

**Credit Suisse (Bank)
Financial Statements
6M 12**

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Report of Independent Registered Public Accounting Firm to the Board of Directors of

Credit Suisse AG, Zurich

We have reviewed the accompanying condensed consolidated balance sheets of Credit Suisse AG and subsidiaries (the “Bank”) as of June 30, 2012 and the related condensed consolidated statements of operations, changes in equity, comprehensive income and cash flows for the six-month periods ended June 30, 2012 and 2011. These condensed consolidated financial statements are the responsibility of the Bank's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Bank as of December 31, 2011, and the related consolidated statements of operations, changes in equity, comprehensive income and cash flows for the year then ended (not presented herein); and in our report dated March 23, 2012, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2011, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

KPMG AG

Simon Ryder
Licensed Audit Expert

Anthony Anzevino
Global Lead Partner

Zurich, Switzerland
August 3, 2012

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Credit Suisse (Bank)

Condensed consolidated financial statements – unaudited

Consolidated statements of operations (unaudited)

in	6M12	6M11
Consolidated statements of operations (CHF million)		
Interest and dividend income	12,061	12,254
Interest expense	(8,785)	(9,327)
Net interest income	3,276	2,927
Commissions and fees	6,182	6,987
Trading revenues	1,441	3,122
Other revenues	1,162	1,603
Net revenues	12,061	14,639
Provision for credit losses	32	(21)
Compensation and benefits	6,691	7,069
General and administrative expenses	3,320	3,315
Commission expenses	884	1,014
Total other operating expenses	4,204	4,329
Total operating expenses	10,895	11,398
Income before taxes	1,134	3,262
Income tax expense	277	702
Net income	857	2,560
Net income attributable to noncontrolling interests	288	999
Net income attributable to shareholder	569	1,561

Consolidated statements of comprehensive income (unaudited)

in	6M12	6M11
Comprehensive income (CHF million)		
Net income/(loss)	857	2,560
Gains/(losses) on cash flow hedges	1	(22)
Foreign currency translation	(113)	(3,056)
Unrealized gains/(losses) on securities	122	(38)
Actuarial gains/(losses)	26	19
Net prior service cost	0	(1)
Other comprehensive income/(loss), net of tax	36	(3,098)
Comprehensive income/(loss)	893	(538)
Comprehensive income/(loss) attributable to noncontrolling interests	331	(123)
Comprehensive income/(loss) attributable to shareholders	562	(415)

The accompanying notes to the unaudited condensed consolidated financial statements are an integral part of these statements.

Consolidated balance sheets (unaudited)

end of	6M12	2011
Assets (CHF million)		
Cash and due from banks	99,750	111,224
of which reported at fair value	475	571
of which reported from consolidated VIEs	1,324	1,396
Interest-bearing deposits with banks	4,258	4,193
of which reported at fair value	624	405
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	226,855	236,935
of which reported at fair value	148,721	158,673
of which reported from consolidated VIEs	118	19
Securities received as collateral, at fair value	30,191	30,191
of which encumbered	20,985	20,447
Trading assets, at fair value	284,242	279,748
of which encumbered	74,191	73,749
of which reported from consolidated VIEs	6,053	6,399
Investment securities	3,674	3,652
of which reported at fair value	3,672	3,650
of which reported from consolidated VIEs	34	41
Other investments	12,470	12,915
of which reported at fair value	9,532	9,552
of which reported from consolidated VIEs	2,327	2,346
Net loans	224,604	219,434
of which reported at fair value	20,515	20,693
of which encumbered	602	471
of which reported from consolidated VIEs	6,611	5,940
allowance for loan losses	(742)	(722)
Premises and equipment	6,642	6,990
of which reported from consolidated VIEs	574	609
Goodwill	7,774	7,700
Other intangible assets	278	280
of which reported at fair value	63	70
Brokerage receivables	50,410	43,445
Other assets	77,374	78,080
of which reported at fair value	36,888	35,666
of which encumbered	2,120	2,255
of which reported from consolidated VIEs	11,944	13,001
Total assets	1,028,522	1,034,787

The accompanying notes to the unaudited condensed consolidated financial statements are an integral part of these statements.

Consolidated balance sheets (unaudited) (continued)

end of	6M12	2011
Liabilities and equity (CHF million)		
Due to banks	41,025	40,077
of which reported at fair value	3,341	2,737
Customer deposits	302,792	304,130
of which reported at fair value	4,807	4,583
of which reported from consolidated VIEs	175	221
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	189,266	176,559
of which reported at fair value	143,714	136,483
Obligation to return securities received as collateral, at fair value	30,191	30,191
Trading liabilities, at fair value	115,852	127,809
of which reported from consolidated VIEs	1,256	1,286
Short-term borrowings	19,184	26,116
of which reported at fair value	4,456	3,547
of which reported from consolidated VIEs	7,095	6,141
Long-term debt	153,862	161,353
of which reported at fair value	65,018	68,036
of which reported from consolidated VIEs	13,860	14,858
Brokerage payables	75,822	68,034
Other liabilities	61,657	62,167
of which reported at fair value	29,654	30,942
of which reported from consolidated VIEs	680	745
Total liabilities	989,651	996,436
Common shares / Participation certificates	4,400	4,400
Additional paid-in capital	24,118	24,134
Retained earnings	12,228	11,824
Treasury shares, at cost	0	0
Accumulated other comprehensive income/(loss)	(10,962)	(10,955)
Total shareholder's equity	29,784	29,403
Noncontrolling interests	9,087	8,948
Total equity	38,871	38,351
Total liabilities and equity	1,028,522	1,034,787

end of	6M12	2011
Additional share information		
Par value (CHF)	100.00	100.00
Issued shares (million)	44.0	44.0
Shares outstanding (million)	44.0	44.0

The accompanying notes to the unaudited condensed consolidated financial statements are an integral part of these statements.

Consolidated statements of changes in equity (unaudited)

	Attributable to shareholders								Number of common shares outstanding
	Common shares/ Participa- tion certi- ficates	Additional paid-in capital	Retained earnings	Treasury shares, at cost ¹	Accumu- lated other compre- hensive income	Total share- holder's equity	Non- controlling interests	Total equity	
6M12 (CHF million)									
Balance at beginning of period	4,400	24,134	11,824	0	(10,955)	29,403	8,948	38,351	43,996,652 ²
Purchase of subsidiary shares from noncontrolling interests, changing ownership	–	252	–	–	–	252	(86)	166	–
Purchase of subsidiary shares from noncontrolling interests, not changing ownership ^{3,4}	–	–	–	–	–	–	(331)	(331)	–
Sale of subsidiary shares to noncontrolling interests, not changing ownership ⁴	–	–	–	–	–	–	131	131	–
Net income	–	–	569	–	–	569	288	857	–
Total other comprehensive income/(loss), net of tax	–	–	–	–	(7)	(7)	43	36	–
Share-based compensation, net of tax	–	(209) ⁵	–	–	–	(209)	(2)	(211)	–
Dividends on share-based compensation, net of tax	–	(53)	–	–	–	(53)	–	(53)	–
Dividends paid	–	–	(150)	–	–	(150)	(25)	(175)	–
Changes in redeemable noncontrolling interests	–	(6) ⁶	–	–	–	(6)	–	(6)	–
Changes in scope of consolidation, net	–	–	–	–	–	–	121	121	–
Other	–	–	(15)	–	–	(15)	–	(15)	–
Balance at end of period	4,400	24,118	12,228	0	(10,962)	29,784	9,087	38,871	43,996,652

¹ Reflects Credit Suisse Group shares which are reported as treasury shares. Those shares are held to economically hedge share award obligations. ² The Bank's total share capital is fully paid and consists of registered shares with a nominal value of CHF 100.00 per share. Each share is entitled to one vote. The Bank has no warrants on its own shares outstanding. ³ Distributions to owners in funds include the return of original capital invested and any related dividends. ⁴ Transactions with and without ownership changes related to fund activity are all displayed under "not changing ownership". ⁵ Includes a net tax benefit of CHF 15 million from the excess fair value of shares delivered over recognized compensation expense. ⁶ Represents the accrued portion of the redemption value of redeemable noncontrolling interests in Credit Suisse Hedging-Griffo Investimentos S.A. Refer to "Note 23 – Guarantees and commitments" for further information.

The accompanying notes to the unaudited condensed consolidated financial statements are an integral part of these statements.

Consolidated statements of changes in equity (unaudited) (continued)

	Attributable to shareholders								Number of common shares outstanding
	Common shares/Participation certificates	Additional paid-in capital	Retained earnings	Treasury shares, at cost	Accumulated other comprehensive income	Total shareholder's equity	Non-controlling interests	Total equity	
6M11 (CHF million)									
Balance at beginning of period	4,400	24,993	11,105	0	(10,729)	29,769	11,381	41,150	43,996,652
Purchase of subsidiary shares from noncontrolling interests, changing ownership	-	(1)	-	-	-	(1)	(1)	(2)	-
Purchase of subsidiary shares from noncontrolling interests, not changing ownership	-	-	-	-	-	-	(803)	(803)	-
Sale of subsidiary shares to noncontrolling interests, not changing ownership	-	-	-	-	-	-	260	260	-
Net income	-	-	1,561	-	-	1,561	973	2,534	-
Total other comprehensive income/(loss), net of tax	-	-	-	-	(1,977)	(1,977)	(1,121)	(3,098)	-
Sale of treasury shares	-	2	-	612	-	614	-	614	-
Repurchase of treasury shares	-	-	-	(612)	-	(612)	-	(612)	-
Share-based compensation, net of tax	-	(722)	-	-	-	(722)	(4)	(726)	-
Dividends on share-based compensation, net of tax	-	(67)	-	-	-	(67)	-	(67)	-
Dividends paid	-	-	(308)	-	-	(308)	(30)	(338)	-
Changes in redeemable noncontrolling interests	-	(335)	-	-	-	(335)	(90)	(425)	-
Changes in scope of consolidation, net	-	-	-	-	-	-	(310)	(310)	-
Balance at end of period	4,400	23,870	12,358	0	(12,706)	27,922	10,255	38,177	43,996,652

The accompanying notes to the unaudited condensed consolidated financial statements are an integral part of these statements.

Consolidated statements of cash flows (unaudited)

in	6M12	6M11
Operating activities of continuing operations (CHF million)		
Net income	857	2,560
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities of continuing operations (CHF million)		
Impairment, depreciation and amortization	611	537
Provision for credit losses	32	(21)
Deferred tax provision	(65)	489
Share of net income from equity method investments	49	(26)
Trading assets and liabilities, net	(13,363)	(9,840)
(Increase)/decrease in other assets	(6,377)	(10,807)
Increase/(decrease) in other liabilities	6,659	15,990
Other, net	1,554	788
Total adjustments	(10,900)	(2,890)
Net cash provided by/(used in) operating activities of continuing operations	(10,043)	(330)
Investing activities of continuing operations (CHF million)		
(Increase)/decrease in interest-bearing deposits with banks	(269)	(977)
(Increase)/decrease in central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	10,355	1,067
Purchase of investment securities	(25)	(1,044)
Proceeds from sale of investment securities	339	2,096
Maturities of investment securities	106	1,289
Investments in subsidiaries and other investments	(615)	(791)
Proceeds from sale of other investments	1,056	2,447
(Increase)/decrease in loans	(5,385)	(4,562)
Proceeds from sales of loans	522	230
Capital expenditures for premises and equipment and other intangible assets	(664)	(711)
Proceeds from sale of premises and equipment and other intangible assets	8	3
Other, net	2,031	124
Net cash provided by/(used in) investing activities of continuing operations	7,459	(829)

The accompanying notes to the unaudited condensed consolidated financial statements are an integral part of these statements.

Consolidated statements of cash flows (unaudited) (continued)

in	6M12	6M11
Financing activities of continuing operations (CHF million)		
Increase/(decrease) in due to banks and customer deposits	(3,007)	16,885
Increase/(decrease) in short-term borrowings	(7,814)	413
Increase/(decrease) in central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	11,587	(10,240)
Issuances of long-term debt	18,994	23,450
Repayments of long-term debt	(27,439)	(18,738)
Sale of treasury shares	0	614
Repurchase of treasury shares	0	(612)
Dividends paid/capital repayments	(176)	(338)
Excess tax benefits related to share-based compensation	14	0
Other, net	(850)	18
Net cash provided by/(used in) financing activities of continuing operations	(8,691)	11,452
Effect of exchange rate changes on cash and due from banks (CHF million)		
Effect of exchange rate changes on cash and due from banks	(199)	(6,774)
Net cash provided by/(used in) discontinued operations (CHF million)		
Net cash provided by/(used in) operating activities of discontinued operations	0	25
Net increase/(decrease) in cash and due from banks (CHF million)		
Net increase/(decrease) in cash and due from banks	(11,474)	3,544
Cash and due from banks at beginning of period	111,224	65,347
Cash and due from banks at end of period	99,750	68,891

Supplemental cash flow information (unaudited)

in	6M12	6M11
Cash paid for income taxes and interest (CHF million)		
Cash paid for income taxes	478	629
Cash paid for interest	8,538	9,224
Assets acquired and liabilities assumed in business acquisitions (CHF million)		
Fair value of assets acquired	2,418	0
Fair value of liabilities assumed	2,418	0

The accompanying notes to the unaudited condensed consolidated financial statements are an integral part of these statements.

Notes to the condensed consolidated financial statements – unaudited

Note 1 Summary of significant accounting policies

Basis of presentation

The accompanying unaudited condensed consolidated financial statements of Credit Suisse AG (the Bank) are prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) and are stated in Swiss francs (CHF). These condensed consolidated financial statements should be read in conjunction with the US GAAP consolidated financial statements and notes thereto for the year ended December 31, 2011, included in the Credit Suisse Group AG & Credit Suisse AG Annual Report 2011.

- ▶ Refer to “Note 1 – Summary of significant accounting policies” in VII – Consolidated financial statements – Credit Suisse (Bank) in the Credit Suisse Annual Report 2011 for a description of the Bank’s significant accounting policies.

Certain financial information, which is normally included in annual consolidated financial statements prepared in accor-

dance with US GAAP but not required for interim reporting purposes has been condensed or omitted. Certain reclassifications have been made to the prior period’s consolidated financial statements to conform to the current period’s presentation. These condensed consolidated financial statements reflect, in the opinion of management, all adjustments that are necessary for a fair presentation of the condensed consolidated financial statements for the periods presented. The results of operations for interim periods are not indicative of results for the entire year.

In preparing these condensed consolidated financial statements, management is required to make estimates and assumptions, which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the condensed consolidated balance sheets and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 Recently issued accounting standards

- ▶ Refer to “Note 2 – Recently issued accounting standards” in VII – Consolidated financial statements – Credit Suisse (Bank) in the Credit Suisse Group AG & Credit Suisse AG Annual Report 2011 for a complete description of recently adopted accounting standards.
- ▶ Refer to “Note 2 – Recently issued accounting standards” in III – Condensed consolidated financial statements – unaudited in the Credit Suisse Financial Report 2Q12 for the most recently adopted accounting standards and standards to be adopted in future periods.

The impact on the Bank’s and Group’s financial condition, results of operations or cash flows was or is expected to be identical.

Note 3 Business developments and subsequent events

In June 2012, the Bank announced the completion of its acquisition of HSBC's private banking business in Japan, which includes expanded coverage through additional offices in Osaka and Nagoya.

As announced on July 18, 2012, Credit Suisse and an investor agreed to bring forward to July 31, 2012, the exchange date for CHF 1.7 billion of their holdings of hybrid tier 1 instruments to be exchanged into tier 1 buffer capital notes (BCNs). This acceleration will not have any impact on reported balance sheet balances, as BCNs have been recognized on the balance sheet since the BCN commitment agreement in February 2011. Also announced on July 18, 2012, the Bank launched a voluntary exchange offer, under which employees can elect to convert any future cash payments from the Adjustable Performance Plan awards for Group shares at a fixed conversion price of CHF 16.29. As of the date of this report, the election period for the exchange offer has not closed.

The Bank acquired the remaining equity interests in Hedging-Griffo Investimentos S.A. as contemplated under the existing option arrangements previously disclosed.

In July 2012, the Bank sold its remaining holding of 7.0% in Aberdeen, resulting in an approximate gain of CHF 140 million to be recognized in 3Q12.

Changes in reporting

The legal merger of Clariden Leu into the Bank was completed on April 2, 2012.

In 2Q12, the Bank also implemented the previously announced integration of its Private Banking and Investment Banking operations into a single function within Shared Services.

In addition, the Swiss advisory business and its respective assets under management are now managed as part of the Private Banking division rather than Asset Management.

As a result of these matters, prior period results of the Bank and its divisions and assets under management for the Group have been restated to conform to the current presentation in order to show meaningful trends. The restatement for the three divisions had limited impact on their revenues, expenses and pre-tax income.

Note 4 Discontinued operations

The Bank did not discontinue any material operations in 6M12.

Note 5 **Segment information**

Overview

For purpose of presentation of reportable segments, the Bank has included accounts of affiliate entities wholly owned by the same parent which are managed together with the operating segments of the Bank. These affiliate entities include certain bank and trust affiliates, primarily managed by Private Banking. Income from continuing operations before taxes of these non-consolidated affiliate entities included in the segment presentation for 6M12 and 6M11 were CHF 144 million and

CHF 149 million, respectively. For the same periods, net revenues of these non-consolidated affiliate entities included in the segment presentation were CHF 347 million and CHF 363 million, respectively. Total assets of these non-consolidated affiliate entities included in the segment presentation as of June 30, 2012 and December 31, 2011 were CHF 25.1 billion and CHF 24.9 billion, respectively.

► Refer to "Note 5 – Segment information" in III – Condensed consolidated financial statements – unaudited in the Credit Suisse Financial Report 2012 for further information.

Net revenues and income before taxes

in	6M12	6M11
Net revenues (CHF million)		
Private Banking	5,308	5,592
Investment Banking	7,068	7,904
Asset Management	1,231	1,274
Adjustments ^{1,2}	(1,546)	(131)
Net revenues	12,061	14,639
Income/(loss) before taxes (CHF million)		
Private Banking	1,381	1,668
Investment Banking	1,381	1,691
Asset Management	387	393
Adjustments ^{1,3}	(2,015)	(490)
Income before taxes	1,134	3,262

¹ Adjustments represent certain consolidating entries and balances, including those relating to items that are managed but are not legally owned by the Bank and vice-versa and certain expenses that were not allocated to the segments. ² Includes noncontrolling interest-related revenues of CHF 229 million and CHF 955 million in 6M12 and 6M11, respectively, from the consolidation of certain private equity funds and other entities in which the Bank does not have a significant economic interest in such revenues. ³ Includes noncontrolling interest income of CHF 203 million and CHF 942 million in 6M12 and 6M11, respectively, from the consolidation of certain private equity funds and other entities in which the Bank does not have a significant economic interest in such income.

Total assets

end of	6M12	2011
Total assets (CHF million)		
Private Banking	366,609	347,476
Investment Banking	796,613	811,689
Asset Management	23,647	23,203
Adjustments ¹	(158,347)	(147,581)
Total assets	1,028,522	1,034,787

¹ Adjustments represent certain consolidating entries and balances, including those relating to items that are managed but are not legally owned by the Bank and vice-versa and certain expenses that were not allocated to the segments.

Note 6 **Net interest income**

in	6M12	6M11
Net interest income (CHF million)		
Loans	2,171	2,196
Investment securities	36	43
Trading assets	7,088	6,842
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,558	1,578
Other	1,208	1,595
Interest and dividend income	12,061	12,254
Deposits	(730)	(818)
Short-term borrowings	(36)	(32)
Trading liabilities	(4,552)	(4,640)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(897)	(848)
Long-term debt	(2,417)	(2,828)
Other	(153)	(161)
Interest expense	(8,785)	(9,327)
Net interest income	3,276	2,927

Note 7 **Commissions and fees**

in	6M12	6M11
Commissions and fees (CHF million)		
Lending business	652	666
Investment and portfolio management	1,967	2,071
Other securities business	17	17
Fiduciary business	1,984	2,088
Underwriting	722	1,033
Brokerage	1,869	2,175
Underwriting and brokerage	2,591	3,208
Other services	955	1,025
Commissions and fees	6,182	6,987

Note 8 **Trading revenues**

in	6M12	6M11
Trading revenues (CHF million)		
Interest rate products	411	2,500
Foreign exchange products	481	(886)
Equity/index-related products	932	1,152
Credit products	(828)	(158)
Commodity, emission and energy products	88	306
Other products	357	208
Total	1,441	3,122

Represents revenues on a product basis which are not representative of business results within segments, as segment results utilize financial instruments across various product types.

Note 9 **Other revenues**

in	6M12	6M11
Other revenues (CHF million)		
Noncontrolling interests without significant economic interest	214	946
Loans held-for-sale	(19)	35
Long-lived assets held-for-sale	(5)	63
Equity method investments	58	60
Other investments	350	261
Other	564	238
Other revenues	1,162	1,603

Note 10 **Provision for credit losses**

in	6M12	6M11
Provision for credit losses (CHF million)		
Provision for loan losses	23	(12)
Provision for lending-related and other exposures	9	(9)
Provision for credit losses	32	(21)

Note 11 **Compensation and benefits**

in	6M12	6M11
Compensation and benefits (CHF million)		
Salaries and variable compensation	5,731	6,054
Social security	456	516
Other ¹	504	499
Compensation and benefits²	6,691	7,069

¹ Includes pension and other post-retirement expense of CHF 383 million and CHF 374 million in 6M12 and 6M11, respectively. ² Includes severance and other compensation expense relating to headcount reductions of CHF 168 million and CHF 142 million as of 6M12 and 6M11, respectively.

Note 12 **General and administrative expenses**

in	6M12	6M11
General and administrative expenses (CHF million)		
Occupancy expenses	581	519
IT, machinery, etc.	708	657
Provisions and losses	72	91
Travel and entertainment	185	211
Professional services	886	1,004
Amortization and impairment of other intangible assets	14	14
Other	874	819
General and administrative expenses	3,320	3,315

Note 13 **Trading assets and liabilities**

end of	6M12	2011
Trading assets (CHF million)		
Debt securities	160,094	144,961
Equity securities ¹	68,883	66,986
Derivative instruments ²	42,216	52,735
Other	13,049	15,066
Trading assets	284,242	279,748
Trading liabilities (CHF million)		
Short positions	67,239	67,639
Derivative instruments ²	48,613	60,170
Trading liabilities	115,852	127,809

¹ Including convertible bonds. ² Amounts shown net of cash collateral receivables and payables.

Cash collateral receivables and payables

end of	6M12	2011
Cash collateral receivables (CHF million)		
Receivables netted against derivative positions	37,531	36,326
Receivables not netted	13,221	15,812
Total	50,752	52,138
Cash collateral payables (CHF million)		
Payables netted against derivative positions	39,970	37,883
Payables not netted ¹	12,978	11,933
Total	52,948	49,816

¹ Recorded as cash collateral on derivative instruments in Note 16 – Other assets and other liabilities.

Note 14 **Investment securities**

end of	6M12	2011
Investment securities (CHF million)		
Debt securities held-to-maturity	2	2
Securities available-for-sale	3,672	3,650
Total investment securities	3,674	3,652

Investment securities by type

end of	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
6M12 (CHF million)				
Debt securities issued by foreign governments	2	0	0	2
Debt securities held-to-maturity	2	0	0	2
Debt securities issued by foreign governments	2,860	91	1	2,950
Corporate debt securities	291	0	0	291
Collateralized debt obligations	33	0	0	33
Debt securities available-for-sale	3,184	91	1	3,274
Banks, trust and insurance companies	220	171	0	391
Industry and all other	7	0	0	7
Equity securities available-for-sale	227	171	0	398
Securities available-for-sale	3,411	262	1	3,672
2011 (CHF million)				
Debt securities issued by foreign governments	2	0	0	2
Debt securities held-to-maturity	2	0	0	2
Debt securities issued by the Swiss federal, cantonal or local governmental entities	1	0	0	1
Debt securities issued by foreign governments	2,916	113	1	3,028
Corporate debt securities	352	0	0	352
Collateralized debt obligations	176	1	0	177
Debt securities available-for-sale	3,445	114	1	3,558
Banks, trust and insurance companies	68	8	0	76
Industry and all other	15	1	0	16
Equity securities available-for-sale	83	9	0	92
Securities available-for-sale	3,528	123	1	3,650

Gross unrealized losses on investment securities and the related fair value

end of	Less than 12 months		12 months or more		Total	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
6M12 (CHF million)						
Debt securities issued by foreign governments	967	1	2	0	969	1
Debt securities available-for-sale	967	1	2	0	969	1
2011 (CHF million)						
Debt securities issued by foreign governments	8	1	0	0	8	1
Debt securities available-for-sale	8	1	0	0	8	1

No significant impairment was recorded as the Bank does not intend to sell the investments, nor is it more likely than not that the Bank will be required to sell the investments before the recovery of their amortized cost bases, which may be maturity.

Proceeds from sales, realized gains and realized losses from available-for-sale securities

in	6M12		6M11	
	Debt securities	Equity securities	Debt securities	Equity securities
Additional information (CHF million)				
Proceeds from sales	9	330	2,095	1
Realized gains	1	154	40	0
Realized losses	0	0	(22)	0

Amortized cost, fair value and average yield of debt securities

end of	Debt securities held-to-maturity			Debt securities available-for-sale		
	Amortized cost	Fair value	Average yield (in %)	Amortized cost	Fair value	Average yield (in %)
6M12 (CHF million)						
Due within 1 year	2	2	4.41	1,584	1,584	3.18
Due from 1 to 5 years	0	0	–	1,552	1,638	3.54
Due from 5 to 10 years	0	0	–	0	0	–
Due after 10 years	0	0	–	48	52	4.85
Total debt securities	2	2	4.41	3,184	3,274	3.38

Note 15 **Loans, allowance for loan losses and credit quality**

- Refer to “Note 16 – Loans, allowance for loan losses and credit quality” in III – Condensed consolidated financial statements – unaudited in the Credit Suisse Financial Report 2Q12 and “Note 17 – Loans, allowance for loan losses and credit quality” in VII – Consolidated financial statements – Credit Suisse (Bank) in the Credit Suisse Group AG & Credit Suisse AG Annual Report 2011 for further information.

Loans

end of	6M12	2011
Loans (CHF million)		
Mortgages	77,570	75,461
Loans collateralized by securities	26,175	26,350
Consumer finance	4,180	3,759
Consumer	107,925	105,570
Real estate	23,263	22,397
Commercial and industrial loans	58,740	56,984
Financial institutions	32,810	33,058
Governments and public institutions	2,744	2,245
Corporate and institutional loans	117,557	114,684
Gross loans	225,482	220,254
of which held at amortized cost	204,967	199,561
of which held at fair value	20,515	20,693
Net (unearned income)/deferred expenses	(136)	(98)
Allowance for loan losses	(742)	(722)
Net loans	224,604	219,434
Gross loans by location (CHF million)		
Switzerland	133,757	132,477
Foreign	91,725	87,777
Gross loans	225,482	220,254
Impaired loan portfolio (CHF million)		
Non-performing loans	690	520
Non-interest-earning loans	263	220
Total non-performing and non-interest-earning loans	953	740
Restructured loans	36	13
Potential problem loans	437	619
Total other impaired loans	473	632
Gross impaired loans	1,426	1,372

Allowance for loan losses and gross loans held at amortized cost by portfolio

	6M12			6M11		
	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total
Allowance for loan losses (CHF million)						
Balance at beginning of period	159	563	722	157	675	832
Net movements recognized in statements of operations	21	2	23	(2)	(10)	(12)
Gross write-offs	(20)	(34)	(54)	(21)	(55)	(76)
Recoveries	12	16	28	18	3	21
Net write-offs	(8)	(18)	(26)	(3)	(52)	(55)
Provisions for interest	3	7	10	1	3	4
Foreign currency translation impact and other adjustments, net	(2)	15	13	(6)	(30)	(36)
Balance at end of period	173	569	742	147	586	733
of which individually evaluated for impairment	146	404	550	112	426	538
of which collectively evaluated for impairment	27	165	192	35	160	195
Gross loans held at amortized cost (CHF million)						
Balance at end of period	107,914	97,053	204,967	102,431	86,513	188,944
of which individually evaluated for impairment	334	743	1,077	313	743	1,056
of which collectively evaluated for impairment	107,580	96,310	203,890	102,118	85,770	187,888

Purchases, reclassifications and sales

in	6M12			6M11		
	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total
Loans held at amortized cost (CHF million)						
Purchases ¹	348	3,361	3,709	0	2,077	2,077
Reclassifications from loans held-for-sale ²	0	85	85	0	0	0
Reclassifications to loans held-for-sale ³	0	816	816	0	656	656
Sales ³	0	707	707	0	483	483

¹ Includes drawdowns under purchased loan commitments. ² Includes loans previously reclassified to held-for-sale that could not be sold and were reclassified back to loans held-to-maturity. ³ All loans held at amortized cost which are sold are reclassified to loans held-for-sale on or prior to the date of the sale.

Gross loans held at amortized cost by internal counterparty rating

end of	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	Total
6M12 (CHF million)											
Mortgages	370	687	11,066	50,420	14,431	430	10	16	0	140	77,570
Loans collateralized by securities	27	41	511	22,625	2,771	98	0	33	0	69	26,175
Consumer finance	0	5	65	3,007	909	20	0	4	13	146	4,169
Consumer	397	733	11,642	76,052	18,111	548	10	53	13	355	107,914
Real estate	317	243	1,123	12,093	8,757	371	0	3	0	45	22,952
Commercial and industrial loans	283	226	1,490	21,549	19,353	3,138	138	6	47	677	46,907
Financial institutions	3,414	1,991	11,615	5,446	2,241	655	2	45	0	145	25,554
Governments and public institutions	55	40	299	533	134	100	473	0	0	6	1,640
Corporate and institutional loans	4,069	2,500	14,527	39,621	30,485	4,264	613	54	47	873	97,053
Gross loans held at amortized cost	4,466	3,233	26,169	115,673	48,596	4,812	623	107	60	1,228	204,967
Value of collateral ¹	3,807	2,204	17,197	105,466	40,273	3,160	92	95	0	699	172,993
2011 (CHF million)											
Mortgages	163	628	8,433	48,871	16,635	556	8	16	0	151	75,461
Loans collateralized by securities	1	18	396	24,027	1,746	87	0	2	0	73	26,350
Consumer finance	0	4	43	2,994	507	20	0	9	23	150	3,750
Consumer	164	650	8,872	75,892	18,888	663	8	27	23	374	105,561
Real estate	340	196	907	11,397	8,969	273	0	3	0	40	22,125
Commercial and industrial loans	398	245	1,676	20,345	18,281	2,927	171	26	117	648	44,834
Financial institutions	3,906	2,091	11,120	5,483	1,875	760	3	43	0	119	25,400
Governments and public institutions	55	84	320	444	158	104	470	0	0	6	1,641
Corporate and institutional loans	4,699	2,616	14,023	37,669	29,283	4,064	644	72	117	813	94,000
Gross loans held at amortized cost	4,863	3,266	22,895	113,561	48,171	4,727	652	99	140	1,187	199,561
Value of collateral ¹	3,931	1,696	13,535	104,129	39,447	2,760	96	82	0	727	166,403

¹ Includes the value of collateral up to the amount of the outstanding related loans. For mortgages, collateral values are generally values at the time of granting the loan.

Gross loans held at amortized cost – aging analysis

end of	Current				Past due		Total	Total
		Up to 30 days	31-60 days	61-90 days	More than 90 days	Total		
6M12 (CHF million)								
Mortgages	77,286	103	52	6	123	284	77,570	
Loans collateralized by securities	25,925	216	7	12	15	250	26,175	
Consumer finance	3,708	370	28	48	15	461	4,169	
Consumer	106,919	689	87	66	153	995	107,914	
Real estate	22,852	78	4	9	9	100	22,952	
Commercial and industrial loans	46,210	389	40	115	153	697	46,907	
Financial institutions	25,300	225	1	15	13	254	25,554	
Governments and public institutions	1,610	30	0	0	0	30	1,640	
Corporate and institutional loans	95,972	722	45	139	175	1,081	97,053	
Gross loans held at amortized cost	202,891	1,411	132	205	328	2,076	204,967	
2011 (CHF million)								
Mortgages	75,280	46	11	3	121	181	75,461	
Loans collateralized by securities	26,142	180	11	3	14	208	26,350	
Consumer finance	3,308	372	29	26	15	442	3,750	
Consumer	104,730	598	51	32	150	831	105,561	
Real estate	22,069	41	3	1	11	56	22,125	
Commercial and industrial loans	44,114	444	87	48	141	720	44,834	
Financial institutions	25,249	78	2	48	23	151	25,400	
Governments and public institutions	1,640	1	0	0	0	1	1,641	
Corporate and institutional loans	93,072	564	92	97	175	928	94,000	
Gross loans held at amortized cost	197,802	1,162	143	129	325	1,759	199,561	

Gross impaired loans by category

end of	Non-performing and non-interest earning loans			Other impaired loans			Total
	Non-performing loans	Non-interest-earning loans	Total	Restructured loans	Potential problem loans	Total	
6M12 (CHF million)							
Mortgages	135	7	142	0	32	32	174
Loans collateralized by securities	58	11	69	0	0	0	69
Consumer finance	113	28	141	0	14	14	155
Consumer	306	46	352	0	46	46	398
Real estate	23	4	27	0	21	21	48
Commercial and industrial loans	253	158	411	36	312	348	759
Financial institutions	108	49	157	0	58	58	215
Governments and public institutions	0	6	6	0	0	0	6
Corporate and institutional loans	384	217	601	36	391	427	1,028
Gross impaired loans	690	263	953	36	437	473	1,426
2011 (CHF million)							
Mortgages	126	5	131	0	43	43	174
Loans collateralized by securities	27	13	40	0	46	46	86
Consumer finance	113	28	141	0	24	24	165
Consumer	266	46	312	0	113	113	425
Real estate	11	6	17	0	24	24	41
Commercial and industrial loans	194	110	304	13	425	438	742
Financial institutions	49	52	101	0	57	57	158
Governments and public institutions	0	6	6	0	0	0	6
Corporate and institutional loans	254	174	428	13	506	519	947
Gross impaired loans	520	220	740	13	619	632	1,372

Gross impaired loan detail

end of	6M12			2011		
	Recorded investment	Unpaid principal balance	Associated specific allowance	Recorded investment	Unpaid principal balance	Associated specific allowance
Gross impaired loan detail (CHF million)						
Mortgages	149	141	20	141	133	19
Loans collateralized by securities	68	65	57	85	82	50
Consumer finance	117	115	69	152	151	61
Consumer	334	321	146	378	366	130
Real estate	34	30	14	27	22	16
Commercial and industrial loans	498	469	293	675	650	282
Financial institutions	205	203	91	142	141	83
Governments and public institutions	6	5	6	6	4	6
Corporate and institutional loans	743	707	404	850	817	387
Gross impaired loans with a specific allowance	1,077	1,028	550	1,228	1,183	517
Mortgages	25	25	–	33	33	–
Loans collateralized by securities	1	1	–	1	1	–
Consumer finance	38	38	–	13	13	–
Consumer	64	64	–	47	47	–
Real estate	14	14	–	14	14	–
Commercial and industrial loans	261	259	–	67	67	–
Financial institutions	10	10	–	16	16	–
Corporate and institutional loans	285	283	–	97	97	–
Gross impaired loans without specific allowance	349	347	–	144	144	–
Gross impaired loans	1,426	1,375	550	1,372	1,327	517
of which consumer loans	398	385	146	425	413	130
of which corporate and institutional loans	1,028	990	404	947	914	387

Gross impaired loan detail (continued)

	6M12			6M11		
	Average recorded investment	Interest income recognized	Interest income recognized on a cash basis	Average recorded investment	Interest income recognized	Interest income recognized on a cash basis
in						
Gross impaired loan detail (CHF million)						
Mortgages	149	1	1	151	1	0
Loans collateralized by securities	68	1	0	43	0	0
Consumer finance	132	2	2	149	1	0
Consumer loans	349	4	3	343	2	0
Real estate	35	0	0	40	0	0
Commercial and industrial loans	563	2	1	598	3	3
Financial institutions	201	1	1	152	0	0
Governments and public institutions	6	0	0	6	0	0
Corporate and institutional loans	805	3	2	796	3	3
Gross impaired loans with a specific allowance	1,154	7	5	1,139	5	3
Mortgages	31	0	0	39	0	0
Loans collateralized by securities	1	0	0	1	0	0
Consumer finance	36	0	0	16	0	0
Consumer loans	68	0	0	56	0	0
Real estate	17	0	0	60	3	3
Commercial and industrial loans	215	2	2	180	0	0
Financial institutions	11	0	0	4	0	0
Corporate and institutional loans	243	2	2	244	3	3
Gross impaired loans without specific allowance	311	2	2	300	3	3
Gross impaired loans	1,465	9	7	1,439	8	6
of which consumer loans	417	4	3	399	2	0
of which corporate and institutional loans	1,048	5	4	1,040	6	6

Note 16 **Other assets and other liabilities**

end of	6M12	2011
Other assets (CHF million)		
Cash collateral on derivative instruments	13,221	15,812
Cash collateral on non-derivative transactions	2,920	2,083
Derivative instruments used for hedging	3,321	3,607
Assets held-for-sale	20,741	21,205
of which loans	20,115	20,457
of which real estate	619	732
Assets held for separate accounts	14,410	14,407
Interest and fees receivable	6,007	6,084
Deferred tax assets	8,836	8,843
Prepaid expenses	692	593
Failed purchases	2,861	1,513
Other	4,365	3,933
Other assets	77,374	78,080
Other liabilities (CHF million)		
Cash collateral on derivative instruments	12,978	11,933
Cash collateral on non-derivative transactions	1,564	1,002
Derivative instruments used for hedging	1,519	1,848
Provisions ¹	1,063	1,098
of which off-balance sheet risk	65	64
Liabilities held for separate accounts	14,410	14,407
Interest and fees payable	7,328	6,983
Current tax liabilities	750	715
Deferred tax liabilities	184	282
Failed sales	5,895	6,888
Other	15,966	17,011
Other liabilities	61,657	62,167

¹ Includes provisions for bridge commitments.

Note 17 **Long-term debt**

end of	6M12	2011
Long-term debt (CHF million)		
Senior	117,239	120,497
Subordinated	22,763	25,998
Non-recourse liabilities from consolidated VIEs	13,860	14,858
Long-term debt	153,862	161,353
of which reported at fair value	65,018	68,036

Note 18 **Accumulated other comprehensive income**

	Gains/ (losses) on cash flow hedges	Cumulative translation adjustments	Unrealized gains/ (losses) on securities	Actuarial gains/ (losses)	Net prior service cost	Accumulated other comprehensive income
6M12 (CHF million)						
Balance at beginning of period	0	(10,326)	96	(729)	4	(10,955)
Increase/(decrease)	1	(157)	133	(1)	0	(24)
Reclassification adjustments, included in net income	0	1	(11)	27	0	17
Balance at end of period	1	(10,482)	218	(703)	4	(10,962)
6M11 (CHF million)						
Balance at beginning of period	32	(9,994)	99	(871)	5	(10,729)
Increase/(decrease)	5	(1,942)	(14)	0	0	(1,951)
Reclassification adjustments, included in net income	(27)	7	(24)	19	(1)	(26)
Balance at end of period	10	(11,929)	61	(852)	4	(12,706)

Note 19 **Tax**

The effective tax rate of 24.4% in 6M12 mainly reflected the impact of the geographical mix of results, an increase in valuation allowances against deferred tax assets resulting from current year losses in the UK and in Asia Pacific, partially offset by the impact of an advanced pricing agreement with tax authorities and a release of contingency reserves of CHF 61 million for uncertain tax positions, mainly as a result of audit settlements as well as the expiration of relevant statutes of limitations.

Overall, net deferred tax assets increased CHF 91 million to CHF 8,652 million as of the end of 6M12. The increase in net deferred tax assets primarily related to foreign exchange translation gains of CHF 55 million.

The presentation of net deferred tax assets related to net operating losses, net deferred tax assets on temporary differences and net deferred tax liabilities is in accordance with ASC Topic 740 – Income Taxes guidance to interim reporting. Nettable gross deferred tax liabilities are allocated on a pro-rata basis to gross deferred tax assets on net operating losses and gross deferred tax assets on temporary differences. This approach is aligned with the underlying treatment of netting gross deferred tax assets and liabilities under the Basel III framework. Valuation allowances have been allocated against such deferred tax assets on net operating losses first with any remainder allocated to such deferred tax assets on temporary differences. This presentation is considered the most appropriate

disclosure given the underlying nature of the gross deferred tax balances.

As of June 30, 2012, the Bank had accumulated undistributed earnings from foreign subsidiaries of CHF 7.9 billion which are considered indefinitely reinvested. The Bank would need to accrue and pay taxes on these undistributed earnings if such earnings were repatriated. No deferred tax liability was recorded in respect of those amounts as these earnings are considered indefinitely reinvested. It is not practicable to estimate the amount of unrecognized deferred tax liabilities for these undistributed foreign earnings.

The Bank is currently subject to ongoing tax audits and inquiries with the tax authorities in a number of jurisdictions, including the US, the UK and Switzerland. Although the timing of the completion of these audits is uncertain, it is reasonably possible that some of these audits and inquiries will be resolved within 12 months of the reporting date. It is reasonably possible that there will be a decrease between zero and CHF 18 million in unrecognized tax benefits within 12 months of the reporting date.

The Bank remains open to examination from federal, state, provincial or similar local jurisdictions from the following years onward in these major countries: Switzerland – 2008; the UK – 2006; the US – 2006; Japan – 2005; and the Netherlands – 2005.

Effective tax rate

in	6M12	6M11
Effective tax rate (%)		
Effective tax rate	24.4	21.5

Net deferred tax assets

end of	6M12	2011	Change
Net deferred tax assets (CHF million)			
Deferred tax assets	8,836	8,843	(7)
of which net operating losses	3,541	3,850	(309)
of which deductible temporary differences	5,295	4,993	302
Deferred tax liabilities	(184)	(282)	98
Net deferred tax assets	8,652	8,561	91

Note 20 **Employee deferred compensation**

- ▶ Refer to "Note 21 – Employee deferred compensation" in III – Condensed consolidated financial statements – unaudited in the Credit Suisse Financial Report 2012 and "Note 26 – Employee deferred compensation" in VII – Consolidated financial statements – Credit Suisse (Bank) in the Credit Suisse Annual Report 2011 for further information.

Deferred compensation expense

in	6M12	6M11
Deferred compensation expense (CHF million)		
Share awards	411	418
Performance share awards	197	0
2011 Partner Asset Facility awards ¹	513	0
Adjustable Performance Plan awards	203	677
Restricted Cash Awards	86	148
Scaled Incentive Share Units	61	209
Incentive Share Units	33	81
2008 Partner Asset Facility awards ¹	61	73
Other cash awards	166	208
Total deferred compensation expense	1,731	1,814

¹ Compensation expense includes the change in underlying fair value of the indexed assets during the period.

Estimated unrecognized deferred compensation expense

end of	6M12
Estimated unrecognized deferred compensation expense (CHF million)	
Share awards	1,101
Performance share awards	330
Adjustable Performance Plan awards	309
Restricted Cash Awards	80
Scaled Incentive Share Units	134
Incentive Share Units	40
Other cash awards	93
Total	2,087
Aggregate remaining weighted-average requisite service period (years)	
Aggregate remaining weighted-average requisite service period	1.3

6M12 activity

In 6M12, the Bank delivered 29.2 million Group shares across all deferred compensation plans.

Share-based award activities

Number of awards (in millions)	6M12			
	Share awards	Performance share awards	SISU awards	ISU awards
Share-based award activities				
Balance at beginning of period	47.6	0.0	14.4	13.2
Granted	22.1	23.4	0.0	0.0
Settled	(12.2)	0.0	(4.8)	(8.7)
Forfeited	(0.5)	0.0	0.0	(0.3)
Balance at end of period	57.0	23.4	9.6	4.2
of which vested	3.0	0.1	1.2	0.4
of which unvested	54.0	23.3	8.4	3.8

Note 21 Pension and other post-retirement benefits

► Refer to “Note 22 – Pension and other post-retirement benefits” in III – Condensed consolidated financial statements – unaudited in the Credit Suisse Financial Report 2Q12 and “Note 28 – Pension and other post-retirement benefits” in VII – Consolidated financial statements – Credit Suisse (Bank) in the Credit Suisse Group AG & Credit Suisse AG Annual Report 2011 for further information.

The Bank expects to contribute CHF 177 million to the international single-employer defined benefit pension plans and other post-retirement defined benefit plans in 2012. As of June 30, 2012, CHF 139 million of contributions had been made.

Components of total pension costs

in	6M12	6M11
Total pension costs (CHF million)		
Service costs on benefit obligation	17	17
Interest costs on benefit obligation	67	66
Expected return on plan assets	(81)	(82)
Amortization of recognized prior service cost/(credit)	(1)	(1)
Amortization of recognized actuarial losses	42	31
Net periodic pension costs	44	31
Curtailment losses	0	1
Total pension costs	44	32

Note 22 Derivatives and hedging activities

► Refer to “Note 23 – Derivatives and hedging activities” in III – Condensed consolidated financial statements – unaudited in the Credit Suisse Financial Report 2Q12 and to “Note 29 – Derivatives and hedging activities” in VII – Consolidated financial statements – Credit Suisse (Bank) in the Credit Suisse Annual Report 2011 for further information.

Fair value of derivative instruments

The tables below present gross derivative replacement values by type of contract and balance sheet location and whether the derivative is used for trading purposes or in a qualifying

hedging relationship. Notional amounts have also been provided as an indication of the volume of derivative activity within the Bank.

Information on bifurcated embedded derivatives has not been included in these tables. Under US GAAP, the Bank elected to account for substantially all financial instruments with an embedded derivative that is not considered clearly and closely related to the host contract at fair value.

► Refer to “Note 25 – Financial instruments” for further information.

Fair value of derivative instruments

	Trading			Hedging ¹		
	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)
end of 6M12						
Derivative instruments (CHF billion)						
Forwards and forward rate agreements	8,036.9	4.1	3.6	0.0	0.0	0.0
Swaps	28,731.0	656.5	647.6	57.3	3.5	1.7
Options bought and sold (OTC)	3,250.2	66.7	67.6	0.0	0.0	0.0
Futures	3,128.0	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	1,380.4	0.5	0.4	0.0	0.0	0.0
Interest rate products	44,526.5	727.8	719.2	57.3	3.5	1.7
Forwards	2,372.1	21.5	22.0	21.0	0.1	0.0
Swaps	1,334.2	31.8	48.5	0.0	0.0	0.0
Options bought and sold (OTC)	1,040.7	11.2	11.5	0.0	0.0	0.0
Futures	22.3	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	4.5	0.1	0.1	0.0	0.0	0.0
Foreign exchange products	4,773.8	64.6	82.1	21.0	0.1	0.0
Forwards	19.1	1.0	1.1	0.0	0.0	0.0
Options bought and sold (OTC)	37.6	1.3	1.3	0.0	0.0	0.0
Futures	0.3	0.0	0.0	0.0	0.0	0.0
Precious metals products	57.0	2.3	2.4	0.0	0.0	0.0
Forwards	4.9	0.8	0.1	0.0	0.0	0.0
Swaps	223.2	5.6	6.2	0.0	0.0	0.0
Options bought and sold (OTC)	239.7	13.2	13.9	0.0	0.0	0.0
Futures	72.2	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	378.8	17.3	19.9	0.0	0.0	0.0
Equity/index-related products	918.8	36.9	40.1	0.0	0.0	0.0
Credit derivatives²	1,952.3	47.6	45.3	0.0	0.0	0.0
Forwards	3.3	0.4	0.4	0.0	0.0	0.0
Swaps	55.7	6.8	6.0	0.0	0.0	0.0
Options bought and sold (OTC)	29.7	1.7	1.7	0.0	0.0	0.0
Futures	177.8	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	62.3	2.9	2.8	0.0	0.0	0.0
Other products³	328.8	11.8	10.9	0.0	0.0	0.0
Total derivative instruments	52,557.2	891.0	900.0	78.3	3.6	1.7

The notional amount for derivative instruments (trading and hedging) was CHF 52,635.5 billion as of 6M12.

¹ Relates to derivative contracts that qualify for hedge accounting under US GAAP. ² Primarily credit default swaps. ³ Primarily commodity, energy and emission products.

Fair value of derivative instruments (continued)

	Trading			Hedging ¹		
	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)
end of 2011						
Derivative instruments (CHF billion)						
Forwards and forward rate agreements	7,210.5	4.5	4.2	0.0	0.0	0.0
Swaps	28,760.7	658.2	650.3	67.9	3.7	2.1
Options bought and sold (OTC)	2,902.5	65.9	66.3	0.0	0.0	0.0
Futures	2,537.1	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	962.3	0.4	0.3	0.0	0.0	0.0
Interest rate products	42,373.1	729.0	721.1	67.9	3.7	2.1
Forwards	2,133.8	29.7	30.7	17.4	0.1	0.0
Swaps	1,231.7	34.0	51.4	0.0	0.0	0.0
Options bought and sold (OTC)	831.7	12.3	12.7	0.0	0.0	0.0
Futures	25.6	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	3.7	0.0	0.0	0.0	0.0	0.0
Foreign exchange products	4,226.5	76.0	94.8	17.4	0.1	0.0
Forwards	16.3	1.4	1.4	0.0	0.0	0.0
Options bought and sold (OTC)	34.7	0.9	1.0	0.0	0.0	0.0
Futures	0.1	0.0	0.0	0.0	0.0	0.0
Precious metals products	51.1	2.3	2.4	0.0	0.0	0.0
Forwards	4.1	0.9	0.0	0.0	0.0	0.0
Swaps	211.5	5.8	5.8	0.0	0.0	0.0
Options bought and sold (OTC)	241.5	14.5	14.9	0.2	0.0	0.0
Futures	57.8	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	366.0	18.2	21.2	0.0	0.0	0.0
Equity/index-related products	880.9	39.4	41.9	0.2	0.0	0.0
Credit derivatives ²	2,042.8	63.3	60.0	0.0	0.0	0.0
Forwards	8.7	0.9	0.8	0.0	0.0	0.0
Swaps	63.6	8.3	7.8	0.0	0.0	0.0
Options bought and sold (OTC)	29.9	2.2	1.7	0.0	0.0	0.0
Futures	177.1	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	63.3	3.9	3.8	0.0	0.0	0.0
Other products ³	342.6	15.3	14.1	0.0	0.0	0.0
Total derivative instruments	49,917.0	925.3	934.3	85.5	3.8	2.1

The notional amount for derivative instruments (trading and hedging) was CHF 50,002.5 billion as of December 31, 2011.

¹ Relates to derivative contracts that qualify for hedge accounting under US GAAP. ² Primarily credit default swaps. ³ Primarily commodity, energy and emission products.

Fair value of derivative instruments (continued)

end of	6M12		2011	
	Positive replacement value (PRV)	Negative replacement value (NRV)	Positive replacement value (PRV)	Negative replacement value (NRV)
Derivative instruments (CHF billion)				
Replacement values (trading and hedging) before netting agreements	894.6	901.7	929.1	936.4
Counterparty netting ¹	(811.6)	(811.6)	(836.5)	(836.5)
Cash collateral netting ¹	(37.5)	(40.0)	(36.3)	(37.9)
Replacement values (trading and hedging) after netting agreements	45.5	50.1	56.3	62.0
of which recorded in trading assets (PRV) and trading liabilities (NRV)	42.2	48.6	52.7	60.2
of which recorded in other assets (PRV) and other liabilities (NRV)	3.3	1.5	3.6	1.8

¹ Netting is based on legally enforceable netting agreements.

Fair value hedges

in	6M12	6M11
Gains/(losses) recognized in income on derivatives (CHF million)		
Interest rate products		449 (10)
Foreign exchange products		(12) (2)
Total	437	(12)
Gains/(losses) recognized in income on hedged items (CHF million)		
Interest rate products		(476) (17)
Foreign exchange products		12 2
Total	(464)	(15)
Details of fair value hedges (CHF million)		
Net gains/(losses) on the ineffective portion		(27) (27)

Represents gains/(losses) recognized in trading revenues.

Cash flow hedges

in	6M12	6M11
Gains/(losses) recognized in AOCI on derivatives (CHF million)		
Foreign exchange products	0	4
Total	0	4
Gains/(losses) reclassified from AOCI into income (CHF million)		
Foreign exchange products	0	31
Total	0	31

Represents gains/(losses) on effective portion.

¹ Included in commissions and fees.

The net gain associated with cash flow hedges expected to be reclassified from accumulated other comprehensive income (AOCI) within the next 12 months was CHF 1 million.

Net investment hedges

in	6M12	6M11
Gains/(losses) recognized in AOCI on derivatives (CHF million)		
Foreign exchange products	(201)	1,000
Total	(201)	1,000
Gains/(losses) reclassified from AOCI into income (CHF million)		
Foreign exchange products ¹	77	(2)
Total	77	(2)

Represents gains/(losses) on effective portion.

¹ Included in other revenues.

The Bank includes all derivative instruments not included in hedge accounting relationships in its trading activities.

- ▶ Refer to "Note 8 – Trading revenues" for gains and losses on trading activities by product type.

Disclosures relating to contingent credit risk

The following table provides the Bank's current net exposure from contingent credit risk relating to derivative contracts with bilateral counterparties and special purpose entities (SPEs) that include credit support agreements, the related collateral posted and the additional collateral required in a one-notch

and a two-notch downgrade event, respectively. The table also includes derivative contracts with contingent credit risk features without credit support agreements that have accelerated termination event conditions. The current net exposure for derivative contracts with bilateral counterparties and contracts with accelerated termination event conditions is the aggregate fair value of derivative instruments that were in a net liability position. For SPEs, the current net exposure by contract may include amounts other than or in addition to the NRV of derivative instruments with credit-risk-related contingent features.

Contingent credit risk

end of	Bilateral counterparties	Special purpose entities	Accelerated terminations	Total
6M12 (CHF billion)				
Current net exposure	17.1	1.6	0.7	19.4
Collateral posted	16.0	1.5	–	17.5
Additional collateral required in a one-notch downgrade event	0.1	1.5	0.0	1.6
Additional collateral required in a two-notch downgrade event	0.4	2.7	0.5	3.6
2011 (CHF billion)				
Current net exposure	17.0	2.0	0.7	19.7
Collateral posted	14.8	1.8	–	16.6
Additional collateral required in a one-notch downgrade event	0.2	1.6	0.0	1.8
Additional collateral required in a two-notch downgrade event	0.4	3.0	0.5	3.9

Credit derivatives

Credit protection sold/purchased

The following tables do not include all credit derivatives and differ from the credit derivatives in the “Fair value of derivative instruments” tables. This is due to the exclusion of certain credit derivative instruments under US GAAP, which defines a credit derivative as a derivative instrument (a) in which one or more of its underlyings are related to the credit risk of a specified entity (or a group of entities) or an index based on the credit risk of a group of entities and (b) that exposes the seller

to potential loss from credit risk-related events specified in the contract.

Certain cash collateralized debt obligations (CDOs) and other derivative instruments were excluded as they do not fall within the scope of US GAAP rules. Total return swaps (TRS) of CHF 3.8 billion and CHF 4.8 billion as of the end of 6M12 and 2011, respectively, were also excluded because a TRS does not expose the seller to potential loss from credit risk-related events specified in the contract. A TRS only provides protection against a loss in asset value and not against additional amounts as a result of specific credit events.

Credit protection sold/purchased

end of 6M12	Credit protection sold	Credit protection purchased	Net credit protection (sold)/ purchased	Other protection purchased	Fair value of credit protection sold
Single-name instruments (CHF billion)					
Investment grade ²	(465.5)	441.7	(23.8)	66.6	(7.8)
Non-investment grade	(195.6)	182.4	(13.2)	22.1	(6.1)
Total single-name instruments	(661.1)	624.1	(37.0)	88.7	(13.9)
of which sovereigns	(126.1)	124.2	(1.9)	10.3	(4.3)
of which non-sovereigns	(535.0)	499.9	(35.1)	78.4	(9.6)
Multi-name instruments (CHF billion)					
Investment grade ²	(254.6)	231.0	(23.6)	15.5	(6.8)
Non-investment grade	(24.8)	22.5 ³	(2.3)	4.6	(4.0)
Total multi-name instruments	(279.4)	253.5	(25.9)	20.1	(10.8)
of which sovereigns	(16.5)	16.2	(0.3)	0.5	(0.7)
of which non-sovereigns	(262.9)	237.3	(25.6)	19.6	(10.1)
Total instruments (CHF billion)					
Investment grade ²	(720.1)	672.7	(47.4)	82.1	(14.6)
Non-investment grade	(220.4)	204.9	(15.5)	26.7	(10.1)
Total instruments	(940.5)	877.6	(62.9)	108.8	(24.7)
of which sovereigns	(142.6)	140.4	(2.2)	10.8	(5.0)
of which non-sovereigns	(797.9)	737.2	(60.7)	98.0	(19.7)

¹ Represents credit protection purchased with identical underlyings and recoveries. ² Based on internal ratings of BBB and above. ³ Includes the Clock Finance transaction.

Credit protection sold/purchased (continued)

end of 2011	Credit protection sold	Credit protection purchased ¹	Net credit protection (sold)/ purchased	Other protection purchased	Fair value of credit protection sold
Single-name instruments (CHF billion)					
Investment grade ²	(452.2)	432.4	(19.8)	55.6	(9.0)
Non-investment grade	(189.1)	179.4	(9.7)	16.7	(15.3)
Total single-name instruments	(641.3)	611.8	(29.5)	72.3	(24.3)
of which sovereigns	(134.8)	132.6	(2.2)	10.8	(8.1)
of which non-sovereigns	(506.5)	479.2	(27.3)	61.5	(16.2)
Multi-name instruments (CHF billion)					
Investment grade ²	(278.2)	253.1	(25.1)	14.5	(15.5)
Non-investment grade	(71.9)	64.1 ³	(7.8)	9.0	(1.7)
Total multi-name instruments	(350.1)	317.2	(32.9)	23.5	(17.2)
of which sovereigns	(18.4)	17.5	(0.9)	0.9	(1.5)
of which non-sovereigns	(331.7)	299.7	(32.0)	22.6	(15.7)
Total instruments (CHF billion)					
Investment grade ²	(730.4)	685.5	(44.9)	70.1	(24.5)
Non-investment grade	(261.0)	243.5	(17.5)	25.7	(17.0)
Total instruments	(991.4)	929.0	(62.4)	95.8	(41.5)
of which sovereigns	(153.2)	150.1	(3.1)	11.7	(9.6)
of which non-sovereigns	(838.2)	778.9	(59.3)	84.1	(31.9)

¹ Represents credit protection purchased with identical underlyings and recoveries. ² Based on internal ratings of BBB and above. ³ Includes the Clock Finance transaction.

The following table reconciles the notional amount of credit derivatives included in the table "Fair value of derivative instruments" to the table "Credit protection sold/purchased".

Credit derivatives

end of	6M12	2011
Credit derivatives (CHF billion)		
Credit protection sold	940.5	991.4
Credit protection purchased	877.6	929.0
Other protection purchased	108.8	95.8
Other instruments ¹	25.4	26.6
Total credit derivatives	1,952.3	2,042.8

¹ Consists of certain cash collateralized debt obligations, total return swaps and other derivative instruments.

The segregation of the future payments by maturity range and underlying risk gives an indication of the current status of the potential for performance under the derivative contracts.

Maturity of credit protection sold

end of	Maturity less than 1 year	Maturity between 1 to 5 years	Maturity greater than 5 years	Total
6M12 (CHF billion)				
Single-name instruments	142.8	407.9	110.4	661.1
Multi-name instruments	37.2	137.8	104.4	279.4
Total instruments	180.0	545.7	214.8	940.5
2011 (CHF billion)				
Single-name instruments	134.1	394.5	112.7	641.3
Multi-name instruments	58.7	202.4	89.0	350.1
Total instruments	192.8	596.9	201.7	991.4

Note 23 **Guarantees and commitments**

- Refer to “Note 24 – Guarantees and commitments” in III – Condensed consolidated financial statements – unaudited in the Credit Suisse Financial Report 2Q12 and to “Note 30 – Guarantees and commitments” in VII – Consolidated financial statements – Credit Suisse (Bank) in the Credit Suisse Group AG & Credit Suisse AG Annual Report 2011 for further information.

Guarantees

end of	Maturity less than 1 year	Maturity greater than 1 year	Total gross amount	Total net amount ¹	Carrying value	Collateral received
6M12 (CHF million)						
Credit guarantees and similar instruments	3,184	13,872	17,056	16,632	134	2,239
Performance guarantees and similar instruments	4,979	4,566	9,545	8,680	65	3,312
Securities lending indemnifications	14,027	0	14,027	14,027	0	14,027
Derivatives ²	21,171	10,707	31,878	31,878	1,588	- ³
Other guarantees	4,272	1,135	5,407	5,381	3	2,942
Total guarantees	47,633	30,280	77,913	76,598	1,790	22,520
2011 (CHF million)						
Credit guarantees and similar instruments	3,267	4,074	7,341	6,606	50	2,451
Performance guarantees and similar instruments	5,470	4,624	10,094	9,184	69	3,345
Securities lending indemnifications	15,005	0	15,005	15,005	0	15,005
Derivatives ²	27,593	23,800	51,393	51,393	3,650	- ³
Other guarantees	3,846	989	4,835	4,799	4	2,241
Total guarantees	55,181	33,487	88,668	86,987	3,773	23,042

¹ Total net amount is computed as the gross amount less any participations. ² Excludes derivative contracts with certain active commercial and investment banks and certain other counterparties, as such contracts can be cash settled and the Bank had no basis to conclude it was probable that the counterparties held, at inception, the underlying instruments. ³ Collateral for derivatives accounted for as guarantees is not considered significant.

Deposit-taking banks and securities dealers in Switzerland and certain other European countries are required to ensure the payout of privileged deposits in case of specified restrictions or compulsory liquidation of a deposit-taking bank. In Switzerland, deposit-taking banks and securities dealers jointly guarantee an amount of up to CHF 6 billion. Upon occurrence of a payout event triggered by a specified restriction of business imposed by FINMA or by compulsory liquidation of another deposit taking bank, the Bank's contribution will be calculated based on its share of privileged deposits in proportion to total privileged deposits. Based on FINMA's estimate for the Bank's banking subsidiaries in Switzerland, the Bank's share in the deposit insurance guarantee program for the period July 1, 2011 to June 30, 2012 was CHF 0.6 billion. These deposit insurance guarantees were reflected in other guarantees. For the period July 1, 2012 to June 30, 2013, the Bank's share in

the deposit insurance guarantee program based on FINMA's estimate will be stable at CHF 0.6 billion.

PAF2 transaction

The Bank's results are impacted by the risk of counterparty defaults and the potential for changes in counterparty credit spreads related to derivative trading activities of the Bank. In 1Q12, the Bank entered into the 2011 Partner Asset Facility (PAF2) transaction to hedge the counterparty credit risk of a referenced portfolio of derivatives and their credit spread volatility. The hedge covers approximately USD 12 billion notional amount of expected positive exposure from counterparties of the Bank, and is addressed in three layers: (i) first loss (USD 0.5 billion), (ii) mezzanine (USD 0.8 billion) and (iii) senior (USD 11 billion). The first loss element is retained by the Bank and actively managed through normal credit procedures. The mezzanine layer was hedged by transferring the

risk of default and counterparty credit spread movements to eligible employees in the form of PAF2 awards, as part of their deferred compensation granted in the annual compensation process.

The Bank has purchased protection on the senior layer to hedge against the potential for future counterparty credit spread volatility. This was executed through a CDS, accounted for at fair value, with a third-party entity. The Bank also has a credit support facility with this entity that requires us to provide funding to it in certain circumstances. Under the facility, the Bank may be required to fund payments or costs related to amounts due by the entity under the CDS, and any funded amount may be settled by the assignment of the rights and obligations of the CDS to the Bank. The credit support facility is accounted for on an accrual basis and is reflected in credit guarantees and similar instruments in the "Guarantees" table.

The transaction overall is a four-year transaction, but can be extended to nine years. The Bank has the right to terminate the third-party transaction for certain reasons, including certain regulatory developments.

Representations and warranties on residential mortgage loans sold

In connection with Investment Banking's sale of US residential mortgage loans, the Bank has provided certain representations and warranties relating to the loans sold.

The following tables present the total amount of residential mortgage loans sold during the period from January 1, 2004 to June 30, 2012 by counterparty type, the development of outstanding repurchase claims and provisions for outstanding repurchase claims in 6M12, and the realized losses from the repurchase of residential mortgage loans sold.

Residential mortgage loans sold

Residential mortgage loans sold from January 1, 2004 to June 30, 2012 (USD billion)

Government-sponsored enterprises	8.2
Private investors ¹	22.4
Non-agency securitizations	129.7 ²
Total	160.3

¹ Primarily banks. ² The outstanding balance of residential mortgage loans as of June 30, 2012 was USD 29.6 billion. The difference of the total balance of mortgage loans sold and the outstanding balance as of June 30, 2012 is attributable to borrower payments of USD 83.7 billion and losses of USD 16.4 billion due to loan defaults.

Residential mortgage loans sold – outstanding repurchase claims

	6M12			
	Government-sponsored enterprises	Private investors	Non-agency securitizations	Total
Outstanding repurchase claims (USD million)				
Balance at beginning of period	68	432	243	743
New claims	36	22	777	835
Claims settled through repurchases	(3)	0	(5)	(8) ¹
Other settlements	(4)	(1)	(8)	(13) ²
Total claims settled	(7)	(1)	(13)	(21)
Claims rescinded	(26)	(5)	0	(31)
Transfers to arbitration and litigation ³	0	0	(156)	(156)
Balance at end of period	71	448	851	1,370

¹ Settled at a repurchased price of USD 9 million. ² Settled at USD 10 million. ³ Refer to "Note 29 – Litigation" for repurchase claims that are in arbitration or litigation.

Provisions for outstanding repurchase claims

	6M12
Provisions for outstanding repurchase claims (USD million) ¹	
Balance at beginning of period	59
Increase/(decrease) in provisions, net	16
Realized losses ²	(19)
Balance at end of period	56 ³

¹ Excludes provisions for repurchase claims related to residential mortgage loans sold that are in arbitration or litigation. Refer to "Note 29 – Litigation" for further information. ² Includes indemnifications paid to resolve loan repurchase claims. ³ Mainly related to non-agency securitizations and government-sponsored enterprises.

Realized losses from repurchase of residential mortgage loans sold

in	6M12	6M11
Realized losses from repurchase of residential mortgage loans sold (USD million)		
Realized losses	(19) ¹	(3) ²

¹ Primarily related to non-agency securitizations and government-sponsored enterprises. ² Primarily related to government-sponsored enterprises.

Other commitments

end of	Maturity less than 1 year	Maturity greater than 1 year	Total gross amount	Total net amount ¹	Collateral received
6M12 (CHF million)					
Irrevocable commitments under documentary credits	4,529	36	4,565	4,358	1,620
Loan commitments	151,782	65,135	216,917 ²	211,913	145,017
Forward reverse repurchase agreements	47,775	0	47,775	47,775	47,775
Other commitments	1,793	1,806	3,599	3,599	252
Total other commitments	205,879	66,977	272,856	267,645	194,664
2011 (CHF million)					
Irrevocable commitments under documentary credits	5,638	43	5,681	5,201	2,371
Loan commitments	154,394	62,809	217,203 ²	211,986	142,339
Forward reverse repurchase agreements	28,885	0	28,885	28,885	28,885
Other commitments	1,430	2,147	3,577	3,577	32
Total other commitments	190,347	64,999	255,346	249,649	173,627

¹ Total net amount is computed as the gross amount less any participations. ² Includes CHF 131,551 million and CHF 134,901 million of unused credit limits which were revocable at the Bank's sole discretion upon notice to the client at the end of 6M12 and 2011, respectively.

In November 2007, Credit Suisse Brazil, a wholly owned subsidiary of Credit Suisse AG, acquired a majority interest (50% plus one share) in Hedging-Griffo and entered into option arrangements in respect of the remaining equity interests in Hedging-Griffo. In 2Q12, the Bank acquired the remaining equity interests in Hedging-Griffo as contemplated under the

existing option arrangements at a final purchase price of BRL 1,248 million (CHF 584 million), gaining full control and ownership of Hedging-Griffo.

► Refer to "Note 3 – Business developments and subsequent events" for further information.

Note 24 **Transfers of financial assets and variable interest entities**

- Refer to “Note 25 – Transfers of financial assets and variable interest entities in III – Condensed consolidated financial statements – unaudited in the Credit Suisse Financial report 2012 and “Note 31 – Transfers of financial assets and variable interest entities in VII – Consolidated financial statements – Credit Suisse (Bank) in the Credit Suisse Annual Report 2011 for further information.

Transfers of financial assets**Securitizations**

The following table provides the gains or losses and proceeds from the transfer of assets relating to 6M12 and 6M11 securitizations of financial assets that qualify for sale accounting and subsequent derecognition, along with cash flows between the Bank and the SPEs used in any securitizations in which the Bank still has continuing involvement, regardless of when the securitization occurred.

Securitizations

in	6M12	6M11
Gains and cash flows (CHF million)		
CMBS		
Net gain ¹	23	0
Proceeds from transfer of assets	3,718	0
Cash received on interests that continue to be held	35	34
RMBS		
Net gain ¹	(2)	36
Proceeds from transfer of assets	8,483	19,542
Purchases of previously transferred financial assets or its underlying collateral	(11)	0
Servicing fees	1	2
Cash received on interests that continue to be held	246	220
Other asset-backed financings		
Net gain/(loss) ¹	71	11
Proceeds from transfer of assets	279	591
Purchases of previously transferred financial assets or its underlying collateral ²	(161)	(185)
Servicing fees	0	1
Cash received on interests that continue to be held	582	378

¹ Includes underwriting revenues, deferred origination fees, gains or losses on the sale of collateral to the SPE and gains or losses on the sale of newly issued securities to third parties, but excludes net interest income on assets prior to the securitization. The gains or losses on the sale of the collateral is the difference between the fair value on the day prior to the securitization pricing date and the sale price of the loans. ² Represents market making activity and voluntary repurchases at fair value where no repurchase obligations were present.

Continuing involvement in transferred financial assets

The following table provides the outstanding principal balance of assets to which the Bank continued to be exposed after the

transfer of the financial assets to any SPE and the total assets of the SPE as of June 30, 2012 and December 31, 2011, regardless of when the transfer of assets occurred.

Principal amounts outstanding and total assets of SPEs resulting from continuing involvement

end of	6M12	2011
CHF million		
CMBS		
Principal amount outstanding	35,027	35,487
Total assets of SPE	49,655	52,536
RMBS		
Principal amount outstanding	79,484	91,242
Total assets of SPE	82,654	95,297
Other asset-backed financings		
Principal amount outstanding	34,984	35,233
Total assets of SPE	34,987	35,307

Principal amount outstanding relates to assets transferred from the Bank and does not include principle amounts for assets transferred from third parties.

Fair value of beneficial interests

The fair value measurement of the beneficial interests held at the time of transfer and as of the reporting date that result from any continuing involvement is determined using fair value estimation techniques, such as the present value of estimated future cash flows that incorporate assumptions that market participants customarily use in these valuation techniques. The fair value of the assets or liabilities that result from any con-

tinuing involvement does not include any benefits from financial instruments that the Bank may utilize to hedge the inherent risks.

Key economic assumptions at the time of transfer

► Refer to "Note 25 – Financial instruments" for information on fair value hierarchy levels.

Key economic assumptions used in measuring fair value of beneficial interests at time of transfer

at time of transfer	6M12		2011	
	CMBS	RMBS	CMBS	RMBS
CHF million, except where indicated				
Fair value of beneficial interests	572	1,154	57	5,095
of which level 2	461	1,116	42	4,695
of which level 3	111	39	15	399
Weighted-average life, in years	9.1	1.4	7.2	5.4
Prepayment speed assumption (rate per annum), in % ¹	–	13.0-31.5	–	9.0-34.9
Cash flow discount rate (rate per annum), in % ²	1.9-10.7	0.4-13.7	2.9-10.6	0.5-71.2
Expected credit losses (rate per annum), in %	0.8-9.0	0.0-12.7	1.2-9.3	0.3-71.0

Transfers of assets in which the Bank does not have beneficial interests are not included in this table.

¹ Prepayment speed assumption (PSA) is an industry standard prepayment speed metric used for projecting prepayments over the life of a residential mortgage loan. PSA utilizes the constant prepayment rate (CPR) assumptions. A 100% prepayment assumption assumes a prepayment rate of 0.2% per annum of the outstanding principal balance of mortgage loans in the first month. This increases by 0.2% thereafter during the term of the mortgage loan, leveling off to a CPR of 6% per annum beginning in the 30th month and each month thereafter during the term of the mortgage loan. 100 PSA equals 6 CPR. ² The rate was based on the weighted-average yield on the beneficial interests.

Key economic assumptions as of the reporting date

The following tables provide the sensitivity analysis of key economic assumptions used in measuring the fair value of benefi-

cial interests held in SPEs as of June 30, 2012 and December 31, 2011.

Key economic assumptions used in measuring fair value of beneficial interests held in SPEs

end of	6M12			2011		
	CMBS ¹	RMBS	Other asset-backed financing activities ²	CMBS ¹	RMBS	Other asset-backed financing activities ²
CHF million, except where indicated						
Fair value of beneficial interests	932	2,346	1,106	342	2,960	1,754
of which non-investment grade	114	649	1,091	133	688	1,513
Weighted-average life, in years	7.5	5.3	3.4	4.1	5.3	2.5
Prepayment speed assumption (rate per annum), in % ³	-	0.0-44.9	-	-	0.1-30.0	-
Impact on fair value from 10% adverse change	-	(35.3)	-	-	(44.2)	-
Impact on fair value from 20% adverse change	-	(69.3)	-	-	(86.6)	-
Cash flow discount rate (rate per annum), in % ⁴	1.5-47.2	0.4-50.9	0.8-27.6	2.3-50.1	0.3-49.1	0.7-58.7
Impact on fair value from 10% adverse change	(47.3)	(76.6)	(1.2)	(30.5)	(94.4)	(8.2)
Impact on fair value from 20% adverse change	(65.4)	(116.8)	(2.3)	(36.2)	(151.9)	(15.9)
Expected credit losses (rate per annum), in %	1.1-46.5	2.5-49.4	2.6-25.9	1.9-49.0	0.9-48.9	5.4-31.8
Impact on fair value from 10% adverse change	(39.9)	(68.6)	(1.1)	(29.8)	(83.6)	(6.8)
Impact on fair value from 20% adverse change	(51.0)	(101.4)	(2.1)	(34.8)	(131.5)	(13.2)

¹ To deter prepayment, commercial mortgage loans typically have prepayment protection in the form of prepayment lockouts and yield maintenances. ² CDO's within this category are generally structured to be protected from prepayment risk. ³ PSA is an industry standard prepayment speed metric used for projecting prepayments over the life of a residential mortgage loan. PSA utilizes the CPR assumptions. A 100% prepayment assumption assumes a prepayment rate of 0.2% per annum of the outstanding principal balance of mortgage loans in the first month. This increases by 0.2% thereafter during the term of the mortgage loan, leveling off to a CPR of 6% per annum beginning in the 30th month and each month thereafter during the term of the mortgage loan. 100 PSA equals 6 CPR. ⁴ The rate was based on the weighted-average yield on the beneficial interests.

Secured borrowings

The following table provides the carrying amounts of transferred financial assets and the related liabilities where sale treatment was not achieved as of June 30, 2012 and December 31, 2011.

- ▶ Refer to “Note 26 – Assets pledged or assigned” for information on assets pledged or assigned.

Carrying amounts of transferred financial assets and liabilities where sale treatment was not achieved

end of	6M12	2011
CHF million		
CMBS		
Other assets	609	664
Liability to SPE, included in Other liabilities	(609)	(664)
RMBS		
Other assets	12	12
Liability to SPE, included in Other liabilities	(12)	(12)
Other asset-backed financing activities		
Trading assets	1,531	1,851
Other assets	1,359	1,475
Liability to SPE, included in Other liabilities	(2,890)	(3,326)

Variable interest entities

Consolidated VIEs

The consolidated variable interest entities (VIEs) tables provide the carrying amounts and classifications of the assets and liabilities of consolidated VIEs as of June 30, 2012 and December 31, 2011.

Consolidated VIEs in which the Bank was the primary beneficiary

end of 6M12	Financial intermediation						Total
	CDO	CP Conduit	Securi- tizations	Funds	Loans	Other	
Assets of consolidated VIEs (CHF million)							
Cash and due from banks	1,047	24	0	161	70	22	1,324
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	118	0	0	0	0	118
Trading assets	1,206	561	18	2,497	526	1,245	6,053
Investment securities	0	34	0	0	0	0	34
Other investments	0	0	0	0	1,811	516	2,327
Net loans	0	5,397	821	0	56	337	6,611
Premises and equipment	0	0	0	0	496	78	574
Loans held-for-sale	7,520	0	2,661	0	3	0	10,184
Other assets	44	1,015	0	5	481	215	1,760
Total assets of consolidated VIEs	9,817	7,149	3,500	2,663	3,443	2,413	28,985
Liabilities of consolidated VIEs (CHF million)							
Customer deposits	0	0	0	0	0	175	175
Trading liabilities	23	0	0	0	3	1,230	1,256
Short-term borrowings	318	6,737	0	40	0	0	7,095
Long-term debt	9,433	21	3,595	310	41	460	13,860
Other liabilities	55	0	1	3	150	471	680
Total liabilities of consolidated VIEs	9,829	6,758	3,596	353	194	2,336	23,066

Consolidated VIEs in which the Bank was the primary beneficiary (continued)

end of 2011	Financial intermediation						Total
	CDO	CP Conduit	Securi- tizations	Funds	Loans	Other	
Assets of consolidated VIEs (CHF million)							
Cash and due from banks	1,202	24	0	43	102	25	1,396
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	19	0	0	0	0	19
Trading assets	1,207	728	18	2,681	554	1,211	6,399
Investment securities	0	41	0	0	0	0	41
Other investments	0	0	0	0	1,863	483	2,346
Net loans	0	4,720	0	0	62	1,158	5,940
Premises and equipment	0	0	0	0	527	82	609
Loans held-for-sale	7,231	0	3,941	0	2	0	11,174
Other assets	43	751	0	30	740	263	1,827
Total assets of consolidated VIEs	9,683	6,283	3,959	2,754	3,850	3,222	29,751
Liabilities of consolidated VIEs (CHF million)							
Customer deposits	0	0	0	0	0	221	221
Trading liabilities	30	0	0	0	3	1,253	1,286
Short-term borrowings	0	6,141	0	0	0	0	6,141
Long-term debt	9,383	24	4,483	276	227	465	14,858
Other liabilities	69	2	0	24	157	493	745
Total liabilities of consolidated VIEs	9,482	6,167	4,483	300	387	2,432	23,251

Non-consolidated VIEs

Non-consolidated VIE assets are related to the non-consolidated VIEs with which the Bank has variable interests. These amounts represent the assets of the entities themselves and

are typically unrelated to the exposures the Bank has with the entity and thus are not amounts that are considered for risk management purposes.

Non-consolidated VIEs

end of 6M12	Financial intermediation					Total
	CDO	Securizations	Funds	Loans	Other	
Variable interest assets (CHF million)						
Trading assets	133	3,392	1,202	664	2,437	7,828
Net loans	9	119	1,729	4,125	1,519	7,501
Other assets	0	0	71	0	5	76
Total variable interest assets	142	3,511	3,002	4,789	3,961	15,405
Maximum exposure to loss (CHF million)						
Maximum exposure to loss	155	12,997	3,504	5,247	4,651	26,554
Non-consolidated VIE assets (CHF million)						
Non-consolidated VIE assets	9,096	113,118	62,922	24,417	8,540	218,093

end of 2011	Financial intermediation					Total
	CDO	Securizations	Funds	Loans	Other	
Variable interest assets (CHF million)						
Trading assets	126	5,497	1,449	834	2,079	9,985
Net loans	0	123	1,302	4,742	3,257	9,424
Other assets	0	0	32	0	369	401
Total variable interest assets	126	5,620	2,783	5,576	5,705	19,810
Maximum exposure to loss (CHF million)						
Maximum exposure to loss	153	7,056	3,180	6,051	6,075	22,515
Non-consolidated VIE assets (CHF million)						
Non-consolidated VIE assets	7,093	113,845	58,646	23,633	10,440	213,657

Note 25 **Financial instruments**

- ▶ Refer to “Note 26 – Financial instruments” in III – Condensed consolidated financial statements – unaudited in the Credit Suisse Financial Report 2012 and to “Note 32 – Financial instruments” in VII – Consolidated financial statements – Credit Suisse (Bank) in the Credit Suisse Annual Report 2011 for further information.

Assets and liabilities measured at fair value on a recurring basis

end of 6M12	Level 1	Level 2	Level 3	Netting impact ¹	Total
Assets (CHF million)					
Cash and due from banks	0	475	0	0	475
Interest-bearing deposits with banks	0	624	0	0	624
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	147,535	1,186	0	148,721
Debt	70	391	0	0	461
of which corporates	0	382	0	0	382
Equity	29,717	13	0	0	29,730
Securities received as collateral	29,787	404	0	0	30,191
Debt	99,560	52,687	7,847	0	160,094
of which foreign governments	72,101	8,864	51	0	81,016
of which corporates	2	25,447	4,125	0	29,574
of which RMBS	26,733	8,340	1,253	0	36,326
of which CMBS	0	4,730	1,364	0	6,094
of which CDO	0	5,080	654	0	5,734
Equity	59,852	8,602	429	0	68,883
Derivatives	10,025	872,493	8,586	(848,888)	42,216
of which interest rate products	1,914	723,709	2,195	–	–
of which foreign exchange products	1	63,595	1,045	–	–
of which equity/index-related products	7,317	27,342	2,247	–	–
of which credit derivatives	0	45,537	2,091	–	–
Other	8,551	2,171	2,327	0	13,049
Trading assets	177,988	935,953	19,189	(848,888)	284,242
Debt	2,931	252	91	0	3,274
of which foreign governments	2,931	0	19	0	2,950
of which corporates	0	252	39	0	291
of which CDO	0	0	33	0	33
Equity	314	83	1	0	398
Investment securities	3,245	335	92	0	3,672
Private equity	0	0	4,286	0	4,286
of which equity funds	0	0	2,986	0	2,986
Hedge funds	0	220	274	0	494
of which debt funds	0	143	178	0	321
Other equity investments	223	88	2,519	0	2,830
of which private	0	46	2,519	0	2,565
Life finance instruments	0	0	1,922	0	1,922
Other investments	223	308	9,001	0	9,532
Loans	0	14,115	6,400	0	20,515
of which commercial and industrial loans	0	7,856	3,978	0	11,834
of which financial institutions	0	5,162	2,093	0	7,255
Other intangible assets (mortgage servicing rights)	0	0	63	0	63
Other assets	5,247	25,215	6,635	(209)	36,888
of which loans held-for-sale	0	13,029	6,052	0	19,081
Total assets at fair value	216,490	1,124,964	42,566	(849,097)	534,923
Less other investments – equity at fair value attributable to noncontrolling interests	(189)	(102)	(3,899)	0	(4,190)
Less assets consolidated under ASU 2009-17 ²	0	(9,099)	(3,499)	0	(12,598)
Assets at fair value excluding noncontrolling interests and assets not risk-weighted under the Basel framework	216,301	1,115,763	35,168	(849,097)	518,135

¹ Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable counterparty netting agreements. ² Assets of consolidated VIEs that are not risk-weighted under the Basel framework.

Assets and liabilities measured at fair value on a recurring basis (continued)

end of 6M12	Level 1	Level 2	Level 3	Netting impact ¹	Total
Liabilities (CHF million)					
Due to banks	0	3,341	0	0	3,341
Customer deposits	0	4,807	0	0	4,807
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	143,714	0	0	143,714
Debt	70	391	0	0	461
of which corporates	0	382	0	0	382
Equity	29,717	13	0	0	29,730
Obligations to return securities received as collateral	29,787	404	0	0	30,191
Debt	35,086	10,095	16	0	45,197
of which foreign governments	34,937	1,928	10	0	36,875
of which corporates	0	7,396	6	0	7,402
Equity	21,619	391	27	0	22,037
Derivatives	10,481	883,328	6,088	(851,279)	48,618
of which interest rate products	1,888	715,861	1,334	–	–
of which foreign exchange products	1	79,912	2,205	–	–
of which equity/index-related products	7,749	31,424	889	–	–
of which credit derivatives	0	44,049	1,256	–	–
Trading liabilities	67,186	893,814	6,131	(851,279)	115,852
Short-term borrowings	0	4,378	78	0	4,456
Long-term debt	108	53,233	11,677	0	65,018
of which treasury debt over two years	0	11,102	0	0	11,102
of which structured notes over two years	0	21,099	7,167	0	28,266
of which non-recourse liabilities	108	10,156	2,821	0	13,085
Other liabilities	0	26,355	3,557	(258)	29,654
of which failed sales	0	3,222	1,671	0	4,893
Total liabilities at fair value	97,081	1,130,046	21,443	(851,537)	397,033

¹ Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable counterparty netting agreements.

Assets and liabilities measured at fair value on a recurring basis (continued)

end of 2011	Level 1	Level 2	Level 3	Netting impact ¹	Total
Assets (CHF million)					
Interest-bearing deposits with banks	0	405	0	0	405
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	157,469	1,204	0	158,673
Debt	94	3,895	112	0	4,101
of which corporates	0	3,835	112	0	3,947
Equity	25,958	51	81	0	26,090
Securities received as collateral	26,052	3,946	193	0	30,191
Debt	82,237	52,783	9,941	0	144,961
of which foreign governments	61,506	8,123	358	0	69,987
of which corporates	337	27,639	5,076	0	33,052
of which RMBS	19,331	5,848	1,786	0	26,965
of which CMBS	0	4,556	1,517	0	6,073
of which CDO	0	6,570	727	0	7,297
Equity	57,481	9,038	467	0	66,986
Derivatives	6,455	909,261	9,588	(872,569)	52,735
of which interest rate products	2,017	724,413	2,547	–	–
of which foreign exchange products	1	74,950	1,040	–	–
of which equity/index-related products	3,929	32,770	2,732	–	–
of which credit derivatives	0	61,120	2,172	–	–
Other	9,235	3,636	2,195	0	15,066
Trading assets	155,408	974,718	22,191	(872,569)	279,748
Debt	3,010	446	102	0	3,558
of which foreign governments	3,010	0	18	0	3,028
of which corporates	0	309	43	0	352
of which CDO	0	136	41	0	177
Equity	9	83	0	0	92
Investment securities	3,019	529	102	0	3,650
Private equity	0	0	4,143	0	4,143
of which equity funds	0	0	2,973	0	2,973
Hedge funds	0	232	266	0	498
of which debt funds	0	154	172	0	326
Other equity investments	403	50	2,490	0	2,943
of which private	0	40	2,490	0	2,530
Life finance instruments	0	0	1,968	0	1,968
Other investments	403	282	8,867	0	9,552
Loans	0	13,851	6,842	0	20,693
of which commercial and industrial loans	0	7,591	4,559	0	12,150
of which financial institutions	0	5,480	2,179	0	7,659
Other intangible assets (mortgage servicing rights)	0	0	70	0	70
Other assets	5,451	22,951	7,469	(205)	35,666
of which loans held-for-sale	0	12,104	6,901	0	19,005
Total assets at fair value	190,333	1,174,151	46,938	(872,774)	538,648
Less other investments – equity at fair value attributable to noncontrolling interests	(295)	(99)	(3,944)	0	(4,338)
Less assets consolidated under ASU 2009-17 ²	0	(9,304)	(4,003)	0	(13,307)
Assets at fair value excluding noncontrolling interests and assets not risk-weighted under the Basel framework	190,038	1,164,748	38,991	(872,774)	521,003

¹ Derivative contracts are reported on a gross basis by level. The impact of netting represents an adjustment related to counterparty netting. ² Assets of consolidated VIEs that are not risk-weighted under the Basel framework.

Assets and liabilities measured at fair value on a recurring basis (continued)

end of 2011	Level 1	Level 2	Level 3	Netting impact ¹	Total
Liabilities (CHF million)					
Due to banks	0	2,737	0	0	2,737
Customer deposits	0	4,583	0	0	4,583
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	136,483	0	0	136,483
Debt	94	3,895	112	0	4,101
of which corporates	0	3,835	112	0	3,947
Equity	25,958	51	81	0	26,090
Obligation to return securities received as collateral	26,052	3,946	193	0	30,191
Debt	38,680	9,302	21	0	48,003
of which foreign governments	38,622	829	0	0	39,451
of which corporates	6	7,591	13	0	7,610
Equity	19,124	461	7	0	19,592
Derivatives	6,283	920,612	7,315	(873,996)	60,214
of which interest rate products	1,941	717,435	1,588	–	–
of which foreign exchange products	1	91,984	2,836	–	–
of which equity/index-related products	3,809	37,054	1,022	–	–
of which credit derivatives	0	58,497	1,520	–	–
Trading liabilities	64,087	930,375	7,343	(873,996)	127,809
Short-term borrowings	0	3,311	236	0	3,547
Long-term debt	122	55,199	12,715	0	68,036
of which treasury debt over two years	0	13,191	0	0	13,191
of which structured notes over two years	1	19,694	7,576	0	27,271
of which non-recourse liabilities	121	10,564	3,585	0	14,270
Other liabilities	0	27,387	3,890	(335)	30,942
of which failed sales	0	3,821	1,909	0	5,730
Total liabilities at fair value	90,261	1,164,021	24,377	(874,331)	404,328

¹ Derivative contracts are reported on a gross basis by level. The impact of netting represents an adjustment related to counterparty netting.

Transfers between level 1 and level 2

6M12	Transfers to level 1 out of level 2	Transfers out of level 1 to level 2
Assets (CHF million)		
Debt	47	96
Equity	99	202
Derivatives	4,374	16
Trading assets	4,520	314
Liabilities (CHF million)		
Debt	26	32
Equity	43	20
Derivatives	5,116	66
Trading liabilities	5,185	118

Assets and liabilities measured at fair value on a recurring basis for level 3

6M12	Balance at beginning of period	Transfers in	Transfers out	Purchases
Assets (CHF million)				
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,204	0	0	0
Securities received as collateral	193	0	(195)	0
Debt	9,941	1,269	(1,477)	3,338
of which corporates	5,076	479	(665)	2,268
of which RMBS	1,786	517	(545)	477
of which CMBS	1,517	111	(154)	206
of which CDO	727	136	(44)	300
Equity	467	287	(39)	198
Derivatives	9,588	912	(1,128)	0
of which interest rate products	2,547	55	(247)	0
of which equity/index-related products	2,732	396	(459)	0
of which credit derivatives	2,172	455	(328)	0
Other	2,195	110	(115)	1,239
Trading assets	22,191	2,578	(2,759)	4,775
Investment securities	102	0	0	0
Equity	6,899	4	(48)	355
Life finance instruments	1,968	0	0	70
Other investments	8,867	4	(48)	425
Loans	6,842	220	(97)	327
of which commercial and industrial loans	4,559	114	(97)	92
of which financial institutions	2,179	76	0	227
Other intangible assets	70	0	0	2
Other assets	7,469	1,180	(1,593)	1,513
of which loans held-for-sale ²	6,901	1,155	(1,592)	1,465
Total assets at fair value	46,938	3,982	(4,692)	7,042
Liabilities (CHF million)				
Obligations to return securities received as collateral	193	0	(195)	0
Trading liabilities	7,343	704	(980)	36
of which interest rate derivatives	1,588	79	(377)	0
of which foreign exchange derivatives	2,836	1	(167)	0
of which equity/index-related derivatives	1,022	62	(109)	0
of which credit derivatives	1,520	520	(313)	0
Short-term borrowings	236	4	(60)	0
Long-term debt	12,715	1,493	(1,654)	0
of which structured notes over two years	7,576	657	(852)	0
of which non-recourse liabilities	3,585	744	(716)	0
Other liabilities	3,890	131	(46)	273
of which failed sales	1,909	72	(19)	266
Total liabilities at fair value	24,377	2,332	(2,935)	309
Net assets/liabilities at fair value	22,561	1,650	(1,757)	6,733

¹ For all transfers to level 3 or out of level 3, the Bank determines and discloses as level 3 events only gains or losses through the last day of the reporting period. ² Includes unrealized gains recorded in trading revenues of CHF 170 million primarily related to sub-prime exposures in the RMBS business and market movements across the wider loans held-for-sale portfolio.

Sales	Issuances	Settlements	Trading revenues		Other revenues		Foreign currency translation impact	Balance at end of period
			On transfers in / out ¹	On all other	On transfers in / out ¹	On all other		
0	0	0	0	(25)	0	0	7	1,186
0	0	0	0	0	0	0	2	0
(5,310)	0	0	28	34	0	0	24	7,847
(3,323)	0	0	35	232	0	0	23	4,125
(999)	0	0	(11)	26	0	0	2	1,253
(142)	0	0	(5)	(170)	0	0	1	1,364
(485)	0	0	1	17	0	0	2	654
(446)	0	0	16	(52)	0	0	(2)	429
0	701	(1,656)	73	54	0	0	42	8,586
0	152	(369)	11	34	0	0	12	2,195
0	259	(616)	57	(129)	0	0	7	2,247
0	145	(385)	0	22	0	0	10	2,091
(1,128)	0	0	(2)	11	0	0	17	2,327
(6,884)	701	(1,656)	115	47	0	0	81	19,189
(7)	0	0	0	0	0	0	(3)	92
(572)	0	0	0	1	0	397	43	7,079
(154)	0	0	0	25	0	0	13	1,922
(726)	0	0	0	26	0	397	56	9,001
(712)	1,779	(1,803)	5	(186)	0	0	25	6,400
(353)	1,095	(1,459)	5	12	0	0	10	3,978
(345)	496	(329)	0	(221)	0	0	10	2,093
0	0	0	0	0	0	(9)	0	63
(1,744)	101	(664)	54	318	0	0	1	6,635
(1,662)	101	(665)	53	286	0	0	10	6,052
(10,073)	2,581	(4,123)	174	180	0	388	169	42,566
0	0	0	0	0	0	0	2	0
(271)	465	(1,282)	41	47	0	0	28	6,131
0	63	(67)	23	13	0	0	12	1,334
0	0	(496)	20	1	0	0	10	2,205
0	236	(191)	(32)	(99)	0	0	0	889
0	69	(459)	30	(113)	0	0	2	1,256
0	129	(233)	(6)	9	0	0	(1)	78
0	1,438	(2,852)	116	351	0	0	70	11,677
0	1,039	(1,517)	59	152	0	0	53	7,167
0	173	(1,171)	53	147	0	0	6	2,821
(668)	1	(219)	(7)	80	0	115	7	3,557
(661)	0	(46)	0	144	0	0	6	1,671
(939)	2,033	(4,586)	144	487	0	115	106	21,443
(9,134)	548	463	30	(307)	0	273	63	21,123

Assets and liabilities measured at fair value on a recurring basis for level 3 (continued)

6M11	Balance at beginning of period	Transfers in	Transfers out	Purchases
Assets (CHF million)				
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,196	0	(9)	0
Debt	10,887	1,450	(1,512)	5,293
of which corporates	3,805	378	(205)	2,182
of which RMBS	3,265	792	(769)	2,187
of which CMBS	1,862	68	(159)	324
of which CDO	1,134	175	(343)	305
Equity	623	204	(355)	523
Derivatives	8,720	1,289	(1,040)	0
of which interest rate products	2,071	60	(122)	0
of which equity/index-related products	2,298	109	(153)	0
of which credit derivatives	2,724	845	(717)	0
Other	2,016	105	(199)	1,573
Trading assets	22,246	3,048	(3,106)	7,389
Investment securities	79	2	0	50
Equity	9,346	23	(66)	626
Life finance instruments	1,843	0	0	59
Other investments	11,189	23	(66)	685
Loans	6,256	915	(935)	1,050
of which commercial and industrial loans	3,559	912	(564)	170
of which financial institutions	2,195	3	(127)	876
Other intangible assets	66	0	0	0
Other assets	9,253	2,965	(4,591)	3,185
of which loans held-for-sale	8,933	2,963	(4,588)	2,991
Total assets at fair value	50,285	6,953	(8,707)	12,359
Liabilities (CHF million)				
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	507	0	(263)	0
Trading liabilities	9,201	836	(844)	134
of which interest rate derivatives	1,342	26	(10)	0
of which foreign exchange derivatives	2,940	59	(33)	0
of which equity/index-related derivatives	2,939	94	(232)	0
of which credit derivatives	1,255	623	(507)	0
Short-term borrowings	123	43	(18)	0
Long-term debt	16,798	3,535	(5,630)	0
of which structured notes over two years	9,486	804	(1,121)	0
of which non-recourse liabilities	6,825	2,577	(4,398)	0
Other liabilities	3,733	507	(155)	157
of which failed sales	1,848	499	(131)	124
Total liabilities at fair value	30,362	4,921	(6,910)	291
Net assets/liabilities at fair value	19,923	2,032	(1,797)	12,068

¹ For all transfers to level 3 or out of level 3, the Bank determines and discloses as level 3 events only gains or losses through the last day of the reporting period.

Sales	Issuances	Settlements	Trading revenues		Other revenues		Foreign currency translation impact	Balance at end of period
			On transfers in / out ¹	On all other	On transfers in / out ¹	On all other		
0	56	(46)	0	(9)	0	0	(122)	1,066
(6,237)	0	0	98	442	0	1	(1,153)	9,269
(1,853)	0	0	46	33	0	1	(550)	3,837
(2,830)	0	0	35	215	0	0	(298)	2,597
(601)	0	0	4	64	0	0	(122)	1,440
(616)	0	0	12	134	0	0	(102)	699
(424)	0	0	40	32	0	38	(67)	614
0	319	(805)	(51)	474	0	0	(878)	8,028
0	112	(241)	(9)	(171)	0	0	(186)	1,514
0	110	(13)	24	171	0	0	(253)	2,293
0	21	(382)	(65)	222	0	0	(258)	2,390
(1,239)	0	(36)	8	20	0	0	(225)	2,023
(7,900)	319	(841)	95	968	0	39	(2,323)	19,934
(11)	0	(4)	0	0	0	0	(8)	108
(1,871)	0	0	0	35	0	891	(846)	8,138
(90)	0	0	0	56	0	0	(190)	1,678
(1,961)	0	0	0	91	0	891	(1,036)	9,816
(454)	1,163	(1,748)	21	190	0	0	(655)	5,803
(269)	975	(1,192)	5	96	0	0	(343)	3,349
(80)	189	(370)	(1)	42	0	0	(280)	2,447
0	0	0	0	0	0	(10)	(6)	50
(2,874)	1,186	(839)	89	374	0	(1)	(1,000)	7,747
(2,861)	1,185	(833)	89	349	0	0	(953)	7,275
(13,200)	2,724	(3,478)	205	1,614	0	919	(5,150)	44,524
0	0	(204)	(4)	0	0	0	(36)	0
(192)	453	(1,071)	(29)	950	0	0	(945)	8,493
0	11	(103)	(11)	(146)	0	0	(117)	992
0	3	(324)	(1)	640	0	0	(319)	2,965
0	185	(190)	26	252	0	0	(318)	2,756
0	123	(276)	(43)	203	0	0	(128)	1,250
0	226	(137)	1	5	0	0	(20)	223
0	4,007	(4,963)	54	546	0	0	(1,713)	12,634
0	1,761	(2,282)	(9)	337	0	0	(981)	7,995
0	2,043	(2,441)	57	224	0	0	(683)	4,204
(225)	1	(211)	(30)	163	0	129	(365)	3,704
(207)	0	(9)	(5)	159	0	0	(193)	2,085
(417)	4,687	(6,586)	(8)	1,664	0	129	(3,079)	25,054
(12,783)	(1,963)	3,108	213	(50)	0	790	(2,071)	19,470

Gains and losses on assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3)

in	6M12			6M11		
	Trading revenues	Other revenues	Total revenues	Trading revenues	Other revenues	Total revenues
Gains and losses on assets and liabilities (CHF million)						
Net realized/unrealized gains/(losses) included in net revenues	(277)	273	(4) ¹	163	790	953 ¹
Whereof:						
Unrealized gains/(losses) relating to assets and liabilities still held as of the reporting date	113	313	426	(2,139)	724	(1,415)

¹ Excludes net realized/unrealized gains/(losses) attributable to foreign currency translation impact.

Quantitative information about level 3 assets at fair value

end of 6M12	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value
CHF million, except where indicated					
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,186	Option model	Mean reversion, in % ¹	10.0	18.0
Debt	7,847				
of which corporates	4,125	Option model	Correlation, in %	(85.0)	98.0
		Option model	Buyback probability, in % ²	50.0	100.0
		Option model	Gap risk, in % ³	0.0	12.0
		Price	Price, in %	0.0	150.9
		Discounted cash flow	Credit spread, in bp	26.0	168.0
of which RMBS	1,253	Price	Price, in %	0.1	138.0
of which CMBS	1,364	Price	Price, in %	0.1	87.5
		Discounted cash flow	Capitalization rate, in %	5.0	12.0
		Discounted cash flow	Internal rate of return, in %	9.0	15.0
of which CDO	654	Price	Price, in %	0.0	101.8
Equity	429	Discounted cash flow	EBITDA multiple	3.0	12.0
		Discounted cash flow	Capitalization rate, in %	6.5	7.5
Derivatives	8,586				
of which interest rate products	2,195	Option model	Correlation, in %	17.1	99.7
		Option model	Prepayment rate, in %	56.0	108.0
		Option model	Volatility, in %	0.3	31.3
of which equity/index-linked products	2,247	Option model	Correlation, in %	(85.0)	98.0
		Option model	Credit spread, in bp	52.0	184.0
		Option model	Volatility, in %	3.0	125.0
of which credit derivatives	2,091	Price	Price, in %	0.1	90.0
		Option model	Correlation, in %	22.2	97.0
		Discounted cash flow	Credit spread, in bp	3.8	8,719.0
		Discounted cash flow	Recovery rates, in %	0.0	75.0
Other	2,327	Price	Price, in %	0.1	113.0
		Discounted cash flow	Life expectancy, in years	3.5	20.2
Trading assets	19,189				

¹ Management's best estimate of the speed at which interest rates will revert to the long-term average. ² Estimate of the probability of corporate bonds being called by the issuer at its option over the remaining life of the financial instrument. ³ Risk of unexpected large declines in the underlying values occurring between collateral settlement dates.

Quantitative information about level 3 assets at fair value (continued)

end of 6M12	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value
CHF million, except where indicated					
Investment securities	92	–	–	–	–
Private equity	4,286	– ¹	– ¹	– ¹	– ¹
Hedge funds	274	– ¹	– ¹	– ¹	– ¹
Other equity investments	2,519				
of which private	2,519	Discounted cash flow	Credit spread, in bp	1,068.0	1,783.0
		Discounted cash flow	EBITDA multiple	2.4	11.3
Life finance instruments	1,922	Discounted cash flow	Life expectancy, in years	1.1	21.9
Other investments	9,001				
Loans	6,400				
of which commercial and industrial loans	3,978	Discounted cash flow	Credit spread, in bp	0.0	3,773.0
of which financial institutions	2,093	Discounted cash flow	Credit spread, in bp	(162.0)	1,147.3
Other intangible assets (mortgage servicing rights)	63	–	–	–	–
Other assets	6,635				
of which loans held-for-sale	6,052	Price	Price, in %	0.0	103.3
		Discounted cash flow	Credit spread, in bp	25.0	1,599.0
Total assets at fair value	42,566				

¹ Disclosure not required as balances are carried at unadjusted NAV. Refer to "Fair value measurements of investments in certain entities that calculate NAV per share" for further information.

Quantitative information about level 3 liabilities at fair value

end of 6M12	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value
CHF million, except where indicated					
Trading liabilities	6,131				
of which interest rate derivatives	1,334	Option model	Basis spread, in bp	(54.0)	1,238.0
		Option model	Correlation, in %	17.1	98.6
		Option model	Mean reversion, in % ¹	(32.8)	5.0
		Option model	Prepayment rate, in %	45.0	108.0
of which foreign exchange derivatives	2,205	Option model	Correlation, in %	(12.5)	76.3
		Option model	Prepayment rate, in %	56.0	108.0
of which equity/index-related derivatives	889	Option model	Correlation, in %	(85.0)	98.0
		Option model	Skew, in %	70.0	141.0
		Option model	Volatility, in %	3.0	125.0
		Option model	Buyback probability, in % ²	50.0	100.0
		Option model	Gap risk, in % ³	0.0	4.8
of which credit derivatives	1,256	Price	Price, in %	0.1	90.0
		Option model	Correlation, in %	22.2	65.0
		Discounted cash flow	Credit spread, in bp	2.0	8,719.0
		Discounted cash flow	Recovery rate, in %	0.0	77.0
Short-term borrowings	78	–	–	–	–
Long-term debt	11,677				
of which structured notes over two years	7,167	Option model	Correlation, in %	(85.0)	98.0
		Option model	Volatility, in %	3.0	125.0
		Option model	Buyback probability, in % ²	50.0	100.0
		Option model	Gap risk, in % ³	0.0	12.0
of which non-recourse liabilities	2,821	Price	Price, in %	0.0	103.0
Other liabilities	3,557				
of which failed sales	1,671	Price	Price, in %	0.0	93.3
		Discounted cash flow	Credit spread, in bp	0.0	681.2
Total liabilities at fair value	21,443				

¹ Management's best estimate of the speed at which interest rates will revert to the long-term average. ² Estimate of the probability of structured notes being put back to the Bank at the option of the investor over the remaining life of the financial instruments. ³ Risk of unexpected large declines in the underlying values between collateral settlement dates.

Fair value, unfunded commitments and term of redemption conditions

end of 6M12	Non- redeemable	Redeemable	Total fair value	Unfunded commit- ments
Fair value and unfunded commitments (CHF million)				
Debt funds	44	49	93	0
Equity funds	33	3,893 ¹	3,926	0
Equity funds sold short	0	(89)	(89)	0
Total funds held in trading assets and liabilities	77	3,853	3,930	0
Debt funds	63	258	321	210
Equity funds	4	45	49	0
Others	4	120	124	55
Hedge funds	71	423 ²	494	265
Debt funds	96	0	96	18
Equity funds	2,986	0	2,986	829
Real estate funds	374	0	374	156
Others	830	0	830	237
Private equities	4,286	0	4,286	1,240
Equity method investments	390	0	390	0
Total funds held in other investments	4,747	423	5,170	1,505
Total fair value	4,824 ³	4,276 ⁴	9,100	1,505 ⁵

¹ 54% of the redeemable fair value amount of equity funds is redeemable on demand with a notice period primarily of less than 30 days, 17% is redeemable on a quarterly basis with a notice period primarily of more than 45 days, 16% is redeemable on an annual basis with a notice period primarily of more than 60 days and 13% is redeemable on a monthly basis with a notice period primarily of less than 30 days. ² 69% of the redeemable fair value amount of hedge funds is redeemable on a quarterly basis with a notice period primarily of more than 60 days, 17% is redeemable on an annual basis with a notice period of more than 60 days and 13% is redeemable on demand with a notice period primarily of less than 30 days. ³ Includes CHF 2,214 million attributable to noncontrolling interests. ⁴ Includes CHF 79 million attributable to noncontrolling interests. ⁵ Includes CHF 473 million attributable to noncontrolling interests.

Fair value, unfunded commitments and term of redemption conditions (continued)

end of 2011	Non-redeemable	Redeemable	Total fair value	Unfunded commit- ments
Fair value and unfunded commitments (CHF million)				
Debt funds	45	61	106	0
Equity funds	40	4,864 ¹	4,904	0
Equity funds sold short	0	(78)	(78)	0
Total funds held in trading assets and liabilities	85	4,847	4,932	0
Debt funds	58	268	326	219
Equity funds	4	50	54	0
Others	5	113	118	55
Hedge funds	67	431 ²	498	274
Debt funds	9	0	9	18
Equity funds	2,973	0	2,973	952
Real estate funds	338	0	338	200
Others	823	0	823	231
Private equity	4,143	0	4,143	1,401
Equity method investments	360	0	360	0
Total funds held in other investments	4,570	431	5,001	1,675
Total fair value	4,655 ³	5,278 ⁴	9,933	1,675 ⁵

¹ 46% of the redeemable fair value amount of equity funds is redeemable on demand with a notice period of less than 30 days, 19% is redeemable on a quarterly basis with a notice period primarily of more than 45 days, 18% is redeemable on an annual basis with a notice period primarily of more than 60 days and 17% is redeemable on a monthly basis with a notice period primarily of less than 30 days. ² 72% of the redeemable fair value amount of hedge funds is redeemable on a quarterly basis with a notice period primarily of more than 60 days, 17% is redeemable on an annual basis with a notice period of more than 60 days and 10% is redeemable on demand with a notice period primarily of less than 30 days. ³ Includes CHF 2,248 million attributable to noncontrolling interests. ⁴ Includes CHF 91 million attributable to noncontrolling interests. ⁵ Includes CHF 540 million attributable to noncontrolling interests.

Nonrecurring fair value changes

end of	6M12	2011
Assets held-for-sale recorded at fair value on a nonrecurring basis (CHF billion)		
Assets held-for-sale recorded at fair value on a nonrecurring basis	0.6	0.7
of which level 3	0.6	0.7

Difference between the aggregate fair value and the aggregate unpaid principal balances on loans and financial instruments

end of	6M12			2011		
	Aggregate fair value	Aggregate unpaid principal	Difference	Aggregate fair value	Aggregate unpaid principal	Difference
Loans (CHF million)						
Non-interest-earning loans	895	3,712	(2,817)	807	3,277	(2,470)
Financial instruments (CHF million)						
Interest-bearing deposits with banks	624	613	11	405	404	1
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	148,721	148,075	646	158,673	157,889	784
Loans	20,515	20,776	(261)	20,693	21,381	(688)
Other assets ¹	21,941	30,081	(8,140)	20,511	30,778	(10,267)
Due to banks and customer deposits	(729)	(703)	(26)	(610)	(620)	10
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(143,714)	(143,617)	(97)	(136,483)	(136,396)	(87)
Short-term borrowings	(4,456)	(4,524)	68	(3,547)	(3,681)	134
Long-term debt	(65,018)	(69,293)	4,275	(68,036)	(77,000)	8,964
Other liabilities	(4,892)	(7,476)	2,584	(5,730)	(8,210)	2,480

¹ Primarily loans held-for-sale.

Gains and losses on financial instruments

	6M12	6M11
in	Net gains/ (losses)	Net gains/ (losses)
Financial instruments (CHF million)		
Cash and due from banks	(12) ²	–
of which related to credit risk	(13)	–
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	628 ¹	713 ¹
Other trading assets	10 ²	(5) ²
Other investments	26 ²	88 ²
of which related to credit risk	10	(2)
Loans	1 ²	1,012 ²
of which related to credit risk	259	134
Other assets	1,223 ¹	2,110 ²
of which related to credit risk	268	269
Due to banks and customer deposits	4 ²	(12) ¹
of which related to credit risk	16	8
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	30 ²	(81) ¹
Short-term borrowings	(131) ²	(141) ²
Long-term debt	(2,870) ²	(3,943) ²
of which related to credit risk ⁴	(1,177)	(215)
Other liabilities	265 ²	(738) ²
of which related to credit risk	294	(260)

¹ Primarily recognized in net interest income. ² Primarily recognized in trading revenues. ³ Primarily recognized in other revenues. ⁴ Changes in fair value related to credit risk is due to the change in the Bank's own credit spreads. Other changes in fair value are attributable to changes in foreign currency exchange rates and interest rates, as well as movements in the reference price or index for structured notes.

Carrying value and estimated fair values of financial instruments

end of	6M12		2011	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets (CHF million)				
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	226,855	226,854	236,935	236,935
Securities received as collateral	30,191	30,191	30,191	30,191
Trading assets	275,544	275,544	270,511	270,511
Investment securities	3,674	3,674	3,652	3,652
Loans	221,648	225,405	216,506	220,350
Other financial assets ¹	228,982	229,003	234,615	234,653
Financial liabilities (CHF million)				
Due to banks and deposits	343,817	343,757	344,207	344,129
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	189,266	189,268	176,559	176,559
Obligation to return securities received as collateral	30,191	30,191	30,191	30,191
Trading liabilities	115,852	115,852	127,809	127,809
Short-term borrowings	19,184	19,187	26,116	26,117
Long-term debt	153,862	152,793	161,353	158,053
Other financial liabilities ²	132,007	131,814	127,439	127,439

¹ Primarily includes cash and due from banks, interest-bearing deposits with banks, brokerage receivables, loans held-for-sale, cash collateral on derivative instruments, interest and fee receivables and non-marketable equity securities. ² Primarily includes brokerage payables, cash collateral on derivative instruments and interest and fee payables.

Assets and liabilities not measured at fair value where a fair value is disclosed

end of 6M12	Level 1	Level 2	Level 3	Total fair value
Financial assets (CHF million)				
Central banks funds sold, securities purchased under resale agreements and securities borrowing transactions	0	78,082	51	78,133
Loans	0	199,450	5,440	204,890
Other financial assets ¹	102,546	77,232	2,070	181,848
Financial liabilities (CHF million)				
Due to banks and deposits	187,146	148,447	16	335,609
Central banks funds purchased, securities purchased under resale agreements and securities lending transactions	0	45,554	0	45,554
Short-term borrowings	0	14,731	0	14,731
Long-term debt	0	82,824	4,940	87,764
Other financial liabilities ²	0	100,751	1,517	102,268

¹ Primarily includes cash and due from banks, interest-bearing deposits with banks, brokerage receivables, loans held-for-sale, cash collateral on derivative instruments, interest and fee receivables and non-marketable equity securities. ² Primarily includes brokerage payables, cash collateral on derivative instruments and interest and fee payables.

Note 26 **Assets pledged or assigned**

- ▶ Refer to "Note 27 – Assets pledged or assigned" in III – Condensed consolidated financial statements – unaudited in the Credit Suisse Financial Report 2Q12 and to "Note 33 – Assets pledged or assigned" in VII – Consolidated financial statements – Credit Suisse (Bank) in the Credit Suisse Annual Report 2011 for further information.

Assets pledged or assigned

end of	6M12	2011
Assets pledged or assigned (CHF million)		
Book value of assets pledged or assigned as collateral	167,770	152,527
of which assets provided with the right to sell or repledge	97,898	96,922
Fair value of collateral received with the right to sell or repledge	382,437	373,794
of which sold or repledged	327,554	332,878

Note 27 **Litigation**

- ▶ Refer to "Note 28 – Litigation" in III – Condensed consolidated financial statements – unaudited in the Credit Suisse Financial Report 2Q12 for further information.

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