

# 1Q10 Letter to shareholders

Dear shareholders

In the first quarter of 2010 we provided further evidence that our client-focused, capital-efficient strategy and reduced-risk business model can generate stable, high-quality earnings. We are pleased that we were able to improve our operating performance compared to the strong first quarter of 2009. We achieved net income of CHF 2.1 billion and an industry-leading return on equity and capital position. Our return on equity was 22.3% and our tier 1 ratio was 16.4% at the end of the first quarter. We also generated strong client flows and maintained our track record of attracting strong net new assets, which totaled CHF 26.0 billion this quarter.

## Performance of our businesses

Private Banking delivered solid pre-tax income of CHF 0.9 billion and attracted net new assets of CHF 18.6 billion, with very strong inflows from Swiss and emerging markets clients in particular. We believe that we will further improve our profitability in Private Banking when markets and the demand for comprehensive solutions recover. We also expect to benefit from a higher interest rate environment. We are positioned to perform well in the changing regulatory environment in cross-border banking as we have been building a multi-shore business with a robust compliance framework for many years. We will continue to invest in strengthening and expanding our international presence.

Investment Banking is thriving as a result of the action we took to reposition the business in the changed financial services landscape. In the first quarter we recorded pre-tax income of CHF 1.8 billion, driven by well-diversified results across our businesses, as client-driven revenues rebounded to levels more consistent with the first three quarters of 2009. Our client-focused, capital-efficient strategy continued to deliver strong returns, with a pre-tax return on economic capital of 37.2%. We maintained market share momentum across our securities and banking businesses and our transaction pipelines remain strong. Our progress in Investment Banking is highlighted by our good performance in the league tables. We were ranked number one in announced M&A in the Americas and number three globally. We were also in the top five in global equity underwriting and number two in Europe, Middle East and Africa, as well as in the top five globally in investment grade and high yield underwriting, and number one in emerging markets underwriting and advisory share of wallet. We believe that we have a significant opportunity to extend our market share gains across our Investment Banking businesses as we build our distribution platform and expand our client base.



Brady W. Dougan, Chief Executive Officer (left) and Hans-Ulrich Doerig, Chairman of the Board of Directors

Asset Management reported pre-tax income of CHF 0.2 billion and strong net new assets of CHF 11.2 billion across most asset classes. We are focusing on core fee-generating businesses in which we believe we can excel – asset allocation, the Swiss businesses and alternative investments. Asset Management is expected to benefit further from the strategic measures we undertook last year and to be a significant contributor of value to the bank and to our clients in 2010 and beyond.

## Positioned to succeed in the new industry landscape

The fact that Credit Suisse is in a strong position today is a reflection of the decisive action we have taken to prepare for the challenges of the new operating environment. At the same time, our position is a credit to the dedication of our people. We recognize that it is our people – and the reputation they earn for Credit Suisse – who will determine the value of our firm for our shareholders and clients in the long term. The continuity of our people in key positions, including in our

control functions, has been extremely helpful throughout and since the crisis. Attracting, retaining and developing talented people will remain a key area of focus for Credit Suisse.

We entered the credit and financial market dislocation with a strong liquidity position, which we have maintained and strengthened through open market funding ever since, incurring significant additional costs as a result. This has positioned us well to meet the new rules for quantitative and qualitative liquidity management announced in April 2010 by the Swiss Financial Market Supervisory Authority, FINMA, when they become effective at the end of the second quarter of 2010.

**Outlook**

Market conditions in the second quarter to date have remained similar to those in the first quarter and we are confident that our business model will enable us to continue to generate high-quality results in good as well as in more challenging

market conditions. We are acting from a position of strength and can focus on the execution of our clearly-defined strategy and on serving our clients. Having carefully laid the foundations by building a robust franchise, we have an exceptional opportunity ahead of us to press our advantage home. We will redouble our efforts to drive our market share higher and set a benchmark for our industry in providing exceptional advice and service to our clients.

Yours sincerely

Hans-Ulrich Doerig  
April 2010

Brady W. Dougan

## Financial highlights

		in / end of			% change	
	1Q10	4Q09	1Q09	QoQ	YoY	
<b>Net income (CHF million)</b>						
Net income attributable to shareholders	2,055	793	2,006	159		2
of which from continuing operations	2,074	793	2,038	162		2
<b>Earnings per share (CHF)</b>						
Basic earnings per share from continuing operations	1.66	0.59	1.63	181		2
Basic earnings per share	1.64	0.59	1.60	178		2
Diluted earnings per share from continuing operations	1.65	0.56	1.62	195		2
Diluted earnings per share	1.63	0.56	1.59	191		3
<b>Return on equity (%)</b>						
Return on equity attributable to shareholders (annualized)	22.3	8.3	22.6	-		-
<b>Core Results (CHF million)</b>						
Net revenues	8,961	6,533	9,557	37		(6)
Provision for credit losses	(50)	(40)	183	25		-
Total operating expenses	6,077	5,228	6,320	16		(4)
Income from continuing operations before taxes	2,934	1,345	3,054	118		(4)
<b>Core Results statement of operations metrics (%)</b>						
Cost/income ratio	67.8	80.0	66.1	-		-
Pre-tax income margin	32.7	20.6	32.0	-		-
Effective tax rate	28.6	34.3	32.1	-		-
Net income margin <sup>1</sup>	22.9	12.1	21.0	-		-
<b>Assets under management and net new assets (CHF billion)</b>						
Assets under management from continuing operations	1,270.9	1,229.0	1,121.7	3.4		13.3
Net new assets	26.0	12.5	8.8	-		-
<b>Balance sheet statistics (CHF million)</b>						
Total assets	1,073,803	1,031,427	1,156,086	4		(7)
Net loans	228,741	237,180	237,510	(4)		(4)
Total shareholders' equity	36,815	37,517	36,009	(2)		2
Tangible shareholders' equity <sup>2</sup>	27,018	27,922	25,704	(3)		5
<b>Book value per share outstanding (CHF)</b>						
Total book value per share	31.88	32.09	31.19	(1)		2
<b>Shares outstanding (million)</b>						
Common shares issued	1,185.8	1,185.4	1,184.6	0		0
Treasury shares	(30.9)	(16.2)	(30.0)	91		3
Shares outstanding	1,154.9	1,169.2	1,154.6	(1)		0
<b>Market capitalization</b>						
Market capitalization (CHF million)	64,450	60,691	41,059	6		57
Market capitalization (USD million)	60,928	58,273	36,120	5		69
<b>BIS statistics</b>						
Risk-weighted assets (CHF million)	229,111	221,609	260,831	3		(12)
Tier 1 ratio (%)	16.4	16.3	14.1	-		-
Total capital ratio (%)	21.6	20.6	18.7	-		-
<b>Number of employees (full-time equivalents)</b>						
Number of employees	48,300	47,600	46,700	1		3

<sup>1</sup> Based on amounts attributable to shareholders. <sup>2</sup> 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

Dividend payment	Friday, May 7, 2010
Second quarter 2010 results	Thursday, July 22, 2010
Third quarter 2010 results	Thursday, October 21, 2010

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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.