

Company Profile

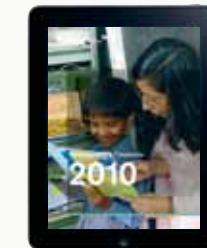
2010



Company Profile

For insights about the work of each of the bank's divisions, regions and other Shared Services functions, refer to the Company Profile. A summary of the bank's financial performance during the year, the Business Review, is also included in the publication.

Cover Jeans Wang works for the investment banking division of Credit Suisse as a member of the Equity Capital Markets team in Hong Kong. This illustrative story from the Credit Suisse Asia Pacific region about the role of Asia as an engine for global growth can be found on page 44. All the covers of the different publications show employees of Credit Suisse who play a decisive part in one of the stories comprised in the Company Profile.



Corporate Responsibility Report and Chronicle

For a detailed presentation on how the bank assumes its diverse social and environmental responsibilities when conducting its business activities, refer to the Corporate Responsibility Report. This publication is complemented by our online Chronicle that adds a multimedia dimension by providing a selection of reports, videos and picture galleries that focus on our international projects and initiatives.

→ www.credit-suisse.com/chronicle



Annual Report

For a detailed presentation of the bank's annual financial statements, company structure, corporate governance and compensation practices, treasury and risk management framework, and an in-depth review of our operating and financial results, refer to the Annual Report.



PDF versions available in
English and German at:
→ www.credit-suisse.com/facts

< **Facts and
Figures
Brochure 2010**

Company Profile

2010



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

Message from the Chairman and the CEO

Dear Shareholders, Clients and Colleagues

2010 was a year in which Credit Suisse achieved significant progress on a number of levels. In the face of volatile markets, we delivered a solid performance and, at the same time, continued to gain substantial market share across our businesses. There are three factors that were especially critical in driving this performance: the trust and loyalty of our clients, our proven business strategy and long-term focus, and the talent, expertise and dedication of our employees. Whether in our Swiss home market or one of the other major financial centers around the world, our people helped our clients with best-in-class solutions to fulfill their increasingly complex needs. This year's Company Profile not only provides you with an overview of our performance and strategic direction, but also lends a face to our business by bringing some of our people's stories to life – thus demonstrating how our 50,000 employees around the globe help clients thrive.

Results and Strategic Progress in 2010

Our integrated business model, with its balanced mix of income streams, served us well in 2010. We remained very well capitalized, grew our market share across all our businesses and generated stable earnings, reporting net income of CHF 5.1 billion and an impressive CHF 69.0 billion of net new assets. We also delivered an industry-leading return on equity of 14.4%. In view of this performance, the Board of Directors will propose a tax-privileged distribution to shareholders of CHF 1.30 per share out of reserves from capital contributions for 2010.

To meet our clients' constantly changing needs, our Private Banking division invested in international growth and further expanded its onshore business in 2010 – particularly in the emerging markets. In Switzerland, we continued to build our business through focused growth initiatives and gained market share among most client segments. Measures of our progress include CHF 37.0 billion of net new assets generated in our international business

and CHF 17.6 billion net new assets in our Swiss business. In Investment Banking, we achieved good client momentum and market share gains and reported near-record revenues in debt underwriting and advisory, while continuing to adapt the business in line with the evolving regulatory landscape. According to market data, we raised USD 258 billion in debt and USD 46 billion in equity on behalf of our clients globally during the course of 2010. We also completed merger and acquisition deals for a total value of USD 352 billion, and 76 initial public offerings. In Asset Management, we made pleasing progress in the execution of our strategy that is focused on our core strengths in alternative investments, emerging markets, asset allocation and the Swiss platform and reported the sixth consecutive quarter of positive asset inflows.

Building a More Robust Financial System

2010 was a period of transition towards a new regulatory environment for the entire finance industry. In September, the Basel Committee on Banking Supervision unveiled the Basel III framework with new capital standards that are designed to strengthen the resilience of the global banking sector. In November, the G-20 endorsed Basel III and reaffirmed the view that no financial institution should be allowed to become too big or too interconnected to fail.

In Switzerland, our home market, a so-called Expert Commission appointed by the Swiss Federal Council addressed the Too Big to Fail issue relating to large Swiss banks. Credit Suisse took an active part in these discussions, advocating the concept of contingent capital – a type of debt that converts into equity at a time of stress, for example when a bank suffers losses that deplete its capital. Far-reaching but balanced recommendations were published in October 2010, including capital and liquidity requirements and proposals, among them additional capital buffers consisting of high-trigger contingent capital. In February 2011, Credit Suisse announced two capital measures and has secured more than 70% of the maximum potential issuance of high-trigger contingent capital as suggested under the proposed Swiss Too Big to Fail regulations. This positions Credit Suisse well ahead of schedule to meet the new capital requirements by 2019.

Strategic Priorities for 2011

Our goal is to become one of the world's most admired banks. To achieve this, it is imperative that we conduct our business in a manner that is compliant with all applicable laws, regulations and internal policies. We are committed to observing the highest standards of integrity and regulatory compliance in all aspects of our work and have therefore put in place a comprehensive cross-border compliance regime in recent years. We are confident that we have a robust control culture and framework that will enable us to remain a trusted financial partner to all our clients going forward. Building on these foundations in 2011, we will continue to focus our attention on refining our client focus, on nurturing cross-divisional and cross-regional collaboration, and on attracting, developing and retaining top talent. At the same time,

we will assign priority to maintaining a conservative framework to manage capital, liquidity and risk and strive to achieve a high level of efficiency while being careful not to compromise our growth or reputation.

While concentrating on these priorities, which will enable us to operate profitably and successfully in even the most challenging market environment, we remain acutely aware of our responsibilities that go beyond banking. Based on our belief that the assumption of our social and environmental responsibilities is also essential to our long-term success, we strive to incorporate our commitment to corporate responsibility into every aspect of our work.

Well-Positioned in the New Environment

We have a strategy and business model that are well suited to the new market environment. Our balance sheet is strong; we have a solid capital base and have been very transparent about how we intend to meet the new regulatory requirements. We therefore believe that we are well positioned to succeed in the changed environment and have every confidence that we will continue to generate lasting value for our clients, investors and employees, as well as the communities in which we operate.

In conclusion, we would like to sincerely thank all our employees and management at all levels throughout our global organization for their exceptional contributions and continued commitment to the success of our business. We would also like to thank the members of our Board of Directors for their good cooperation throughout this past year.

Yours sincerely



Hans-Ulrich Doerig

Brady W. Dougan

March 2011

Contents

2	Message from the Chairman and the CEO Hans-Ulrich Doerig and Brady W. Dougan
8	Private Banking Providing a Wealth of Solutions How wealthy clients benefit from our integrated bank approach and our global presence.
12	Risk Management Risk Management and the Euro Crisis Two employees explain how they perceived and dealt with the euro crisis.
18	Investment Banking At Home in Emerging Markets How our strong and growing Investment Banking franchise in emerging markets attracts clients.
24	Europe, Middle East and Africa Country CEOs: Engines of Integration Working across divisions to deliver the whole of the bank's offering to local clients.
30	Talent, Branding and Communications Winning the Race for Global Talent As demographics propel the battle for top young talent, the bank takes the lead.
38	Switzerland Global Bank Putting the Focus on the Home Front Domestic clients are benefiting as the bank thinks globally, but acts locally to lend a personal touch.

Booklet–Business Review 2010 (Page 37)

2	Review of the Year's Events in 2010
4	Operating Review
9	Consolidated Statements of Operations
10	Board of Directors and Executive Board
16	Corporate Governance
18	Strategy
20	Consolidated Balance Sheets
23	Share Data



Asia Pacific

44 **Providing Fuel for the World's Growth Engines**

Asia Pacific's rapid economic rise boosts the demand for comprehensive financial services.

Finance

50 **A Step Ahead for Firm Footing**

Treasury management keeps an eye on liquidity in order to maintain the bank's solid standing.

Americas

54 **Contrasts, Consistency, Collaboration**

Forming partnerships across the region and the globe to provide clients with access to resources.

General Counsel

60 **Complexities of Compliance**

Cross-border compliance, a task to which Credit Suisse assigns the highest priority.

Asset Management

64 **Forging a New Frontier in Alternative Investments**

Nothing succeeds like success, and the deal with York Capital is a win-win arrangement.

Information Technology

68 **On Architecture and Axes**

The design of the bank's IT landscape drives innovation and improves efficiency.

Private Banking

Providing a Wealth of Solutions

Wealthy individuals require comprehensive solutions and global support. In response, Credit Suisse offers the powerful combination of an integrated approach and an international presence.

The range of services open to very wealthy individuals is no longer limited to the world of traditional wealth management. On the contrary, it now encompasses services and solutions that were originally developed for corporate clients, such as advising on and executing capital markets transactions and financing selected exposures. Other services relevant to this audience include advisory services and support for a variety of assets such as real estate, corporate holdings, philanthropic activities and luxury and collectable items. A growing number of individuals have multiple domiciles and therefore wish to have service around the globe.

With investable assets of at least CHF 50 million, ultra-high-net-worth (UHNW) individuals represent a fast-growing client group within private banking. "Particularly in this segment we have seen a dramatic increase in requirements for greater flexibility and institutionalized support over recent years," explains Blake Shorthouse, responsible for UHNW individuals in the Europe, Middle East and Africa (EMEA) region.

Clients enjoy significant benefits when private banking, investment banking and asset management solutions are suc-

cessfully combined and coordinated under one roof. Shorthouse points out that this approach enables Credit Suisse to fulfill clients' requirements in the most effective way. "It has become very noticeable that very wealthy clients require specialized solutions, which highlights the relevance of a fully integrated banking model," he says. When called on to execute orders and provide professional services, Credit Suisse capitalizes on its bank-wide expertise, thereby creating the best possible basis for follow-on business.

Particularly private banking and investment banking are at first glance very different businesses. Wealth management, as demonstrated by Credit Suisse for more than a century, is focused on the long-term relationship with the client and on providing advice and solutions that help achieve personal financial goals, while investment banking is more driven by the execution of a series of transactions, for which the client selects the most suitable banking partner. Asset management, for its part, is concerned with devising the financial products that are made available to private or institutional clients, depending on their characteristics.



Charles Hannant, from the Solution Partners team, is pictured here at Zurich Airport. His role is to assist sophisticated clients in the key early stages of the advisory process.



London-based **Marianna Pomazkova** works out of Canary Wharf, helping family offices for ultra-high-net-worth clients in the Europe, Middle East and Africa region find the highly individualized solutions that they require.



Walter Berchtold

Chief Executive Officer Private Banking

Walter Berchtold, how do you rate the outlook for the wealth management industry?

Overall the outlook remains attractive. The industry is in a significant transformation phase given the challenging market environment and the increased regulatory and compliance requirements. Opportunities nevertheless arise for the strongest and most trusted wealth managers with a truly global offering.

You are a firm believer in combining wealth management with investment banking services. Why?

Our ability to complement our service offering in wealth management with customized solutions from investment banking and asset management means we can meet the complex needs of our clients in the high-net-worth and the ultra-high-net-worth segments. Many of them are entrepreneurs and global investors whose needs often extend well beyond pure wealth management.

Why is a solid global footprint so important for Credit Suisse's wealth management business?

Many of our clients live and work in a number of locations; they seek geographical risk diversification, access to global execution services and a wide range of products. In order to meet these needs we believe that it is essential to have the right mix between on-shore and offshore capabilities. With 23 international booking centers in addition to our operations in Switzerland, we are able to serve them on our Swiss platform or through our international hubs.

How did your division manage to attract net new assets of close to CHF 150 billion in the last three years?

We have executed our strategy consistently over many years, focusing on the needs of our clients. Our success underscores our strong value proposition and clients' trust in us. But above all, key to our success is our people. We remain committed to attracting and retaining the very best in order to create successful, stable and lasting relationships with our clients.

Continued from page 8

This is the classic picture of private banking, investment banking and asset management – three very distinct businesses operating in separate worlds. However, Credit Suisse managed to successfully bring these activities much closer together so that the bank can now offer its strengths in the three disciplines from a single point of contact for the benefit of its clients. “Our global platform combines dedicated coverage models, state-of-the-art advisory tools and a comprehensive range of solutions – this is attractive to clients as it gives them a ‘one-stop-shop’ approach, while allowing talented relationship managers the opportunity to succeed,” says Shorthouse.

Identifying the Right Solution

Cultivating swift access to the right specialists who can develop a tailor-made solution for a particular problem is critical to the success of an integrated model. This is where Credit Suisse's Solution Partners unit comes into play. Solution Partners can source a wide range of services for wealthy clients. Part of Private Banking, the team of around 100 experienced professionals understands investment banking and asset management and knows how to leverage all the capabilities of the bank and also external resources for the benefit of the client. Solution Partners is led by John Zafiriou, who started out as an investment banker himself. He therefore has first-hand knowledge of what is possible in this area of highly sophisticated financing and complex transactions. “Our clients understand that the Private Banking division can offer much more than standard wealth management services,” he says.

Relationship managers often involve a member of the Solution Partners team early on in the advisory process in order to present to the client with a concise range of Credit Suisse's solutions as a combined offering of services and products from all three divisions. Charles Hannant, who performs precisely this function, explains: “The advantage of this approach is that the client is introduced to a solutions-oriented specialist – one with a proven track record – at an early stage.”

Later on in the process it may be essential to be able to draw upon other specialists within Credit Suisse in a fast and efficient way in order to further analyze and meet the client's needs. John Zafiriou's team plays a key role in the overall management of a client relationship by providing professional support at each step of the way and ensuring communication among all parties involved. “Ultimately, this is the only way to provide individualized and customized solutions that are fully in line with the needs of our sophisticated private clients,” Zafiriou says.

Meeting the Requirements of Family Offices

Family offices, small to medium-sized entities that manage the assets of one or more families, also play a major role in today's private banking market. They are generally staffed by highly

experienced former finance and banking professionals who are very clear about their financial requirements and expect a service offering and coverage that provide access to the entire bank. Managed skillfully, this business can be an important source of revenue for a bank such as Credit Suisse. “A financial institution can stand out in this area thanks to its diverse range of individualized solutions,” says Bernie Armstrong, who is responsible for Credit Suisse’s family office business in the EMEA region. “The fact that we can rely on proven specialists from our own company to meet the specific requirements of a family office gives us a significant competitive edge,” he says. This is important because individual mandates are often awarded by a family office on the basis of a “beauty contest” in which rival financial institutions are compared and assessed.

“Without exaggeration, I’d like to claim that our department is among those that benefit the most from the integrated approach,” says Marianna Pomazkova, a London-based member of Armstrong’s team. She assists several family offices for UHNW individuals in the EMEA region. “Thanks to our model, we can, for instance, help clients find new business partners in other countries or we can offer them a comprehensive hedging solution for their currency holdings,” Pomazkova adds, naming just two examples of the kind of wealth management support that she and her colleagues provide. The great advantage, she notes, is that the client always has the same primary contact person who is in a position to serve as ambassador for the offering of the entire bank.

Thanks to this concept, Credit Suisse has been highly successful in bringing its expertise to the family office segment, thereby gaining substantial market share globally. Furthermore, in Asia Pacific, Credit Suisse broke new ground at the end of 2010 by opening its first Asian family office hub in Singapore as part of its efforts to expand its family office services and product offering for UHNW clients. The hub supports UHNW clients who have plans to establish a family office by providing networking and education opportunities and assisting clients in family wealth transfer matters, investment policy and governance.

Mastering the Complexities of Banking Globally

Credit Suisse is one of only a handful of financial institutions that have successfully taken the necessary steps in order to meet the highly diversified requirements of their global private banking clients. During the recent market disruption, the bank was able to stay focused on the most attractive markets and client segments and laid the foundation for profitable growth. The integrated approach – combined with a truly international presence – creates a strong competitive advantage.

In Wealth Management Clients, Credit Suisse’s global network comprises 370 office locations across 48 countries;

Private Banking

The Private Banking division provides comprehensive advice and a broad range of wealth management solutions to high-net-worth individuals globally as well as private and business clients in Switzerland. The division serves more than two million clients around the world, making it one of the largest global wealth managers.

furthermore it has approximately 4,200 relationship managers and 24 booking centers. With such a global network, the bank is able to offer its clients a combination of booking capabilities both onshore in their home country or region, as well as offshore. Within this setup, the collaboration between Investment Banking and Asset Management is crucial, particularly as Credit Suisse’s management is convinced that an effective onshore presence in Private Banking can only be achieved if comprehensive access to capital markets in the relevant geographical regions can be offered simultaneously.

The benefits of this setup are tangible for clients – and quantifiable. In 2010, Credit Suisse achieved revenues of CHF 4.4 billion directly stemming from the collaboration between its three business divisions. This clearly demonstrates that an integrated banking model – provided it has the necessary traction as it has at Credit Suisse – is a cutting-edge concept that offers solutions best suited to each private banking client in a world of continual change. //

Risk Management

Risk Management and the Euro Crisis



Oliver Adler takes in the view of the Rheinfall in Neuhausen. The macroeconomist heads a team in the Zurich-based Global Research unit. His team conducts international economic analysis. The big question facing him: "Will Greece default on its debt or not?"

Risk Management at Credit Suisse aims to locate potential risks as early as possible, to test all conceivable scenarios that could materialize in the event of a crisis, and to present packages of possible measures. Taking the 2010 euro crisis as an example, two employees in the risk management network describe their work.



Jan Przewozniak, from Risk Management, walks along the Hagenholz trail in Kloten, a Zurich suburb. It can sometimes be hard to see the forest for the trees when it comes to the factors that comprise risk.

Risk Management

The Risk area comprises strategic risk management, credit risk management, risk analytics and reporting, and operational risk oversight, which cooperate closely to maintain a strict risk control environment and to help ensure that our risk capital is deployed wisely.

London, December 22, 2010: There is a low cloud cover over the city. Jan Przewozniak arrives at his office at 7 a.m., as he does every day. He works on the eighth floor of the Credit Suisse building on Cabot Square, in the heart of the Canary Wharf financial district in London. With its orderly pattern of streets and high-rise office blocks, this district is a ghost city by night but a beehive by day: About 100,000 men and women swarm here to work every morning. Early on a crisp December morning, lights glow in offices, creating the impression that the day is already well advanced.

Jan Przewozniak works in Risk Management, a stand-alone division at Credit Suisse that regularly updates the sales and trading functions with the latest information, assessments and advice. Its declared aim is to protect the financial strength and reputation of Credit Suisse so that it can continue operating as a global financial corporation and earn good profits. In an industry where risk is part of the core business, the 1,500 employees in this division have a crucial role to play.

Why does Przewozniak arrive in his office so early? "So that I can start by giving some thought to what the day will bring." He focuses on Credit Suisse's credit business in the Europe, Middle East and Africa markets, for which he has overall responsibility. He works through various lists of key figures, which he calls "snapshots of the latest situation."

This is how Przewozniak summarizes the purpose of his mission: "I have to ensure that crises do not sweep Credit Suisse along with them." The job is far from simple: Crises arise in the various markets for many different reasons, and their effects can be equally varied. However, they do not happen overnight – they creep up gradually. In this job, experience is worth its weight in gold, and Przewozniak has a plentiful stock – he's been in the business since 1978. What's more, he's constantly on the ball, he reads extensively and listens continually, he studies reports and weighs up facts – and then

he assesses Credit Suisse's credit risks for the bank. Are limits being observed? Can credits be granted? Does risk appetite need to be adjusted? Where are opportunities opening up? Where are dangers lurking?

Without doubt, Europe was the area that occupied Przewozniak most in 2010. It will go down in the annals as the year of the euro crisis which, in his personal chronicle, Przewozniak even describes as "the worst crisis ever." This statement is hardly surprising. First, because Polish-born Przewozniak has been a banker for such a long time and has seen many a tornado sweep across the financial markets, from the second oil crisis in 1980 and the bursting of the dotcom bubble in 2000 through to the 2008 financial crisis. And second, because Credit Suisse itself came through the euro crisis "quite well" (in Przewozniak's words). Why does he nevertheless rank it as the worst? As he explains, what startled him was "how a problem in one single country turned into a problem for the entire EU." And what's more, that the problem could start in a country as small as Greece.

Fall 2009

In fall 2009, the new Greek government made a massive upward correction to the figures for the country's national debt. The Standard & Poor's rating agency then downgraded Greece's creditworthiness. By the end of 2009, the country was virtually unable to obtain any new funds on the financial markets. Przewozniak was quick to arrive at his initial assessment of the headlines about Greece. Because it is a small country, Credit Suisse's exposure there is also small – in line with one of the principles of the credit business. Przewozniak explains this principle: "Big country, big credits – small country, small credits. And the same applies to our business with banks and companies."

Likewise, macroeconomist Oliver Adler was virtually unconcerned by the turmoil that was gripping Greece. As a member of the analysis unit, he works closely with Risk Management, although he is based at the Uetlihof building in Zurich. Within the Global Research unit there, he heads the team that is responsible for international economic analysis. This output forms the basis for forecasts of growth, inflation and interest rates, as well as scenarios for the development of the crisis which, in turn, provide the underlying information for Credit Suisse's investment processes. "We had already seen interest rates rising in Greece during fall 2009, but I wasn't worried about that," Adler comments. He regarded the headlines about the threat of Greece defaulting on its debt as exaggerated. In his experience, defaulting on debt had never been a European scenario, but rather one that occurred in distant countries such as Argentina. "But I changed my mind when the truth about the deficits emerged," he adds. One of the main questions that Adler now grappled with was: "Will Greece default on its debt or not?"

Rising fears about national bankruptcy for Greece caused the euro to plummet. The political and financial worlds were gripped by frenzy. Przewozniak's team considered various scenarios to assess how a devaluation of the euro by 10%, 20% or 30% to 50% would impact the major European banks, including Credit Suisse. They also examined scenarios in which already low interest rates would fall even further, and the central banks would start injecting liquidity in order to solve the problem in the markets. There are models for each scenario, there is a computing program for every model, and the outcome of the procedure is a black-and-white result. "The challenge then is to debate the likelihood of the event occurring," says Przewozniak, who can bring his 32 years of experience to bear here.

In the case of Greece, Credit Suisse's risk exposure turned out to be immaterial. What was not clear was whether the other major European banks were exposed in Greece, which would also mean indirect exposure for Credit Suisse. "There's no transparency as to which bank has which exposure, or where," Przewozniak comments. "But more and more information keeps trickling through." This doesn't reassure him – on the contrary: "The longer you agonize over a problem, the bigger it becomes." Tobias Guldemann, who is Credit Suisse's senior risk manager in his capacity as Chief Risk Officer, maintains that the challenge of identifying and understanding a problem is actually more substantial than the challenge faced in solving it. Przewozniak would not hesitate to agree.

Spring 2010

The heads of state and government agreed on a rescue plan for Greece in March. "At last," Adler thought, "the markets are going to calm down." Far from it: The promise from Brussels was generally perceived as a signal that Greece would not be left in the lurch. But it was so lacking in specific detail that it ultimately failed to calm the markets.

In April 2010, Greek Prime Minister Giorgios Papandreu requested the aid package. The market breathed a brief sigh of relief: "A rescue package generally means buying time," Przewozniak comments. But the relief was only short-lived; speculation against the euro continued and confidence in the currency seemed to be lost. On the night of May 9, the EU finance ministers finally reached agreement on the European Financial Stability Facility (EFSF). With the participation of the International Monetary Fund, a "safety net" of EUR 750 billion would be made available until 2013. Its aims are to provide security, to stem speculation and to calm the markets – and in these ways, to protect the currency. The financial markets reacted positively to this development, albeit only for a brief period. The next event was the big crash: The EURO STOXX 50 dropped by about 15%. "As the short-term outlook seemed very uncertain we recommended to clients with an investment horizon



Tobias Guldemann Chief Risk Officer

Tobias Guldemann, what is the remit of a Chief Risk Officer?
Roughly speaking, there are two areas: one is risk management as an operational business, and the other is risk philosophy. In operational terms, our purpose is to locate and qualify opportunities and risks, and then to decide how they should be handled – in line with our overarching conceptual framework.

How is that framework defined?

The late founder of Intel, Andy Grove, once wrote: "Only the paranoid survive." And that's how we operate here. I'll give you an example: We assume that there is sufficient political will in the European Union for the euro to survive. Still, we devote a great deal of time and energy to clarifying what it will mean if things turn out differently.

Even so, you're probably confronted with one surprise after another, aren't you?

Oh yes. The Lehman Brothers bankruptcy in 2008 was a prime example. It was considered impossible for a bank like that ever to collapse – until it actually happened. This was an extremely sober awakening, and ultimately it detracted even more from the credibility of models. Models are merely aids, and anyone who wants to use them has to understand them thoroughly. They are valuable for testing out a scenario, but they don't produce any results for the operational business, because they only ever provide a simplified simulation of reality. Some 1,500 employees work in the Risk Management function, as there can be no risk management without people. Despite everything, you still need what I like to call "native shrewdness."

What do you mean by that?

A mix of experience, astuteness and intuition. Factors of that sort are just as important for our work as calculations based on models.

What's your personal relationship with risk?

Our wedding cards read: "Everything is sweetened by risk"; I think that hits the mark quite nicely.

of only one to three months to reduce equity holdings. But we were fairly confident that the situation would turn around again in the not-too-distant future, so we recommended to those with a longer-term horizon to hold," Adler recounts. He himself did not react. With hindsight, he says, he would have acted differently: "It would have been good to sell immediately and then to buy again," he explains as he contemplates the graph in front of him showing the progression of the EURO STOXX 50. "But I didn't think that the downturn would be as sharp as it actually was."

For the first time, the European Central Bank was now buying government bonds from heavily indebted countries – an intervention that had been taboo until then. "As a consequence of that, we deferred our forecast date for interest rate hikes by the ECB until at least the second half of 2011," Adler explains. "That's because interest rates in the euro zone have to stay low, given that the ECB must provide liquidity in an emergency." None of these moves helped the euro, which continued to fall. Adler puts one chart after another on the desk to illustrate what he means: Two of them show the plunging euro/Swiss franc exchange rate and the fluctuating euro/US dollar rate, and another depicts the EURO STOXX 50 curve, which was also trending in one direction only: down.

Fall 2010

October 2010: The German Chancellor and the French President, Angela Merkel and Nicolas Sarkozy, agreed on a permanent rescue mechanism with the participation of the private

sector. This would enable the restructuring of debts incurred by a country also after 2013. "This is a sensible compromise," Adler comments, but he remains skeptical: "The courage is still lacking to make it clear that existing debts may also have to be restructured." And he thinks that there is a "considerable likelihood" of this happening.

Headlines from Ireland triggered new turmoil in November: Irish banks sustained massive losses on overpriced real estate, and the government had to bail them out to the tune of several billion. This created a huge deficit in the Irish government's budget; the country was on the brink of ruin and relied on the safety net. "The Irish debt crisis came as something of a surprise," Oliver Adler notes, "because the bank stress tests failed to give clear indications of the weakness of Ireland's banks." According to Przewozniak, Credit Suisse's exposure with Irish banks is negligible. "For an internationally integrated bank, the risks are not so much directly with the Irish banks as with the other global banks that have major exposure in Ireland," he said.

The euro exchange rate tumbled again. And then the financial markets turned their sights to Portugal, Spain and Italy. "These countries are relevant for us in terms of our business exposure," Przewozniak explains. The safest option would of course be to exit from these markets immediately and not to risk doing anything more, at least in theory. "But we have clients there, and we have to continue to take risks; we can't simply withdraw," Przewozniak says. "We have to consider how we can help our clients, who also expect us to support them in difficult situations, and how we should adapt to the latest situation."

Time Line Euro Crisis 2010



EURO STOXX 50 in EUR (lhs)
EUR/CHF foreign exchange rate (rhs)

- 25/03 European leaders declare willingness to support Greece
- 15/04 Greece asks for rescue package
- 10/05 European leaders establish the European Financial Stability Facility (EFSF), ECB starts purchases of government bonds
- 18/10 Merkel and Sarkozy agree on permanent rescue facility with participation by private creditors
- 21/11 Ireland asks for help
- 28/11 European finance ministers specify details of the European Financial Stability Mechanism (ESM)
- 16/12 European leaders agree on Treaty change to establish ESM

Risk premiums for Italian and Spanish government bonds soared to record levels as well. "As a country, Spain is not overindebted," Przewozniak comments. "But there was a real estate boom there, so we were very careful with regards to our exposure to Spanish banks." So is everything under control? "We identified the problem in terms of countries, and in terms of banks, and we know that the direct impact on Credit Suisse is moderate," Przewozniak points out. Then he thinks for a moment and adds: "But it's still very challenging to gain a real understanding of how all of these aspects are correlated." He has not yet managed to reach this point, as he readily admits. "It is crucial for us that anyone who is not sure whether they understand a problem should assume that they do not understand it."

When financial markets once again dictated the policy agenda in December 2010, nobody was surprised that there was no immediate impact: At a summit in mid-December, the heads of state and governments agreed on a permanent euro crisis mechanism to replace the safety net in 2013. The situation on the markets remains tense. "These mechanisms play a vital role, but they don't solve the problem," Przewozniak comments. "It's like prescribing a medicine that peeps the patient up, but doesn't make him healthy. We're dealing with patients whose illness is being treated, but we don't know whether or not they will be cured."

2010 was a turbulent year. "From an economist's viewpoint, it was very interesting," Adler says. "Many things had to be reconsidered, discussed and debated." And what will the future bring? Adler expects that there will be a restructuring of existing debts, which would be beneficial for investors: "It would create clarity. Many German, French and other banks would have to take losses in that case, and they themselves would then need to be recapitalized. So it seems likely that this process will be deferred for one or two years." Przewozniak thinks for a long time before he answers this question. He too assumes that the euro crisis will continue to challenge him for some time to come: "And I'm expecting a lot of volatility." But when asked what will happen after the euro crisis, Przewozniak doesn't need to think at all before answering: "No doubt about it: the next crisis." //



Even the most sophisticated of models can have trouble identifying when a trickle will become a torrent, when a cascade effect will kick in, or when a rising tide will begin to ebb.

Vikas Seth, Managing Director and Co-Head of Global Emerging Markets Mergers & Acquisitions: "Flows of capital that used to be essentially bilateral are now clearly multilateral, with the emerging markets playing a full and equal role."



Emerging Markets

The term describes less developed countries that are undergoing a process of economic transition to industrialized nations. Examples of emerging markets include Brazil, Russia, India, and China, as well as Malaysia, the Philippines and Mexico.

Investment Banking

At Home in the Emerging Markets

Many market participants are only now awakening to the central importance of emerging markets. Credit Suisse and its Investment Banking division has been present in key developing markets for decades, playing a pioneering role in the evolution of local financial markets, and tapping global markets on behalf of its clients. That commitment continues to grow, with the introduction of recent, bank-wide initiatives such as the Emerging Markets Council and the Emerging Markets Leadership Forum.

For Eric Varvel, CEO of Credit Suisse's Investment Banking division, and his Executive Board colleagues, recent trends have only strengthened their focus on the emerging markets, and on serving the increasingly complex needs of clients in these fast-growing economies.

Varvel, like much of the bank's senior management team, has spent a significant portion of his career in developing regions and countries. "It's definitely an advantage that so many of our top executives have lived and worked in, or are from the emerging markets," he said. "We understand the perspective of clients based in these areas because we've been based in the regions ourselves, and are part of the local financial and business environment."

Recognizing the increasingly global business and investment horizons of its emerging markets clients, in 2010, Credit Suisse launched the Emerging Markets Council. The council, which includes the bank's regional CEOs in the Americas and in Europe, Middle East and Africa (EMEA), selected country CEOs and senior business representatives, is charged with overseeing the continued growth of the bank's platform across the developing economies on an integrated, global basis.

"We wanted to run our emerging markets businesses in a less compartmentalized manner, to encourage greater communication and exchange of ideas," Varvel said. "One of the council's key objectives is to identify best practices in different regions and businesses, and export them to other areas and divisions. By increasing connectivity and coordination, we are delivering a consistently high level of service to our clients, and doing more to help them tap opportunities across different markets."

A Broad Transformation

While the emerging markets have long been a favored destination for investment capital, the major faster-growing economies are now beginning to "outstrip sources of capital in the developed economies. In addition, they are often more flexible in how they can deploy their resources," according to Varvel. "Large traditional institutional funds, for example, are usually restricted in their investments. But sovereign wealth funds can not only invest across the capital spectrum – direct equity investment, mezzanine financing, syndicated loans – they also have greater options in terms of long- and short-term holdings."

On the corporate side, high rates of growth continue to propel new business development in the emerging markets. Many of the world's largest and most successful multinational companies are now based in developing economies. The scale, sophistication and ambitions of these companies are equal to those of any competitors, regardless of where they are based.

"The emergence of global players based in the developing economies has transformed the capital markets," said Vikas Seth, Managing Director and Co-Head of Global Emerging



Marcus L. Silberman, Co-Head of Global Emerging Markets Mergers & Acquisitions: "A client with a global perspective wants to work with an advisor that can use its own global presence to enhance the client's access to and knowledge of markets everywhere."



Investment Banking

Investment Banking provides a broad range of financial products and services, including global securities sales, trading and execution, prime brokerage, capital raising and advisory services, as well as investment research.

Continued from page 20

Markets Mergers & Acquisitions. “Flows of capital that used to be essentially bilateral are now clearly multilateral, with the emerging markets playing a full and equal role.”

“The strong level of initial public offering (IPO) activity in the emerging markets reflects the vitality of these economies,” Varvel noted. “One example is Greater China, where more money was raised in IPOs in 2010 than in the United States. But a similar theme is evident in mergers and acquisitions as well. In 2010, roughly 33% of global merger and acquisition (M&A) activity involved companies based in the emerging markets.”

This highlights another important trend that Credit Suisse has responded to in an innovative fashion. “Many sources of capital in the emerging markets are focused on putting resources to work in other developing economies. The investment environment is often more welcoming, and they see much better growth prospects,” said Varvel. Credit Suisse’s extensive corporate relationships position the bank particularly well to

meet this demand. The bank has and is continuing to look at opportunities to launch products, managed by Credit Suisse’s Asset Management division, to provide investors with access to attractive emerging market industries and situations while enabling Credit Suisse to arrange financing for high-quality companies in a capital-efficient manner.

According to Neil Harvey, Chair of the Emerging Markets Council and Head of Emerging Markets for Credit Suisse Asset Management: “Our goal is to provide clients with a truly global perspective on the opportunities being created as economic impetus continues to shift to the developing economies. Our coordinated approach enables us to identify critical points of intersection between the objectives of sources and users of capital.”

With the number of large multinational corporations and influential global investors headquartered in the emerging markets growing – and so many of them long-standing clients of the bank – Varvel and other Credit Suisse executives thought it made sense to bring a select group of industry and financial leaders together to discuss common objectives. In November 2010, Credit Suisse and the State of Qatar co-hosted the first annual Emerging Markets Leadership Forum. The event was held in Doha, with almost 40 Chairman- and CEO-level emerging market clients from EMEA, Latin America and Asia Pacific in attendance. What made the forum unique, according to Varvel, was its exclusive focus on fostering dialogue and connectivity between participants.

“The conference confirmed our perception that what these clients want is not only recognition of the significant roles they play in the global economy, but opportunities to open lines of communication with leading organizations in other fast-growing areas,” Varvel said. “In a world where many people see the services that banks offer as increasingly commoditized, our



Marcus L. Silberman, Co-Head of Global Emerging Markets Mergers & Acquisitions, talking with **Leonardo Hernandez**, Vice President, and **Alejandro Londono**, Associate, both from the Latin America Group at the Investment Banking department.

ability to foster relationships of this sort points to the strength of our position, and the value we can create for clients.”

Putting the Pieces Together

The Investment Banking division continues to expand its product capabilities in the emerging markets. One important example is the build-out of its flow-based, fixed income businesses, augmenting Credit Suisse's traditional leadership in corporate finance. “When the financial crisis hit in 2007, we knew that we had to make strategic, targeted reductions in the size of our risk-weighted assets,” Varvel said. “We said, let’s use our brand equity to drive the transition to more of a sales and trading model, with emphasis on foreign exchange, rates and third-party credit.”

“The interesting thing is that some of the same clients who used to be the biggest participants in our structured credit businesses are now among the biggest customers for our flow products. They have stayed with us during our transition to a more capital-efficient model,” Varvel added.

Credit Suisse's global reach is a tremendous advantage to clients looking to expand their strategic horizons. “A client with a global perspective wants to work with an advisor that can use its own global presence to enhance the client's access to and knowledge of markets everywhere,” said Marcus Silberman, Managing Director and Co-Head of Global Emerging Markets Mergers & Acquisitions. “This means having the right in-house expertise and resources to help clients not only identify the right opportunities, but execute strategies to bring them to fruition.”

The bank's strong and still expanding investment banking franchise in the emerging markets provides a natural avenue for introducing clients to the Asset Management and Private Banking divisions. This is true especially for family-owned businesses, which, Varvel says, represent one of the biggest opportunities for Credit Suisse.

Topping the list of priorities in emerging markets are major economies such as Brazil, China, India, Indonesia, Mexico and Russia, plus the dynamic markets in the Middle East and Africa. “These are the countries we need to have exceptionally strong franchises and leadership positions in,” Varvel said. “Of course, there are other markets throughout Southeast Asia and other parts of the world that are extremely important. But these countries have a size and scale that makes them pivotal in their regions and, in some cases, the world.” //



Eric Varvel Chief Executive Officer Investment Banking

Emerging markets have played an important part in Eric Varvel's 20-year career with Credit Suisse. Before assuming the responsibilities of CEO of Investment Banking in 2009, he spent a significant amount of time with clients in Russia and the Middle East as CEO for the EMEA region. He previously spent 15 years in the Asia Pacific region, based in Japan, Indonesia and Singapore.

Eric Varvel, you've spent a substantial portion of your career living and working in emerging markets. What has that taught you?

One thing is that the people you do business with are more important than the structure or execution of any one transaction. An individual who wins a single mandate, or maximizes the bank's position in the short term, does not necessarily build our franchise. But someone who builds relationships and real partnerships does.

Which emerging markets cities do you especially enjoy visiting?

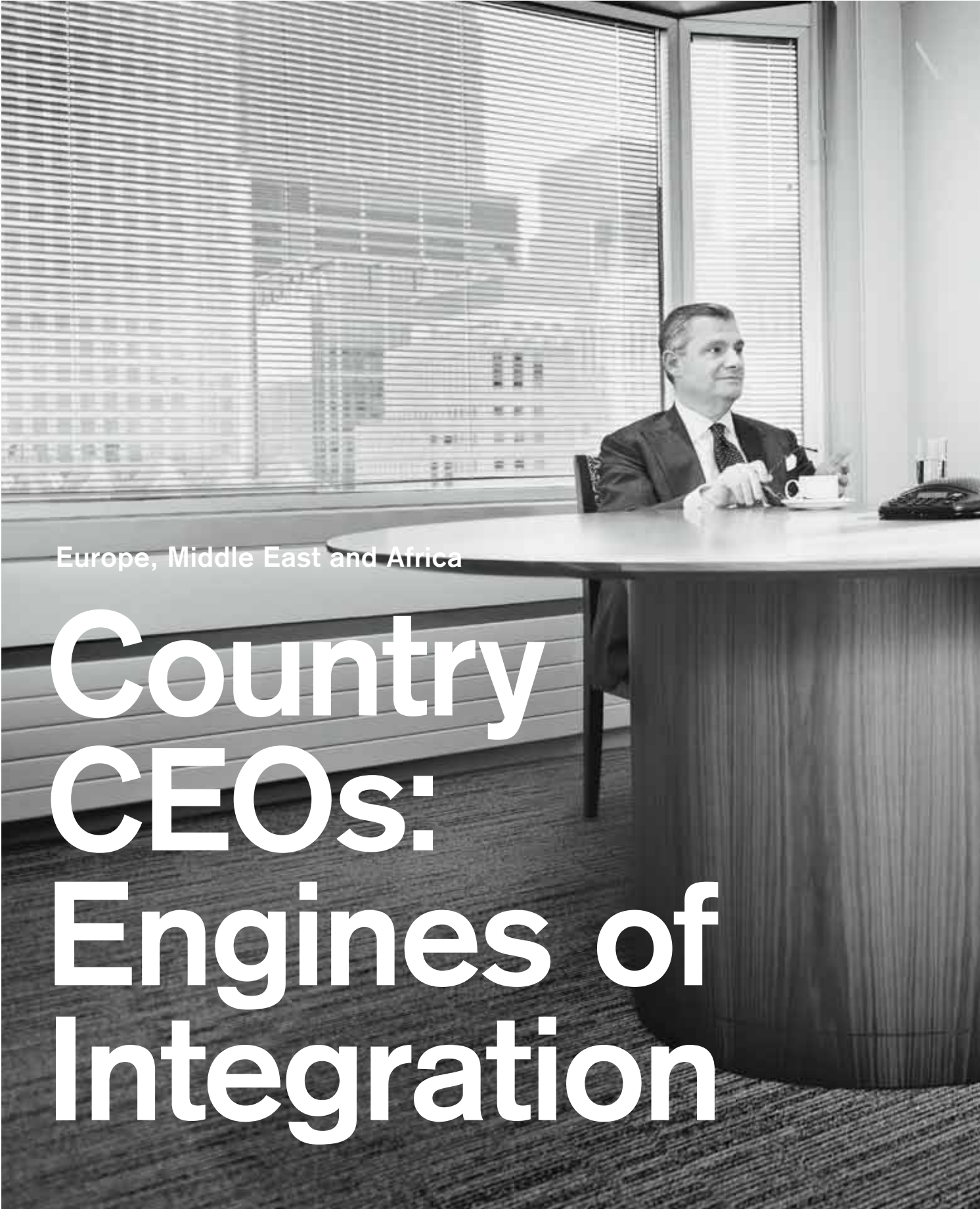
The cities I enjoy the most are those where I've developed close working relationships and personal friendships with our clients; quite a few of those relationships are in the Middle East and Southeast Asia. When I visit these clients, the meetings are business calls, but it's really like seeing old friends.

How would you describe your management style?

I try to be direct, open and genuine. The main thing is that people feel professional integrity is the driver of all our discussions about what's best for our clients, and for the bank.


Like many other Credit Suisse executives, you have spent most of your career at the bank. How has that affected your approach?

One of the most significant things I've both observed and participated in during the past several years has been the emergence of a new, relationship-based culture inside Credit Suisse. People genuinely care about each other. I realize how privileged I have been at Credit Suisse for so long.



Europe, Middle East and Africa

Country CEOs: Engines of Integration

A black and white photograph of three men in business suits sitting around a table in a meeting room. The man on the left is smiling and looking towards the other two. The man in the middle is holding a glass of water and looking towards the man on the right. The man on the right is looking towards the man in the middle. There are glasses of water and papers on the table. Large windows in the background show a cityscape.

Country and regional CEOs at Credit Suisse meet regularly to exchange ideas and advise each other on best practices. Pictured here from left to right are **Federico Imbert** of Italy, **James Leigh-Pemberton** of the United Kingdom as well as **Bruno Daher** and **Bassam Yammine** of the Middle East and North Africa region.

Inside Credit Suisse, one of the key tasks for country and regional CEOs is to act as engines of integration that help deliver the full range of the bank's services for clients. Recently, four of these CEOs in EMEA – James Leigh-Pemberton in the UK, Federico Imbert in Italy and Bruno Daher and Bassam Yammine, Co-CEOs of the Middle East and North Africa region – discussed the challenges and opportunities that their positions offer.



A view over the Canary Wharf financial district, headquarters of the Europe, Middle East and Africa region.

What do you consider your primary role as country CEO?

Bassam Yammine We are the protectors of the franchise and are responsible for growing our client base. We have to build a good reputation in the region for the bank, which results in strong client relationships. And we have to work across divisions to deliver the whole bank to our clients.

James Leigh-Pemberton I agree. In addition, the CEO has to ensure that the returns we get on our investment, and on our capital and our people – our installed asset base, if you like – are as high as possible. That means that with every client, we should have as many touch points as possible, and talk to them about all the things we can do for them across our investment banking, private banking and asset management platforms. It is the role of the country CEO to deliver solutions for our clients regardless of where that solution originates from within Credit Suisse.

Federico Imbert I think that's right. We need to present the whole of Credit Suisse to clients. At the same time, we need to communicate the local issues in each market – in my case Italy – back to the bank as a whole, to help inform our bank's perspective toward the market.

How do the EMEA country CEOs network and support each other?

James Leigh-Pemberton We do it through the monthly EMEA CEO Committee meetings and also through initiatives like the Emerging Markets Council. On a more informal basis, as the UK CEO I have to work within the network on behalf of the people on the ground in the UK. If you're a banker in the mining sector, for example, understanding what's going on in China, and having access to the right colleagues in China, is extremely important. If you're a consumer goods banker, countries like Brazil, Russia and China are key. If you cover a hedge fund client of the bank, you want to be able to provide introductions and access in countries where capital surpluses need to be invested and managed.

Clients are becoming more sophisticated and see themselves as active partners of the bank. How do you think they perceive the role of the country CEO?

Federico Imbert Clients first of all like to know that there is one person they can call if they need help putting things into context. They want to make sure the country CEO is sharing the initiatives being developed by the bank.

Bruno Daher In emerging markets especially, relationships often have an individual side as well as a corporate side. There are a lot of family-controlled businesses, so even when you're dealing with an institution, there's often an ultra-high-net-worth person behind it. You must have a holistic approach to that relationship, and this is often best driven by the country CEO.

Bassam Yammine Personal relationships in this part of the world (Middle East) count for a lot. Private banking clients not only want private banking, but asset management and investment banking advisory services as well. And they perceive the country CEO as the one who can deliver the whole bank.

What's been your biggest challenge as country CEO? And where have the notable successes been?

Federico Imbert Some people may not have been immediately 100% aligned with the needs of the different divisions, so occasionally you need to have some tough conversations. However, over time we have seen the culture change and the team spirit has grown. Fortunately, the One Bank initiative has done a very effective job of quantifying the additional revenues we've generated specifically because of cross-divisional cooperation, so we have tangible proof of our progress. We are now more aligned and the integrated bank is a key point of differentiation for Credit Suisse when we are competing with other banks.

Bruno Daher That's true. Once the bankers start working together more, they see that the integrated approach is a factor that differentiates us from the competition. We've been

“Once the bankers start working together more, they see that the integrated approach is a factor that differentiates us from the competition.”

Bruno Daher, Co-CEO of the Middle East and North Africa region

Europe, Middle East and Africa

The Europe, Middle East and Africa (EMEA) region, with its headquarters in London, has an onshore presence in every major EMEA country. The region encompasses developed markets such as France and Germany, as well as emerging markets including Russia and the Middle East.

fortunate to have cross-border successes with a number of deals: a transaction involving clients from Germany and Qatar, for example, and another recent success in Kuwait where we were able to bring the Asset Management division into the transaction. Clients are increasingly aware of this. An executive at a family office in Abu Dhabi called me after one of these deals because he had heard about it and was impressed with the outcome.

James Leigh-Pemberton I'd add a couple of points. Our industry has just gone through one of the deepest crises in its history, and one of the biggest challenges we face is to understand the full impact of the changes that have resulted. When a rock that size gets thrown into the pool, the ripples go on for a very long time.

For the past five years, Credit Suisse has been moving toward a capital-efficient, client-focused strategy based on independent advice and an agency execution model. We have to ensure that our strategy remains consistent with the new industry environment. The second big challenge is to articulate properly all the opportunities that this strategy continues to provide. And it takes time.

One of the most important roles for a country CEO is to act as a link between the bank and the regulators in the relevant country. How do you manage this relationship, and how do you think it affects the way regulators perceive Credit Suisse?

James Leigh-Pemberton The relationship with our UK regulator is very important to the bank. We therefore allocate significant resources to working with the UK FSA and our activities in this regard are led by EMEA regional management and not just UK regional management. As UK CEO, one of my roles is to ensure that each of our businesses is fully aware of regulatory changes and of the critical importance of meeting the highest standards of controls and regulatory compliance in all that we do.

Federico Imbert Regulators like to know that there's somebody representing the entire bank in their country, some-

“We must demonstrate to our clients and society at large that we have learned the lessons of the past and conduct ourselves accordingly.”

James Leigh-Pemberton, CEO of Credit Suisse in the United Kingdom

one who can gather the information they need. Communication with them has to be fluent and transparent. Occasionally, they also ask us what we think about regulatory issues in other countries, so they value our perspective.

Bruno Daher Yes, it is important to have a relationship with regulators like you do with clients. There are also ways in which Credit Suisse can help them, especially in certain emerging markets, where regulations might still be in the development stage.

Are there any unique cultural aspects to your region which affect the way Credit Suisse conducts its business?

Federico Imbert We have a lot of family-run businesses in Italy, including world-renowned luxury, and food and beverage companies, as well as a lot of entrepreneurs. So we need to put ourselves in their shoes and ask what they need. I'd say 30% of our investment banking clients are either family-run or majority-owned by families. But we also have the other extreme, which are international, world-class companies and financial institutions. We want to partner with both sets of clients.

Bassam Yammine We also have a lot of family-run companies and family offices in the Middle East and North Africa (MENA) region. In general, they are conservative. They want to deal with a stable, honest counterparty, and they want a financial institution that can serve them globally as well as locally. It used to be that the clients here did the vast majority of their business overseas; today I'd say about 60% of business is conducted within the region. Developing products that meet this need is one of the challenges for us.

James Leigh-Pemberton London's position as an international hub at the center of the world's time zones is terribly important to us. In terms of cultural challenges, I do think we have lessons to learn as an industry. We must demonstrate to our clients and society at large that we have learned the lessons of the past and conduct ourselves accordingly. //



Fawzi Kyriakos-Saad
Chief Executive Officer Credit Suisse
Europe, Middle East and Africa

Fawzi Kyriakos-Saad, CEO of the Europe, Middle East and Africa region since July 2010, has first-hand knowledge of the increasingly important role that country CEOs play at Credit Suisse. He spoke recently about the impact these CEOs make.

Fawzi Kyriakos-Saad, the country CEO is often referred to as "the engine of integration." Why?

The role evolved with the introduction of our integrated banking strategy in 2005. Country CEOs are supposed to deliver the bank's entire franchise. They have three primary areas of focus: the external world, which is focused on clients; the internal world, which is driving collaboration across various businesses to deliver solutions to our clients, and third, the regulatory world.

How do you encourage collaboration between the three divisions?

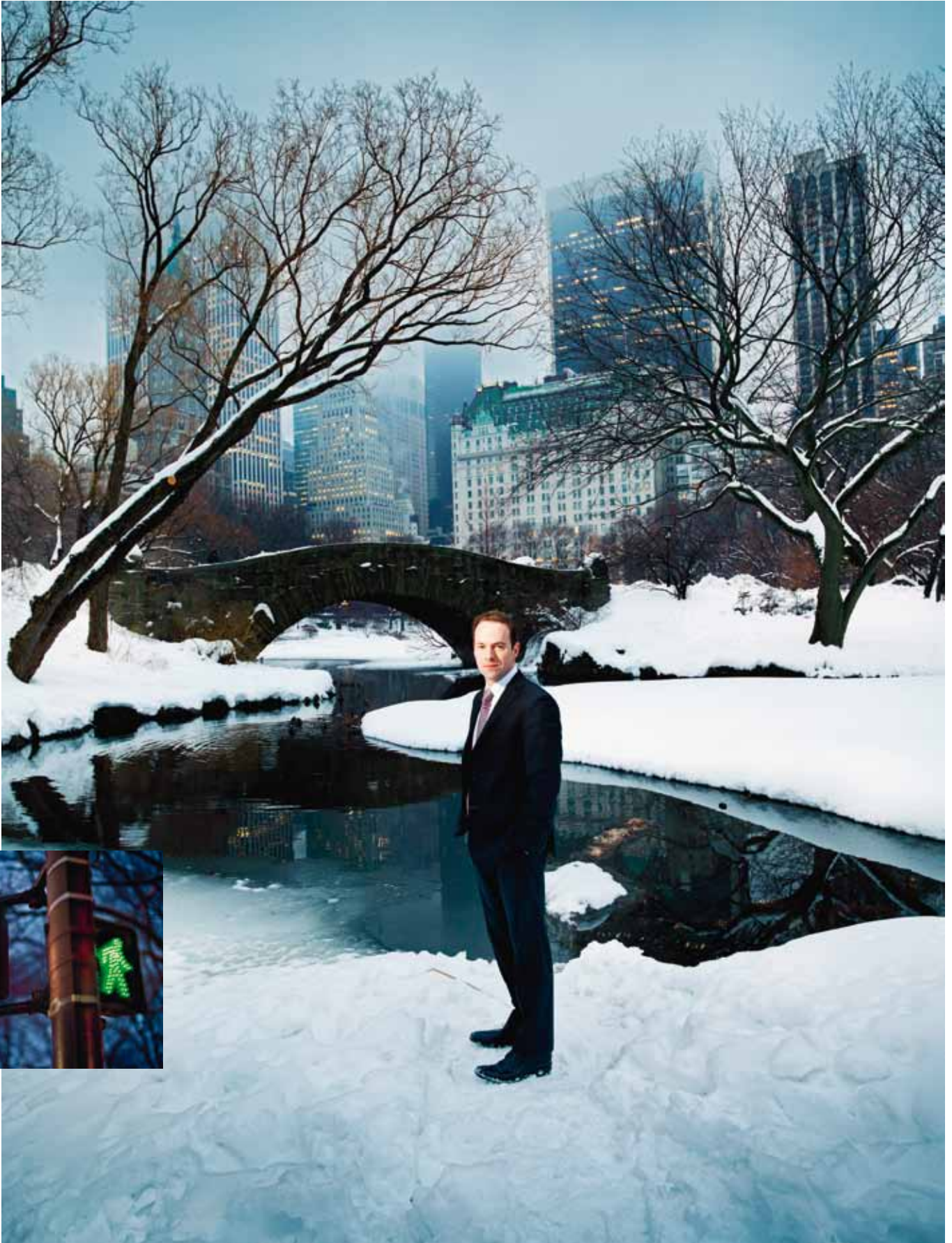
By demonstrating that there is a strong value-added component to the integrated approach. Often it is most compelling when bankers from various divisions hear it directly from a client in a meeting that they expect a unified offering from Credit Suisse. The country CEOs focus on the whole picture. They want to build a relationship that ensures we win 80% of the business from our top 20 clients in any given country.

What do you look for in a country CEO?

They must be well respected in their local markets. This means they are well connected to our local clients and well placed to recruit the most talented bankers.

Given the increasing importance of managing risk and controls, are there consistent processes and disciplines applied to each country?

One of the most important roles for a country CEO is to be accountable to the regulators and take responsibility for the entire bank's business in that country.



Dominique Christen, Head of Human Resources, Private Banking Americas, in Central Park, New York: "People must not only be the best in terms of their intrinsic capabilities; they also have to be the best fit with Credit Suisse's culture. We have an entrepreneurial, international mindset."

Talent, Branding and Communications

Winning the Race for Global Talent

The world's top-tier companies are locked in a fierce competition to hire the best and brightest employees – and then need to nurture and retain them so they become long-term contributors to success. Credit Suisse draws its people in this campaign from business groups across the bank.

Competition is global, clients are demanding, rules and regulations are changing at a stellar pace. It's a challenging, increasingly complex environment and financial behemoths are struggling to keep up with the tectonic shifts in their operating landscape. "In this kind of environment," says Rolf Bögli, Head of Credit Suisse's Private Banking Switzerland, "all that really matters is people. Our talent and their skills to constantly focus on client needs are a key differentiator in the industry. Not capital, not liquidity, not products – talent wins!"

Getting the best talent in the marketplace to take an interest in the company – and once they have joined the company, train, develop and retain them – is an important part of the bank's business strategy and key driver of its long-term success. "For us at Credit Suisse, our strategy, our client focus, our capital strength are important differentiators. Yet others can copy that. Let's face it: The most important corporate resource are smart, sophisticated people who are engaged, personally authentic, globally astute and operationally agile. They are the prime source of competitive advantage," says Dominique Christen, Head of Human Resources in Credit Suisse's Private Banking division in New York.

Dominique Christen collaborates closely with his internal clients to help recruit and develop the best talent in the market. "People must be not only the best in terms of their intrinsic capabilities; they also have to be the best fit with Credit Suisse's culture. We have an entrepreneurial, international mindset, and are very much focused on building strong, long-term relationships with our clients. Our business is not about selling the most products, it's about finding solutions to complex problems – it's not just about how well we perform; it's how we deliver that performance. Human resources has a critical function in this endeavor."

When talented people take root in a nourishing corporate environment, they develop smarter business ideas, execute those ideas better and become a major driver in shaping a winning culture. Dominique Christen therefore hires new employees with a distinct view to their ability to grow within the company. "We want them to become part of our culture, help us transform it and steer the company into the future. No one really knows what's around the corner. You can't rely on predictions – but you can always fall back on talent," says Christen.

Sourcing Top Talent

But even as the demand for talent goes up, the supply of it will be going down. According to the United Nations Population Division, the median ages of Western Europe and Japan will soar to around 50 years by 2030 and in many industrialized countries there will be more people in their 70s than in their 20s. In order to keep the pipeline full of talented people, almost all global companies are starting to ramp up their efforts to hire



Susan R. Fellner (left) and **Julie Kalish**, both Co-Heads of the Americas Campus Recruiting team, at the Brooklyn Bridge in New York. "We are continually raising the bar on how we assess talent," says Kalish.



Rolf Bögli, Head of Private Banking Switzerland, in Zurich: "All that really matters is people. Not capital, not liquidity, not products – talent wins!"



Talent, Branding and Communications

The Talent, Branding and Communications area comprises human resources, corporate communications and corporate branding.



Michael Bürgin from the advertising department at the Albis Pass near Zurich: "Our key messages have to reflect who we are, what we stand for and what we are trying to achieve. We are in a very competitive environment."

Continued from page 32

the best people at an early stage in their careers. "We have been intensifying our efforts to get the best talent directly from campus," says Julie Kalish, the Co-Head of Credit Suisse's Americas Campus Recruiting team. "Hiring more entry level talent will enable the company to grow from within. This human capital initiative is an important part of the bank's business strategy. It requires a more holistic view of the employee life cycle and includes how we recruit talent and, more importantly, how we retain and develop it. The overall goal is to have entry level talent account for 50% of annual talent intake by 2013. To that end, we are continually raising the bar on how we assess talent and are increasing our investment in building our brand on campus."

"We are increasing the number of people we hire from campus to build the pipeline for future leaders of the firm," adds Susan R. Fellner, Kalish's colleague and Co-Head of the Americas Campus Recruiting team. "Growing talent from within the company provides for increased loyalty and cultural alignment. Employees gain a better understanding, having learned the business from the ground up," she explains.

Creating a deep bench of fresh talent is of vital importance to the leading global financial players. The highly dynamic industry is constantly reinventing itself. Many of today's revenue streams and products didn't even exist 20 years ago. Certain members of Credit Suisse's Executive Board were a driving force in the early development of some of these financial instruments when they started out on their own careers – and there is a strong belief among senior management that campus hires are an important future source of new product ideas. "One of the most important contributions of campus hires is an infusion of new ideas and thinking to our work. They fuel our business with fresh perspectives – very often it's the fresh minds coming into the business that do the reinventing," Kalish emphasizes.

Getting Out the Message

Both Kalish and Fellner note that sourcing top talent at the campus level has become more challenging. "We are competing with other top tier banks for the same talent. In this environment, where companies have been increasing hiring numbers, it is especially important that we are recognized as a 'momentum' bank with excellent market share growth. Our value proposition to students is our brand, the strength of management and most importantly the culture. Students want to be in a place where they can make a difference and have an impact," Fellner explains.

The company's brand is an important asset for the recruiting teams. It creates the intellectual backdrop for their presentations. "Credit Suisse's brand is a long-term asset builder. It's a unifying driver within the company, a common

touchstone for our global diversified business and has a key role in driving loyalty among clients and employees and in attracting new employees to Credit Suisse,” says Michael Bürgin from Credit Suisse’s advertising department.

Bürgin is involved in the development of Credit Suisse’s new marketing campaigns and focused on increasing the external brand awareness of the bank among its major stakeholders. “Our key messages have to reflect who we are, what we stand for and what we are trying to achieve – that we strive to be the world’s most admired bank. Now, look at all the different streams of information and all the stimuli that are coming at you at the same time – we clearly are in a very competitive environment when it comes to communicating our messages. So what we want to do is develop not only great advertising for a financial company, but to be interesting and compelling, fresh and distinctive, and, most importantly, relevant to our stakeholders. We have to be on par with the best campaigns that are out there.”

Coming Full Circle

Branding helps to differentiate Credit Suisse from its peers. It shapes the bank’s messaging and provides consistency in the way employees and marketing deliver Credit Suisse to clients. Coming full circle, it also strongly affects the way human capital strategies are implemented at Credit Suisse and the success of a company’s talent acquisition efforts. Combining brand, communications and human capital strategy is a key factor in creating a winning corporate culture which positively influences the perception of all of the bank’s stakeholders: clients, employees, potential employees and even the public at large. The goal is to create a seamless connection between what the bank says and what it does, what it promises and what it delivers. It’s what the best and the brightest expect from their future employers – and what will separate the employers of choice from those companies that are just employers of chance. //



Pamela Thomas-Graham Chief Talent, Branding and Communications

Pamela Thomas-Graham, why were these three functions brought together in one division?

There is great power in aligning the promises a company makes and then making sure it has the people who deliver on these promises. You need the best people to reach this goal. They form the foundation on which an organization’s performance is built – the foundation for a great bottom line, for an outstanding return on equity, and for sustainable value creation. This, in turn, allows you to create compelling messages and marketing that will reach important target groups – for instance, clients and potential employees. It’s a virtuous circle. It will help us build out our client base and attract the best recruits and will help us to achieve our vision of becoming the world’s most admired bank.

What’s the biggest challenge?

To be razor-sharp at all times about who we are and what we stand for and ensure 100% consistency in the way we develop our brand, implement our human capital strategies and communicate with each other and our clients and other stakeholders.

How are you trying to deliver this consistency?

In the past months, we have further refined our brand and how we deliver the integrated bank to our clients. Now we are implementing the transformed brand across the organization. This will strengthen our distinctive culture and help us build a sustainable competitive advantage.

Can you offer some concrete examples?

There are too many touch points to talk about them all. But, to give you a few, we are focused on the development of an even stronger partnership culture; we are laying the cornerstones of our brand values and promise in our human resources processes; we are increasing our campus hires and, finally, we will be launching a refreshed corporate advertising campaign that is more relevant to our clients and clearly positions us as a premium brand.



Credit Suisse Group's headquarters are located on Paradeplatz, right in the heart of Zurich's financial district.

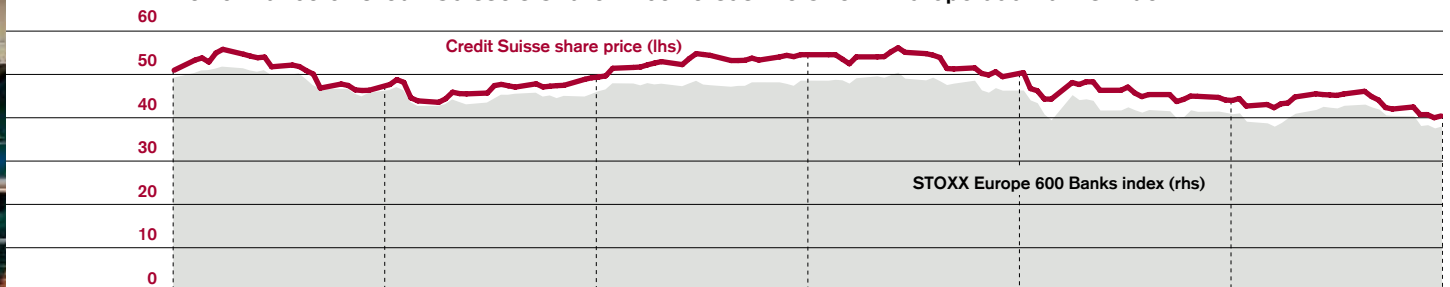
Business Review 2010



Review of the Year's Events in 2010

	January	February	March	April	May	June
Credit Suisse	<p>Well capitalized We entered the year as one of the world's best capitalized banks with a tier 1 ratio of 16.3%. This ratio strengthened to 17.2% at the end of 2010.</p> <p>New role in the Executive Board Pamela Thomas-Graham assumed the newly created role of Chief Talent, Branding and Communications Officer.</p>	<p>2009 result We reported a strong performance, with a net profit of CHF 6.7 billion and net new assets of CHF 44.2 billion.</p> <p>Awards We were named Best Private Bank by Euromoney, as well as receiving several regional and country awards.</p>	<p>Bahrain We opened a branch in Manama, focusing on private banking operations.</p> <p>Risk positions cut We continued to reduce our risk positions. By the end of the first quarter, our risk-weighted assets were down 13% at CHF 152 billion compared with the first quarter of 2009.</p>	<p>First-quarter result We generated stable, high-quality earnings, with a net income of CHF 2.1 billion. Net new assets totaled CHF 26 billion.</p> <p>Election of new Board members Robert H. Benmosche and Jassim Bin Hamad J.J. Al Thani were both elected to our Board of Directors for a three-year term.</p>	<p>Dividend of CHF 2 We paid out a dividend for the 153th consecutive year.</p> <p>Acquisition We agreed to buy Prime Fund Solutions, specialized in hedge fund administration services, from Fortis Bank Netherlands.</p> <p>ETFs We continued to expand our range of ETFs. By year-end, we had 54 ETFs, with assets under management up 46% in 2010.</p>	<p>Advisory process We launched an improved version of the five-step advisory process used by Private Banking, to better serve our clients worldwide.</p> <p>Venture capital Together with the Swiss Venture Club, we launched "SVC – Ltd. for Risk Capital for SMEs," providing up to CHF 100 million in venture capital to Swiss small and medium-sized enterprises.</p>

Performance of Credit Suisse's Share Price versus the STOXX Europe 600 Banks Index



Global	Multispeed recovery	G7	Banking activity	Liquidity	Greece	G-20
	<p>The IMF said that the global recovery was on track but proceeding at different speeds across the various regions. The organization projected global growth of 4% in 2010, largely driven by emerging and developing economies.</p> <p>US reform plans US President Obama unveiled plans to reform regulations of financial institutions, including limits to the size of banks and restrictions on riskier trading.</p>	<p>The Group of Seven's financial ministers agreed on the need to continue supporting their economies until the recovery takes a firmer hold, but failed to agree on how to overhaul regulation of the financial sector.</p> <p>Short-selling The US SEC approved a rule restricting short selling of stocks that experience sharp, rapid declines.</p>	<p>International banking activity rose by 2%, or USD 700 billion in the first quarter, the first increase since September 2008.</p> <p>US banks The net income of the US banking industry improved to a two-year high of USD 18 billion during the first quarter. The number of financial institutions on the Federal Deposit Insurance Corporation's problem list continued to grow, however, reaching 775.</p>	<p>A new liquidity regime for Switzerland's two largest banks was finalized. Their reserves of liquid assets must be able to cover the outflows that could occur during a crisis over a 30-day period.</p> <p>Taxation The IMF proposed two taxes on banks: a Financial Stability Contribution to pay for the cost of potential bailouts and a Financial Tax on profits above "normal" levels as well as high pay.</p>	<p>Fears of a potential default on the country's debt prompted the EU and the IMF to pledge a EUR 110 billion rescue package. Greece's debt was downgraded to junk status by credit agencies.</p> <p>European Union The EU and the IMF agreed to set up a EUR 750 billion emergency package to stabilize the world's financial markets and prevent the Greek crisis spreading to other countries.</p>	<p>Leaders pledged to increase regulation and improve the coordination and supervision of financial institutions.</p> <p>China After three decades of spectacular growth, China surpassed Japan and became the world's second-largest economy.</p> <p>Reform costs The IIF estimated that global GDP could decline by 3.1% over the next five years as a result of the planned financial regulatory reforms.</p>

July

Management changes Eric Varvel was named CEO of the Investment Banking division, Fawzi Kyriakos-Saad CEO of the Europe, Middle East and Africa region, and Antonio Quintella CEO of the Americas.

Award We were recognized as the Best Global Bank 2010 by Euromoney.

First-half result We reported net income of CHF 1.6 billion.

August

Indian bank license We received a license to establish a bank branch in Mumbai, in order to substantially expand the range of services we offer in India. This will allow us to trade in Indian government securities, domestic bonds and foreign exchange.

Center of Excellence The support functions at our CoE in Mumbai were expanded to improve our productivity.

September

Asset Management We agreed to buy a significant noncontrolling stake in York Capital Management, a global event-driven hedge fund manager, for USD 425 million.

South Africa We moved from a joint venture model to a fully independent business in South Africa to offer our clients access to our private banking and investment banking services.

October

Management changes Osama S. Abbasi was appointed CEO of Credit Suisse Asia Pacific, replacing Kai Nargolwala, who was named Chairman of the region. David Mathers succeeded Renato Fassbind as Chief Financial Officer.

Nine-month result We attracted net new assets of CHF 55.1 billion, the second-best figure ever.

November

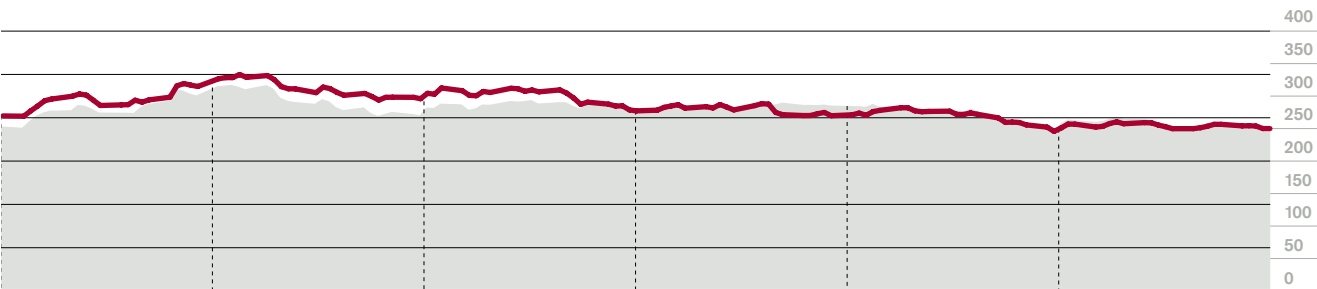
Paul Calello The Chairman of the Investment Bank, Paul Calello passed away at the age of 49. He joined the bank in 1990, and served as CEO in the Asia Pacific region and as CEO of the Investment Banking division.

Booking platform We executed IT projects to migrate our major European Private Banking locations to a common platform.

December

Family office hub We opened our first family office hub in Singapore as part of our efforts to expand our offering for ultra-high-net-worth clients across the region.

Match for Africa Tennis star and Credit Suisse ambassador Roger Federer challenged Rafael Nadal, his main rival, raising CHF 2.5 million for his charitable foundation.



Financial reforms

The US enacted the Dodd-Frank Act, the most significant financial reform bill since the 1930s.

World recovery

The IMF raised its 2010 growth forecast for the world economy to 4.6%, following improved Asian and US data.

Bonus restrictions

The European Parliament approved rules restricting bonuses that could have a material impact on risk.

Deflation fears

Some policymakers raised concerns that the US could be edging toward a period of deflation, as the country's core inflation held at a 44-year low.

Yuan appreciation

The Chinese authorities began to allow the country's currency to gradually appreciate. By year-end 2010, the yuan strengthened to just above 6.6 yuan per US dollar for the first time in 17 years.

Too big to fail

An expert commission appointed by the Swiss government proposed capital requirements that go beyond Basel III, as well as organizational, liquidity and risk requirements for the country's two largest banks.

IPO activity

The number of global initial public offerings continued to gain momentum during the quarter, with Chinese firms in the lead. Global proceeds raised were up 29% year-on-year.

Bilateral tax talks

Switzerland and Germany agreed to enter negotiations on the expansion of cross-border cooperation in tax matters. Separately, Switzerland and the UK decided to launch negotiations on tax issues.

Risks

The IMF warned that risks to financial stability remain elevated, notably because of a combination of slow global growth, high sovereign debt and continuing weakness in the banking sector.

Quantitative easing

The Fed announced it would buy an additional USD 600 billion of long-term Treasuries through June 2011.

Ireland

The country accepted a joint EU-IMF bailout of EUR 85 billion to shore up its banks. Credit agencies downgraded Ireland's debt.

G-20

The world's leaders endorsed the Basel III provisions on bank capital and liquidity. They also reaffirmed that no bank should be too big to fail.

Currencies

The US dollar and the euro reached all-time lows against the Swiss franc, which benefited from its safe haven status.

Commodities

The price of numerous commodities, including gold, silver, palladium and copper, soared during 2010.

Stock markets

Global stock markets posted a mixed performance. The MSCI World Index rose 9.6%, while the Dow Jones EURO STOXX Banks index fell 27%.



Operating Review

For 2010, net income attributable to shareholders was CHF 5,098 million. Private Banking attracted CHF 54.6 billion of net new assets in both the international and Swiss businesses, with strong results from the Swiss Corporate and Institutional Clients business. Investment Banking had income before taxes of CHF 3.5 billion and net revenues of CHF 16.2 billion, reflecting the successful implementation of our client-focused, capital-efficient strategy and an increase in our market share across various businesses and geographies. Asset Management had income before taxes of CHF 503 million and attracted CHF 20.6 billion in net new assets.

We recorded net income attributable to shareholders of CHF 5,098 million, down 24% compared to 2009. Revenues were adversely impacted and expenses were favorably impacted by the weakening of the average rate of the euro and the US dollar against the Swiss franc. Net revenues were CHF 30,625 million, down 9% compared to 2009, primarily due to a 21% decrease in Investment Banking revenues. Total operating expenses were CHF 23,904 million, down 3%, mainly due to the foreign exchange translation impact. In 2010, we reported net new assets of CHF 69.0 billion, up 56.1% compared to 2009. Private Banking had CHF 54.6 billion of net new assets and Asset Management had net new assets of CHF 20.6 billion.

Diluted earnings per share from continuing operations were CHF 3.91. Return on equity attributable to shareholders was 14.4%. Our consolidated BIS tier 1 ratio under Basel II remained very strong at 17.2% as of the end of 2010, compared to 16.3% as of the end of 2009.

Economic Environment

The global economy continued its gradual recovery in 2010, though at a moderate pace, driven by global man-

ufacturing gains in the first half of the year, renewed credit and equity market activity and increased US consumer spending. The improvement in economic activity varied among countries and regions, however, and the sustainability of the recovery remained uncertain as high unemployment rates continued to weigh on economies around the world. While US consumer confidence was little changed over 2010, business confidence in manufacturing and services improved, particularly in the fourth quarter. Emerging markets, especially in Asia, showed strong growth, particularly in the first half of the year. Excluding the UK, the EU, notably Germany, reported solid growth and the expansion in the US continued.

Central banks around the world, including the Fed, Bank of England and European Central Bank, maintained historically low interest rates. However, a number of central banks, particularly in the emerging markets, began to tighten their monetary and fiscal policies. The Chinese central bank raised reserve requirement ratios and its policy rate. Official rates were also raised in other countries including Australia, Brazil, Canada, India and Sweden. Inflationary pressures remained subdued in most developed countries. While

Credit Suisse Group

in CHF million, except where indicated	2010	2009
Net revenues, core results	30,625	33,617
Total operating expenses, core results	23,904	24,528
Net income from continuing operations	5,117	6,555
Net income attributable to shareholders	5,098	6,724
Return on equity	14.4%	18.3%
Diluted earnings per share from continuing operations, in CHF	3.91	5.01
BIS tier 1 ratio	17.2%	16.3%
Number of employees (full-time equivalents)	50,100	47,600
Assets under management from continuing operations, in CHF billion	1,253.0	1,229.0

food-and energy-related effects kept headline inflation at elevated levels, core inflation rates reached multi-year lows in most EU countries and the US.

Sector Environment

2010 was a volatile year for the banking sector. The Morgan Stanley Capital International (MSCI) Europe Banks Index ended the year 18% lower. Banks in the US were much stronger and outperformed the MSCI World Banks Index.

Regulators and governments continued regulatory reforms, including measures on capital and liquidity requirements, compensation and systemic risk mitigation. The funding situation for European banks was difficult in the first half of 2010, and only improved after the Committee of European Banking Supervisors published the results of stress tests in the third quarter. But many smaller European banks still experienced ongoing difficulties and significantly higher prices in fundraising.

Private Banking

In 2010, we reported net revenues of CHF 11,631 million and income before taxes of CHF 3,426 million despite a challenging operating environment, characterized by low interest rates, low client activity and cautious investor behavior and the appreciation of the Swiss franc against the euro and the US dollar. We attracted net new assets of CHF 54.6 billion, up 31.3% compared to 2009, with strong inflows in both the international and the Swiss regions.

Business Environment

The wealth management sector benefited from better markets than a year ago, but investors remained risk-averse and continued to prefer less complex financial products. The industry faced increased regulatory scrutiny, especially relating to the international exchange of information and client data, and continued to be a focus of tax authorities, creating uncertainty for the sector.

Foreign currency weakness had a negative impact for institutions reporting in strong home currencies such as the Swiss franc. The wealth management industry continued to evolve, reflecting increasing requirements relating to investment advice, client information, documentation and cross-border compliance. Interest rates in Switzerland remained at historical lows. Retail banking in Switzerland reflected strong competition in the mortgage business, resulting in continued margin pressure.

Results Overview

For 2010, we reported income before taxes of CHF 3,426 million, down 6% compared to 2009. Net revenues of CHF 11,631 million were stable compared to 2009. Results in 2010 were impacted by the weakening of the average rate of the US dollar and euro against the Swiss franc compared to 2009, adversely affecting net revenues in Wealth Management Clients by approximately CHF 350 million and net income by approximately CHF 250 million.

Recurring revenues, representing 78% of net revenues, were stable. In an ongoing low interest rate environment, stable net interest income reflected slightly lower loan and deposit margins on slightly higher average volumes. Recurring commissions and fees were up 3% and average assets under management increased 9.9%. Investor behavior remained cautious during 2010, reflected in investments in less complex, lower-margin products, also within managed investment products, and a significant portion of assets under management in cash.

Transaction-based revenues decreased slightly, reflecting lower client activity. The decline was driven by lower revenues from integrated solutions and brokerage fees and gains from the sale of real estate and auction rate securities (ARS) in 2009, partially offset by higher product issuing fees and fair value losses on the Clock Finance transaction of CHF 50 million compared to CHF 118 million in 2009. Excluding the fair value losses on

Private Banking

in CHF million, except where indicated	2010	2009
Net revenues	11,631	11,662
Total operating expenses	8,187	7,831
Income before taxes	3,426	3,651
of which Wealth Management Clients	2,528	2,898
of which Corporate & Institutional Clients	898	753
Pre-tax income margin	29.5%	31.3%
Net new assets, in CHF billion	54.6	41.6
Assets under management, in CHF billion	932.9	914.9

the Clock Finance transaction in 2010 and 2009, transaction-based revenues decreased 6%.

We recorded substantially lower net provisions for credit losses of CHF 18 million compared to CHF 180 million in 2009, primarily reflecting net releases of CHF 52 million compared to net provisions of CHF 147 million in 2009 in Corporate & Institutional Clients.

Total operating expenses were CHF 8,187 million, up 5% compared to 2009. General and administrative expenses increased 8%, primarily reflecting insurance proceeds of CHF 100 million in 2009, higher marketing and sales expenses and ongoing investments in our client advisory services and international platforms, mainly IT investments, in 2010. Compensation and benefits increased slightly, primarily due to increases in headcount and base salaries, partially offset by lower performance-related compensation, reflecting higher base salaries and a higher proportion of performance-related variable compensation deferred through share-based and other awards.

Assets under management as of the end of 2010 were CHF 932.9 billion, up 2.0% compared to 2009. The increase reflected strong net new assets and positive equity and bond market movements, mostly offset by adverse foreign exchange-related movements, mainly due to the weakening of the euro and the US dollar against the Swiss franc. Net new assets of CHF 54.6 billion benefited from strong inflows in all regions and were up 31.3% compared to 2009.

Wealth Management Clients contributed net new assets of CHF 45.3 billion. Over 80% of these net new assets were from international regions, with particularly strong inflows from emerging markets and the ultra-high-net-worth client segment. Switzerland contributed net new assets of CHF 17.6 billion, including CHF 9.3 billion from Corporate & Institutional Clients. While assets under management as of the end of 2010 were 2.0% higher, average assets under management increased 9.9% compared to 2009.

Investment Banking

During 2010, Investment Banking reported income before taxes of CHF 3,531 million and net revenues of CHF 16,214 million. Our results were impacted by subdued client flows compared with 2009, but we had continued market share momentum across products and regions. Net revenues reflected strong underwriting and advisory results and solid equity sales and trading results. Fixed income sales and trading revenues were resilient in spite of macroeconomic uncertainties.

Business Environment

In the investment banking sector, 2010 had reasonably healthy volumes, particularly in the US for fixed income. Global equity market volumes showed improved activity in European stocks, but were lower in the US compared with 2009. Capital markets remained challenged due to the economic uncertainty, in particular in the first half of the year. European debt underwriting volumes declined in 2010, primarily due to lower investment grade issuance.

Announced mergers and acquisitions (M&A) activity and syndicated lending rebounded significantly from the depressed levels in 2009. The global fee pool was above its historical average and 13% higher than in 2009, but still below the pre-crisis level of 2007. Equity capital markets contributed 31%, debt capital markets 28% and M&A activity 24% to the global fee pool. Fees from loans more than doubled compared to 2009 and accounted for 16% of the total fee pool.

Results Overview

In 2010, we reported income before taxes of CHF 3,531 million and net revenues of CHF 16,214 million, compared to income before taxes of CHF 6,845 million and net revenues of CHF 20,537 million in 2009. Approximately CHF 1.3 billion of our revenues in 2009 were due to the normalization of market conditions that had become severely dislocated in the fourth quarter of

Investment Banking

in CHF million, except where indicated	2010	2009
Net revenues	16,214	20,537
Total operating expenses	12,780	13,366
Income before taxes	3,531	6,845
Pre-tax income margin	21.8%	33.3%

2008. In addition, results in many of our businesses in 2010 were impacted by lower levels of client trading activity compared to 2009.

We continued to make progress in the implementation of our client-focused, capital-efficient strategy and continued to increase our market share across most businesses and regions. Our fixed income sales and trading revenues were resilient, although significantly lower compared to 2009, reflecting a challenging environment for the industry affected by macroeconomic uncertainties. Our results were driven by residential mortgage-backed securities (RMBS), credit, global rates and emerging markets trading. Revenues in global rates and credit, including leveraged finance and investment grade trading, although solid, reflected the normalization of market conditions from more favorable market conditions in 2009 and market volatility triggered by sovereign debt concerns in Europe in 2010. Revenues in RMBS and leveraged finance trading benefited from an increase in investor demand for yield-driven products.

Our equity sales and trading results were solid, although lower compared to a strong 2009, reflecting lower levels of client trading activity. Our results were driven by revenues in cash equities, prime services and derivatives. In 2010, we improved our market share while maintaining our leading market share rankings in cash equities and prime services. We had strong underwriting and advisory results, reflecting an increase in industry-wide capital issuance levels and completed M&A activity and improved share of wallet with clients. We had near-record revenues in debt underwriting, driven by higher industry-wide high-yield issuance volumes, and improved advisory revenues, reflecting an increase in completed M&A activity and market share. Our equity underwriting revenues were in line with lower industry-wide equity issuance levels, particularly in follow-on and convertible issuances, partially offset by a significant increase in initial public offering (IPO) volumes. Our results included fair value losses on Credit Suisse vanilla

debt – the most standard version of a financial instrument – of CHF 232 million in 2010, compared to net fair value losses of CHF 397 million in 2009, and significant allocated funding costs. Our results were also impacted by debit valuation adjustment (DVA) losses relating to structured note liabilities of CHF 73 million in 2010 compared to DVA losses of CHF 321 million in 2009. We had net releases of provisions for credit losses of CHF 97 million in 2010 compared to net provisions of CHF 326 million in 2009, driven by significantly lower new provisions and higher releases and recoveries in 2010, reflecting the improved credit environment.

Total operating expenses were CHF 12,780 million, down 4%, reflecting a 7% decrease in compensation and benefits. The decrease in compensation and benefits was primarily due to lower performance-related variable compensation accruals. The 2010 performance-related variable compensation accruals reflected lower risk-adjusted profitability, higher base salaries and a higher proportion of performance-related variable compensation deferred through share-based, restricted cash and other awards. The decrease was offset in part by an increase in salary expense, reflecting higher base salaries and increased headcount, and higher deferred compensation from prior-year share awards. General and administrative expenses decreased slightly, as a significant decline in litigation provisions was mostly offset by higher IT investments and expenses relating to an increase in client-related business activity.

The weakening of the average rate of the US dollar against the Swiss franc from 2009 adversely impacted revenues and favorably impacted expenses. In US dollars, net revenues were 17% lower and total operating expenses were 1% higher compared to 2009.

Asset Management

In 2010, we recorded income before taxes of CHF 503 million and net revenues of CHF 2,332 million. We had significant investment-related gains in 2010 compared

Asset Management

in CHF million, except where indicated	2010	2009
Net revenues	2,332	1,842
Total operating expenses	1,829	1,807
Income before taxes	503	35
Pre-tax income margin	21.6%	1.9 %
Net new assets, in CHF billion	20.6	0.4
Assets under management, in CHF billion	425.8	416.0

to significant losses in 2009 and significantly lower gains on equity participations. We recorded net new assets of CHF 20.6 billion, up substantially from CHF 0.4 billion in 2009.

Business Environment

In the asset management sector, hedge funds achieved low double-digit returns in 2010, with the Dow Jones Credit Suisse Hedge Fund Index gaining 11%. Fundraising volumes varied considerably across asset classes. In alternative investments, the hedge fund industry began to see renewed investor demand, particularly in the second half of the year, and total assets under management by hedge funds in 2010 increased 20% to USD 1.9 trillion. Credit strategies continued to attract client inflows, but fundraising was challenging in private equity and real estate. Within traditional asset classes, investors withdrew cash from money market products and re-invested in fixed income products. The demand for passive vehicles such as exchange-traded funds and index products remained robust in 2010.

Results Overview

In 2010, income before taxes was CHF 503 million, compared to CHF 35 million in 2009. Net revenues of CHF 2,332 million were up 27% compared to 2009, primarily reflecting investment-related gains compared to losses in 2009, partially offset by lower income from equity participations. Investment-related gains were CHF 420 million, compared to losses of CHF 365 million in 2009, reflecting improved equity markets. Asset management fees of CHF 1,412 million were up 3%, reflecting higher average assets under management. Average assets under management increased 2.2% to CHF 427.8 billion and were adversely impacted by foreign exchange-related movements and the spin-off of non-core businesses.

Placement, transaction and other fees of CHF 143 million were down 15%, reflecting losses related to investments held by Asset Management Finance and lower revenues from integrated solutions, partially offset by higher private equity placement and real estate transaction fees. Performance fees and carried interest of CHF 187 million were down 15% from lower performance fees from Hedging-Griffo and from diversified investments relating to management of the partner asset facility (PAF, a cash-based, deferred variable compensation), partially offset by carried interest relating to realized private equity gains.

Equity participations income of CHF 41 million was down 88% from 2009, which included significant gains from the sale of part of our traditional investments business to Aberdeen Asset Management and the sale

of our Polish and Korean joint ventures. Other revenues in 2010 and 2009 primarily reflected gains on the sale of securities purchased from our money market funds and securities acquired from client securities lending portfolios. Net revenues before securities purchased from our money market funds and investment-related gains of CHF 1,769 million were down 16%, primarily due to lower revenues from equity participations. Total operating expenses of CHF 1,829 million were stable. Assets under management were CHF 425.8 billion, up 2.4% compared to the end of 2009, primarily reflecting strong net new assets and positive market performance, partially offset by adverse foreign exchange-related movements. Net new assets in 2010 of CHF 20.6 billion included inflows of CHF 13.0 billion in alternative investments, primarily in ETFs, real estate and index strategies, and net inflows of CHF 7.7 billion in traditional investments, primarily in multi-asset class solutions.

Results in 2010 were impacted by the weakening of the average rate of the US dollar and euro against the Swiss franc compared to 2009.

We had no balance sheet exposure to securities purchased from our money market funds as of the end of 2010.

Consolidated Statements of Operations

	in		
	2010	2009	2008
Consolidated statements of operations (CHF million)			
Interest and dividend income	25,533	25,288	47,939
Interest expense	(18,992)	(18,397)	(39,403)
Net interest income	6,541	6,891	8,536
Commissions and fees	14,078	13,750	14,812
Trading revenues	9,338	12,151	(9,880)
Other revenues	1,429	502	(4,200)
Net revenues	31,386	33,294	9,268
Provision for credit losses	(79)	506	813
Compensation and benefits	14,599	15,013	13,254
General and administrative expenses	7,231	7,701	7,809
Commission expenses	2,148	1,997	2,294
Total other operating expenses	9,379	9,698	10,103
Total operating expenses	23,978	24,711	23,357
Income/(loss) from continuing operations before taxes	7,487	8,077	(14,902)
Income tax expense/(benefit)	1,548	1,835	(4,596)
Income/(loss) from continuing operations	5,939	6,242	(10,306)
Income/(loss) from discontinued operations, net of tax	(19)	169	(531)
Net income/(loss)	5,920	6,411	(10,837)
Less net income/(loss) attributable to noncontrolling interests	822	(313)	(2,619)
Net income/(loss) attributable to shareholders	5,098	6,724	(8,218)
of which from continuing operations	5,117	6,555	(7,687)
of which from discontinued operations	(19)	169	(531)
Basic earnings per share (CHF)			
Basic earnings/(loss) per share from continuing operations	3.93	5.14	(7.51)
Basic earnings/(loss) per share from discontinued operations	(0.02)	0.14	(0.50)
Basic earnings/(loss) per share	3.91	5.28	(8.01)
Diluted earnings per share (CHF)			
Diluted earnings/(loss) per share from continuing operations	3.91	5.01	(7.51)
Diluted earnings/(loss) per share from discontinued operations	(0.02)	0.13	(0.50)
Diluted earnings/(loss) per share	3.89	5.14	(8.01)

Walter B. Kielholz



Jassim Bin Hamad J. J. Al Thani



David W. Syz



Urs Rohner



Richard E. Thornburgh



Peter F. Weibel



Peter Brabeck-Letmathe

Noreen Doyle and Jean Lanier



John Tiner



Hans-Ulrich Doerig

Anton van Rossum



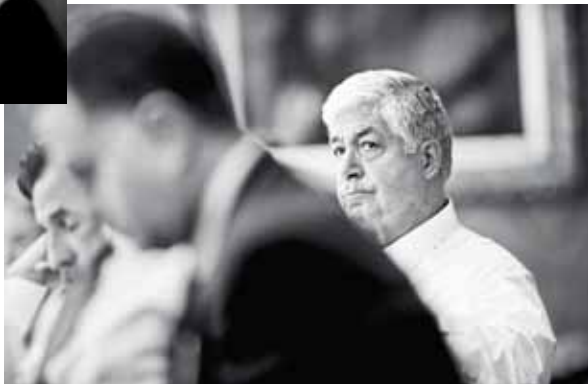
Aziz R. D. Syriani



Jean Lanier



Andreas N. Koopmann



Robert H. Benmosche



Board of Directors and Executive Board

Board of Directors

The Board of Directors is responsible for the overall direction, supervision and control of Credit Suisse. The Board regularly assesses the market environment and the Group's competitive position, reviewing and approving its strategic and financial plans.

At each meeting, the Board receives a status report on the financial results, the risk and capital situation of Credit Suisse. In addition, the Board periodically receives management information packages, which provide detailed information on the performance and financial status of the Group, as well as risk reports outlining recent developments and outlook scenarios. Management also provides the Board members with regular updates on key issues and significant events, as is deemed appropriate or requested.

The Board also reviews and approves significant changes in the Group's structure and organization and is actively involved in projects including acquisitions, divestitures, investments and other major undertakings. The Board and its committees are entitled, without consulting with management and at the expense of the Group, to engage independent legal, financial or other advisors – as they deem appropriate – with respect to any matters subject to their respective authority. The Board performs a self-assessment once a year where it reviews its own performance and sets objectives and a work plan for the coming year.

The Board of Directors is composed as follows:

Hans-Ulrich Doerig¹ Chairman, born 1940, Swiss citizen

Urs Rohner^{1,2} Vice-Chairman, born 1959, Swiss citizen

Peter Brabeck-Letmathe^{1,3} Vice-Chairman, born 1944, Austrian citizen

Jassim Bin Hamad J.J. Al Thani born 1982, Qatari citizen

Robert H. Benmosche³ born 1944, US citizen

Noreen Doyle² born 1949, US and Irish citizen

Walter B. Kielholz³ born 1951, Swiss citizen

Andreas N. Koopmann² born 1951, Swiss citizen

Jean Lanier⁴ born 1946, French citizen

Anton van Rossum² born 1945, Dutch citizen

Aziz R. D. Syriani^{1,3} born 1942, Canadian citizen

David W. Syz⁴ born 1944, Swiss citizen

Richard E. Thornburgh^{1,2} born 1952, US citizen

John Tiner⁴ born 1957, British citizen

Peter F. Weibel^{1,4} born 1942, Swiss citizen

¹ Member of the Chairman's and Governance Committee, chaired by Mr. Doerig.

² Member of the Risk Committee, chaired by Mr. Thornburgh.

³ Member of the Compensation Committee, chaired by Mr. Syriani.

⁴ Member of the Audit Committee, chaired by Mr. Weibel.

Mr. Doerig will remain Chairman of the Board until the AGM on April 29, 2011, when he will be succeeded by the current Vice-Chairman, Mr. Rohner.

Executive Board

The Executive Board is responsible for the day-to-day operational management of Credit Suisse. It develops and implements the strategic business plans for the overall Group as well as for the principal businesses, subject to approval by the Board of Directors. Further, it reviews and coordinates significant initiatives, projects and business developments in the divisions and regions or in the Shared Services functions, and establishes Group-wide policies.

The Executive Board is composed as follows:

Brady W. Dougan Chief Executive Officer, born 1959, US citizen

Osama S. Abbasi¹ Chief Executive Officer Credit Suisse Asia Pacific, born 1968, British citizen

Walter Berchtold Chief Executive Officer Private Banking, born 1962, Swiss citizen

Romeo Cerutti General Counsel, born 1962, Swiss and Italian citizen

Tobias Guldemann Chief Risk Officer, born 1961, Swiss citizen

Fawzi Kyriakos-Saad² Chief Executive Officer Credit Suisse Europe, Middle East and Africa, born 1962, British and Lebanese citizen

Karl Landert Chief Information Officer, born 1959, Swiss citizen

David Mathers³ Chief Financial Officer, born 1965, British citizen

Hans-Ulrich Meister Chief Executive Officer Credit Suisse Switzerland, born 1959, Swiss citizen

Antonio Quintella² Chief Executive Officer Credit Suisse Americas, born 1966, Brazilian citizen

Robert Shafir Chief Executive Officer Asset Management, born 1958, US citizen

Pamela Thomas-Graham⁴ Chief Talent, Branding and Communications Officer, born 1963, US citizen

Eric M. Varvel⁵ Chief Executive Officer Investment Banking, born 1963, US citizen

¹ Since October 2010, succeeding Kai S. Nargolwala.

² Since July 2010.

³ Since October 2010, succeeding Renato Fassbind.

⁴ Since January 2010.

⁵ Since July 2010, succeeding Paul Calello (previously serving as acting CEO Investment Banking during parts of 2009 and 2010).





Walter Berchtold

Brady W. Dougan



Karl Landert



Tobias Guldemann

Pamela Thomas-Graham



Tobias Guldemann and Romeo Cerutti



Robert Shafir



David Mathers



Eric M. Varvel



Osama S. Abbasi, Fawzi Kyriakos-Saad, Hans-Ulrich Meister and Antonio Quintella



Corporate Governance

The way we interact with our stakeholders is fundamental for our business and our success. Safeguarding our good reputation is one of our three core principles. We strive to act with integrity, responsibility, fairness, transparency and discretion at all times in order to secure the trust of our shareholders, clients and employees, as well as other stakeholders.

Credit Suisse's corporate governance complies with internationally accepted standards. We recognize the importance of good corporate governance and know that transparent disclosure of our governance helps stakeholders to assess the quality of the Group and our management and assists investors in their investment decisions.

Complying with Rules and Regulations

We fully adhere to the principles set out in the Swiss Code of Best Practice including its appendix stipulating recommendations on the process around setting compensation for the Board of Directors and the Executive Board. In connection with our primary listing on the SIX Swiss Exchange we are subject to the SIX Directive on Information Relating to Corporate Governance. Our shares are also listed on the New York Stock Exchange (NYSE) in the form of American Depositary Shares. As a result, we are subject to certain US rules and regulations. In particular, we respect the NYSE's corporate governance rules, with a few minor exceptions where the rules are not applicable to foreign private issuers.

Our Corporate Governance Framework

Our corporate governance policies and procedures are laid out in a series of documents governing the organization and management of Credit Suisse. The Board of Directors has adopted a set of corporate governance guidelines aimed at explaining and promoting an understanding of our governance structure. Other important corporate governance documents include the Articles

of Association, the Organizational Guidelines and Regulations, the Charters of the Board of Directors and of each of its committees, the Code of Conduct and a global Compensation Policy.

Code of Conduct

We are present in over 50 countries and employ individuals from over 100 different nations. Our Code of Conduct establishes a common set of values across the organization and guides our efforts to inspire and maintain the trust and confidence of our stakeholders. The code, which is binding on all our employees worldwide, was first established in 1999 and revised in 2010.

Shareholder Rights

As part of our continued efforts on good corporate governance we encourage investors to participate in the Annual General Meeting and to execute their voting rights. To support their decision-making process we are committed to ensuring accuracy and transparency of our reporting publications, and to maintaining a state-of-the-art Investor Relations website. We are committed to producing precise, reliable and comprehensible financial reports that clearly explain our performance, our mission and our strategic rationale.

Managing Risk

Our Risk Management function plays a central role in our organization as it fosters a disciplined risk culture and creates appropriate transparency providing a sound basis for management to define a suitable risk profile.

Risk Management is instrumental in ensuring a prudent and intelligent approach to risk-taking that appropriately balances risk and return and optimizes the allocation of capital throughout the Group. Moreover, through a proactive risk management culture and the use of state-of-the-art quantitative and qualitative tools we strive to minimize the potential for undesired risk exposure in our operations. Continuous investments are made to ensure that Credit Suisse remains a leader in the field of risk management.

Committed to Compliance

We exercise utmost care to ensure that our employees maintain the highest standards of compliance with all legal, regulatory and internal requirements. Our employees are asked to observe strict standards of professional conduct at all times. Compliance considerations are critically important when selecting employees, developing training tools, defining processes and rules and are a vital element of all our supervisory and control systems.

Rewarding Excellence

We are committed to employing a responsible compensation approach that rewards excellence, encourages personal contribution and professional growth, ensures a prudent approach to risk-taking and aligns the employees' interests with those of Credit Suisse, thus motivating the creation of sustainable shareholder value. Long-term corporate success in the financial services industry depends on the strength of human capital, and our goal is to be the employer of choice in the markets and business segments in which we operate.



Strategy

Industry Trends and Competition

In 2010, the financial services industry experienced a volatile market environment and continued uncertainties about regulatory developments and proposals, including capital, leverage and liquidity requirements, changes in compensation practices and systemic risk.

In September, the Basel Committee on Banking Supervision (BCBS) announced the Basel III framework with new capital standards that are designed to strengthen the resilience of the banking sector. Under the new standards, banks are required to hold more capital than before, mainly in the form of common equity. In November, the G-20 endorsed the BCBS agreement and reaffirmed the view that no financial institution may be Too Big to Fail.

In Switzerland, our home market, the Expert Commission appointed by the Swiss Federal Council addressed the Too Big to Fail issue relating to large Swiss banks, including Credit Suisse. Tough but balanced recommendations were published in October, including capital and liquidity requirements as well as proposals to promote risk diversification and emergency plans to address systemic risk. With common equity proposed to exceed 10% of risk-weighted assets, the recommendations on capital requirements build on Basel III, yet go well beyond its minimum standards. Furthermore, the Commission proposed additional capital buffers through the issuance of contingent convertible capital. The process to implement the proposed policy mix is currently under way and legislative amendments could come into force at the start of 2012 at the earliest.

The newly proposed regulatory measures under Basel III and Too Big to Fail are designed with phase-in periods and grandfathering arrangements up to 2019 to ensure a sufficient transition period that does not impede the recovery of the economy. Other national regulators have or are in the process of putting in place additional measures that are by and large consistent with Basel III. We hope that these regulatory changes will be implemented by national regulators in a way that contributes to a more level playing field and a stronger and more sustainable global banking system over time. As many financial institutions weathered the turbulence of

the financial crisis and returned to growth, 2010 was also characterized by increased competitive pressure. With established markets in the US and Europe affected by ongoing sovereign debt concerns and slow economic recovery, we expect vibrant economies in Asia and Latin America to be important growth drivers for the banking industry in the near term. In response to regulatory trends, banks are expected to shift away from proprietary trading toward client-facing business models, which will increase competition for client flows. We believe, however, that strongly capitalized banks with a clear and demonstrated client focus will have a competitive advantage.

Group priorities

Our aspiration is to become one of the world's most admired banks. We are confident that our strong capital position and our ability to provide clients with global best-in-class integrated banking services offer a strong value proposition for our clients and shareholders. Early in the financial crisis we took decisive action to ensure the trust of our clients, to reduce our risk exposures and to become more capital-efficient. We have reduced risk-weighted assets by 32% since the end of 2007 and exited most proprietary trading businesses. In 2010, we delivered sound net income attributable to shareholders of CHF 5,098 million and achieved CHF 69 billion of net new assets.

Our client-focused and capital-efficient integrated business model with its balanced portfolio of businesses has proven resilient and we have continued to gain market share across our businesses. We expect our strategy to benefit from a more constructive market environment while limiting our risk exposure in down markets. We believe that our strategy is consistent with both emerging client needs and regulatory trends. We have increased clarity with regards to our future regulatory environment, and we are well advanced on its implementation.

We feel well positioned to succeed in the changing operating environment and target an annual return on equity after tax greater than 15% over the next three to five years. Building on the momentum we have estab-

lished, we aim for further growth of our client business with gains in market share and a stronger geographic footprint. To achieve our goals, we are focused on the following priorities:

Putting Our Clients' Needs First

We aspire to be a consistent, reliable, flexible and long-term partner focused on clients with complex and multi-product needs, such as ultra-high-net-worth individuals, large and mid-sized companies, entrepreneurs, institutional clients and hedge funds. By listening attentively to their needs and offering them superior solutions, we empower them to make better financial decisions. Against the backdrop of significant changes within our industry, we strive to ensure that we consistently help our clients realize their goals. We continue to strengthen the coverage of our key clients with dedicated teams of senior executives who can deliver our integrated business model. On the back of a strong capital position and high levels of client satisfaction and brand recognition, we achieved significant gains in market share. Our strong client momentum is well recognized. We were awarded Best Global Bank 2010, Best Bank in Switzerland 2010, Best Private Bank Global Services 2010 and Best Emerging Markets Investment Bank 2010 by Euromoney and Best Bank in Switzerland and Most Innovative Investment Bank 2010 by The Banker.

Attracting Top Talent and Developing Employees

We continue to undertake efforts to attract, develop and retain top talent in order to deliver an outstanding integrated value proposition to our clients. Our candidates go through a rigorous interview process, where we not only look for technical and intellectual proficiency, but for people who can thrive in and contribute to our culture. We review our talent and identify the right developmental opportunities based on individual and organizational needs. We increasingly promote cross-divisional and cross-regional development, as well as lateral recruiting and mobility. Valuing different perspectives, creating an inclusive environment and showing cross-cultural sensitivity are key to Credit Suisse's workplace culture. We have expanded our organizational understanding beyond traditional diversity and inclusion to leverage our differences to fully engage the workforce. Through our business school, we train our leaders, specialists and client advisors in a wide range of subjects to ensure that the knowledge and competence of our employees supports the needs of our clients and our strategy. We take a prudent and constructive approach to compensation, designed to reflect the performance of individuals and the firm and closely align the interests of employees with those of shareholders.

Cross-Divisional Collaboration

We help our clients thrive by delivering the best of our products and services across our organization and divisions. In order to drive, measure and manage collaboration between our divisions, we have established a dedicated governance structure within the office of the CEO. In 2010, we recorded collaboration revenues of CHF 4.4 billion. Going forward, we will target collaboration revenues of 18% to 20% of net revenues. Since the inception of our collaboration program in 2006, we have observed increasing momentum in collaboration initiatives, including tailored solutions for wealthy private clients by Investment Banking, a new suite of managed investment products developed by Asset Management for Private Banking, and strengthened client management coordination by our alternative investments distribution team in Asset Management with the securities distribution team in Investment Banking.

Cautious Capital and Risk Management

While the prudent taking of risk in line with our strategic priorities is fundamental to our business as a leading global bank, we maintain a conservative framework to manage liquidity and capital. As of the end of 2010, our tier 1 ratio under Basel II stood at 17.2%, up from 16.3% the year before. Consistent with the Swiss Expert Commission's recommendations, we took action to raise tier 1 and 2 contingent buffer capital in February 2011. We have revised our liquidity risk management to be compliant with FINMA requirements that are in line with the BCBS Basel III liquidity framework. We continue to deploy capital in a disciplined manner based on our economic capital model, assessing our aggregated risk-taking in relation to our clients' needs and our financial resources.

Striving for Improved Efficiency

We continue to strive for top-quartile efficiency levels, while being careful not to compromise on growth or reputation. Going forward, we will target a pre-tax income margin above 28%. Efficiency measures implemented with strong involvement of senior management have generated cost savings while helping to build an efficiency culture. We have five Centers of Excellence (CoE) in Pune, Raleigh-Durham, Singapore, Wroclaw and Mumbai, in which we have deployed more than 10,000 positions, improving productivity.

To track our progress and benchmark our performance, we have defined a set of key performance indicators for growth, efficiency and performance, and capital to be achieved across market cycles.



Consolidated Balance Sheets

	end of	
	2010	2009
Assets (CHF million)		
Cash and due from banks	65,467	51,857
of which reported from consolidated VIEs	1,432	–
Interest-bearing deposits with banks	1,524	1,177
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	220,443	209,499
of which reported at fair value	136,906	128,303
Securities received as collateral, at fair value	42,147	37,516
of which encumbered	21,352	27,816
Trading assets, at fair value	324,704	332,238
of which encumbered	87,723	112,994
of which reported from consolidated VIEs	8,717	–
Investment securities	8,397	11,232
of which reported at fair value	7,945	10,793
of which reported from consolidated VIEs	72	–
Other investments	16,482	23,993
of which reported at fair value	13,448	21,126
of which reported from consolidated VIEs	2,334	–
Net loans	218,842	237,180
of which reported at fair value	18,552	36,246
of which encumbered	783	1,105
of which reported from consolidated VIEs	3,745	–
allowance for loan losses	(1,017)	(1,395)
Premises and equipment	6,725	6,436
of which reported from consolidated VIEs	72	–
Goodwill	8,585	9,267
Other intangible assets	312	328
of which reported at fair value	66	30
Brokerage receivables	38,769	41,960
Other assets	79,585	68,744
of which reported at fair value	39,470	29,125
of which encumbered	2,388	3,262
of which reported from consolidated VIEs	19,570	–
Assets of discontinued operations held-for-sale	23	0
Total assets	1,032,005	1,031,427

→ Consolidated Balance Sheets (continued on next page)

→ Consolidated Balance Sheets (continued)

	end of	
	2010	2009
Liabilities and equity (CHF million)		
Due to banks	37,493	36,214
of which reported at fair value	3,444	4,695
Customer deposits	287,564	286,694
of which reported at fair value	3,537	2,676
of which reported from consolidated VIEs	54	–
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	168,394	191,687
of which reported at fair value	123,697	122,136
Obligation to return securities received as collateral, at fair value	42,147	37,516
Trading liabilities, at fair value	133,997	133,481
of which reported from consolidated VIEs	188	–
Short-term borrowings	21,683	7,645
of which reported at fair value	3,308	3,383
of which reported from consolidated VIEs	4,333	–
Long-term debt	173,752	159,365
of which reported at fair value	83,692	74,513
of which reported from consolidated VIEs	19,739	–
Brokerage payables	61,746	58,965
Other liabilities	62,214	71,532
of which reported at fair value	29,185	30,389
of which reported from consolidated VIEs	840	–
Total liabilities	988,990	983,099
Common shares	47	47
Additional paid-in capital	23,026	24,706
Retained earnings	25,316	25,258
Treasury shares, at cost	(552)	(856)
Accumulated other comprehensive income/(loss)	(14,555)	(11,638)
Total shareholders' equity	33,282	37,517
Noncontrolling interests	9,733	10,811
Total equity	43,015	48,328
Total liabilities and equity	1,032,005	1,031,427

	end of	
	2010	2009
Additional share information		
Par value (CHF)	0.04	0.04
Authorized shares (million)	1,468.3	1,469.4
Issued shares (million)	1,186.1	1,185.4
Treasury shares (million)	(12.2)	(16.2)
Shares outstanding (million)	1,173.9	1,169.2

Ticker symbols / stock exchange listings

	Common shares	ADS ¹
Ticker symbols		
Bloomberg	CSGN VX	CS US
Reuters	CSGN.VX	CS.N
Telekurs	CSGN,380	CS,065
Stock exchange listings		
Swiss security number	1213853	570660
ISIN number	CH0012138530	US2254011081
CUSIP number	–	225 401 108

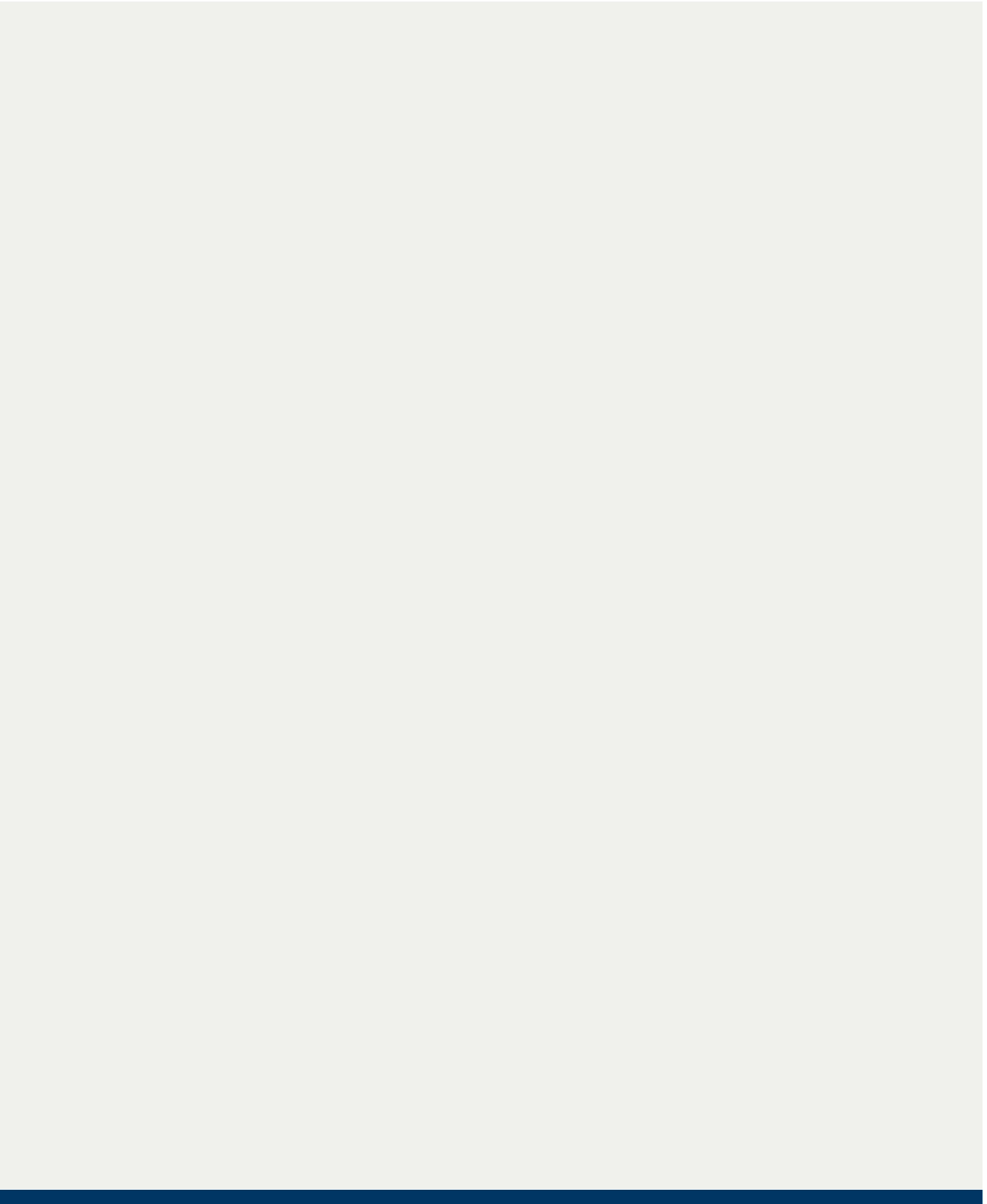
¹ One American Depositary Share (ADS) represents one common share.

Share Data

in / end of	2010	2009	2008
Share price (common shares, CHF)			
Average	45.97	45.65	48.87
Minimum	37.04	22.48	24.90
Maximum	56.40	60.40	66.95
End of period	37.67	51.20	28.50
Share price (American Depositary Shares, USD)			
Average	44.16	42.61	45.48
Minimum	36.54	19.04	19.01
Maximum	54.57	59.84	59.76
End of period	40.41	49.16	28.26
Market capitalization			
Market capitalization (CHF million)	44,683	60,691	33,762
Market capitalization (USD million)	47,933	58,273	33,478
Dividend per share (CHF)			
Dividend per share	1.30 ¹	2.00	0.10

¹ Proposal of the Board of Directors to the Annual General Meeting on April 29, 2011. Paid out of reserves from capital contributions.







CREDIT SUISSE

1

STATION
CREDIT SUISSE

STATION
CREDIT SUISSE

Switzerland

Global Bank Putting the Focus on the Home Front

Credit Suisse employs a workforce of more than 20,000 in Switzerland, and the bank has a close affinity with its home market. Thanks to its nationwide presence and its varied range of services, Credit Suisse meets the needs of private individuals and companies alike. Three examples from the French-speaking region of Switzerland illustrate the bank's dedicated efforts to assist its clients.



Anyone entering the Credit Suisse branch on the Place de la Paix in the town of Montreux (canton of Vaud) will be warmly welcomed by a member of the staff – perhaps by Jean-Marc Perrier, the floor manager there. He acts as the bank's host, if you will. As part of his role, he identifies each client's precise needs, and in many cases he can provide further assistance himself; if not, he can call on the services of the bank's numerous specialists.

Credit Suisse gradually introduced this reception concept at its larger Swiss branches about five years ago, with the aim of improving its response to clients' wishes on a targeted basis. This is particularly relevant, given that about 34,000 people will visit a Credit Suisse branch somewhere in Switzerland every day. It is the floor manager who establishes the initial contact between visitors and the bank, and thus is instrumental in determining whether the client's first impression is a positive one. Or, to put it another way: Gone are the days when clients entering a bank had to stand anonymously in line in front of the counter.

At the Cash Service – as the entire reception area at a branch is now known – Jean-Marc Perrier, as manager, has a job with plenty of variety. In addition to the reception function as such, the man from French-speaking Switzerland is also responsible for the smooth operation of the ATMs, and assists clients in processing a variety of bank services such as opening new accounts.

Perrier's job, which he has now held for two years, is the complete opposite of what he used to do. Following a commercial banking apprenticeship, he entered the electronic banking sector, placing him on the cutting edge of new developments that are now taken for granted in the banking business. After a few years in electronic banking, Perrier welcomed the move to the Cash Service, where he comes into direct contact with clients. "My work has become considerably more varied," he says. Credit Suisse played a pioneering role when it introduced its

reception concept at individual branches. To achieve this, the bank invested several hundred million Swiss francs in renovating and modernizing its branches in Switzerland, and also provided training for its employees. All floor managers now receive certification once they have successfully completed their training. And for 2012, further training in services is planned so that even more can be done to meet clients' changing needs.

Lending a Personal Touch to the Domestic Market

None of these developments has happened by accident. At the end of the day, Switzerland is Credit Suisse's home market. The bank has over 20,000 employees working in a variety of areas in this country. More than 200 branches and contact centers are available to private clients, and employees cater to the wide-ranging needs of small and medium-sized enterprises at about 40 branches and business centers. More than 90 branches have been redesigned since 2005, and the remaining branches are due to be modernized by 2013. Local and regional businesses are given preference for the building contracts for this work, and the furnishings are mainly supplied by Swiss manufacturers.

As well as lending a highly personal touch to the banking business, Credit Suisse's reception and host concept emphasizes the importance that the bank attaches to its domestic clientele and to proximity to its clients. Especially in recent years, accusations were leveled at Credit Suisse from various quarters that it was neglecting its home market. Now, however, the bank's nationwide presence and its varied services prove precisely the opposite. Moreover, cross-divisional resources give Credit Suisse the ability to combine high-quality solutions for entrepreneurs with customized offerings for private clients. In this regard, the French-speaking part of Switzerland is representative of the whole country, setting a good example of how it is possible to meet specific client requirements in a given region.



Philippe Rapo at the site of Romainmôtier Abbey. He offers practically unparalleled expertise in the requirements of SMEs in the French-speaking part of Switzerland. Today, Rapo manages a portfolio that totals well in excess of 100 enterprises. His close relationships with clients provide great added value.



Jean-Marc Perrier shown here in Montreux on the shores of Lake Geneva. He is the floor manager of the Place de la Paix branch, where he has a variety of duties. As onsite host, he ensures that the bank needs no second chance to make a good impression on clients.



"We approach the client's needs in a very targeted manner in accordance with their client profile."
Nadia Cattai, relationship manager for premium clients in Geneva.

Switzerland

We are a leading bank for private, corporate and institutional clients in Switzerland, our home market, with more than 200 branches across the country offering a full range of private banking services. The Investment Banking and the Asset Management divisions also offer a broad range of financial services and investment products to the Swiss client base.

Continued from page 39

In the former industrial town of Yverdon on Lake Neuchâtel, now known as Yverdon-les-Bains, there is a varied population of modern SMEs with which Philippe Rapo maintains very close relations. Following his apprenticeship at the end of the 1970s with Credit Suisse (then known as Schweizerische Kreditanstalt) and various assignments abroad, Rapo moved on to new pastures during the 1990s. For about 15 years, he worked as the head of finance for various companies in the region before returning to the bank, where he is able to contribute the know-how that he acquired in the meantime.

This is a stroke of luck for Credit Suisse, because Philippe Rapo has a virtually unrivalled knowledge of the requirements of the region's SMEs. He also knows where to look for any weaknesses that companies might have, can offer them better advice and is able to deliver enormous added value thanks to targeted services from Credit Suisse. Whereas corporate loans accounted for most of the business a few years ago, many questions and requirements on the part of corporate clients now involve aspects such as appropriate management of investments, leasing transactions and hedging of foreign currency positions, as well as tax and succession management issues, according to Rapo.

Bank Exercising a Fundamental Advantage

Philippe Rapo is also familiar with all the numerous companies in his catchment area of the Northern Vaud, which extends from Yverdon and St. Croix to Vallorbe and Echallens. These established firms include companies that operate in the mechanical engineering sector and the building industry, as well as manufacturers of high-tech products. This is the environment in which this Credit Suisse specialist operates, offering advice of the same quality to firms with 10 employees as to corporations with a workforce of several hundred. Philippe Rapo manages a port-

folio that totals some 150 enterprises. "Nowadays," this banker comments, "a corporate client no longer works exclusively with one single bank. These clients maintain several relationships, continuously comparing the different offerings and, to some extent, playing the banks off against one another." Credit Suisse, he adds, has a fundamental advantage here. As one of the big banks, Credit Suisse is able to stand out from its competitors by offering an entire range of services. As Rapo says: "This unquestionably highlights the advantages of the integrated bank concept, which has done away with the division-driven mindset; Credit Suisse no longer thinks in terms of isolated units, and is now an integrated bank that offers integrated solutions."

An interesting fact in this context is that most Swiss SMEs weathered the recent financial crisis very well, and have even emerged stronger from it. They learned the lessons from the experiences of the early 1990s, when Switzerland was also plunged into economic turmoil. The same is true of Credit Suisse, which now acts more cautiously and purposefully after the severe mortgage crisis at that time. Rapo adds that the banking business has also changed in several other respects: "More social skills are called for nowadays." He is referring here to the willingness to build up a relationship of trust with clients, and to address the issues that concern them most.

Social Skills Play a Decisive Role

Nadia Cattai agrees that social skills are essential. She works for a very different area of the Credit Suisse Group than Jean-Marc Perrier in Montreux or Philippe Rapo in Yverdon, basically at the opposite end of the client world. As a relationship manager for Premium Clients, she looks after private individuals with assets of at least CHF 50 million from her base in Geneva. The backdrop here may be different from the corporate and retail banking businesses, but the social element – the requirement to maintain close relationships with clients – is ultimately the same.

Nadia Cattai has followed an interesting career path within Credit Suisse – one which shows how varied and multi-faceted banking can be, and how new opportunities will open up time and again for committed individuals. She started her career more than 20 years ago as an assistant in the wealth management department of Schweizerische Kreditanstalt. As time went on, her high level of commitment and willingness to learn enabled her to take on more and more responsibility in private banking. She finds the ongoing changes in the profession over the years truly amazing. "When I started out, there was no such thing as client segmentation," Nadia Cattai explains. "Anyone coming to Credit Suisse would be dealt with to the best of our knowledge and ability." Nowadays, by contrast, the bank attends to its clients' needs in a more targeted way in accordance with the client profile; she views this approach as a major incentive in her day-to-day work.

For the last five years, she has been looking after ultra-high-net-worth individuals, i.e., very wealthy individuals who either manage their assets themselves or have them managed through what is known as a family office, set up as a specialized structure for this purpose. "You're dealing with specialists in every respect here," Nadia Cattai emphasizes. This means that the job is extremely demanding, and it poses considerable challenges for the relationship managers – but, after all, it is the showcase discipline at Credit Suisse.

As in the SME world, it is possible to identify certain trends that have emerged over recent years in dealings with highly affluent private individuals: Clients are very well informed nowadays, Nadia Cattai points out. "The clients know exactly what they want – and what they don't want." They are also aware of costs and charges, and they play the competitors off against one another accordingly. However, she says that her work focuses on a different aspect. "Nowadays, clients are not so much in search of simple investment recommendations. What they actually want is to compare their own assessments with someone else's views." In other words, they are seeking professional advice, which can only be effective on the basis of a close and trusting relationship.

The social factor thus plays a decisive part, highlighting the responsibility that the banking sector must shoulder – an aspect that was perhaps neglected in recent years. This, after all, is the basis for establishing the follow-up contacts that are essential in order to acquire new clients. In a financial center such as Geneva, which has attracted people for centuries thanks to its unique banking tradition, every client is fought over. Credit Suisse is very well equipped for this battle thanks to networked services from its different business areas that enable it to offer customized solutions to its clients. //



Hans-Ulrich Meister

Chief Executive Officer Credit Suisse Switzerland

Hans-Ulrich Meister, what role does Credit Suisse Switzerland play within the bank today?

Credit Suisse is a global bank deeply rooted in Switzerland. We are on hand to partner private individuals and companies in providing the full range of banking services, and we strengthen Switzerland as a corporate, commercial and industrial location by ensuring liquidity and long-term funding, and by providing international payment and settlement processes.

What were last year's key developments?

Clients tended to be cautious in their investment transactions last year, and we observed some degree of uncertainty. To provide better support for our clients with their investment decisions, we focused even more intensively on our structured advisory process. For this purpose, we are making use of a new tool – the RiskAnalyzer – which helps us to analyze individual risk tolerance and ability, enabling us to realign the portfolio if necessary.

Were any strategic adjustments implemented?

We reduced our risks in investment banking. This means that revenue will fluctuate less in the future, but it also limits earnings potential in comparison to higher-risk business models.

What about the change to banking confidentiality?

Our business model is not based on tax advantages. However, the protection of privacy is a key element of Switzerland's position as a future-oriented financial center. Our top priority as a bank is adhering to the regulations and laws that are in force everywhere.

What are Credit Suisse's future goals in Switzerland?

Credit Suisse has repeatedly been honored as the best bank in Switzerland. We intend to maintain this position, and continue to give our best to our clients, day after day. No other bank in Switzerland can rival our offering, high level of local expertise in the regions, stability and clear focus on our clients – backed up by our international network.



Jeans Wang, Equity Capital Markets in Hong Kong: "Our colleagues in Private Banking have contributed significantly to our results. In return, we can provide them with market insights, capital-raising capabilities and choices on how clients can monetize their investments."

Asia Pacific

Providing Fuel for the World's Growth Engines

Asia's emerging economies are advancing to the top of the world economic order. People in the region are as ambitious as they are self-confident – and rightly so, experts say.

Asia Pacific's growth is changing the structure of the global economy. In the aftermath of the financial crisis, the resumption of high levels of growth in Asia Pacific's emerging economies, compared to those in the industrialized world, is nothing short of remarkable. "However, it is not so much the pace that is amazing as the scale of these changes and consequences of the rapid economic progress," says Min Park, Head of Credit Suisse's Equity Derivatives Sales team in Hong Kong.

Min Park and his team are clearly benefiting from these "consequences." The region's economic rise has captured the attention of investors and businesses across the world and this is translating into a vast increase in investment flows. Credit Suisse has positioned itself as a conduit for these large financial flows. Leveraging the expertise and knowledge of its employees, the bank provides clients of the Private Banking, Investment Banking and Asset Management divisions with a range of solutions and products that enable them to maximize their wealth and investment opportunities. Park and his team

play a significant role in these efforts. They are developing structured products – sophisticated investment tools that are created by combining multiple basic financial products. The structured products themselves can take almost any form and be tailored to fit almost any client need. "We are a custom shop. Our clients tell us what they want and we are able to develop the right product for them."

Min Park's order books are full. Institutional clients, large corporates and in-house relationship managers generate a steady stream of business. "Shortly after the financial crisis erupted, investors were quite hesitant. They preferred to leave their money in a bank account. Increasingly, however, assets are returning to the market. People can't just leave their money stagnating with less than 1% interest for an extended period of time. They have objectives when it comes to building their wealth. Institutions have objectives, pension funds have objectives. And we're seeing increases not just in terms of the volume of money entering the market but also in the actual number of clients."

He adds that 60% of the individuals in the fastest-growing middle segment of the wealth pyramid live in Asia Pacific. That is equivalent to nearly 600 million people. The world's third-largest generator of wealth, China, is taking prime position. For some 30 years, the country has been recording annual gross domestic product (GDP) growth rates of nearly 9%. During this time, China has evolved from what the West once saw as a producer of cheap goods to a formidable competitor – and has, at the same time, developed a consumer market with enormous purchasing potential. Taking China and India together, there will soon be one billion people who, while not yet affluent, have found a way out of poverty. This upcoming explosion of the middle class will heavily influence consumer trends, the global industrial landscape and investment and capital flows.

But the region's financial progress is not only creating a larger middle class, it is also fuelling the wealth of local high-net-worth individuals (HNWI) and ultra-high-net-worth individuals (UHNWI) – those with assets in the single-digit to triple-digit millions. “And both these segments are growing at a pace never previously witnessed anywhere in the world,” explains Terry Leeworthy, a relationship manager at the Credit Suisse Private Banking division in Hong Kong. With a total of close to five million individuals – 800,000 of whom live in China – the segment is starting to rival the HNWI segment in Europe. “Additionally, China has about 4,000 multimillionaires who are at

the very top of the asset pyramid with fortunes exceeding USD 50 million. China thus accounts for about 5% of the global UHNWI segment. An additional 13,000 HNWI live outside China in the Asia Pacific region. Both segments are strong drivers of private asset flows and investment trends,” says Leeworthy, who is central to Credit Suisse's efforts not only to tap into the growing wealth in Asia Pacific, but – by working closely with colleagues like Min Park of Equity Derivatives – to advise on investment opportunities that suit the personal requirements of these clients.

Growth Is the Operative Word

The rapid growth of a dynamic and wealthy segment of smart investors – together with growing interest in the Asia Pacific market among Western investors and companies – has resulted in a flood of investments into the region. For the finance industry, this trend means a boost in attractive income sources and growth prospects. However, institutions looking to position themselves as conduits for these investment flows are dependent on experienced and proactive teams that can cater to an increasingly sophisticated and demanding class of clients. “Many of our clients are the originators of their wealth – the first generation who built up their fortunes from scratch; classic entrepreneurs. People who aren't afraid of taking a risk if the returns look promising enough – business men and women who

Continued on page 48



Min Park, Equity Derivatives Sales:
“The critical success factor for my staff is their ability to grow as a team and work with other teams.”





Terry Leeworthy, relationship manager, Private Banking: "Many of our clients are the originators of their wealth – the first generation who built up their fortunes from scratch."

Asia Pacific

The Asia Pacific region is our fastest-growing private banking market globally. Our integrated banking platform has a strong presence in the region's largest markets, such as Australia, Hong Kong and Japan, and a rapidly growing franchise in China and India.

Continued from page 46

are still very actively managing the growth of their assets, even at an advanced age," explains Leeworthy.

The operative word here is growth. In industrialized nations, the third and fourth generations of wealth holders are often concerned about wealth preservation. They want to ensure that they do not leave their children less than they themselves inherited. In Asia Pacific, however, investors are focused on growth: on transforming one million into two million and two million into an economic empire. Getting there requires a broad range of financial tools. Apart from wealth management or the establishment of a foundation and succession planning, many Private Banking clients in Asia Pacific are majority shareholders in listed companies, or own a range of privately held businesses. For them, an initial public offering (IPO) or private equity divestment may be on the agenda. Such opportunities for monetization can be complex to execute and it is often preferable, from a client's perspective, if it is handled by a single institution. As a result, teamwork is one of the industry's key topics: "My staff includes the best experts in their field. However, the critical success factor is their ability to grow and expand as a team and to work together with other teams," says Min Park.

The ability to offer integrated solutions and the drive to offer clients a seamless experience seem to fit well with the philosophies that dominate in the region. These certainly appear to be things toward which people find it easy to gravitate. "Af-



The rapid economic growth recorded in Asia Pacific, the world's most dynamic economic region, has fuelled the wealth of local ultra-high-net-worth and high-net-worth individuals.



In China, the goldfish (jin yu) is a symbol of wealth. Jin literally means gold and yu sounds like the word for abundance.

ter all, you don't become the best team solely by having the best analysis, best market knowledge or best products. Instead, you become number one if you have the best and most comprehensive solutions and thus the happiest clients. And 'clients' is what this is all about. Their happiness is the true measure of success. Not only because we are nice people at Credit Suisse but because satisfied clients will give us their business again and again," says Jeans Wang.

As a member of the investment bank's Equity Capital Markets team, Wang works on company IPOs, rights issues, block trades and follow-on transactions. In 2010, ECM – as Wang's Equity Capital Markets team is known – was involved in many of the region's landmark deals. "The rights issue offerings for the Bank of China, the China Construction Bank and the Industrial and Commercial Bank of China were, for example, the three biggest such deals in the region. We were also involved in the IPOs for Rusal, the world's largest aluminum producer based in Russia, and for AIA, the Asian subsidiary of US insurer AIG – Hong Kong's biggest IPO to date at USD 20.5 billion and the world's third-largest ever – as well as about 60 other deals. Of course, the skills and experience of the ECM team are the main drivers of our success. But it is also attributable to the fact that Private Banking can provide us with cornerstone investors from their client base. In fact, our colleagues in Private Banking have contributed significantly to our results. In return, we can provide them with market insights, investment opportunities, capital-raising capabilities and choices on how clients can monetize their investments that would be difficult to obtain from any other source," according to Wang.

The Potential Remains Immense

Jeans Wang's examples point to another aspect of the shift in global economic forces toward Asia Pacific: The region's own investors and companies are not the only ones who think the markets of the future lie in their region. According to Credit Suisse's analysts for the global emerging markets, investors from outside the region poured about USD 60 billion into emerging Asian equity markets (excl. China and Malaysia) in 2010, more than in any year since at least 2003. And non-Japan Asia G3 bond issuance amounted to a record USD 67.2 billion, surpassing the previous record of USD 50.8 billion in 2009.

It thus appears that the "Pacific Century" has become a reality. It has challenged the industrialized nations' pole position in the economic landscape. And Asia Pacific is consciously searching for its own ways of handling the opportunities and risks associated with rapid growth. No doubt it will make mistakes along the way. But anyone in the finance industry who has done their homework will want to be present in all the key financial hubs of the world's economically most dynamic region. //



Osama S. Abbasi Chief Executive Officer Credit Suisse Asia Pacific

Osama Abbasi, how does the growth in investment flows impact Credit Suisse's business in the Asia Pacific region?
The growth in investment flows, both into Asia Pacific and within the region, has had a transformational effect on Credit Suisse's businesses here. Our activities in Private Banking, Investment Banking and Asset Management are all geared to provide a conduit for these flows, so they can be used prudently to generate the best returns for our clients and represent the most productive use of capital.

What is the bank doing to capture the opportunities in the region?

Many regional companies and clients in Asia are in a very strong cash position and globally clients are more eager than ever to gain exposure to the region's compelling fundamentals. We are positioning ourselves to fully capitalize on this. We experienced a strong year in net new asset inflows into our Private Banking and Asset Management divisions, and we have a leading market share in Investment Banking. But there is still more to do to build a truly winning platform. How we will succeed in the future is by providing the right advice, the right solutions, and by sharpening our focus on clients.

Where do you see the biggest growth potential in the region?
Our focus is not just to record strong growth, but to ensure that we consistently generate a good return on the investment we are making in the region. The key is to have a very clear idea of where we want to get to in a market and a business, and then hold ourselves accountable for getting there.

Do you think Asia Pacific's economic growth is sustainable?

Yes. The simplest way to look at this is through the numbers. The region's markets account for around 21% of the MSCI World Index but international investors currently hold assets at a significantly lower percentage. So in terms of sheer numbers, people need to invest more and will invest more in Asia.

Finance

A Step Ahead for Firm Footing

Credit Suisse's strategy of reduced risk and capital efficiency is making the bank an innovator in capital markets. The bank's euro-covered bond in 2010 was a milestone that reflects the efforts of teams and departments around the world to tap new sources of capital and keep Credit Suisse on a firm financing footing.

Anthony Crettaz, pictured here at the Hotel Greulich in Zurich, is an economist and financial specialist in Credit Suisse's Treasury department, and in charge of keeping the ground-breaking euro-covered bond project on track.





Lori Panzarino takes in the bright lights of Times Square from 42nd Street, New York. Panzarino leads a team of four in liquidity management, and monitors and tunes the liquidity barometer.

Finance

The Chief Financial Officer (CFO) area protects and enhances shareholder value by acting as a guardian of the bank's financial franchise, delivering valuable and high-quality information, advice and services, and optimizing the use of the bank's financial resources.

On November 24 of last year, Credit Suisse celebrated a premiere – issuing a euro-denominated bond backed by Swiss mortgages. Before that, the instruments now called covered bonds were issued only in Swiss francs and were generally known as “Pfandbriefanleihen” (loans from central mortgage bank institutions). With these securities, Credit Suisse raised EUR 1.25 billion for long-term refinancing.

The transaction was orchestrated by a department that is not well known to the public, but which plays an important role for the bank: Treasury Management. Its staff of approxi-

“We want to achieve the broadest possible funding for the bank.”

Rolf Enderli, Group Treasurer

mately 100 ensures that Credit Suisse always has enough money available to keep its business operating smoothly and meet all its obligations. Long-term financing is accomplished by issuing bonds, such as covered bonds, with which the bank raised CHF 15 billion last year alone. For shorter-term financing, the department manages liquidity on the money market. Credit Suisse has some CHF 50 billion in funds invested with central banks which can be converted to liquidity overnight. “The bank needs cash to survive, the way people need air to breathe,” says Markus Sunitsch, who is in charge of liquidity management.

Even though Credit Suisse frequently issues debt, the covered bond was by no means a routine matter. It was a com-

plex project that broke new ground. The person hard at work behind the scenes was Anthony Crettaz. An economist and financial specialist educated at the University of Geneva, he joined Credit Suisse's Treasury department in 2001, and since then has had a range of responsibilities in the team.

Crettaz likes change, and the euro-covered bond project was just the right thing for him. In the year and a half between the conception of the bond and its launch, Crettaz familiarized himself with all facets of banking. From real estate to mortgages, taxes, law, IT and risk management, he had to acquire knowledge from many sources to keep the project on track. When he sat down to draw up a list of everyone who worked on the project – to invite them to a reception following the bond's launch – it contained over 100 names. Communication took special priority, to dispel deep-seated skepticism about mortgages in the wake of the subprime crisis. “We had to explain that the conditions on the Swiss real estate market were not comparable to those in the US,” he explains. The issue is backed by mortgages on 7,751 residential properties, all top quality and located in Switzerland. “Solid bank, strong mortgages, stable country” is the motto, presenting the bond as a rare occasion for foreigners to invest in Swiss mortgages. There was strong demand, and the bond was hailed a success.

First of Its Kind, Won't Be the Last

The bank intends to expand its offerings of covered bonds denominated in currencies other than the Swiss franc to provide an important source of refinancing. To begin with, they give the bank a broader basis for raising long-term funds in line with Credit Suisse's strategy. Group Treasurer Rolf Enderli explains: “We want to achieve the broadest possible funding for the bank.” Furthermore, Credit Suisse wants to become even more attractive to foreign investors, and therefore needs a stronger presence on the foreign capital markets. The success of the covered bond proves that this is the right way to go. Ultimately, such securities enable the cost of capital to be reduced, as the bank can use them to acquire fresh funds more cheaply than with normal debt issues. The first transaction alone has led to interest savings of EUR 28 million.

What began as a single project has now become institutionalized. At the start of the year a new business office headed by Crettaz was created to serve as a central point of contact for all matters concerning covered bonds. There are plans to issue three such bonds in 2011, for over EUR 1 billion each. To enhance the instruments' attractiveness to US investors, transactions in US dollars are also planned.

There was another debut, with the announcement in February 2011 of a forward private placement to two strategic investors of contingent capital and the completion of a public placement of contingent capital. These new instruments will be

converted into equity if the capital ratio falls below a prescribed threshold. Under the proposed Swiss regulations, contingent capital can be used to meet requirements for additional capital buffers.

Before the crisis, people believed that securities could be converted to cash at any time. But when the crisis hit, it became clear this was not true. Securities formerly considered to be highly liquid were suddenly no longer tradable. "The crisis showed that financing is not to be taken for granted. It revealed how important Treasury was," says Sunitsch. As a result, regulators from the Swiss Financial Market Supervisory Authority (FINMA) to the internationally active Basel Committee on Banking Supervision tightened their liquidity requirements.

A Critical Eye Keeps Everything in the Green

The new rules are known to all; the challenge is to implement them. "We've always been careful, but we're now even more prudent since the financial crisis," says Rolf Enderli, whose equity planning extends as far as 2018. The bank must be prepared for extreme situations, and be able to ensure that it will always be in a position to pay.

Sophisticated IT and measurement systems ensure that management always knows which business areas or subsidiaries need what funds, and whether a sizable deposit or big withdrawal has been made. The core measurement tool is called a liquidity barometer. It shows how much money the bank needs to meet all its obligations, even in extreme situations arising from potential problems at the bank, or events on the markets. In 2010, for example, Treasury had to prepare for stress scenarios involving a debt default by Greece or Ireland. The barometer stayed in the green range throughout.

The best information system is only as good as the people who maintain it and supply it with data that they then analyze and interpret. Enter Lori Panzarino and her team of four. A trained accountant, she has worked for Credit Suisse in New York for 12 years, six of them in liquidity management. She monitors the barometer model, adjusts it as market conditions change or new liquidity rules are issued, and prepares weekly reports on the liquidity situation. "It's a computer model, but we see it as a guardian of our business," she explains. Whenever transactions are made, the model is adjusted accordingly.

As in any case when a security is issued, Panzarino evaluated the covered bond project and delivered information to management for decision making. The conference calls with colleagues in Zurich, London and Singapore reinforce her awareness of the global nature of the bank. She believes this global reach is a big advantage in terms of liquidity management, as the bank can make transactions on many different markets. And she's particularly positive when it comes to the covered bond, which enables the bank to enter more new markets. //



David Mathers
Chief Financial Officer

"The financial industry is at the threshold of a new era. 2010 saw significant progress in defining the new regulatory environment, both globally with the Basel III announcements and in Switzerland. At the beginning of the year, it was clear that cutting the Gordian knot meant defining a more effective regime for capital, funding and liquidity. The main hallmarks of the crisis had been identified as Too Big to Fail institutions that took on too much risk, insolvency resulting from contagion and counterparty risk, inadequate capital and liquidity resourcing, and the lack of efficient resolution regimes.

The Basel III regulatory framework introduced new capital standards that are designed to strengthen the resilience of the banking sector, notably higher minimum capital requirements, new conservation and countercyclical buffers, revised risk-based capital measures, a leverage ratio and liquidity standards. The proposed Swiss regulations go well beyond Basel III regarding capital requirements and by including emergency plans to address systemic risk.

The changes that we made to our business and our capital planning proved to have anticipated many of these regulatory changes. We staked out a vision for how the industry would develop and what we would need to do as a leading bank to succeed in this new environment. The concept of contingent capital was a core component of what we thought would benefit the industry through the development of substantial new capital buffers. This type of debt would convert into equity at a time of stress, thereby absorbing losses and increasing the capital of the bank.

As early advocates of contingent capital we had faced a lot of skepticism. Now our perseverance paid off. The launch of the Buffer Capital Notes, a form of contingent capital, at the beginning of 2011 put Credit Suisse in a leadership position. With two landmark transactions we demonstrated thought leadership and we capitalized on the current regulatory change, opening up a potentially huge market."

Americas

Contrasts, Consistency, Collaboration

In a region that continues to be the anchor of the global economy, two business groups exemplify Credit Suisse's ongoing drive to build long-term relationships with clients.

Credit Suisse has deep roots in the Americas, stretching back to the earliest days of merchant banking in the US, and for decades in the other major markets. The bank's three core businesses Private Banking, Investment Banking and Asset Management are fully represented, and well positioned to maintain the client and market share momentum they have realized over the past several years.

"Strategically, the region is hugely important to us," said Antonio Quintella, CEO of the Americas region. "The Americas includes the world's largest economy and several of its most promising emerging markets. It is the hub of the technology, telecommunications and entertainment industries, among others. The ideas, trends and products created here have a vast impact globally, and spur high levels of capital and wealth generation. Just as important, the Americas are also a major source of critical natural resources for much of the world."

For Quintella one of the most important priorities is ensuring clients "have access to the bank's full global resources and expertise in a way that reflects their preferences and objectives, rather than geographic or organizational boundaries.

Clients don't care how the bank is structured; they do care about consistency, accountability and our ability to understand and help them achieve their goals. We want to build long-term relationships with our clients, so the more aligned we are with them, the better."

It sounds intuitive, but in practice, this client-centered approach requires a high degree of discipline and integration. To provide more perspective, we spoke with senior members of two different groups: the bank's Oil & Gas industry practice in the Americas, which provides industry expertise, analytics and strategy to clients based in major energy centers across the Americas; and with the Key Account Management team, which was formed three years ago to create a focused model for serving Credit Suisse's most important clients around the world, including in the Americas.

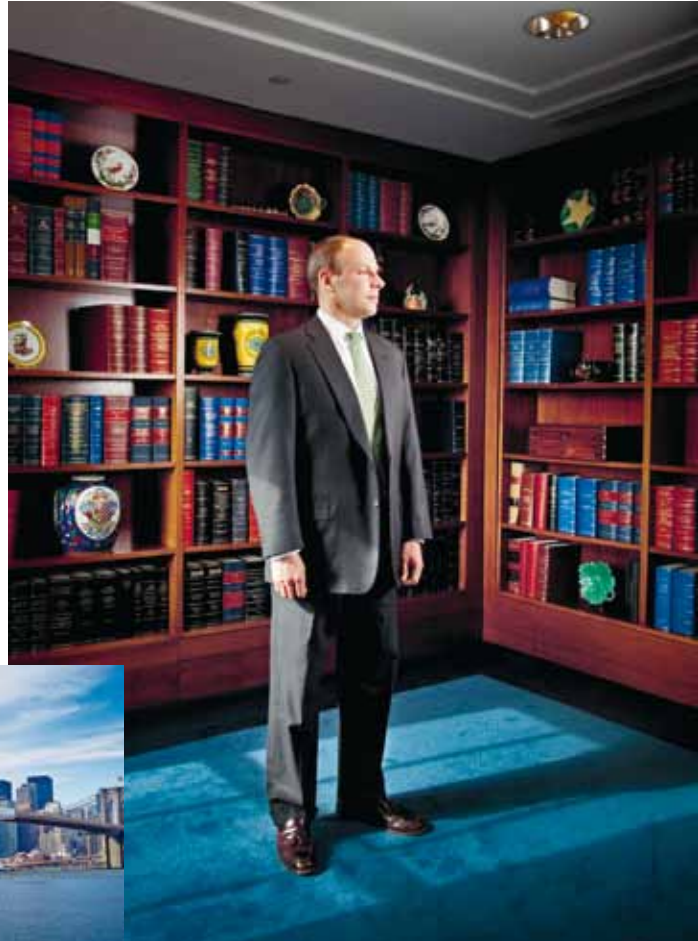
Oil & Gas: A Case Study in Cross-Border Cooperation

Demand for energy and energy assets has led to tremendous growth and corporate activity in every sector of the oil and gas industry throughout the region. What differentiates Credit Suisse



Osmar Abib, Global Head of the Oil & Gas group: "We're seeing a lot of cross-border deals involving companies in Brazil and in Canada."

Robert Griffith, Managing Director in Global Securities and a Key Account Manager in the Americas: "For the client, you are effectively the ambassador of Credit Suisse."



Vicki Longo, Managing Director in Key Account Management (KAM) and **Kristin Peta**, Director in KAM (left): "Before we launched KAM, our relationships were not as strong with many of these key clients because we didn't always have a holistic approach. That's changed."

Continued from page 54

in this intensely competitive space? Speaking with Osmar Abib, Global Head of Oil & Gas, it is the bank's relationship-based approach, supported by strong partnership between coverage officers, and products and solutions experts: "There is more collaboration across the region and more globally."

Abib helps oversee a team of approximately 30 sector specialists based in Houston, Texas. They partner with relationship bankers across the world (many of whom have worked with their local clients for many years), capital markets and corporate finance specialists in New York, and ever more often with colleagues in Europe, the Middle East and Asia, "reflecting the increasingly cross-border nature of the business," he said.

"We're seeing a lot of cross-border deals involving companies in Brazil and in Canada," according to Abib. "In Brazil for example, there has been a significant acceleration of deals in the past few years, particularly in offshore oil and gas. This has probably become the most attractive region in the world for finding big oil reserves."

As the Brazilian oil and gas sector has become more compelling, it has started to attract international capital, and today, a substantive amount of investment originates from overseas, Abib noted.

"There is more collaboration across the region and more globally."

Osmar Abib, Global Head of the Oil & Gas group

"Credit Suisse has a global team, and we've been able to provide global investors with differentiated investment opportunities in Brazil," he said. "For example, in 2010 we led an initial public offering (IPO) for HRT, an oil exploration and production company. This followed the highly successful IPO for OGX two years ago, which helped pave the way for a series of other flotations. These transactions provide opportunities to invest directly in Brazil's oil exploration sector, but within the framework of broader macro themes."

Over the past 10 years, Brazil has become one of the world's most important global economies. It has been a tremendously important market for Credit Suisse for many years. Having built what is arguably the country's premier investment banking franchise, with the 2007 acquisition of Hedging Griffo, a leading private bank and asset manager, Credit Suisse now has a leading position in all three of its core businesses in Brazil. Thousands of miles to the north, Canada is another major center



Ron Lloyd, CEO of Credit Suisse in Canada: "If you look at Canada as a whole, the financial system is extremely stable, the country's debt-to-GDP ratio is low, and real estate prices are stable. This is a country that has it all."



Antonio Quintella
Chief Executive Officer
Credit Suisse Americas

As the New York-based Chief Executive Officer of the Americas region, Antonio Quintella has responsibility for delivering the bank's client-focused strategy in a region that includes not only the world's biggest economy, but some of its most dynamic emerging markets.

What have been your priorities since taking over in 2010 as CEO of the Americas region?

One of the biggest has been looking at ways we can improve collaboration, and identifying opportunities that allow us to serve clients across private banking, investment banking and asset management. To do that, we need to make sure there is plenty of dialogue between the divisions.

What are some of the most notable examples of Credit Suisse's integrated approach at work?

There are good examples of teams in Latin America and Canada working with our colleagues in Asia on opportunities involving natural resources. We've established a solid flow of referrals between Investment Banking and Private Banking, and Asset Management is working with both Investment Banking and Private Banking to develop targeted investment products.

What are the biggest challenges of the job?

In large organizations, one of the biggest challenges is communication. The best ideas come from people who are on the ground and getting things done.

You've also repeatedly emphasized the importance of human capital. Why?

Recruiting is a regional effort. You need to recruit the best people, and help them realize their full potential. You also need to offer them leadership opportunities and provide a high degree of mobility across the organization. People who have a sense of ownership in the bank's future are fundamental to our success.

of activity in the oil and gas industry, and it has been a very busy year for Credit Suisse on both the mergers and acquisitions (M&A), and capital markets fronts. To better serve the needs of clients in the sector, the bank announced the opening of an office in Calgary, Alberta, where many energy and natural resources companies are based.

"Just as we've had a strong local presence in Houston for the past 40 years, we know that having people on the ground in Calgary, living and working in the community, with their kids in school and participating in the philanthropic activities of the city, is critical to establishing a sustainable presence in western Canada," said Ron Lloyd, CEO of Credit Suisse's Canadian operations.

"There are many opportunities for us to serve the leading companies across the Canadian energy sector," Lloyd said. "Canada is a growth market. There are opportunities in metals and mining, in forest products, and in consumer and retail. If you look at Canada as a whole, the financial system is extremely stable, the country's debt-to-GDP (gross domestic product) ratio is relatively low, and real estate prices are stable. This is a country that has it all."

"It is about being a client of Credit Suisse, rather than a client of separate individuals or businesses."

Kristin Peta, Key Account Management (KAM)

Views like this indicate the roles of Brazil and Canada on the global stage are set to expand. "One of the keys to the success of our energy business is the fact that it is so global," Lloyd said. "That increases the range of options that our clients have, and it means we can be more effective when we're collaborating with them."

A Case Study in Client-Focused Coordination

The Key Account Management (KAM) initiative is a bank-wide program focused on ensuring Credit Suisse is managing its most important strategic relationships in a coordinated fashion, and consistently adding value. The program was originally conceived in Switzerland. The initiative has been so well accepted that "KAM has become an important brand and distinction within Credit Suisse," said Vicki Longo, Managing Director and global coordinator of the program.

Many of the bank's largest clients do business with the bank across products, capabilities and regions, and they have literally dozens of touch points within Credit Suisse. Some clients have significant, multiple needs within a relatively narrow range of product requirements; other clients use resources from across the bank's different core businesses. Each KAM account has a single, senior-level relationship manager responsible for understanding the client's requirements holistically, coordinating the bank interaction across products and businesses and for delivering against agreed-upon account objectives.

"The Key Account Managers are focused on identifying the best opportunities for their clients and on viewing their clients as partners," Longo said. "Before we launched KAM, our relationships were not as strong with many of these key clients, because we didn't always have a holistic approach. There were cases where we operated in silos and were focused too strongly on products, rather than on the clients. That's changed."

"We've created tools to provide Key Account Managers with information on client contact across groups and businesses," added Kristin Peta, Director, Americas KAM initiative. "We've made great progress in 'institutionalizing' client relationships. When you have many people working across product areas on the client's behalf, you often develop excellent one-to-one relationships in different businesses. Now we have a structure that enables us to support excellent broad-based relationships at the corporate, divisional and business level."

Robert Griffith, Managing Director in Global Securities and a Key Account Manager in the Americas, says that the KAM initiative complements the traditional, product-centered coverage model by creating a holistic client strategy aimed at not only maximizing existing relationships, but also identifying new opportunities to expand the partnership between Credit Suisse and the client.

"For the client, you are effectively the ambassador of Credit Suisse. You are looking at their strategy, performance and future business goals and developing a bespoke coverage model that will best deliver the resources of the integrated bank to the client," Griffith said. "Internally, you're the advocate for the client, maintaining an open dialogue with the entire coverage team to ensure a best-in-class client experience."

The KAM team has been working with Shared Services to ensure the bank is just as responsive and coordinated on the operational side of client relationships, with Shared Services often providing a single point of contact to resolve client issues quickly and effectively. "Providing a framework for professionals within the bank to coordinate with each other ensures that the client receives seamless coverage," Peta said. "It is about being a client of Credit Suisse, rather than a client of separate individuals or businesses."

Americas

The Americas region comprises our operations in the US, Canada, the Caribbean and Latin America, with our three divisions strongly represented across the region.

Credit Suisse's executive team has made a strong commitment to KAM, and senior managers play an important role in expanding client relationships, reviewing the strategic objectives for key accounts, and responding to inquiries from potential new clients. One pillar of these efforts is the Client Steering Committee, comprising regional CEOs and business group heads, which prioritizes client segments and helps guide the bank's deployment of its resources.

"KAM is becoming part of the culture at Credit Suisse," said Longo, adding that the Americas initiative expects to grow by 40% during 2011. Client feedback has been strongly positive; one of the bank's top five clients globally in terms of revenue said recently that Credit Suisse is the most client-focused of the major global banks.

"We've made a difference, but we're not yet where we want to be. It takes time," Longo said. "It's all about mindshare, not necessarily revenues."

For Antonio Quintella, the KAM initiative underscores the contribution that the Americas region is making to the bank's clients everywhere: "The Americas is an exciting, diverse landscape, home to many of our most important corporate, institutional and private clients," he said. "The challenge is to constantly look ahead, to anticipate and meet their needs." //



Alexandra Gina Trepp at "Steinfels," an old soap factory in Zurich. She oversaw the compilation of almost one-third of the 82 detailed country analyses that Credit Suisse has put in place in the field of Private Banking to date.

Naira Marutyan shown here at the Forum Credit Suisse Geneva, is one of about 50 Credit Suisse trainers around the globe who teach relationship managers about the laws and regulations governing cross-border private banking.



General Counsel

Complexities of Compliance

Cross-border banking business is increasingly a focus of attention for supervisory authorities, and internationally active financial services companies are confronted with many regulatory requirements, which are set up differently in each country.

Credit Suisse offers financial products and services for private and institutional clients residing around the world, and is confronted with a steady increase of regulatory requirements, which are set up in different ways depending on the country. Cross-border compliance is an extremely important component of our business.

Naira Marutyan is part of this effort. When Credit Suisse relationship managers are inspired to bring up questions and stimulate discussions during her training session, she knows the class has been a success and that the subject at hand has really hit home. Relationship managers who support clients are experiencing the regulatory changes first-hand and need to know and follow various rules. If they are not adhered to, the bank has to deal with consequences, which may extend from fines to loss of license, not to mention the possible damage to reputation.

Naira Marutyan is one of roughly 50 Credit Suisse trainers around the world who specifically teach the Private Banking division's relationship managers how to comply with regulations of this kind. The native Armenian studied law in her home country and moved to Switzerland six years ago to obtain her Master's degree in Law at the University of Zurich. She has

been working in the Compliance unit of Credit Suisse in Geneva for two years, focusing on cross-border transactions. Several hundred relationship managers attended one or more of her courses in 2010. "I don't just teach, I learn a lot myself, too," says Marutyan, "especially if the training session throws out a lot of questions."

Cross-Border Compliance, a Top Priority

The questions that front-office employees ask may seem mundane, but they should not be taken lightly. Can I approach a prospect? Can I play a round of golf with a client? Am I allowed to give clients investment advice? Can I accept an invitation to a birthday party? Am I allowed to hand out business cards? What's the situation with regard to investment product prospectuses? When it comes to contacting future clients, supporting existing clients or advertising for the bank, there are detailed rules that have to be observed in each of these situations.

Cross-border compliance has thus become a task that internationally active banks need to take very seriously. In October, the Swiss Financial Market Supervisory Authority



Romeo Cerutti

General Counsel

“It is commonly alleged that the managerial levels of major banks are devoid of women. When it comes to the Credit Suisse General Counsel division at least, that is not the case. Of the 1,400 employees, exactly half are women, many of whom have international training, and there are experienced female lawyers in management functions. The proportion of women has been at a relatively high level for many years now.

The division, which is made up of the two units of Legal and Compliance, supports the management and the employees of the bank in complying with internal directives, laws and regulations. Agnes Reicke, who has been Chief Operating Officer of the General Counsel since 2005, Ursula Lang, General Counsel and Head Advisory & Control Group Switzerland/Private Banking, and Maria Leistner, General Counsel and Head Advisory & Control Group Europe, Middle East and Africa, are among the women holding top positions within the division.

Agnes Reicke was a pioneer in the Credit Suisse legal department. In spring 1977, the lawyer joined the investment bank then known as Credit Suisse First Boston, and in 1986 built up its London legal department with a team of four employees. As she rose to become Chief Operating Officer of the General Counsel, she also provided support to female colleagues. At the beginning of 2011, she spent several months filling in for a colleague in London who was on maternity leave.

Agnes Reicke was attracted by Credit Suisse’s international sphere of activity, a factor that continues to draw many female attorneys to the bank. The offering of flexible working models, which helps to combine work and family, is also appealing. This makes it possible to work part-time in a management function or to take on a full-time position, while working from home on certain days – a model that is chosen not only by women, but also by men.”

alluded to the relevance of the topic and published a position paper on the risks of cross-border financial services. The authority expects “banks to perform an analysis of legal and reputational risks and to take measures to minimize and eliminate risks.” The aim is to bring activities in each foreign country in line with the applicable law in that country.

The Executive Board assigns the highest priority to complying with the rapidly changing regulatory environment. The aim is to handle all cross-border activities to the letter of all regulations and laws.

The Challenge of Clarification around the World

First of all, it was necessary to recognize the parts of the business subject to foreign law and requiring authorization. Clarifications were made in core areas, such as whether active advertising to clients in certain locations is permitted. Working groups including lawyers developed the main questions and, together with local attorneys, created a set of detailed country analyses. Today, there are 82 of these manuals for the Private Banking division alone with many more for other areas of the bank. Alexandra Gina Trepp oversaw the creation of 25 Private Banking manuals. The attorney, educated at the University of Zurich and the University of British Columbia in Vancouver, was hired four years ago to help with this extensive project. She has always loved to travel around the world, and working in cross-border compliance offered her the opportunity to continue to do so. “I really enjoy meeting people from as many different countries as possible.”

Alexandra Gina Trepp covered countries such as the Netherlands, Sweden, the UK, Russia and Poland, but her task also brought her in touch with remote countries such as Azerbaijan, Kazakhstan and Georgia, where she needed to seek opinions from local lawyers. It was a challenge to put the activities requiring authorization into clear and concrete terms, especially as the conditions could be less than direct, and to define the consequences of very generalized regulations for client relationships. For example, what does “infrequent” mean in relation to travel by a relationship manager? Once per month or once per year?

Putting the New Rules into Practice

While the banking business with foreign countries is currently regulated in a relatively liberal manner in Switzerland, Chile and Ukraine, for example, in countries such as France even simple activities are prohibited or require authorization. The authorities pay particular attention to advertising for banking and investment products, and offering securities safekeeping accounts in the client’s country of domicile. In general, the relationship managers at Credit Suisse need to internalize three basic principles: Cross-border transactions may be affected by

more than one type of legislation; Cross-border transactions must be thoroughly analyzed and may be subject to authorization; Mass communications and cold calling are not permitted.

As soon as the country analyses were completed, the compliance specialists went into action, drafting training documents based on the analyses. "The important thing for us was to put the documents together in a language that was accessible to the relationship managers," says Dieter Franz, Global Head of Cross-Border Compliance. At the heart of each of the manuals is the list of dos and don'ts that apply for each country. These rules are also the focus of the training that every client-facing employee needs to complete successfully. Employees who travel have to complete classroom training sessions, while employees working at a single location take an Intranet e-learning class. Everyone has to pass a test for each country.

More than 6,000 relationship managers have attended face-to-face training sessions and/or completed one or several country-specific e-learning courses. The procedures have all been established, right through to systematic monitoring. Country-specific guidelines are regularly updated, because new rules are constantly coming into effect in the countries that the bank observes closely. Relationship managers will be asked to complete new training and testing at the time of a fundamental revision at the latest, meaning that Marutyan and her colleagues will be leading lively discussions once again. Cross-border outgrew its status as a project long ago, and has now become a permanent component in a sustainable business model. //

General Counsel

The General Counsel is a key control and challenge function. Credit Suisse's reputation for integrity and fair dealing is one of its most valuable assets.

The legal and compliance functions at Credit Suisse play a crucial role in maintaining the bank's reputation by providing advice and support for legal and regulatory matters on all levels, establishing and enforcing global standards and policies, as well as coordinating the bank's relationships with its regulators.



Ravi Singh, Head of Alternative Investments at Credit Suisse, and **Jeffrey Weber**, President of York Capital. "The chemistry was right, there are similarities in our approaches, and our cultures were a good fit," says Singh.

York Capital

York Capital was founded in 1991 by Jamie Dinan and is headquartered in New York. Dinan, Chairman and CEO of York Capital, was an investment banker until he decided to go it alone. He started York Capital Management on a modest scale, with initial capital of just USD 3.6 million from friends and relatives. Today the hedge fund manages around USD 15 billion, mainly on behalf of family offices, sovereign wealth funds, foundations and pension funds.

Asset Management

Forging a New Frontier in Alternative Investments

Credit Suisse challenged the conventional wisdom when it unveiled its minority stake in New York hedge fund York Capital in 2010. But as executives at both companies explain, the deal fits perfectly with the bank's long-term strategy and its desire to offer an enhanced range of alternative investments to its private banking clients.

On September 15, 2010, Credit Suisse Asset Management announced it had agreed to acquire a significant noncontrolling interest in New York-based hedge fund manager York Capital. "Credit Suisse Adds Heft in Hedge Fund as Rivals Exit" was how The Wall Street Journal headlined the story. The timing may indeed have been a surprise, but otherwise the acquisition of the stake was readily understandable. Compared to bigger names in the industry, York Capital may be relatively unknown, but unlike so many, it has a track record of success, and was recently cited by specialist US magazine *Absolute Return* as the best in its class.

The move into York Capital reflects the ambitious strategy of Credit Suisse Asset Management. In the months leading up to the acquisition – which coincided with the worst crisis in the financial industry's recent history – the Asset Management division was under a microscope. Senior management came to the conclusion that the alternative investments area, which

includes hedge fund investments, should be expanded. Why? Because alternative investments, already one of the key pillars of the Asset Management division of Credit Suisse, offer more attractive return opportunities than many traditional investment vehicles. Moreover, for both the bank and its clients this is a business with an appeal that is enhanced by a more consistent and comprehensive product spectrum. For Credit Suisse, the key question was how to achieve this expansion: independently or with a partner? "Building this business up on our own would have been risky and drawn-out," says Ravi Singh, Managing Director and Head of Alternative Investments at Credit Suisse, "which is why we decided to seek out a partner with a convincing track record."

The idea of Credit Suisse taking a stake in York Capital was one that York Capital's senior management was very much open to. As was the case at Credit Suisse, the crisis had

Asset Management

Asset Management offers products across a broad range of investment classes, from alternative investments such as hedge funds, private equity, real estate and credit to multi-asset class solutions, including equities and fixed income products.

sparked some serious thinking at York Capital Management about the company's future. The reputation of the hedge fund industry was severely tarnished, and cautious investors were looking for security. In the wake of the Madoff scandal, many investors had transferred their capital to hedge fund providers that enjoyed the backing of a leading global bank. The response of Chairman and CEO Jamie Dinan and Dan Schwartz, York Capital's Chief Investment Officer and senior partner, was obvious: The involvement of a globally rooted strategic partner like Credit Suisse had the potential to strengthen not only the company's financial muscle, but also the confidence of its investors.

Hammering Out a Deal

A short while later, the negotiating teams from the two sides sat down together, and Credit Suisse subjected York Capital to an examination of exceptional rigor. The due diligence process lasted for more than a year. Meanwhile, the US government was busy drafting the details of its major financial markets reform. The result of this process was the so-called Volcker Rule, which sets out precisely how much, and under what circumstances, large banks are permitted to invest in higher-risk investments such as private equity or hedge funds. However, Credit Suisse's stake in York Capital is not prohibited by the new regulatory guidelines: "We invested the money in the company, not in its funds," explains Singh. One of the most important clients of Credit Suisse Asset Management is the Private Banking division. The latter's client base is showing increased interest in alternative investments, particularly as markets start to settle again and conventional investments struggle to outperform. "Interest in alternative investments just keeps on growing," Singh says.

But it wasn't the facts and figures alone that proved the clincher for the deal. Soft factors also played an important role: "The chemistry was right, there are similarities in our approaches, and our cultures were a good a fit," says Singh. At York Capital's offices in the General Motors skyscraper in Manhattan, informality is the order of the day. "We like to keep it casual," says Jeffrey Weber, a partner and President of the hedge fund, before glancing at his own attire and laughing: "I'm only wearing a suit and tie today because I'm visiting places where that's expected." It's the end of November 2010, and Weber is "on tour" in his suit and tie: visiting Credit Suisse in both Zurich and Geneva, getting to know his new business partners, and listening to their ideas. For example, the idea of translating York Capital's company brochure into German and French. Or launching a product in Swiss francs. His view? "Let's do it."

A Traditional Approach

York Capital's recipe for success has more to do with old-fashioned hard work than any magic formula. "We scour the headlines of the company news reports of the world's major newspapers every day," says Weber. Companies in difficulties? Companies on the verge of a merger? "We analyze and interpret this kind of news," says York Capital's president, "and then seek to exploit it." York Capital does this by betting on outstanding loans, equities and bonds, an approach the firm describes as "event-driven investing."

Each York Capital fund bases its decisions on the current situation reported in the news, and fluctuates within fixed investment guidelines. Differences between the individual funds include areas of geographic focus, asset mix and volatility levels. Another special aspect: "The three greatest risks assumed by hedge funds are typically leverage effect, portfolio concentration risk and illiquidity," says Weber, who also doubles as York Capital's Chief Risk Officer. "Our portfolios are unleveraged, diversified, and liquid." This prudent strategy may be one reason the company has posted figures that were in the red on only two occasions, including in the crisis year 2008, when it posted a double-digit loss. But in 2009 the pendulum swung back, with the losses of the previous year more than made good. In 2010 business stabilized, in contrast to the situation in the financial markets.

Thanks to the investment by Credit Suisse, York Capital will enjoy greater security and stability. "Having a world-class financial institution as an investor is meaningful to us," says Dinan. And the confidence demonstrated by Credit Suisse's investment is likely to lead other investors to the same conclusion. Moreover, the transaction means York Capital can gain rapid and direct access to markets where the hedge fund is still virtually unknown – like Brazil and in Asia. The York Capital offerings will be developed into a core component of Credit

Suisse's product spectrum. Having acquired the stake, the Swiss bank is now taking the opportunity to further trim its product platform – a process that has been going on for a number of years. This was driven by the fact that its range of products was viewed as lacking clarity, with some clients finding it too large, others too small. Credit Suisse's Singh describes the development of a high-quality and consistent spectrum of products as one of his key tasks, as well as his greatest challenge. The stake in York Capital gives Credit Suisse access not only to products, but also to a wealth of experience built up over decades in the area of alternative investments. The hedge fund's senior management is broad-based, thanks to 14 partners, while the expertise of its 150 staff – the majority of whom are economic analysts – is substantial.

Another important aspect is that York Capital will remain independently managed, with Credit Suisse having “observer rights” with regard to York Capital's member and board discussions. “The people at York are very successful, and there's no question of Credit Suisse telling them what to do,” says Singh. “Because ultimately we're looking to participate in their success.”

Planning for the Long Haul

The risk of York Capital's key players jumping ship was addressed by Credit Suisse, as a “brain drain” from such a company would be fatal. The senior managers of York Capital signed contractual commitments of between seven and ten years, which is a substantial period of time in the fast-moving hedge fund industry. “It's a very long time,” admits Weber, “but then there are some very interesting incentives to stay around and ensure that the business develops well.” York Capital partners have put a significant proportion of the sum received from Credit Suisse into York Capital funds, signaling a clear commitment to the business on their part. Moreover, the agreement provides for further payments to York Capital partners as long as profitability over the next few years develops as expected.

Meanwhile, the targets set by York Capital are ambitious. “We're optimistic about the future,” says Dinan. Against the backdrop of a stagnating global economy, transactions like mergers and acquisitions are almost the only way for major companies to grow – “a terrific opportunity set” for event-driven hedge fund managers like York Capital. //



Robert Shafir Chief Executive Officer Asset Management

Robert Shafir, how does the relationship with York Capital fit into the overall strategy for Asset Management?

Our strategy is to be in businesses that either leverage the strength of Credit Suisse or are critical to our clients. Prior to this deal our alternatives business already had the core components in place to be one of the largest players in the space. Alternative product areas greatly benefit from being affiliated with Credit Suisse, from capital to distribution to deal flow to global reach.

Is the presence in alternatives enhanced by York Capital?
We've got very significant multi-manager capability and a lot of capability in the private equity space, but when you look in the single-manager hedge fund space, we really have had a fairly light product offering. Partnering with York gives us the platform we need to create the right products for our clients.

Has the deal been received as expected by investors and clients?

Our investors and clients get it. They like our commitment to the alternatives space. They like the partner we've chosen – they would acknowledge that York has been an outstanding player in this space not only from the return perspective but in terms of the integrity of the entire firm, and it's a step forward for us.

Information Technology

On Architecture and Axes

The Credit Suisse IT landscape is now massive and highly complex. Thanks to sophisticated integrated architecture, existing systems and processes can be streamlined and made more powerful.

There can be no banking without information technology. The facts that demonstrate this dependency at Credit Suisse are impressive: A total of 6,000 applications are in use internally in the bank, and business is processed globally using 70,000 desktop computers and over 26,500 servers. With more than 6,000 internal employees and contractors in Switzerland and more than 17,000 world-wide, Credit Suisse is one of the biggest employers in the area of IT. Figuratively speaking, Credit Suisse's IT organization can be compared with a highly complex city that is growing rapidly: In next to no time, state-of-the-art buildings and entire districts are being built to replace decaying areas. A lot of care is needed to renovate and manage older buildings. Maintenance, infrastructure and transportation lines all require meticulous planning. It is a delicate balancing act because the different districts are closely linked – the slightest deficiency in one location can have a major impact on the city's entire construction.

Unlike typical IT companies, Credit Suisse's IT division has just one single client: Credit Suisse. "Of course what we do is very closely connected with the business," says Stephan Murer, "yet at the same time, our job is not just to support the business, but we've also been a business in itself for a while now." In the US, for example, Credit Suisse is the top provider

in securities trading, thanks to its superior computer systems: These systems process more than 100 million orders per day. "That is many times more than are processed on the Swiss Exchange each day," says Murer.

Murer is the Chief Architect of Information Technology. "The word 'architect' fits my job well," explains Murer. "It can definitely be compared with the job of a city planner." Credit Suisse IT systems have constantly grown over time, as a booming city might, to become what they are today: a massive, highly complex entity. "We are in the process of redesigning the IT system of Credit Suisse, so that it is both simpler and more powerful at the same time."

New Platform for the Integrated Bank Model

New construction is currently under way at Private Banking. The project is called Eurom and, from a technical as well as business point of view, represents a significant step for Credit Suisse in the further implementation of its integrated bank strategy. Thanks to the Eurom project, Credit Suisse's Private Banking in the future will be managed through a single platform, the so-called Standard Banking IT Platform (SBIP). This will enable standardization among the country companies, which have been built up independently of each other over the

past few decades and with a wide range of business models. This will of course take into account national requirements, such as regulatory reporting regulations.

Carrying Out Centrally Driven Changes for All Countries

The project was launched in 2007, and well over 100 employees are involved full-time in the core project work. At the end of October 2010, it was as many as 2,000 for a short period of time: Over the course of one weekend, Private Banking Luxembourg was migrated to SBIP. “There was a great deal of tension,” says Rolf Mächler, one of the responsible IT senior program managers, “until it became clear that everything had gone without a hitch.”

“The feedback received from the Luxembourg client advisors was positive across the board,” says Michel Gaillard, Managing Director and senior program manager. “This success gave the project further impetus and now there is a great sense of anticipation in the other regions,” says Gaillard. Our next step will be to migrate Austria and Germany to SBIP, followed by the other European locations. Private Banking will be able to take advantage of further increases in efficiency and quality. All client advisors will have access to SBIP and be able to process their orders in the same way, while for IT Eurom has the advantage that any changes on the new booking platform in the future will have to be made only once, instead of having to implement the changes separately for each individual country company. “The costs for such an implementation can quickly run to a large six-figure sum for each country,” says Gaillard, “but with SBIP we will in the future make the modification just once, but for all.”

Defining New IT Interfaces in Asia

Eurom is not just a project being implemented by IT organizations – it was actually created in close cooperation with Private Banking. “Getting to know each other and gaining a fundamental understanding of each working environment is very important because we are mutually dependent on each other,” says William Jones, a Hong Kong-based IT specialist responsible for another IT project currently in progress. The project is called SPIRIT Asia, which will prepare Private Banking for the expected growth in Asia. This project is defining new interfaces between Private Banking and Investment Banking in Asia.

Before SPIRIT Asia, if private clients in Hong Kong wanted to purchase a structured product, they had to call their client advisor, who then contacted the Structured Products Desk within Private Banking. From that point, the request was forwarded to the Investment Banking Sales Desk and on to the Investment Banking Trading Desk, before the entire process back to the client was carried out in reverse.

Today, client advisors have access to the prices of equity-linked structured products and, thanks to the new system, they

Information Technology

The Chief Information Officer (CIO) area partners with the business to leverage technology across the bank to facilitate the execution and product delivery, as well as innovative systems and platforms to meet the needs of our divisions.

are also able to initiate any kind of order themselves and then have the system process it automatically. “That means better service, lower costs, faster processing and fewer risks,” says project manager William Jones.

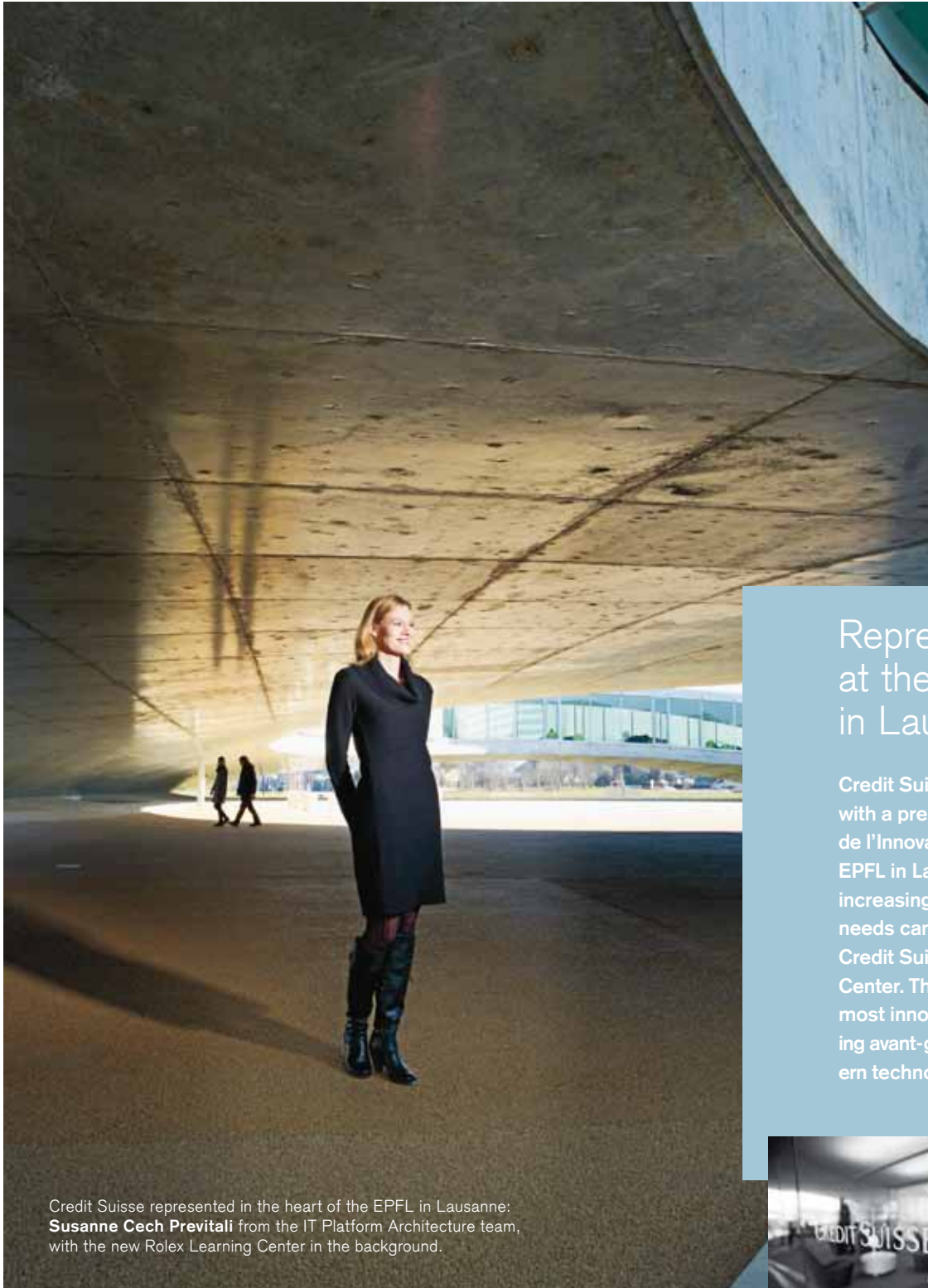
Expansion of Electronic Trading

Andreas Metaxas, a manager at Credit Suisse in London, works in a team leading an IT program aiming to improve the landscape of how our business is conducted. The program is e-commerce for the Fixed Income unit of the Investment Banking division. “The market trend is toward a significant increase in electronic trading,” says Metaxas. The new e-commerce platform will allow Credit Suisse to automate an increasingly high percentage of its client flow, reach more clients in new venues, improve its competitiveness in pricing and trading capabilities, manage its risk more effectively and allow the use of our distinctive trading know-how to set Credit Suisse apart from our competitors. E-commerce will allow the bank to respond quickly to the market changes in the new regulatory landscape. What benefit does this provide for the client? “The platform will enhance the services that we provide with new and diverse products, it will integrate our offering across execution, research and analytics, and it will increase the level of trading efficiency,” according to Metaxas.

Thanks to IT innovation, the company has the ability to grow its customer flow and drive down the cost per trade. “There is an inherent limit to how much we can scale our voice business. E-commerce creates the building blocks that we need in order to automate the trading of our products,” says Metaxas. “The capabilities that technology delivers are limitless.” Electronic foreign exchange (FX) trading has already surpassed our voice business. The current level of automation



Increased efficiency and quality for Private Banking thanks to the creation of a standardized IT platform: **Michel Gaillard** (right), Program Manager Eurom, and **Rolf Mächler**, IT program manager, together at the Uetlihof building in Zurich.

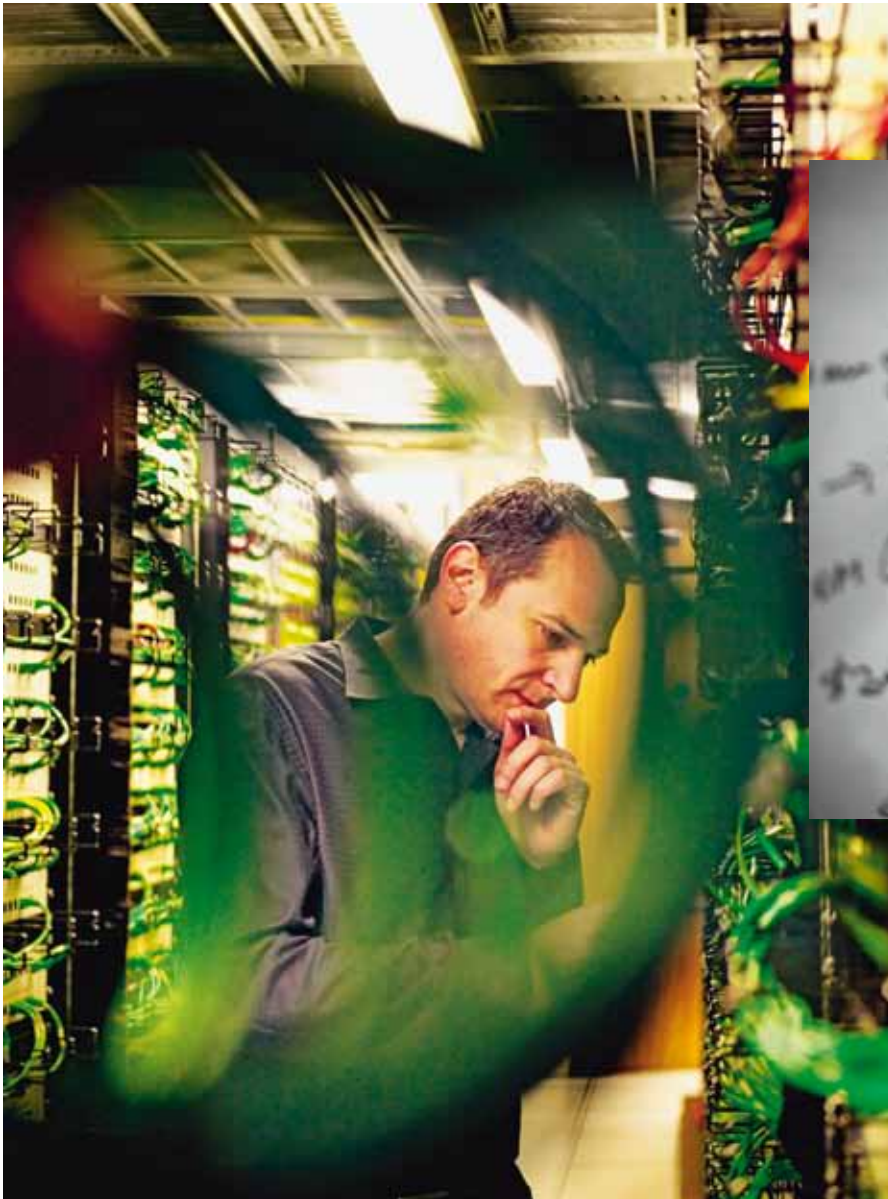


Credit Suisse represented in the heart of the EPFL in Lausanne: **Susanne Cech Previtali** from the IT Platform Architecture team, with the new Rolex Learning Center in the background.

Represented at the EPFL in Lausanne

Credit Suisse is the first bank with a presence in the "Quartier de l'Innovation" at the renowned EPFL in Lausanne. Solutions to increasingly complex client needs can be found at the new Credit Suisse IT Development Center. The bank opened its most innovative branch featuring avant-garde design and modern technology there in 2010.





Andreas Metaxas, a manager at Canary Wharf, London, is working together with his team to develop an e-commerce platform for institutional investors.



"We're working on minimizing the number of data centers, and making better use of the existing ones."
Roger Süess, Chief Architect of Infrastructure, in New York.



Karl Landert

Chief Information Officer

Karl Landert, what role does IT play within a global financial services provider such as Credit Suisse?

Having innovative and efficient IT is absolutely vital to the long-term success of a bank. It creates its products using computers, and research and development take place primarily in IT.

How can you meet the high demands that this entails?

By engaging top talent. Our specialists must have a high degree of social skills and readiness to collaborate internationally. They need to have an interest in banking responsibilities and must demonstrate planning skills, the ability to think strategically and leadership.

And what do you offer your employees in return?

A very wide-ranging, varied and global field of work with a great deal of opportunity for development. IT specialists at Credit Suisse can familiarize themselves with the many different facets of the field: from solution architecture through to business engineering and management of major projects. And by means of targeted measures we're ensuring that our employees can continuously develop, with deployments abroad if necessary.

In view of the universal shortage of specialists in the field, how do things look for recruiting young IT talent?

That is a great challenge indeed. IT graduates often don't know how important the IT area is to a bank, or realize the range of attractive career opportunities that exist there. Many would prefer to work at a high-tech firm after their studies, and don't even think about the financial sector. We do a great deal to foster the development of young talent in order to counteract the shortage of skilled IT employees. We are investing in self-training, and are doubling the number of apprenticeships and global entry programs for university graduates. In Switzerland, we are also contributing up to 10 million francs to the IT Professional Education foundation, which aims to create 3,000 new apprenticeship openings by 2015.

Continued from page 69

even allows computers to trade without any human intervention. In FX, the technology developed in the last three years has realized dramatic benefits in our ranking, market position and trading volumes. In other fixed income businesses, the IT accomplishments of the last year are beginning to have a similar effect and have already improved our standing in many client-facing trading venues.

Security through Decentralization

Increased efficiency and cost savings are the drivers of every innovation – and also every renovation – in the area of information technology. In this respect, infrastructure plays a very important role because, as with a city, it represents the basis for smooth functioning. At Credit Suisse, Roger Süess, a native of Zurich working in New York, acts as the central switchpoint for the technological infrastructure. One of the biggest challenges is the efficiency of the bank's data centers. "We are in the process of minimizing the number of data centers and at the same time making improved use of the individual ones."

The desired changes are also being facilitated by developments within the industry itself. Computers have become smaller, while their performance has improved exponentially. At the same time, new technologies have created an opportunity to consolidate applications more optimally and to operate them more flexibly. "That saves space, energy and costs," according to Süess. When planning the new data centers, location plays an important role. Ideally, they should be situated separate from the office premises. In fact, a new Credit Suisse computing center is currently under construction outside of New York, in New Jersey, and, as of 2012, the computers will be whirring to life in a brand-new building, located far away from any employee workplaces. And in this way – to further extend the city planning metaphor – the IT architects at Credit Suisse have succeeded in integrating yet another innovative and central neighborhood. //

Cautionary Statement Regarding Forward-Looking Information

This report contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act. In addition, in the future we, and others on our behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the following:

- our plans, objectives or goals;
- our future economic performance or prospects;
- the potential effect on our future performance of certain contingencies; and
- assumptions underlying any such statements.

Words such as "believes," "anticipates," "expects," "intends" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. We do not intend to update these forward-looking statements except as may be required by applicable securities laws.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include:

- the ability to maintain sufficient liquidity and access capital markets;
- market and interest rate fluctuations and interest rate levels;
- the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations, in particular the risk of continued slow economic recovery in the US or other developed countries in 2011 and beyond;
- the direct and indirect impacts of continuing deterioration or slow recovery in residential and commercial real estate markets;
- adverse rating actions by credit rating agencies in respect of sovereign issuers, structured credit products or other credit-related exposures;
- the ability of counterparties to meet their obligations to us;
- the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations;
- political and social developments, including war, civil unrest or terrorist activity;
- the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations;
- operational factors such as systems failure, human error, or the failure to implement procedures properly;
- actions taken by regulators with respect to our business and practices in one or more of the countries in which we conduct our operations;
- the effects of changes in laws, regulations or accounting policies or practices;
- competition in geographic and business areas in which we conduct our operations;
- the ability to retain and recruit qualified personnel;
- the ability to maintain our reputation and promote our brand;
- the ability to increase market share and control expenses;
- technological changes;
- the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users;
- acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets;
- the adverse resolution of litigation and other contingencies;
- the ability to achieve our cost efficiency goals and cost targets; and
- our success at managing the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events.

Enquiries

Credit Suisse AG
Investor Relations
Tel. +41 44 333 71 49
investor.relations@credit-suisse.com

Credit Suisse AG
Corporate Communications
Tel. +41 844 33 88 44
media.relations@credit-suisse.com

Photography: Alberto Venzago (Cover, 2, 9, 10, 12, 13, 15, 17, 18, 21, 22, 23, 29, 30, 32, 34, 35, 39, 40, 41, 43, 44, 46, 47, 48, 49, 50, 51, 53, 56, 58, 60, 62, 67, 70, 71, 72, Backcover), Laurent Burst (24, 26, 33, 64), Tobias Madörin (36), Johannes Kroemer (55, 56, 57, 71);
Business Review: Alberto Venzago (10, 11, 14, 15)
Design: www.arnold.inhaltundform.com
Printer: Swissprinters Zürich AG, Zurich
Paper: Trucard Ice FSC, single-page mirror finish, 280 gm² wood-free (cover)
Dominant Plus FSC, offset, white, matt, 90 gm², wood-free (content and booklet)



CREDIT SUISSE AG
Paradeplatz 8
8070 Zurich
Switzerland
Tel. +41 44 212 16 16
Fax +41 44 333 25 87

www.credit-suisse.com