CREDIT SUISSE

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Annual General Meeting of CREDIT SUISSE GROUP AG
Zurich, April 27, 2012

Speech by Urs Rohner
Chairman of the Board of Directors

Dear Shareholders

Ladies and Gentlemen

It gives me great pleasure to welcome you to today's Annual General Meeting and to speak to you for the first time in my capacity as Chairman of the Board of Directors of Credit Suisse Group. It is a privilege to be entrusted with the role of Chairman – especially at an immensely challenging time such as this.

I would first like to provide you with a brief overview of Credit Suisse's performance in 2011. I will then describe the environment in which we generated these results and are currently operating before briefly explaining the measures that we have taken in this context. We are already beginning to see the effects of these measures. I will return to this point later in my speech.

2011 results

Our operating environment proved extremely challenging in the financial year 2011. Against this backdrop, Credit Suisse produced net income attributable to shareholders of CHF 2.0 billion, corresponding to a return on equity of 6.0%. The Board of Directors will propose the distribution of CHF 0.75 per registered share for the financial year 2011 to the Annual General Meeting. This means that we will pay a dividend again in 2012, as we have done every year since our bank was founded in 1856.

Credit Suisse benefited from its strong capital base and liquidity position throughout 2011. Our financial strength enabled us to take steps to swiftly adapt our business model in the second half of the year. These measures reduced our result for the year under review by around CHF 1.8 billion but will ensure we are well positioned to address the challenges that lie ahead.

In Private Banking, we recorded strong net new asset inflows of CHF 44.5 billion in 2011 despite the difficult operating conditions. Pre-tax income in Private Banking was CHF 2.348 billion and net revenues totaled CHF 10.877 billion. These results were achieved in a continued low interest rate environment dominated by discussions about banking confidentiality and tax matters. Conditions were further exacerbated by the strong Swiss franc, which reduced our pre-tax income in Private Banking by more than CHF 500 million.

In Investment Banking, pre-tax income totaled CHF 79 million and net revenues were CHF 11.496 billion. We accelerated the reduction of risk-weighted assets; from the first quarter of 2011 to the end of the first quarter of 2012, Basel III risk-weighted assets in Investment Banking decreased by more than CHF 100 billion. At the same time, we significantly reduced the cost base in this business, as well as in our other divisions.

In Asset Management, we reported pre-tax income of CHF 553 million and net revenues of CHF 2.146 billion. Higher fee-based revenues and lower operating expenses led to a 10% increase in the pre-tax result compared to the prior year.

When viewed in the context of the adverse operating environment, we delivered a solid overall result for 2011. However, we are not satisfied with our performance. Brady Dougan, our Chief Executive Officer, will provide a detailed presentation of the results for the financial year 2011 in his speech and will explain how we executed our strategy during this period. He will also talk to you about the first quarter of 2012.

Current operating environment

Allow me to briefly describe the environment in which we produced our 2011 results, as this provides some indication of how our industry will look in the future and of the opportunities that exist. The past year was marked by great uncertainty in the global economy. We witnessed an unprecedented level of market volatility. Interest rates were at historic lows. Following a brief recovery, the global economy experienced another significant slowdown. The entire finance industry recognized that clients across all businesses are avoiding risk and are barely active. This is understandable in the current environment and we expect these low levels of client activity to persist for some time. The economic recovery in developed markets will remain fragile, while the trading environment will be volatile and growth will be modest.

Ladies and Gentlemen, we are all witnesses to the radical changes that are occurring in the global economy. In many respects, we have now reached a turning point in the industry that will mark a departure from the way banks did business in the past – and especially in the last two decades.

This transformation process is driven by three factors in particular:

- The globalization of the economy,
- High levels of sovereign debt, and
- Increasing regulation.

The globalization that has occurred over the last 30 or 40 years has created an unprecedented level of wealth around the world. The economic rise of Asia and, to some extent, Latin America is one of the most momentous developments of our time. The International Monetary Fund estimates that in a few years, the emerging markets will account for half of global production. Today, they are already recording sustained higher growth rates than industrialized nations. Each year, millions of people join the ranks of the middle classes in these countries and become active consumers. It is here that the wealth of tomorrow is created.

New markets such as these don't yet quite have the capacity to compensate for the decline in economic output in western industrialized nations in the wake of the crisis – but they are becoming increasingly important to us. The financial markets in countries like China and India are still underdeveloped. However, these and other emerging markets represent a source of opportunities for integrated banks such as Credit Suisse that can compete with other financial institutions globally by offering clients financial knowhow, expertise and a broad range of products and services– ranging from private banking to investment banking and asset management.

The high levels of sovereign debt that had built up in a number of European countries and in the US and Japan before the crisis increased dramatically in the case of Europe as a result of the bailout measures that had to be taken over the past few years. Even more radical austerity measures are therefore inevitable. Steps such as cutbacks in public sector jobs or in social security and pension plans will also lead to a reduction in domestic consumption, with negative implications for economic growth in these countries – at least in the short to medium term. This will also lead to a decline in tax revenues. More growth is, however, precisely what is needed to escape from the debt spiral for good.

Growing levels of sovereign debt tend to be accompanied by a decline in credit ratings, which, in turn, pushes up the costs of refinancing for the countries in question and further exacerbates the problem. This also shows just how important it is to generate growth and to reduce the yields on government bonds to an acceptable level.

Government bonds are an important part of the way banks raise liquidity and manage counterparty risks. The deterioration in the credit rating – and consequently in the value – of some government bonds, which has been dramatic in some cases, therefore has a direct impact on the banks' business activities and balance sheets. Combined with lower volumes of market activity and inadequate growth, high levels of sovereign debt are thus having a significant impact on the earning power and balance sheet strength of many European banks.

By adopting bold measures and deploying vast financial resources, central banks – particularly the ECB – have been able to restore stability. However, the overall situation remains tense and the structural deficits of some states are having a major impact on the business models of their domestic banks.

Thanks to our strong Swiss home market and broad international presence, Credit Suisse has not been as severely impacted by developments in Europe as the banks in these countries. However, the high level of interconnectedness between international financial markets means that our banks is unable to escape the impacts of the European debt crisis entirely.

After globalization and the problem of sovereign debt, the third factor that is driving the transformation of the finance industry is the wave of regulation that has engulfed the banks since the financial crisis. Financial institutions now find themselves confronted with a plethora of new regulations that will significantly alter their business models.

Politicians hope that stricter regulations will provide better protection against future financial crises and their consequences. This is basically understandable in view of everything has happened since 2007/2008.

Banks are dependent on the existence of a stable financial system. We don't want taxpayers' money to be used to bail out troubled financial institutions and have therefore always favored a sensible, moderate regulatory approach.

The most important regulatory changes to result from the 'too big to fail' debate in Switzerland are widely known and take the form of higher capital and liquidity requirements as well as leverage ratios.

In terms of capital requirements, which are of critical importance for all banks, the regulations drawn up by the Basel Committee on Banking Supervision – referred to as 'Basel 2.5' and 'Basel III' – entail a more conservative calculation of risk-weighted assets and will, generally speaking, require banks to hold more and better-quality capital in the future. They also prescribe supplementary capital buffers for financial institutions that are of systemic importance at national or international level. In addition, banks are subject to much stricter liquidity requirements. I am referring here to the two new minimum standards for liquidity management, i.e. the liquidity coverage ratio and, in particular, the net stable funding ratio under Basel III.

The wave of new regulations, which also encompasses rules on compliance and product distribution, will have a significant impact on bank business models. And there is no denying that this will have implications for the banks' earning power: the stricter requirements will massively increase the cost of doing business and push up capital costs. Lending will be especially affected by this trend – hampering economic growth. This would be an unwelcome development in low-growth regions, especially Europe.

Anyone who questions the impacts of regulations and challenges this viewpoint has failed to recognize the reality and is misleading others. Every regulation has its cost. It is therefore vital to carefully assess the extent to which stricter regulations lead to greater security, system stability and trust without imposing too many limits on economic growth. I believe that this aspect of regulation, which includes the topic of international coordination, has not yet been adequately discussed and addressed.

In view of the higher capital requirements for banks, we need to ensure that our businesses are all able to cover their cost of capital on a sustained basis. Further efficiency and productivity enhancements are therefore needed – both in the banking sector as a whole and in individual financial institutions. A particular focus must be placed on the area of costs and consequently also on compensation.

Measures

Credit Suisse has, in recent times, demonstrated that it has learned lessons from the crisis. We have shown that we are willing to embrace and support sensible reforms – as in the case of the 'too big to fail' debate, in which we have assumed a leading role. We are working constructively with regulators around the globe. Our bank was one of the first to endorse the use of new capital instruments such as contingent

convertible bonds or 'cocos' as well as bail-in solutions. We acted as a first mover in the market by executing three very successful issuances of Buffer Capital Notes. This approach set us apart from many other industry players who sought to oppose regulatory developments.

In terms of profitability, we took swift action during the year and realigned the bank's strategy with the aim of generating more sustainable earnings in the new operating environment. Shortly after I was appointed Chairman at the end of April 2011, the Board of Directors reviewed our Group's strategy together with the Executive Board. In view of the new regulatory requirements and the varying economic trends that are expected to emerge in different regions, we focused our attention on enhancing the bank's operating efficiency and future profitability. In the second half of 2011, we began implementing appropriate measures and will continue to execute them through 2012 and 2013.

In Private Banking, we took steps to further improve productivity and efficiency. Our goal is to increase pre-tax income by CHF 800 million by 2014.

As part of this plan, we announced the integration of Clariden Leu into our Private Banking business. We fully recognized the significance of this measure and considered it carefully. Today's rapidly evolving private banking environment is characterized by an increase in both client expectations regarding products and performance and in compliance requirements. Targeted investments and strict cost management are essential in this context – but this makes it important for banks to achieve critical mass. After taking account of these factors, we concluded that the integration represents the most sensible solution for clients, shareholders and employees.

At this juncture, I wish to emphasize that our Private Banking business began adapting to the new realities in the cross-border wealth management business at an early stage, i.e. several years ago. And it is simply a fact that a bank like Credit Suisse cannot and does not want to pursue a business model under which it attracts or accepts undeclared assets.

We therefore support the steps taken by the Swiss government to ensure that our financial center focuses on serving international clients whose assets are fully declared. At Credit Suisse, we welcome the recent withholding tax agreements based on our view that this is the only approach that will enable legacy issues – a topic that concerns the entire financial center and Switzerland – to be resolved effectively. The agreements provide greater certainty and clarity for clients, banks and their employees, as well as for the

authorities, than other approaches such as the automatic exchange of information, which is not a suitable instrument to regularize the past.

In Investment Banking, we are exiting capital-intensive businesses and, as already mentioned, have reduced Basel III risk-weighted assets by CHF 100 billion from the first quarter of 2011 to the end of the first quarter of 2012. At the same time, we are investing in growth areas in Investment Banking such as Prime Services, Emerging Markets and Commodities and will focus the business more intensively on the exploitation of synergies with Private Banking and Asset Management based on our integrated business model.

In Asset Management, we are pursuing our successful strategy that focuses on multi-asset class solutions, alternative investments and our Swiss business and we are committed to increasing our fee-based revenues.

In geographical terms, we are taking very targeted steps to focus our business more on faster growing markets. We intend to increase the proportion of the Group's revenues that we generate in these markets from 15% at present to 25% two years from now. We also took the difficult decision of reducing the Group's headcount by 7%.

I am convinced that by implementing all these strategic measures, we can position Credit Suisse to generate sustained, stable profits in the future.

Ladies and Gentlemen, I believe that several years from now, we will see that the financial crisis has also had certain positive impacts in the period since 2008. For example, it has eliminated the excesses that previously existed in the industry – especially as far as risks and leverage are concerned, but also in terms of compensation models. And it has tested those business models that survived the crisis but are not being managed efficiently enough.

One of the strengths of the market economy is that it compels market participants to continuously learn from their mistakes and to adapt to new parameters and new rules. Even before the crisis, there were signs of the radical changes that were to follow. We can – and indeed must – see these changes as an opportunity.

Probably the most important consequence of this process of change is that banks now have to focus increasingly on their role as a service provider. Their primary function is to be there for their clients. They have a duty to offer clients the best possible services to help them realize their financial goals. And they have a responsibility to generate a sustainable return for their shareholders.

It is important for banks to once again see themselves more as intermediaries that provide funding for companies and facilitate innovation. They need to understand the critical role the play within the economy – supplying international financing, providing a platform for trading and offering access to the global capital market.

Banks should serve as drivers of innovation and growth. They should help companies, industry and the economy to realize their potential and to thus increase levels of prosperity. There is no natural rivalry and hostility between industry and the financial center. In fact, the two are mutually dependent.

Let's not forget our own history: when it was founded under the name 'Schweizerische Kreditanstalt', one of Credit Suisse's primarily functions was to finance the building of the Swiss rail network in the middle of the last century. Switzerland, which was once one of the poorest countries in Europe, would never have grown so affluent if banks, companies and politicians have not worked together constructively. Swiss society is still benefiting from this today.

I wish to reiterate this fact: we are witnessing almost historic changes in the finance industry.

There will be no return to 'business as usual' – irrespective of whether or not we would want this. For several years, various developments have been leading up to the transformation that we are seeing now. At Credit Suisse, we have prepared for these changes and have adapted our business and our activities accordingly.

Today, we have a total capital ratio of over 20%, making us one of the best-capitalized banks. We also have an extremely robust funding profile. Our balance sheet comprises high-quality assets with minimal exposures to peripheral EU countries. All this has been recognized by the rating agencies, which have assigned us one of the best ratings in our global peer group.

We have realigned our business by focusing systematically on the needs of our clients and have exited proprietary trading, long-dated derivatives and other businesses that we could no longer operate efficiently under Basel III.

We did not simply do so because we were required to – but rather because we want to be a reliable partner to our clients and because we want to manage our business in a way that enables us to achieve sustained profitability over the long term for the benefit of all our shareholders.

Credit Suisse has 50,000 motivated and dedicated employees who are committed to serving our clients day after day, including in difficult environments. It is their efforts, rather than the negative actions of a few individuals, that should determine the level of trust in Credit Suisse and the industry.

I would therefore like to take this opportunity to express my sincere thanks to our employees for their committed efforts on behalf of our clients and shareholders and for the loyalty they have demonstrated during challenging times.

In difficult economic periods, the banks and their employees soon come under pressure. Trust in the financial and banking system has dwindled since the financial crisis. As well as achieving a return to sustained profitability and growth, it is therefore equally important that we restore the confidence that has been lost. It is only once society trusts the banks to act responsibly that it will accept the fact that they have to assume risks.

As you already know, risk-taking is an inherent part of banking. Without risk, there would be no innovation, no profits, no growth and no prosperity.

At Credit Suisse, we recognize our responsibilities as a bank and are committed to helping restore trust in the industry. In some cases, this means that we will make our views on certain issues loud and clear where we believe this is essential to serve the interests of shareholders, clients, the financial center and society – and where matters appear to be taking the wrong course.

This is because the Board of Directors and Executive Board ultimately have one goal: to ensure that Credit Suisse is ideally positioned to achieve future success, operate profitably and generate value for the benefit of shareholders, clients and society.

That brings me to the end of my speech, Ladies and Gentlemen. I would therefore like to thank you sincerely for your loyalty to Credit Suisse Group.

Thank you.

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