# 1Q11 Letter to shareholders

Dear shareholders

We achieved underlying* pre-tax income of CHF 2.2 billion, net income of CHF 1.6 billion and return on equity of 18.8%. Including fair value losses of CHF 617 million (CHF 467 million after tax) on own debt and stand-alone derivatives relating to own funding liabilities, we achieved a net income attributable to shareholders of CHF 1.1 billion, return on equity of 13.4%, and a tier 1 ratio of 18.2%. This provides further evidence that our business model generates stable, high quality earnings. In a quarter marked by significant market uncertainty we have maintained our strong momentum with clients, gaining market share and generating CHF 19.1 billion net new assets.

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

**Performance of our businesses**

Private Banking delivered pre-tax income of CHF 855 million and attracted net new assets of CHF 18.0 billion. We are particularly pleased that our longstanding efforts to build a multi-shore business with a comprehensive advisory process in Wealth Management has contributed to an excellent result with CHF 15.7 billion in net new assets. In Switzerland, our Corporate & Institutional Clients business, which is an important provider of financing and services to the Swiss economy, achieved another strong result and maintained a high pre-tax income margin.

Investment Banking recorded pre-tax income of CHF 1,343 million with net revenues of CHF 4,929 million as we continue to win market share with strong fixed income results and solid results in equity sales and trading as well as a solid performance in underwriting and advisory. The environment for fixed income trading improved in the first quarter and we are particularly pleased that the investment in our franchise has begun to show an impact on results. We also maintained our leading position in equity sales and trading. Our pipeline in underwriting and advisory remains strong and we are well positioned to capture increases in issuance levels and M&A activity.

Asset Management reported pre-tax income of CHF 172 million with net new assets of CHF 4.5 billion in the first quarter. We continue to successfully execute our strategy including our acquisitions such as Hedging-Griffo in Brazil and our stake in York Capital. There has been an improvement in investment performance, performance fees have increased and we believe there is further upside potential. We are also pleased with our steady quarterly net asset inflows.

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**Positioned to succeed in the new industry landscape**

In light of the financial crisis in 2008, we are convinced that global banks need to embrace a stronger capital regime and with Basel III we have the framework to allow for consistent capital treatment. In 2010, the Swiss Expert Commission made proposals on how the Swiss large banks could address the too-big-to-fail issue. We support the Expert Commission's proposals and believe they can be implemented without a large impact on our competitive position under Basel III. We have already raised more than 70% of the high-trigger contingent capital required under the new regime and are encouraged that measures proposed by regulators outside of Switzerland suggest that progress toward a more level playing field is being made.

**Outlook**

We expect the market environment to remain constructive. We also expect clients to remain active with an increased appetite for higher return assets and comprehensive advisory services. However, the macroeconomic recovery continues to be gradual and impacted by external and market events. Nonetheless, we have substantial momentum across all of our client-based businesses, and we remain well prepared to continue to capitalize on our improved market position.

Yours sincerely

Hans-Ulrich Doerig    Brady W. Dougan

April 2011

* Excluding fair value losses of CHF 617 million (CHF 467 million after tax) on own debt and stand-alone derivatives relating to own funding liabilities.

## Financial highlights

| | in / end of | | | % change | |
|---|---|---|---|---|---|
| | **1Q11** | 4Q10 | 1Q10 | QoQ | YoY |
| **Net income (CHF million)** | | | | | |
| Net income attributable to shareholders | 1,139 | 841 | 2,055 | 35 | (45) |
| of which from continuing operations | 1,139 | 841 | 2,074 | 35 | (45) |
| **Earnings per share (CHF)** | | | | | |
| Basic earnings per share from continuing operations | 0.91 | 0.59 | 1.66 | 54 | (45) |
| Basic earnings per share | 0.91 | 0.59 | 1.64 | 54 | (45) |
| Diluted earnings per share from continuing operations | 0.90 | 0.59 | 1.65 | 53 | (45) |
| Diluted earnings per share | 0.90 | 0.59 | 1.63 | 53 | (45) |
| **Return on equity (%)** | | | | | |
| Return on equity attributable to shareholders (annualized) | 13.4 | 9.8 | 22.3 | – | – |
| **Core Results (CHF million)** [1] | | | | | |
| Net revenues | 7,813 | 6,960 | 8,961 | 12 | (13) |
| Provision for credit losses | (7) | (23) | (50) | (70) | (86) |
| Total operating expenses | 6,195 | 5,676 | 6,077 | 9 | 2 |
| Income from continuing operations before taxes | 1,625 | 1,307 | 2,934 | 24 | (45) |
| **Core Results statement of operations metrics (%)** [1] | | | | | |
| Cost/income ratio | 79.3 | 81.6 | 67.8 | – | – |
| Pre-tax income margin | 20.8 | 18.8 | 32.7 | – | – |
| Effective tax rate | 28.6 | 31.0 | 28.6 | – | – |
| Net income margin [2] | 14.6 | 12.1 | 22.9 | – | – |
| **Assets under management and net new assets (CHF billion)** | | | | | |
| Assets under management from continuing operations | 1,282.4 | 1,253.0 | 1,270.9 | 2.3 | 0.9 |
| Net new assets | 19.1 | 13.9 | 26.0 | 37.4 | (26.5) |
| **Balance sheet statistics (CHF million)** | | | | | |
| Total assets | 1,016,468 | 1,032,005 | 1,073,803 | (2) | (5) |
| Net loans | 222,510 | 218,842 | 228,741 | 2 | (3) |
| Total shareholders' equity | 34,057 | 33,282 | 36,815 | 2 | (7) |
| Tangible shareholders' equity [3] | 25,330 | 24,385 | 27,018 | 4 | (6) |
| **Book value per share outstanding (CHF)** | | | | | |
| Total book value per share | 28.36 | 28.35 | 31.88 | 0 | (11) |
| **Shares outstanding (million)** | | | | | |
| Common shares issued | 1,201.0 | 1,186.1 | 1,185.8 | 1 | 1 |
| Treasury shares | 0.0 | (12.2) | (30.9) | 100 | 100 |
| Shares outstanding | 1,201.0 | 1,173.9 | 1,154.9 | 2 | 4 |
| **Market capitalization** | | | | | |
| Market capitalization (CHF million) | 46,876 | 44,683 | 64,450 | 5 | (27) |
| Market capitalization (USD million) | 51,139 | 47,933 | 60,928 | 7 | (16) |
| **BIS statistics** | | | | | |
| Risk-weighted assets (CHF million) | 212,196 | 218,702 | 229,111 | (3) | (7) |
| Tier 1 ratio (%) | 18.2 | 17.2 | 16.4 | – | – |
| Total capital ratio (%) | 23.7 | 21.9 | 21.6 | – | – |
| **Number of employees (full-time equivalents)** | | | | | |
| Number of employees | 50,100 | 50,100 | 48,300 | 0 | 4 |

[1] For further information on Core Results, refer to I – Credit Suisse results – Credit Suisse – Credit Suisse reporting structure and Core Results. [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 | |
|---|---|
| Capital distribution payment | Friday, May 6, 2011 |
| Second quarter 2011 results | Thursday, July 28, 2011 |
| Third quarter 2011 results | Tuesday, November 1, 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 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 in the US or other developed countries in 2011 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 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 2010 under *IX – Additional Information – Risk Factors.*