

2Q13 Letter to shareholders

Dear shareholders

Our results for the second quarter and first half of 2013 demonstrate that our business model is performing well and delivering solid revenues, while we continue to make progress in reducing our cost base and balance sheet, thus generating good returns.

For the second quarter of 2013, we delivered Core pre-tax income of CHF 1,534 million, an increase of 38% compared to last year's second quarter, and net income attributable to shareholders of CHF 1,045 million. Our return on equity was 10% for the quarter. For the first half of 2013, we reported Core pre-tax income of CHF 3,356 million, an increase of 192% compared to the first half of last year, net income attributable to shareholders of CHF 2,348 million and a return on equity of 12%. Excluding certain significant items, such as business realignment costs and fair value gains on own debt due to the widening of our own credit spreads, we delivered underlying* Core pre-tax income of CHF 3,587 million, underlying* net income attributable to shareholders of CHF 2,503 million and an underlying* return on equity of 13%.

Our Look-through Swiss Core Capital ratio significantly increased from 9.6% at the end of the first quarter to 10.4% at the end of the second quarter 2013. We are pleased to have exceeded our target of 10% for the middle of this year. Operating under Basel III, we are generating one of the highest returns on equity in our peer group with a strong capital base.

Performance of our businesses in the second quarter

In Private Banking & Wealth Management, we delivered pre-tax income of CHF 917 million for the second quarter of 2013. Net revenues of CHF 3,424 million were stable compared to the second quarter of the previous year, as higher transaction- and performance-based revenues, and higher recurring commissions and fees were offset by lower other revenues and lower net interest income. Total operating expenses of CHF 2,461 million were 3% higher than in the prior-year quarter, mainly driven by an expense provision of CHF 100 million relating to the withholding tax treaty between Switzerland and the UK. Excluding the UK withholding tax charge, Private Banking & Wealth Management pre-tax income was CHF 1,017 million. The cost/income ratio improved to 69% on the same basis. Private Banking & Wealth Management generated net new assets of CHF 7.6 billion in the second quarter, with strong inflows in Wealth Management Clients from emerging markets and from our ultra-high-net-worth individual (UHNWI) client segment, partially offset by continued outflows in Western Europe. The gross margin in Wealth Management Clients improved to 111 basis points from 109 basis points in the prior quarter, mainly reflecting higher transaction- and performance-based revenues and a stable recurring commissions and fees margin.



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

In Investment Banking, we generated pre-tax income of CHF 754 million – more than double the CHF 314 million recorded in the prior-year quarter. Net revenues of CHF 3,400 million increased 24% compared to the second quarter of 2012, reflecting higher revenues in the majority of our Investment Banking businesses. Total operating expenses of CHF 2,642 million increased 8% compared to the prior-year quarter, driven by higher litigation provisions and increased discretionary performance-related compensation expenses, reflecting higher results. Investment Banking delivered a strong return on Basel III allocated capital of 12% for the second quarter and 18% for the first six months of 2013, double the 9% reported in the first half of 2012 and supporting our through-the-cycle Group return on equity target of above 15%.

Strategic development of our businesses

We have significantly advanced the transformation of our business model. Since the third quarter of 2011, we have reduced our Look-through Basel III risk-weighted assets by CHF 89 billion, achieving our year-end 2013 target of CHF 285 billion six months earlier than planned. Over the past nine months, we have lowered our Swiss leverage exposure by CHF 147 billion as of the end of the second quarter of 2013 and are on track to meet our year-end 2013 target. Furthermore, we have exceeded our Look-through Swiss Core Capital ratio target of 10%.

The transformation of our Private Banking & Wealth Management business is well underway. Over the past six months, we have successfully established the integrated Private Banking & Wealth Management division, have intensified our focus on our core markets and businesses and are further optimizing the way in which we deliver our services and products to our clients. With our improved operating efficiency and our continued focus on targeted growth in the emerging markets and the UHNWI client segment, as well as our efforts to leverage our strong position in our Swiss home market, we are confident that we will achieve our targeted cost/income ratio of 65% and net new asset growth rate of 6% in the Wealth Management Clients business.

We are making continued progress in evolving our business model in Investment Banking in response to the changed market and regulatory environment. Compared to peak levels in the third quarter of 2011, we have reduced the division's risk-weighted assets by USD 112 billion to USD 177 billion and we are thus close to our year-end target of USD 175 billion. As of the end of the second quarter of 2013, we lowered the Swiss leverage exposure

in Investment Banking to USD 909 billion and we are on track to reach our target of USD 840 billion by end-2013. In the first six months of 2013, we improved the cost/income ratio to 72% from 82% in the prior-year period. This demonstrates our successful transition to Basel III, the effectiveness of our diversified business model and our significantly improved capital and operating efficiency.

We would like to thank our shareholders and clients for the trust they have placed in Credit Suisse and, in particular, our employees for their contribution to the success of our business.

Sincerely

Urs Rohner

Brady W. Dougan

July 2013

* Underlying results are non-GAAP financial measures. For a reconciliation of our underlying results to the most directly comparable US GAAP measures, see "Reconciliation to underlying results – Core Results" in I – Credit Suisse results – Information and developments in the 2Q13 financial report.

As of January 1, 2013, Basel III was implemented in Switzerland along with the Swiss "Too Big to Fail" legislation and regulations thereunder. Our related disclosures are in accordance with our current interpretation of such requirements, including relevant assumptions. Changes in the interpretation of these requirements in Switzerland or in any of our assumptions or estimates could result in different numbers from those shown herein. The calculation of Investment Banking's return on Basel III allocated capital assumes 30%, 27% and 25% tax rates for 2Q13, 6M13 and 6M12 respectively, as well as capital allocated at 10% of Basel III risk-weighted assets. For further information, see the 2Q13 Results Presentation Slides.

in	Core pre-tax income		Net income attributable to shareholders		Return on equity (%)	
	2Q13	6M13	2Q13	6M13	2Q13	6M13
Overview of significant items (CHF million)						
Reported results	1,534	3,356	1,045	2,348	10.1	12.0
Fair value impact from movement in own credit spreads	(130)	(50)	(118)	(51)	–	–
Realignment costs	133	225	99	162	–	–
Gain on private equity disposals	(6)	(19)	(3)	(10)	–	–
Loss on sale of JO Hambro	0	46	0	33	–	–
Legal fees relating to Asset Management disposals	5	10	3	6	–	–
IT architecture simplification	19	19	15	15	–	–
Underlying results	1,555	3,587	1,041	2,503	10.0	12.8

Financial highlights

	in / end of		% change		in / end of		% change	
	2Q13	1Q13	2Q12	QoQ	YoY	6M13	6M12	YoY
Net income (CHF million)								
Net income attributable to shareholders	1,045	1,303	788	(20)	33	2,348	832	182
Earnings per share (CHF)								
Basic earnings per share	0.54	0.76	0.46	(29)	17	1.31	0.51	157
Diluted earnings per share	0.52	0.75	0.44	(31)	18	1.28	0.49	161
Return on equity (% , annualized)								
Return on equity attributable to shareholders	10.1	14.2	9.2	–	–	12.0	4.9	–
Core Results (CHF million) ¹								
Net revenues	6,904	7,099	6,227	(3)	11	14,003	12,095	16
Provision for credit losses	51	22	25	132	104	73	59	24
Total operating expenses	5,319	5,255	5,091	1	4	10,574	10,885	(3)
Income before taxes	1,534	1,822	1,111	(16)	38	3,356	1,151	192
Core Results statement of operations metrics (%) ¹								
Cost/income ratio	77.0	74.0	81.8	–	–	75.5	90.0	–
Pre-tax income margin	22.2	25.7	17.8	–	–	24.0	9.5	–
Effective tax rate	31.0	28.0	28.0	–	–	29.4	25.6	–
Net income margin ²	15.1	18.4	12.7	–	–	16.8	6.9	–
Assets under management and net new assets (CHF billion)								
Assets under management	1,296.6	1,311.6	1,213.1	(1.1)	6.9	1,296.6	1,213.1	6.9
Net new assets	7.6	12.0	4.4	(36.7)	72.7	19.6	(1.3)	–
Balance sheet statistics (CHF million)								
Total assets	919,903	946,618	1,043,455	(3)	(12)	919,903	1,043,455	(12)
Net loans	246,186	248,995	239,164	(1)	3	246,186	239,164	3
Total shareholders' equity	42,402	37,825	34,774	12	22	42,402	34,774	22
Tangible shareholders' equity ³	33,611	28,985	25,831	16	30	33,611	25,831	30
Book value per share outstanding (CHF)								
Total book value per share	26.63	28.83	27.10	(8)	(2)	26.63	27.10	(2)
Tangible book value per share ³	21.11	22.09	20.13	(4)	5	21.11	20.13	5
Shares outstanding (million)								
Common shares issued	1,594.3	1,339.7	1,286.6	19	24	1,594.3	1,286.6	24
Treasury shares	(2.3)	(27.5)	(3.5)	(92)	(34)	(2.3)	(3.5)	(34)
Shares outstanding	1,592.0	1,312.2	1,283.1	21	24	1,592.0	1,283.1	24
Market capitalization								
Market capitalization (CHF million)	39,937	33,371	22,207	20	80	39,937	22,207	80
Market capitalization (USD million)	42,185	35,099	23,583	20	79	42,185	23,583	79
BIS statistics (Basel III) ⁴								
Risk-weighted assets (CHF million)	289,747	298,155	–	(3)	–	289,747	–	–
Tier 1 ratio (%)	15.9	15.1	–	–	–	15.9	–	–
CET 1 ratio (%)	15.3	14.6	–	–	–	15.3	–	–
Number of employees (full-time equivalents)								
Number of employees	46,300	46,900	48,200	(1)	(4)	46,300	48,200	(4)

¹ Refer to "Credit Suisse Reporting structure and Core Results" in I – Credit Suisse results – Credit Suisse for further information on Core Results.

² Based on amounts attributable to shareholders.

³ A non-GAAP financial measure. Tangible shareholders' equity is calculated by deducting goodwill and other intangible assets from total shareholders' equity.

⁴ Basel III became effective as of January 1, 2013.

Financial calendar and contacts

Financial calendar

Third quarter 2013 results	Thursday, October 24, 2013
Fourth quarter / Full year 2013 results	Thursday, February 6, 2014

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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 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 2013 and beyond;
- the direct and indirect impacts of 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, including the information set forth in "Risk factors" in I – Information on the company in our Annual Report 2012.