | 4,669 | 2 |
| Return on equity – Group | **20.1%** | 9.8% | 15.3% | – | – | **16.9%** | 17.7% | – |
| **Earnings per share in CHF** | | | | | | | | |
| Basic earnings per share | **1.67** | 0.82 | 1.16 | – | – | **4.16** | 3.98 | – |
| Diluted earnings per share | **1.63** | 0.79 | 1.15 | – | – | **4.05** | 3.91 | – |

## Key figures

| in CHF m, except where indicated | 30.09.05 | 30.06.05 | 31.12.04 | Change in % from 30.06.05 | Change in % from 31.12.04 |
|---|---|---|---|---|---|
| Assets under management in CHF bn | **1,404.6** | 1,341.2 | 1,220.7 | 4.7 | 15.1 |
| Total assets | **1,326,755** | 1,287,169 | 1,089,485 | 3 | 22 |
| Shareholders' equity | **38,634** | 38,154 | 36,273 | 1 | 7 |
| BIS tier 1 ratio | **11.1%** | 10.9% | 12.3% | – | – |
| BIS total capital ratio | **13.9%** | 14.0% | 16.6% | – | – |
| Market price per registered share in CHF | **57.30** | 50.55 | 47.80 | 13 | 20 |
| Market capitalization | **62,181** | 55,443 | 53,097 | 12 | 17 |
| Book value per share in CHF | **35.60** | 34.79 | 32.65 | 2 | 9 |

## Additional information

Additional information on the Credit Suisse Group's third quarter 2005 results can be obtained in the Quarterly Report 3/05 and the analysts' presentation, which are available on our website at: www.credit-suisse.com/results.
The Quarterly Report (English only) can be ordered at Credit Suisse, ULLM 23, Uetlibergstrasse 231, 8070 Zurich, fax: +41 44 332 7294.

**Cautionary Statement Regarding Forward-Looking Information**
This document 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 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 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 (i) market and interest rate fluctuations; (ii) 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; (iii) the ability of counterparties to meet their obligations to us; (iv) the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations; (v) political and social developments, including war, civil unrest or terrorist activity; (vi) the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations; (vii) the ability to maintain sufficient liquidity and access capital markets; (viii) operational factors such as systems failure, human error, or the failure to properly implement procedures; (ix) actions taken by regulators with respect to our business and practices in one or more of the countries in which we conduct our operations; (x) the effects of changes in laws, regulations or accounting policies or practices; (xi) competition in geographic and business areas in which we conduct our operations; (xii) the ability to retain and recruit qualified personnel; (xiii) the ability to maintain our reputation and promote our brands; (xiv) the ability to increase market share and control expenses; (xv) technological changes; (xvi) the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users; (xvii) acquisitions, including the ability to integrate successfully acquired businesses; (xviii) the adverse resolution of litigation and other contingencies; and (xix) 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 risks identified in our most recently filed Form 20-F and reports on Form 6-K furnished to the US Securities and Exchange Commission.

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