CREDIT SUISSE

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Annual General Meeting of CREDIT SUISSE GROUP AG
Zurich, April 30, 2010

Speech by Aziz Syriani
Chairman of the Compensation Committee

Fellow shareholders

Let me briefly introduce myself. My name is Aziz Syriani. I have been a member of the Board of Directors of Credit Suisse Group since 1998. I am the CEO of The Olayan Group, a private multinational enterprise based in Saudi Arabia, that is active in the areas of distribution, manufacturing and global investments. Olayan has been one of the largest individual shareholders of Credit Suisse for more than 20 years.

I have been the Chairman of the Compensation Committee of Credit Suisse Group since 2004. As I did last year, I would like to briefly explain Credit Suisse's approach to compensation in 2009. I hope that our disclosure in the Annual Report and my brief presentation will enable you to make an informed decision when you vote on the Compensation Report.

Unprecedented Focus on Compensation in 2009

The traditional compensation practice in financial institutions is widely seen as one of the factors that contributed to the emergence of the last financial crisis. As a result, we are witnessing an unprecedented level of political and regulatory focus on remuneration in our industry. With the objective to enforce a reform of established compensation practices, major regulatory bodies such as FINMA here in Switzerland or the Financial Services Authority in the UK published new regulations which went into effect at the beginning of 2010.

A set of principles for "sound compensation practices at significant financial institutions" was also defined by the Financial Stability Board (FSB) and endorsed by the G-20 in October. This has resulted in various country-specific regulations which are not yet fully coordinated and which cause issues for globally operating institutions in terms of comparability and consistency.

However, there is a common direction regarding the pronounced consideration of risk in compensation decisions, closer involvement of the risk function in compensation governance, and broader and more transparent compensation disclosure.

Revised Compensation Model Announced in October 2009

In my brief presentation during last year's General Meeting of Shareholders, I mentioned the commitment of Credit Suisse's Board and Senior Management to rethinking the traditional compensation model and to making adjustments that will "reinforce our efforts to influence how our employees act and what they achieve, and to reward employees based on sustainable business results."

It has always been our ambition to be proactive and ahead of the curve in creating a compensation model that is sound and fair, one that takes into account sustainable performance, is risk aligned with shareholders' interests, and strengthens the firm's ability to retain key talent. By the same token, we are committed to making the necessary adjustments to ensure that our compensation approach is consistent with emerging regulation and follows best practice standards as published by the FSB. To this effect, we have been in a regular dialogue throughout 2009 with FINMA representatives and other major regulatory bodies.

In October 2009, we announced a new compensation concept focused on our most senior employees, Managing Directors and Directors. With the new concept we wanted to ensure adequate consideration of risk in compensation decisions, alignment of the interests of our employees with the long-term success of the Group, and continued focus on a strong control culture.

The key features of our new compensation design are:

– Increase in base salaries effective January 1, 2010, shifting some variable compensation into fixed pay to ensure a better balance between fixed and variable compensation.
– Increase in the proportion of variable compensation that is deferred.
– Introduction of two new instruments for deferred compensation, the Adjustable Performance Plan (APP) and the Scaled Incentive Share Units (SISU).

The APP is a cash-based plan with explicit negative adjustments or claw-backs in the event of losses on a business area level or for the Group overall, as well as upside adjustments linked to the Group's return on equity.

SISUs are share-based instruments with an extended vesting period of four years that emphasize the long-term development of the Group share price and average return on equity.

Additionally, we introduced caps for variable cash awards and minimum share ownership requirements for our top management, as well as increasing transparency in our compensation disclosure beyond applicable minimum requirements.

New Features for Managing Directors and Directors

We believe that the new features of our compensation model for Managing Directors and Directors, including Executive Board members, reflect a responsible and balanced remuneration approach for our most senior employees and decision makers. Whereas the exact breakdown for individuals will vary, we achieved a 40-60 split in the percentage of total compensation awarded as fixed compensation or salaries versus the amount awarded as variable compensation.

The variable component consists of both an unrestricted cash part and a deferred part with an expected 50/50 split across the entire population. The higher the absolute amount of variable compensation awarded to any given individual, the higher the proportion of his or her deferred part. For the Executive Board, 100% of their 2009 variable compensation was deferred. There was no cash bonus awarded to any of the members of the Executive Board for 2009.

Ahead of the regulations, the bank initiated the re-design of our compensation model. The new concept is favorably aligned with regulation applicable for 2010 onwards, but was already fully adopted for the 2009 compensation process. The UK regulator FSA recently complemented the advanced solutions of "the large bank in Switzerland." Around 8,000 employees received awards under the new Adjustable Performance Plan, making this the most comprehensive claw-back arrangement announced to date in our industry.

Compensation Governance

Compensation governance is an important factor in ensuring that even the most well-designed compensation programs are working effectively. The Compensation Committee of the Board, currently under my leadership, is the supervisory and governing body for compensation policy and practices within the Group. The Compensation Committee consists of non-executive members of the Board only. Hans-Ulrich Doerig and Brady Dougan attend the meetings as invitees.
During 2009, the Compensation Committee actively supervised and participated in the development of the new compensation design and dedicated a significant amount of time to the new concept and its implementation already for 2009.
This year, in 2010, the Committee will review the adequacy and completeness of an overall compensation policy for the Group and make this an explicit part of our compensation governance framework. The Compensation Committee also has the new responsibility to ensure adequate involvement of the risk function in compensation governance. The Bank's Chief Risk Officer and other senior risk professionals were already involved in the new compensation design in 2009.

For 2010, the Compensation Committee will also involve the Risk Committee in assessing the 2010 performance and setting compensation in light of risk aspects. All variable compensation granted for 2009 was based on the assessment and recommendation of the Compensation Committee and was subject to final approval by the Board.

Compensation Reflects Performance

The decisions made by the Compensation Committee on variable compensation reflect the strong earnings performance of the Group achieved in 2009 with less overall risk, as well as significant improvement of key performance indicators relative to our peers, such as an ROE of 18% and an industry-leading Tier 1 capital ratio of 16.3%. The economic value of the variable compensation granted for the performance in 2009 is disclosed for the first time in our Annual Report.

As I mentioned before, Managing Directors and Directors received on average 50% in unrestricted cash and 50% in deferred awards. Members of the Executive Board had no unrestricted cash component and received 100% of variable compensation in deferred awards. All deferred awards are subject to performance criteria which may result in negative future adjustments.

The application of stricter performance criteria resulted in a 21% reduction of total variable compensation for 2009 compared to 2007. This, despite comparable earnings to 2007, but considerable reduction of risk, was reflected in a 24% reduction in the balance sheet since the 4th quarter of 2007 and a 32% reduction in risk weighted assets (RWA).

With regard to investment banking, for the first time we applied economic profit and not revenues to determine the total variable compensation pool. Economic profit takes into account risk and capital usage, based on a combination of risk weighted assets according to Basel II and economic capital. This resulted in a compensation/revenue ratio at an historically low level of 41%. For control functions such as Risk, Legal and Compliance, we ensured that the variable compensation pool is determined on the basis of the Group's overall performance and not linked to the performance of the businesses they control.

Board of Directors and Executive Board Compensation

Last year, we awarded no variable compensation to the Chairman, the CEO or the CEO of the investment bank. This year, in light of the strong performance in 2009, we awarded variable compensation to the Chairman and Board members with functional duties in the form of 50% cash and 50% blocked Group shares, which are blocked for a period of 4 years. Blocked share awards have been granted to Board members for many years, totally independent of deferred instruments for managers and employees. In particular, these share awards provide no leverage linked to future performance criteria. Board members with functional duties include myself, as Head of the Compensation Committee, as well as my colleagues heading up the Audit and Risk Committees, and the Chairman, Hans-Ulrich Doerig, and Vice-Chairman, Urs Rohner, who are both engaged on a full-time basis.

We also made several adjustments in assessing the performance of the Executive Board and setting their variable compensation pool for 2009. We reduced the overall pool by the cash component of the variable compensation which was awarded for 2008. The Executive Board pool was also subject to a 5% reduction due to the UK levy on variable compensation in excess of GBP 25,000. We awarded variable compensation for the Executive Board on a deferred basis only, with no cash component.

Finally, we introduced new minimum shareholding requirements for members of the Executive Board and the divisional and regional management committees, starting in 2010. These include a minimum threshold of 350,000 shares for the CEO and up to 150,000 shares for other Executive Board members.

Performance Incentive Plan (PIP) Settlement

Let me briefly say a few words about the Performance Incentive Plan or "PIP" awards. This is not part of the 2009 compensation report and not subject to today's vote. However, since it has recently received some controversial publicity, it deserves a mention.

These awards were initially granted to selected Managing Directors in all divisions in 2005 for their performance in 2004 with a five-year vesting period. The PIP program was designed to incentivize and retain senior managers in a period of fundamental change for the Group and of intense international competition. Key challenges comprised the restructuring of investment banking and the move towards a new one-bank strategy to ensure a more sustainable earnings pattern. The awards were linked to the achievement of clearly defined, long-term performance targets, covering overall earnings performance and share price development, both on an absolute and relative basis, as measured against peers.

The PIP awards granted in 2005 were settled on April 20, 2010 – each PIP award converted into 4.8 shares. Whereas you – as shareholders – may be quick to look at the overall amount paid to Senior Management as a result of these awards, we would ask you to remember the following:

– These awards are reflective of a significant outperformance over the 5-year period in absolute terms and relative to the peer group.
– Had the same PIP program been granted in other banks in 2005, the program would have had a zero payout in 7 out of 8 banks of the applicable peer group.
– The PIP concept is very much in line with what is now seen as best practice for the design of variable compensation awards.
– Close alignment with performance is underscored by the fact that PIP awards were worth nothing in early 2009.

While our Senior Management was required to invest their 2004 variable compensation in this long-term scheme, which could have been – and was, for certain periods – worth nothing, most of their peers received cash bonuses at the time. The beneficiaries had to wait 5 years to get the rewards.

Moreover, the same program could have been replicated by any shareholder buying options, with the same upside potential and downside risk.

Conclusion

As a representative of one of the bank's largest shareholders and as the Chairman of the Compensation Committee, I believe that the new compensation approach of Credit Suisse strikes the right balance between the long-term interests of employees and shareholders, and is in line with our position as a global financial leader.

The Board and the Compensation Committee strive to be ahead of the curve and take a proactive stance toward compensation while striking a balance with emerging regulation. This is reflected in the fact that we were the first bank to comply with the G-20 principles regarding compensation and this extends to the level of detail in our compensation disclosure which, in the interests of utmost transparency for you as shareholders, was already significantly expanded for 2009 on a voluntary basis.

Let me conclude by assuring you that we take our shareholders' concerns very seriously and that we will make every effort to strike the appropriate balance between their expectations and those of regulators and employees.

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