

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

**Speech by Hans-Ulrich Doerig  
Chairman of the Board of Directors**

Dear Shareholders

Ladies and Gentlemen

I'm proud to have worked for Credit Suisse for the last 37 years. I'm proud that with our exceptional team of people, we're delivering exceptional results. As a Swiss citizen, I'm proud that we're able to make an important contribution to this country by helping to increase the competitiveness and prosperity of our home market as well as strengthening its tax base.

We've all witnessed the effects of the recent crisis. As a result of this financial tornado – the worst in a century – 70 of the world's 100 biggest banks had to turn to their governments for direct support of one form or another. Some institutions remain in the hands of the state today.

The level of government aid provided in Switzerland was limited by international standards. At the same time, however, Switzerland has become a welcome target of criticism for other countries facing more and bigger problems. Despite having only limited political influence, we're now envied and attacked because we are, in many ways, more successful than them.

We're now operating in a complex environment in which we must reconcile our vision and goals with external expectations, obligations, regulations and uncertainties. Today, Ladies and Gentlemen, I'd like to show you the path that Credit Suisse is taking to secure its future success – for the benefit of its shareholders, clients and Switzerland as a whole; a path that reflects our role as a constant, stabilizing force in a time of uncertainty.

I'd like to look at three key factors:

- Our business model
- Excellence
- Reputation

**1st key factor: Our business model**

Our integrated business model focuses on three core areas: Private Banking, including our Swiss retail banking and corporate banking activities, Investment Banking and Asset Management. Our 48,000 employees work in these three fields. We also view our business from a geographical perspective and have divided our global activities into four regions, each of which includes operations from all three business units.

Our broad-based model is considered attractive by our competitors, investors and regulators around the world; they see it as the model of the future. It enables us to generate sustained profitability – which is the best way of safeguarding system stability. We can achieve this thanks to the flexible diversification of revenues and risks across products and geographies, while realizing synergies and economies of scale and avoiding cluster risks. It was investment banking – which is an essential part of this integrated approach – that first really put Swiss banking on the map and raised the bar in other areas of the business. We have a presence in 50 countries, where we offer our clients – including small and medium-sized enterprises (SMEs) – direct local access to our services.

Our business model works because it satisfies the wishes of our clients and the market and because it is flexible and responsive to change. The practical experience of our entire team has gone into shaping this model. It's not some theoretical ideal dreamt up in an ivory tower. If the Swiss big banks were to be broken up or if our universal banking system was to be abandoned, we would be needlessly squandering one of our trump cards. This would harm both our financial center and our export industry and would be a spectacular own goal.

*Let me ask you a question: Do you think it would be better for Switzerland to have large regional banks rather than globally active integrated financial institutions?*

My answer is: definitely not. I believe Switzerland needs strong globally active banks. If we were to surrender the big banks' realigned business models, this would be a step backwards, not forwards.

Incidentally, many of the people who are advocating this approach believe that the financial losses and problems of speculation were limited to outside Switzerland. All too many of them forget that less than 20 years ago, the Swiss financial market was also faced with around 50 billion Swiss francs of writedowns. The big banks were only able to absorb these losses at the time because of their international activities.

We came through this period without government aid. We also extended a lifeline to a number of Swiss private banks – without any need for state intervention.

We benchmark our structure and processes against a variety of studies on an ongoing basis. The responsibilities within our company are clearly assigned. Control and support functions in the areas of finance, legal and risk remain separate from the front office.

Credit Suisse was the first bank to appoint a Chief Risk Officer at Executive Board level and to establish a Board of Directors' Risk Committee many years ago. Avoiding cluster risks and ensuring that our risk exposures are well diversified and proportional are key priorities at Credit Suisse. We need to have the right proportion of risks in relation to our balance sheet, our capital position and our revenues. Around 3,000 people – or 6% of all Credit Suisse employees – work in the support and control functions of Risk Management, Compliance and Internal Audit.

Like many other financial institutions, we also made mistakes during the major crisis of 2007/2008, especially when it came to the question of proportionality in commercial real estate financing, high yield financing and when assessing the liquidity of financial instruments. We've learned from these errors and have since exited various areas of business that are too capital intensive and generate unsatisfactory returns over the long term.

We've taken a conservative approach to liquidity management for many years – which costs us hundreds of millions of francs but stood us in good stead during the crisis of the century. Credit Suisse was a net creditor throughout this period and played an important role in supplying the market with liquidity. We made between 30 and 70 billion Swiss francs of liquidity available to central banks each day. Our loans to clients, which amount to 229 billion Swiss francs, are refinanced with 122% client deposits. This is an exceptionally good ratio. The proportion of relatively expensive long-term debt on our balance sheet is a conservative 15%.

Foreign savings make up the shortfall left by Swiss savings: deposits from abroad are used to finance 16% of all lending to Swiss clients. This means that foreign savers are effectively lowering the cost of borrowing for our SMEs; this is one major advantage of our integrated business model.

The concepts of being 'big' and 'successful' are quickly criticized in Switzerland in view of our nation's democratic mindset and the belief that 'small is beautiful'. They are sometimes accepted, albeit reluctantly. Large corporations are easy targets for populist attacks – despite the fact that they are of key importance for growth and jobs in Switzerland. They also generate a significant volume of tax revenues and are major purchasers of goods and services from Swiss SMEs.

Banks should not be judged on their size alone. The new leverage ratio for the big banks is already restricting the growth of our balance sheet. Size can also increase stability, based on the principle that large organizations are big enough to cope – and not simply too big to fail.

Bigger banks automatically have more opportunities and can make an important contribution to the financial center. For example, in the past we've saved Swiss domestic banks from the brink of collapse and have helped avert national catastrophes. Let's also consider the way the big banks function as vital linchpins of the economy by preserving liquidity in money market and securities trading, maintaining the financial infrastructure and facilitating international financing. Which banks solve complex, client-specific problems through the interaction of specialists and cross-business collaboration? And how would unsecured lending to Swiss SMEs or the supply of risk capital and capital market funding work without the big banks? We should value the international networks and service and advice that the big banks can offer thanks to their operations around the globe – which benefit SMEs and multinationals alike.

I believe that commentators are too fixated on the size of bank balance sheets rather than their contents. The contents of a balance sheet – including its risks – and the degree to which financial institutions are interconnected are far more critical when it comes to system stability than the size of the balance sheet itself. The main system-relevant areas of the big banks' activities are: the Swiss deposits business, payment operations and SME financing. We are working on possible solutions to this issue.

The balance sheet contents of banks like Credit Suisse are much better diversified in terms of risk and are more flexible and more liquid than those of a Swiss retail bank. Here are a few examples relating to Credit Suisse:

- Risk-weighted assets under Basel II account for only 22% of our balance sheet – this is an indication of our relatively low level of risk;

- 60% of the assets on our balance sheet can be liquidated in 3 – 6 months if necessary, although this would have a negative impact on risk diversification, revenues and employment.
- Let's take a quick look at the contents of our balance sheet: 49% of today's balance sheet is made up of low-risk assets (cash, lending to central banks, securities repo transactions, lending against collateral and hedging);
- 32% of today's balance sheet comprises our securities trading book – the value of which is determined daily and the major proportion of which is hedged and very liquid;
- The remaining 19% mainly consists of illiquid loans to SMEs and international borrowers as well as other components such as property, goodwill, etc.;
- The most illiquid Credit Suisse assets of all are here in Switzerland – I'm referring to mortgages and loans to SMEs.

At Credit Suisse, illiquid mortgages throughout Switzerland account for only 13% of our balance sheet – which is an attractive proportion of risk in relation to the overall balance sheet. In the case of the cantonal banks, which have regional clusters of mortgages, they account for over 60% of assets.

The current problem relating to the protection of individual privacy has an impact on our Private Banking business, which is another part of the integrated model. We are pleased that our supervisory authorities are now increasingly addressing this issue. I think the priorities here are clear. There are eight different aspects to consider:

1. The protection of privacy is one of the cornerstones of our financial center. We are opposed to the automatic exchange of information on tax matters.
2. The best solution would be based on the dual taxation treaties concluded in accordance with Article 26 of the OECD Model Tax Convention. By adopting the complete OECD standard on tax matters, Switzerland has pledged to support coordinated international efforts to combat tax evasion.  
The administrative assistance we provide under the OECD standard needs to be efficient and effective.
3. Bank business models must be based on declared client assets. However, banks do not represent the long arm of the tax authorities.
4. Extension of the EU taxation of savings income.
5. Legacy issues, i.e. undeclared assets held by the banks, need to be resolved bilaterally within the political arena. A one-off amnesty-style levy or penalty tax would be a swift, efficient and effective measure.

6. Improved access to markets outside Switzerland would facilitate the export of Swiss banking and help to preserve jobs. Switzerland could offer an extended capital gains withholding tax in return.
7. The distinction between tax evasion and tax fraud has a long tradition in Switzerland. I don't believe there is any urgent need to alter this approach at present.
8. The most important thing in all these cases is for us to act in a well-considered manner:
  - We mustn't weaken our negotiating position through activism;
  - We mustn't offer to make compromises right from the start;
  - The negotiators should be allowed to do their work without the process being communicated broadly and unnecessarily;
  - What is needed is more silent diplomacy and less of the frantic political maneuvering we are seeing as a result of populist opportunism.

### **2nd key factor: Excellence**

I estimate that our 48,000 employees make around 200 million individual decisions each year. These decisions may have either a positive or a negative outcome. They may entail new risks or opportunities or impact our reputation. This equates to around 100,000 decisions in each hour of each working day, which is why we have to ensure that each one of our employees is empowered to reach these decisions competently and professionally at all times. Our operating environment is too competitive to allow for anything other than excellence.

Remember: Future growth or success are far from certain if you deliver a mediocre performance. Once you are mired in mediocrity or enter a downward spiral, it is very difficult, if not impossible, to emerge from it in today's fiercely competitive global environment. As Oscar Wilde once said: "The average gives the world its substance, the extraordinary its value."

Many of our employees have extraordinary skills and do outstanding work – as we saw during the recent crisis.

The professional training and development opportunities we provide are becoming an increasingly important factor driving the success of our company. We offer more than 1,200 apprenticeships in Switzerland and recruit 1,000 university graduates around the globe each year. Credit Suisse organizes 5,000 courses annually, which translate into a total of 70,000 days of training. In 2009, our employees completed around half a million Web-based training courses. In 2004, Credit Suisse became the first bank in Switzerland to

establish its own business school with a recognized Bachelors qualification. We also support university-level courses in the field of finance through the Swiss Finance Institute as part of our contribution to strengthening Switzerland's position as a center of knowledge and learning.

Where would the Swiss financial center be without the intensive, internationally-oriented professional training and development offered by the big banks or their efforts to promote the transfer of knowledge and experience? How would other financial institutions in Switzerland manage if they weren't able to meet their need for highly-qualified managers and specialists as a result of the big banks' training efforts?

The concept of excellence also extends to the quality of our information technology. Without an excellent IT infrastructure, the bank would very quickly grind to a halt. Our average level of system availability exceeds 99.9%. Our team of 12,000 IT employees around the world develops and maintains 5,000 different applications. If we were to burn all the data files we manage onto individual CDs, they would reach a height of 14 kilometers. Our IT systems have very high security standards that are regularly reviewed and adapted. Credit Suisse is highly respected for the quality of its IT organization, which attracts IT specialists with a passion for precision.

An important aspect of the achievement of excellence is our flexibility and our readiness to embrace change: our business model, structure, processes and IT systems are all geared towards this. Our flexibility was and will remain a vital prerequisite when mastering crises and seizing new opportunities. This flexibility is combined with insight, a forward-looking approach and disciplined management. This flexibility enabled us to rapidly adjust our risk profile and our global activities both during and after the greatest crisis for 100 years. We managed to largely renew our business within a matter of months – with reduced risk exposures, diversified earnings and risks, a stronger client focus, a more capital-efficient business and a stronger capital base.

### **3rd key factor: reputation**

Our vision is simple but ambitious: we want to become one of the world's most admired banks. We know that our reputation is key to securing the trust and admiration of stakeholders, which is why we safeguard it carefully at all times. Trust and security are vital to the survival of any bank. We can only operate successfully and gain acceptance among clients if we inspire them with confidence.

A good reputation is the product of various elements, perceptions, emotions and expectations. Our reputation is synonymous with our brand and reflects our level of acceptance among you, our shareholders, as well as our clients and employees. That is why reputational risks are one of the greatest threats we face. That is why we regard the achievement of sustained profits as essential for our reputation. That is why, in 1999, we were one of the first banks to implement a Code of Conduct defining professional and ethical principles; our only document to be translated into 19 different languages. That is why we began issuing detailed compliance manuals for our front office areas five years ago, ahead of other banks. We now have over 100 such manuals. That is why we take our comprehensive corporate citizenship activities – including our support for social, cultural and educational initiatives – very seriously. And that is why we are also aware of our responsibility towards the environment.

We know that a strong capital position that inspires trust is also key to a good reputation. We favor capital requirements that are conservative by international standards. We know that we have a major responsibility to operate successfully without having to turn to the government for support – while maintaining a very constructive attitude towards the state.

In my speech today, I've so far underlined the important role played by Credit Suisse and our people. Of course, I can't deny that we've also made mistakes – but we've always been able to correct them ourselves. For example, we've successfully navigated the most extreme financial situation in a century on our own. And, in all modesty, Credit Suisse has, since it was founded in 1856, overcome around 40 financial crises – both external and internal – around the world using its own resources. In other words, we did so without receiving any form of government aid over a period of 154 years.

Furthermore, Credit Suisse has paid a dividend – albeit a small one in some cases – for every year since it was established. All of this is thanks to our tradition of entrepreneurship – combined with a measured approach to risk-taking, risk diversification and a long-term focus, as well as careful contingency planning, an ability to respond effectively change and our access to private capital. Our long history of success means that we have a lot to live up to. I am aware of this responsibility, every hour of every day.

*Here's another question for you: What do I assign greater importance to: our heritage dating back to 1856 or a new balance sheet ratio?*



We don't assume additional risks based on the assumption that the government will bail us out if necessary. On the contrary: we avoid excessive risk-taking because we never want to be in a position where we have to turn to the state for support. In other words, the so-called 'moral hazard' that many theorists believe to be at work is having the opposite effect at Credit Suisse. Our fear about special government intervention is serving as 'moral support' in our case.

One of our crucial strengths during the crisis was the prompt, intensive and constructive way in which our top management communicated with our stakeholders. Analysts today believe that Credit Suisse is taking a leadership role in terms of our commitment to providing transparent information about our balance sheet – especially our risk situation – and our compensation system. The cultivation of a constructive relationship with bank supervisory authorities is part of our reputation management process. In Switzerland alone, our management team meets with our regulator almost every second working day. In addition, we are in contact with around 100 other financial regulators worldwide.

Anyone who claims that Credit Suisse has failed to learn any lessons from the crisis is unfair, mistaken – or both. The Swiss supervisory authorities and the big banks have a head start of 1– 2 years over their foreign counterparts. And incidentally, our pragmatic approach is greatly respected outside Switzerland. The demands being placed on us are enormous: a vast portfolio of new regulatory proposals is being put forward for the big banks, in addition to existing requirements. And that is without mentioning the challenges relating to the protection of individual privacy and the new Swiss company law. The effects and possible side-effects of this mass of regulation are not yet known. A regulatory storm is gathering – which could develop into a major new source of risk.

*Let me put another question to you: What does your life experience tell you about the risks of trying to do too much at once?*

Having blind faith in regulations as an antidote to risk is just as dangerous as having blind faith in supposedly secure risk models. The future responsibilities of our politicians and regulators are increasing dramatically. They need to think and act in a broader context – while always retaining a certain critical distance. If they fail to do so, the Swiss financial center and Switzerland as a whole will lose out.

I have concerns about the future of Switzerland in general if we introduce rules that will inhibit growth and prevent important economic developments. The more sluggish our process of government becomes – and the more our negotiating position as a small country weakens – the greater the freedom and flexibility of the private sector needs to be. We have to be smarter, faster, better. An open-minded and outward-looking approach – not an insular mentality – has made Switzerland's economy the success it is today and helped to create our attractive welfare state. If we were to put a figure on Switzerland's direct dependence on the outside world, it would probably be around 50%. The employees of domestic companies that serve the Swiss market also profit from this international approach and openness.

An isolationist attitude leads to self-righteousness, the loss of prosperity, fatalism and ultimately pessimism.

I continue to have faith in long-held Swiss values such as healthy common sense and:

- A good work ethic, flexibility and an ability to adapt
- Reliability
- The right degree of openness – combined with a healthy dose of skepticism
- Pragmatism and
- Professionalism

Our constructive attitude towards the new regulatory environment is based on four parameters:

1. Emotions, selective perception and blind populism won't lead to far-sighted solutions. A certain degree of distance and common sense are essential. We are aware of our systemic responsibility. However, there is no one single measure that will eliminate the systemic risk facing Switzerland. What is needed is a raft of nationally and internationally coordinated measures.
2. We are working intensively on improvements in internal structures, systems and processes. We are open to professional, pragmatic and, above all, better financial regulations – even if they are structured more conservatively than those governing our international competitors – provided this doesn't result in any material distortion of competition. We are working closely with various bodies to find solutions that will allow us to create a model that is fit for the future. Swiss financial institutions must be able to compete successfully in the international arena; this is in all our interests.
3. The best way we can contribute to system stability is to achieve sustained profitability – with the diversification of revenues and risks (products, geographies, logistics and talents). I believe that Switzerland needs big banks with global expertise to remain a leading financial center in the long term. All of these aspects make an important contribution to our country.

4. We don't solely have a responsibility towards regulators or the public. We have a major responsibility towards our clients, employees and shareholders – especially a duty of loyalty. But ultimately, our greatest responsibility is towards you, our shareholders. We couldn't survive without our access to your risk capital – a point that regulators need to be very aware of.

That brings me to my final point. Our reputation ultimately depends on our corporate culture. Our structures, processes and decisions are ultimately shaped by the integrity and commitment of our management team. Our decisions reflect the instincts, energy and professionalism of our people. And our decisions are the product of our team spirit, discipline and mutual respect.

In the end, a company's corporate culture is also what determines the important contribution it makes to system stability. I believe that the previously mentioned values were critical to our success in mastering the recent crisis – coupled with our willingness and ability to make and execute unpopular decisions. These are strengths that we must preserve going forward.

And I'll readily admit that the integrity, commitment, discipline and professionalism of our management team are a great source of motivation and inspiration for me personally. At Credit Suisse, we want to become one of the world's most admired banks – thanks to our forward-looking business model, excellence and reputation. This may sound very ambitious but we also owe it to our company and our heritage.

The clock is ticking, and our objectives are clear: We are one of the mainstays of the Swiss economy. We play a recognized role in the international markets. We want to be worthy ambassadors of Switzerland and of the renowned Credit Suisse brand. Once we move beyond the immediate challenges that await us, I believe that the prospects for the Credit Suisse brand and Swiss banking will be very good indeed in 2 – 5 years' time – particularly in view of Switzerland's role as a haven of stability in an uncertain world.

The path we are taking is often fraught with difficulties, complex, sometimes exasperating and exhausting – but we are always quick to recover. I am proud of our management team and our employees and of the hard work they do, day after day. I'd like to take this opportunity to express our thanks to them all.

In the time that I have been speaking to you, more than 50,000 decisions have been made in the course of Credit Suisse's daily business – the vast majority of them good, many of them excellent and a few so/so. We are striving to create a culture in which our employees identify closely with Credit Suisse and have a healthy sense of pride in their work and their company – your company. We want to emerge as one of the winners in the long term and to cultivate a climate of respect, not arrogance.

Please remember, Ladies and Gentlemen, that ultimately, we want to be a winner for the benefit of you, our shareholders.

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