



**Company Profile
2011**

Videos: Passion in Life and Profession

Credit Suisse is a global leader in financial services. With over 49,000 employees, teamwork is essential. Each person contributes to the bank's success. Find out how the passion of four individuals working in London, Hong Kong and Zurich drives them to reach personal and professional goals. Each video highlights an unusual degree of dedication. Realizing their aims benefits not just them but also colleagues, clients, and others.



George Pavey, Asia Pacific

Taking a strong interest in history and culture, living in different places around the world has led George to better understand the people and places where he works. Now based in Hong Kong, his genuine interest in people benefits clients whom he serves as a trusted advisor. "Understanding and sharing cultures is the key to people's hearts. This builds the strongest relationships of all," he says. Learn more about his passion for different cultures:

www.credit-suisse.com/cp/apac/



Valerie Philips, General Counsel

Making the most of one's circumstances is a skill that can enhance knowledge and conquer obstacles. Zurich is not usually thought of as a water-lovers' paradise, but Valerie has found that the city offers unique chances to enjoy boating. Such resourcefulness extends to her role as chairing the Women's Network. "Women have a lot of leadership capabilities," she says. These are vital to the industry. Learn more about her passion for unlocking potential:

www.credit-suisse.com/cp/gc/



Keith Garbutt, Risk Management

Those working in the financial industry face a lot of stress, both due to the nature of the job and oft-times challenging market conditions. Endurance sports and training for triathlons is Keith's passion. "For me, sports is the great stress buster," he says. He fits in a training schedule that includes 9-kilometer runs to his London office. Meeting demanding goals is important to him. Learn more about his passion for mastering challenges:

www.credit-suisse.com/cp/risk/



Libby Hills, Talent, Branding and Communications

Sometimes personal abilities can brighten the lives of many. After preparing for a career on the stage, a strong interest in the performing arts has helped Libby to organize a charity event in London to benefit children. A talent for helping others is one of her strengths. "If we can bring more happiness into the world, in banking, or any other industry, that would be a great thing," she says. Learn more about her passion for making a difference:

www.credit-suisse.com/cp/tbc/

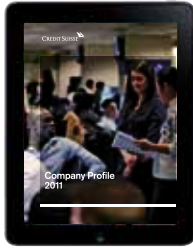
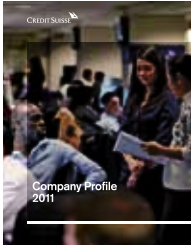


←
Short videos
highlighting personal
and professional
stories of achievement



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

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Facts and Figures
Brochure 2011

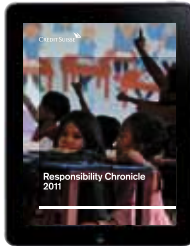
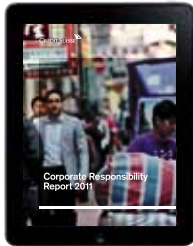


Company Profile

For insights about the work of each of the bank's divisions, including Shared Services, and its regions, refer to the Company Profile. For the first time, this is also available as an iPad version, which includes additional photo and video material beyond what appears in the print version. A summary of the bank's financial performance during the year, the Business Review, is also included in the publication.

Cover: Members of a credit product team, Investment Banking, in Credit Suisse's US headquarters in New York.

Back cover: City view, New York



Corporate Responsibility Report and Responsibility 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, available for the first time as an iPad version. This publication is complemented by our Responsibility Chronicle that adds a multimedia dimension to the publication 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 Group's annual financial statements, company structure, corporate governance and compensation practices, treasury and risk management framework, and a review of our operating and financial results, refer to the Annual Report.

Company Profile 2011



Brady W. Dougan, Chief Executive Officer (left),
and Urs Rohner, Chairman of the Board of Directors

Foreword

Dear Readers

2011 was another challenging year for the world economy, job growth and the markets. The financial services industry faced not only these issues, but also a set of challenges that were industry specific: the evolving regulatory environment which affected every aspect of our business, the industry-wide steady beat of litigation and regulatory enforcement issues following the market disruption of 2008, the lack of trust by the general public and the continuing controversy over compensation practices. For our clients, shareholders, employees and the general public, it has been very difficult to interpret the impact of these challenges on our business and the industry.

What We Achieved – Summary

Against this backdrop, we achieved a solid result for the year, reporting net income attributable to shareholders of CHF 2.0 billion, and underlying¹ net income of CHF 2.4 billion. We produced a return on equity of 6.0% and an underlying¹ return on equity of 7.3%. We generated strong net new assets of over CHF 41 billion. The Board of Directors will propose a distribution of CHF 0.75 per share for the financial year 2011, which shareholders can elect to receive either in the form of Credit Suisse Group shares or as a cash payment. Perhaps as importantly, we believe that in 2011 we have taken significant actions which will enable Credit Suisse to excel and thrive in the new environment, allowing us to offer the best service to our clients, attractive returns to our shareholders and provide a great place to work for our employees.

Our aspirations

As managers of a large global financial institution, we are confronted by the consequences of a fast changing industry, which is under close public scrutiny by all of our stakeholders on a daily basis. In this challenging environment, the employees of Credit Suisse come to work every day doing our best to find the optimal way forward for our firm:

- one that allows us to provide the very best value-added service to our clients to ensure they can meet their very important financial goals;
- one that allows us to maximize the long-term value of our equity for our shareholders, among them many of our employees;
- one that makes Credit Suisse a company of which its employees are proud; and
- one that is responsible to society and makes Credit Suisse a contributing member of the communities where it operates.

And while every decision that we make and every action that we take do not end up perfectly accomplishing these goals, we can assure you that this is our aspiration. We believe we can make a meaningful difference for our clients, our shareholders, our employees and for the communities in which we operate. We want nothing more than to continue to build on the confidence and pride that our stakeholders have in Credit Suisse.

Achieving this aspiration has been very demanding over the past five years. We think we have done many things right during this challenging period, but certainly not everything. We believe the only way to continue to improve our performance is to evaluate the decisions we have made and draw the necessary lessons. This is another aspect of what we believe is critical for a strong, high performing and responsible firm. We have been greatly aided in the pursuit of our goals by having formed a clear vision early in this five year period, and we have maintained that vision over the entire period.

The events of the financial crisis in 2008 (and many events subsequent to that) demonstrated that the financial system needed to be changed. Reforms needed to be put in place to ensure that such a destabilizing event could not happen again. These changes would include requiring more capital, more stable funding, changes to business models and would require exiting certain businesses we were in. We felt from the outset that these changes were inevitable and would be far reaching, and that markets and the opportunities for our business would be more volatile and variable than in the past. Our clients would change their behavior and require different qualities and services from their financial institutions, and that companies would have to ensure their businesses would at all times be fully compliant with all the rules and regulations in all countries where they operate, globally.

We felt that while these changes represented a challenge – they were necessary – and embracing them represents a real opportunity for Credit Suisse. We have natural advantages in our business portfolio, and if we can move quickly and execute well, we will be able to emerge from this dynamic period stronger than when we went in.

Acting consistently on our aspirations over the past years, we took resolute and decisive action with regard to our business. We have worked towards and maintained one of the highest total capital ratios in the industry at over 20%, demonstrate one of the most secure profiles with a net stable funding ratio of 98% and have an extremely strong asset quality on our balance sheet including, for example, minimal exposure to peripheral EU sovereigns. All of this has been recognized by the rating agencies, who assign us among the highest credit ratings of all global banks.

We have reoriented our business dramatically, focusing on our client businesses and exiting proprietary trading, long-dated derivatives and businesses which under Basel III have a high capital usage. We have worked hard across all of our businesses to foster compliance with the laws of all the countries where we do business. We are also pursuing a cross border private banking business focused on tax-compliant money. We have worked hard to take a conservative approach to our businesses, reducing market risk, credit risk and

operational risk. In addition, we have reduced reputational risk that comes with engaging in certain businesses which, while permitted, are not accepted by our stakeholders.

We have engaged constructively with our regulators around the world and work with them to find the right solutions. We have been among the earliest sponsors of ideas like contingent convertible capital and bail-in capital, and in fact have led the way by structuring three highly successful Buffer Capital Note transactions. We feel this is a much better way to achieve real improvements in the regulatory environment, while ensuring that our business model can continue to serve our clients and provide returns to capital providers. The approach is in stark contrast to many in the industry who believe the best approach is to resist the necessary change.

Against the confusing backdrop of conditions that we listed in the beginning of this letter, it is not always easy to see the benefit of acknowledging that our industry needs to change and acting and shaping the industry when others are reluctant to do so. There is of course discussion, debate and doubt. In most cases, we have taken steps ahead of the rest of the industry; however, we strongly believe these changes will come, and that banks will have to materially change their business models to accommodate them. Given our portfolio of businesses in Private Banking, Investment Banking and Asset Management combined with our global presence and a very strong Swiss home market, we are convinced that Credit Suisse will benefit from taking these steps ahead of the competition. While this approach is not without risk, we believe it best positions us to provide consistent service to our clients, attractive returns to our shareholders over time and the best environment for our employees.

The Year 2011

2011 was a clear example of all these principles at work. Conditions were challenging, particularly with the issues surrounding the disruption of the eurozone dominating the markets for much of the year. Our business, with its significant footprint in Europe, was clearly affected. Furthermore, the actions we took to accelerate our transition to a business model which will thrive in the new environment were a drag on our results, particularly in the second half of the year.

Throughout 2011 Credit Suisse's strong capital base and liquidity position proved particularly important. In the second half of the year, our financial strength enabled us to take decisive measures and rapidly evolve our integrated business model and organization to meet the challenges of the changing environment.

The various efficiency-related actions we announced include a 7% headcount reduction. This has been a difficult decision that affects all levels of the company, and we are committed to implementing this process in the most fair and responsible way possible.

Overall, the measures we took to swiftly adapt our business model had a negative pre-tax impact of approximately CHF 1.8 billion on our results in 2011. However, we are convinced that these measures will create stable and high-quality earnings, benefiting our shareholders, clients and other stakeholders in the long term.

Private Banking

In Private Banking, we saw continued low levels of client activity and a low interest rate environment that put our gross margins under increased pressure in 2011. Despite adverse operating conditions, Private Banking generated strong net new assets of CHF 44.5 billion in 2011, with significant contributions from emerging markets, the ultra-high-net-worth individual client segment and the Corporate & Institutional Clients business in Switzerland. Private Banking reported income before taxes of CHF 2,348 million and net revenues of CHF 10,877 million for 2011. While our underlying business remains strong, the adverse impact of the strong Swiss franc on income before taxes and net revenues was CHF 550 million and CHF 844 million, respectively. Our Wealth Management Clients business reported income before taxes of CHF 1,468 million and net revenues of CHF 9,030 million for 2011. Corporate & Institutional Clients produced income before taxes of CHF 880 million and net revenues of CHF 1,847 million.

In response to the challenging market conditions and the ongoing regulatory developments, we launched a series of measures as part of the overall evolution of our business model in the second half of 2011. The measures aim at optimizing our Private Banking business portfolio and improve its profitability. With this initiative, we are targeting incremental pre-tax income of CHF 800 million in Private Banking by 2014. We will continue to invest in faster growing and large markets, while at the same time enhancing the productivity and efficiency of our onshore activities. In view of our integrated business model, the ultra-high-net-worth individual client segment continues to be a key growth opportunity for Credit Suisse, and we therefore strengthened our advisory team in this area in the course of 2011. We believe that the steps we are taking in Private Banking put us in a strong prospective position in a rapidly changing environment.

As reported previously, the US investigations of Swiss banks' legacy cross-border businesses remain ongoing. Credit Suisse continues to cooperate with the authorities in the US and Switzerland to resolve these investigations consistent with our legal obligations. As to the ongoing governmental discussions, we are strongly supportive of the efforts of the US and Switzerland to reach a resolution acceptable for both countries.

Investment Banking

In Investment Banking, we reported income before taxes of CHF 79 million and net revenues of CHF 11,496 million for 2011. While this result was disappointing, it reflects both the challenging market conditions throughout the year and the impact of the steps we have taken in Investment Banking to evolve our business model.

In mid-2011, we initiated an aggressive plan to reduce risk-weighted assets and accelerated its implementation in the fourth quarter. We expect to reach our year-end 2012 Basel III risk-weighted assets reduction target of CHF 80 billion nine months early, by the end of the first quarter 2012. In addition, we are exiting businesses that will no longer deliver attractive returns or earn the cost of capital under the new regulatory framework. At the same time, we are

investing and growing in businesses where we have competitive advantages and synergies with Private Banking and Asset Management.

We believe that this will enable us to run a business that generates solid returns under the Basel III framework, where capital assessed against Investment Banking businesses will have a dramatic effect. With the early steps we have taken, we can avoid the rush to liquidate assets. Instead, we believe that we can consistently serve our clients and provide capital where appropriate.

Asset Management

In Asset Management, we reported income before taxes of CHF 553 million and net revenues of CHF 2,146 million for 2011. Our continued focus on growth in fee-based revenues and on investing in multi-asset class solutions, alternative investments and our Swiss business is proving successful. In 2011, we made solid progress with increased fee-based revenues and a reduction in operating costs, leading to a 10% increase in pre-tax income compared to 2010.

Strengthening the Financial System

Governments and regulators around the world have been very focused on building a safer and sounder financial system. Credit Suisse has been constructively engaged in supporting the achievement of this aspiration. The debate on capital levels and forms of capital, liabilities and liquidity levels, additional taxes which impact the industry (liability taxes and transaction taxes), and various other structural changes to the financial system, for instance, the Dodd-Frank legislation in the US, have been very intense. Switzerland's regulators moved first in requiring more capital and new forms of capital as well as liquidity to ensure that the system was safer and sounder. Credit Suisse participated in the Expert Commission in Switzerland, which made recommendations to the government, and has supported the changes put in place by the government. We have pioneered the structuring of Buffer Capital Notes, now having put in place close to CHF 8.4 billion of high trigger notes, proving the concept has strong appeal to investors. We have always believed that a level playing field would emerge globally among countries. In fact, that is what we have been seeing with the UK recommending capital requirements much like Switzerland, and with the Bank for International Settlement requiring all large banks globally to hold common equity tier 1 levels of 8.0% to 9.5%, which is not much different from the 10% required in Switzerland. We have been one of the leading proponents of contingent convertible capital and bail-in structures, and we will continue to work as a constructive industry force in establishing the kind of conditions and regulatory requirements necessary to ensure that we have a safer and sounder financial system and achieve a global level playing field.

Going Forward

We aspire to be an institution that does a great job for our clients, provides superior returns to our shareholders, is a great place to work for our employees and is a responsible member of society. We will continue to work hard every day to achieve that aspiration.

We believe our vision of the direction of the markets and of our industry is correct. We are convinced that proactively evolving our business model is not only the right thing to do, but is the best way to accomplish our aspiration. The actions we have taken will put us in a very strong position to thrive in the new environment as it develops.

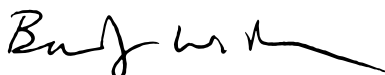
We see this as an inherent part of our responsibility as a company and as a reliable partner to our clients, shareholders and employees. Clients expect our people to stand by them and to continue to think about their needs and help them create value across all economic cycles.

The 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. We would like to take the opportunity to thank our employees for their contributions and continued commitment to the success of our business. Above all, we wish to thank our clients and shareholders for their trust and loyalty.

Yours sincerely



Urs Rohner
Chairman of the Board of Directors



Brady W. Dougan
Chief Executive Officer

March 2012

¹ Underlying results are non-GAAP financial measures. Underlying return on equity and underlying net income for 2011 exclude fair value gains on own debt and stand-alone derivatives of CHF 919 million (CHF 616 million after tax), litigation provisions of CHF 478 million for the US and the German tax matters (CHF 428 million after tax) and expenses in connection with cost efficiency initiatives of CHF 847 million (CHF 641 million after tax).

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Urs Rohner and Brady W. Dougan

For the purposes of this report, unless the context otherwise requires, the terms "Credit Suisse Group," "Credit Suisse," "the Group," "we," "us" and "our" mean Credit Suisse Group AG and its consolidated subsidiaries. The business of Credit Suisse AG, the Swiss bank subsidiary of the Group, is substantially similar to the Group, and we use these terms to refer to both when the subject is the same or substantially similar.

We use the term "the bank" when we are referring only to Credit Suisse AG, the Swiss bank subsidiary of the Group, and its consolidated subsidiaries.

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Americas

Sharpened Focus on Brazil

A woman in a light-colored blazer and dark trousers stands in a circular opening in a hallway. The hallway has walls and a floor made of large, polished, golden-brown marble tiles. The lighting is dramatic, with a bright circular glow around the woman and her reflection on the floor. The background through the opening shows a white building with a window.

Carolina Falzoni in São Paulo says opportunities to provide potentially attractive returns are numerous, including using Credit Suisse's platform to carry out international trades in clients' exclusive funds.

Credit Suisse has a long history of doing business in Brazil. The integration of a leading Brazilian investment company has created value throughout the entire region, while providing clear benefits for clients.

Americas

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

What makes a partnership so successful that it rapidly gives rise to a new branded leader in the competitive Brazilian financial services arena? It starts with the people.

“In our industry, success is dependent on the quality and the commitment of your people. In the case of Credit Suisse Hedging-Griffo, both firms have great people. We respect each other and what each team has accomplished. And we recognize the opportunity, by working together, to build the best private bank in Brazil,” says Marco Abrahão, Head of Private Banking at Credit Suisse Hedging-Griffo. Credit Suisse acquired a majority interest in Hedging-Griffo, a leading independent Brazilian asset management and private banking firm, in 2007. The complementary nature of the partners’ businesses was clear from the start. What soon became apparent was the strong client appeal of a Brazilian private bank with the personal service and quality of a top boutique provider, partnered with one of the world’s largest, best-capitalized banks.

In less than five years, assets under management have risen fourfold and Credit Suisse Hedging-Griffo has become Brazil’s second-largest domestic private bank. “Our growth reflects the reputation and track record of both partners. It also speaks to the changing expectations of wealthy Brazilians,” says Gustavo Aranha, responsible for Credit Suisse Hedging-Griffo’s product and services platform. “Our clients want to work with a world-class private bank that is as invested in, and as committed to Brazil as they are.”

The transaction established Credit Suisse as a Brazilian leader in its three core global businesses: Private Banking, Investment Banking

and Asset Management. Equally important, Credit Suisse Hedging-Griffo is at the heart of Credit Suisse’s banking model that gives clients seamless access to the bank’s full local and global resources. “The integrated bank is a definite advantage,” Abrahão says. “Many of our clients have built successful companies, and their business and personal holdings are intertwined. If they are considering a public offering or acquisition, we have the best investment banking and securities firm in Brazil to assist them. If they want to explore international opportunities, we can connect them with experts in any major market with a phone call. When it comes to investment solutions, we have a top-tier asset management capability.”

Strong Commitment to Brazil

Credit Suisse has been present in Brazil for three decades. In contrast to many global firms eager to enter fast-growing emerging markets, Credit Suisse has made a consistent commitment to this country, evolving with its clients’ changing needs and the growth of the Brazilian economy and markets. The bank expanded its local investment banking and securities sales and distribution capabilities in 1998 with the acquisition of Garantia, the top Brazilian investment bank. The transaction made Credit Suisse a major participant in Brazil’s securities markets, and enhanced the firm’s position as leading advisor to Brazilian companies across industries.

“The success of the Garantia acquisition proved our ability to grow organically and through strategic acquisitions,” notes Antonio Quintella, CEO of Credit Suisse’s Americas region. “It also brought us much closer to entrepreneurs and business owners driving much of the growth and increased prosperity in Brazil. Our next step was to expand our flagship private bank, and our asset management capabilities in Brazil on an integrated basis,” says Quintella. To accelerate growth, the bank considered joining forces with a local firm, providing it could find a partner sharing the same values and approach to doing business.

While Credit Suisse was moving to build its capabilities, Hedging-Griffo was exploring its own options. The company had built an extremely successful hedge fund platform – the Verde Fund, managed by Luis Stuhlberger, senior partner and co-founder of Hedging-Griffo, is the world’s largest single-manager emerging markets hedge fund. But it lacked critical scale in private banking. “Hedging-Griffo was a partnership for 25 years, and it was reflected in our culture,”



The Infinity building, the new headquarters of Credit Suisse in São Paulo, Brazil.

explains Luis Stuhlberger, today the Head of Asset Management for Credit Suisse Hedging-Griffo, and a member of Credit Suisse Brazil's executive team. "When we wanted to take Hedging-Griffo to the next level, we examined various alternatives including an IPO or merger and talked to many companies. When conversations began with Credit Suisse," Stuhlberger says, "we found they shared our vision of the marketplace, and our cultures were surprisingly similar." Both firms promote talent from within, are close-knit and collaborative, entrepreneurial and innovative, but understand the importance of strong risk management and controls. "The common elements have made the combination a success on many levels," Stuhlberger says. "The integrated model is right for our businesses and will be an even more important growth driver in the future."

Global Institution – Local Presence

The effort has led to new structured products, customized investments and investment funds including a USD 750 million credit fund. There are more fixed income products in the pipeline. Collaboration between Credit Suisse Hedging-Griffo and Credit Suisse's global client and product network is focused on expanding investment options for Brazilian clients while providing investors in other regions with access to top-tier Brazilian equity, fixed income, real estate and hedge fund products. "We benefit from the resources of a major global bank," says Gustavo Aranha, "but Credit Suisse is far from being a huge, faceless organization. Working with colleagues from another department or region, there is a great sense of common purpose and willingness to contribute." According to Jose Olympio

"Our clients want to work with a world-class private bank that is as invested in, and as committed to Brazil as they are."

Gustavo Aranha, responsible for Credit Suisse Hedging-Griffo's products and services platform



Marco Abrahão, Gustavo Aranha and Allan Libman visit the construction site of the new headquarters building of Credit Suisse in São Paulo.

Pereira, Co-Head of the Investment Bank in Brazil, "Credit Suisse has built its business in Brazil in a client-focused fashion – first, in Investment Banking and now, with the success of Credit Suisse Hedging-Griffo, as an integrated bank." That approach has put Credit Suisse in a unique position, as clients have confidence in it both as a global institution and as a local resource. While international trade continues to be central to Brazil's growth, domestic demand and production are increasingly important. "Many rapidly growing companies are based outside of the traditional business centers. We help them capitalize on new opportunities. That can mean access to capital markets, but also addressing liability and cash management issues," notes Allan Libman, the Investment Banking Department Head. Abrahão, the Private Banking Head, adds: "Teamwork makes it easy to tap expertise across the organization. Our clients expect a great deal. They are sophisticated, there is a lot of competition for their business. We have the best model, but we also believe there is scope to do more."

Political stability has provided a solid foundation for Brazil's growth. Wealth creation is expected to accelerate over the next five years. Total wealth is anticipated to double by 2016, and the number of high-net-worth individuals could triple as a result.¹ "Over the next five years, our business will continue to grow," Luis Stuhlberger says. "Clients are still going to keep their money in Brazil, but interest in international opportunities and investment will increase. Credit Suisse is the right partner to help them access global markets." For Carolina Falzoni, CIO of Credit Suisse Hedging-Griffo Private Banking in Brazil, this opens up a host of new opportunities for clients. "Regulation 465 issued by the Brazilian market regulator CVM allows us to carry out international allocation in clients' exclusive funds using Credit Suisse's platform. We have access to the best of both worlds when building portfolios: Brazil's five percent real return on fixed-income investments and some very attractive Standard & Poor's 500 stocks. Clients love it."

Opportunities as an Integrated Bank

The bank's Private Banking and Asset Management businesses in Brazil operate under the Credit Suisse Hedging-Griffo brand, and continue to offer the intense personal attention of a boutique private bank and the solidity and resources of a major global institution. During 2012, Credit Suisse Brazil will combine all São Paulo operations into a new headquarters building. The move underscores its commitment to Brazil and its distinctive approach. "Our Brazilian franchise is a great example of the power of Credit Suisse's integrated model combining Private Banking, Investment Banking and Asset Management, particularly in regions where economic expansion is leading to significant wealth creation," says Antonio Quintella. "Brazil is just part of our story in the Americas. We are a leader in Mexico and active in all key Latin American economies. Canada is an important market for us and, of course, we are deeply embedded in the US financial markets. We see opportunities as an integrated bank across the region."

¹ Global Wealth Report, Credit Suisse Research Institute, 2011

Well-positioned due to our long commitment to the Americas region



Antonio Quintella
Chief Executive Officer Americas

How important are the Americas to Credit Suisse?

The US is the world's largest financial services market, whether you look at capital markets, M&A activity or wealth management. Credit Suisse and our predecessor firms have been market leaders in the US for over 150 years. We are well positioned in Latin America, reflecting our long commitment to the region, and in Canada. Given the size and growth prospects of these economies, the importance of the Americas to Credit Suisse is clear.

What are our greatest opportunities in the region?

In the US, we have great prospects in investment banking, especially given our increased focus on large cap companies. We continue to make progress in equity capital markets. Our equities franchise is strong. We've sharpened our focus in fixed income, with rates and FX poised for growth. Private Banking and Asset Management continue to gain market share. Both have huge potential. Canada also offers many opportunities in Investment Banking, given our capabilities

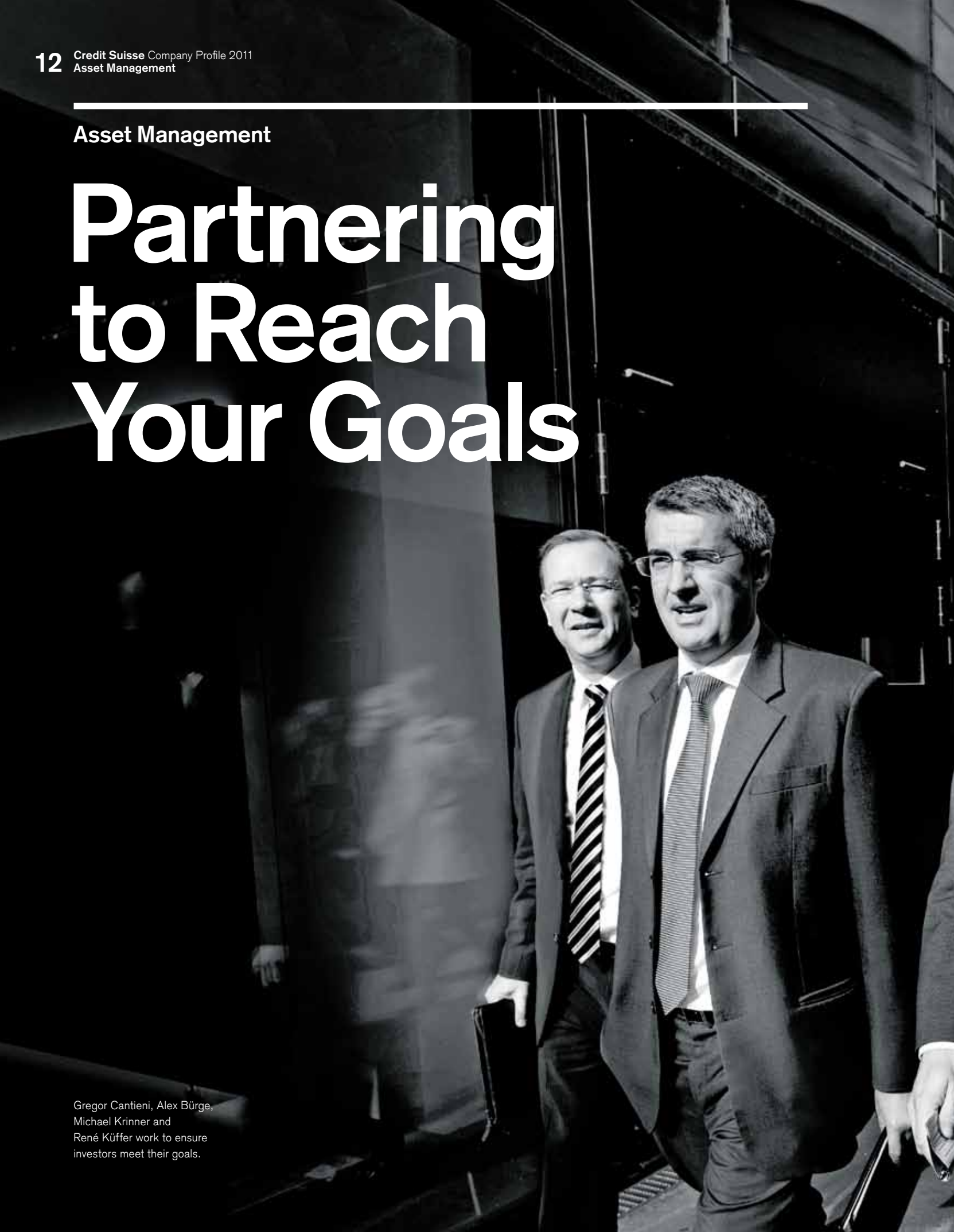
in key sectors, including oil and gas and natural resources, and in our expanded Securities business. Credit Suisse has excellent prospects in Latin America, too, as growing prosperity fuels demand for financial services.

How important is corporate responsibility at Credit Suisse?

A responsible approach to business is a decisive factor in determining our long-term success. Beyond complying with the professional standards and ethical values in our Code of Conduct, we are mindful of our position – as a financial services provider, employer and member of society – and strive to demonstrate responsibility in every aspect of our work. We believe our first responsibility is to ensure that we manage our company successfully to create value for our clients, shareholders, employees and society as a whole. We aim to integrate social and environmental awareness into our core business, and to show concern for the impact of our corporate and professional activities on communities, the environment and climate.

Asset Management

Partnering to Reach Your Goals



Gregor Cantieni, Alex Bürge,
Michael Krinner and
René Küffer work to ensure
investors meet their goals.



The Multi Asset Class Solutions business offers clients a range of innovative mandates and investment solutions. Around 340 investment specialists worldwide manage their portfolios and investment funds using a flexible multi-stage investment process.

Asset Management

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

MACS? Employees are used to hearing the question. No, their job has nothing to do with hamburgers or computers. Explaining what the business does may be the hardest part of working in Multi Asset Class Solutions – or MACS as the business is known at Credit Suisse – which manages assets for approximately 45,000 investors around the world. The dedicated unit within Asset Management focuses on helping clients manage their assets in line with their individual investment goals, but with the expertise and global resources of Credit Suisse behind them. With more than 340 specialists based in 11 locations around the world, the unit is responsible for almost all of Credit Suisse's discretionary mandates: accounts held by clients who determine their own direction and goals, and give the bank's advisors and portfolio managers investment decision-making authority.

The business is well aligned with the bank's client-focused, capital efficient strategy: maintaining a level of expertise and consistency across client portfolios has made it a source of high-quality, low-risk revenues. Investor demand for individual investment solutions that meet high standards has made MACS an important component of Asset Management's strategy and platform; the unit accounts for roughly a quarter of the division's assets under management.

MACS is organized around clients: private clients; a "premium" business for high-net-worth individuals; institutional clients; and international clients. In contrast to some businesses, there is no black box, nor are there overly complex, formula-driven theories. Following the broad direction of the group's global Investment Committee, the focus is on developing and implementing investment allocation

strategies to meet the needs of a highly diverse, global client base. The team selects from different areas, combining traditional investments and non-traditional asset classes. They provide global, regional and local investment capabilities, drawing on Asset Management's extensive network and portfolio expertise. The goal is to avoid overly complicated solutions while offering greater flexibility than passive management approaches.

Flexible and Transparent Solutions

"A strategy or a product that is too complex to explain easily to a client is generally outside our accepted framework," says Michael Krinner, who heads the MACS Global Private Mandates business.

In volatile markets like those seen over the past year, many people have preferred to hold cash. MACS provides new ideas. "We offer clients the opportunity to invest in asset classes they might





From left to right: Michael Krinner, Head of the MACS Global Private Mandates business, Alex Bürge, Head of International MACS and Gregor Cantieni, Head of the Global Premium business. The goal is to ensure that each and every solution works to meet client needs, even when these needs change.



“We strive for long-term relationships. It’s about trust and reliability.”

René Küffer, Head of Global iMACS Business

René Küffer assists institutional clients.



From left to right: Michael Krinner, Alex Bürge and Gregor Cantieni. To deliver consistent results, it is important to ensure that centers work together. That's especially important, given that clients expect the same high quality of service no matter where they are.

"A strategy or a product that is too complex to explain easily to a client is generally outside our accepted framework," says Michael Krinner, Head of the MACS Global Private Mandates business.

not have thought about, or did not think they could invest in," says Krinner. MACS' optimized, holistic investment approach offers enormous flexibility, with over 100 different investor profiles, six different reference currencies and market portfolios for numerous international clients. Clients can invest based on specific goals, but backed with the objectivity and discipline of an experienced team of investment professionals. "In stressful situations individuals managing their own assets are most likely to lose perspective and behave irrationally. Based on that – and the peace of mind that having an advisor can bring – discretionary portfolios make a lot of sense," Krinner says.

Delivering Consistent Results

The Global Premium business headed by Gregor Cantieni provides customized investment services and solutions for wealthy clients. These people may live and work in different locations, but demand the same standards wherever they go. To ensure those standards were – and are – met, Credit Suisse formed a single Multi Asset Class Solutions unit in 2006 to achieve the scale needed for pricing advantages and consistency of trade execution. As part of that, the business was moved from Private Banking to the Asset Management division. Moving to a centralized model benefits everyone: "If you want to deliver consistent results, you cannot have people making different investment decisions in different locations," says Cantieni.

But client service remains a highly personalized business. MACS experts can meet directly with clients. "On the premium side, we provide completely customized solutions. Clients come to us knowing what they want to accomplish, and often the asset classes and regions in which they want to invest. We develop investment strategies based on the clients' requirements," says Cantieni.

Customization is very important, especially as challenges of managing wealth have never been greater. "Today, we have younger clients who want to have more personal involvement in terms of decision-making, and more say in how their assets are being managed," says Cantieni. "This is a good thing for us." Clients are eager to have a dialogue and are open to new ideas. Market volatility has increased the level of involvement. Although discretionary mandates mean clients delegate decision-making on a day-to-day level, "the client has the ability to change their investment guidelines at any time," Cantieni says.

New Class of Entrepreneurs

Strong economic growth in emerging economies is fueling a rise in private wealth in new markets. "Over the past several years, wealth creation has been centered in the faster-growing economies and has been driven by a new entrepreneurial class that wants not only to preserve their wealth but add to it," says Alex Bürge, Head of International MACS.

Even ambitious investors in these markets may be persuaded regarding the value of delegating some investment decisions. Bürge recalls an entrepreneur in Asia. In good years, his business produced a return of 25 percent. “What selling proposition could MACS possibly offer me?” the entrepreneur asked. Bürge responded by asking about the entrepreneur’s worst year. The entrepreneur confessed that once his business had nearly failed. Bürge’s answer? “That is exactly why you are considering professional portfolio management. We won’t give you sleepless nights.” The client was convinced enough to place about USD 10 million in a globally diversified fixed-income mandate. “And, he has now put money aside with us for his kids,” Bürge adds. Much of the expertise demanded by clients outside of Switzerland is related to their local markets. “About 80 percent of the wealth of each region is reinvested in the respective region. I would call it an 80 percent home bias,” says Bürge. This requires a global team with a number of specialists able to understand and cater to the various client needs that arise, particularly in today’s challenging environment. But sometimes, he adds, clients wait too long. “Particularly in down cycles, we might see investors making big emotional mistakes. It is often at that point that investors come to us,” says Bürge. Those working with institutional clients are also positive about the combined strengths offered by MACS. “The current structure allows us to use synergies in an optimal way,” says René Küffer, Head of the Global Institutional – “iMACS” – business.

Engaging in an Active Dialogue

Here, too, institutional clients are starting to look for more solutions and MACS can be a productive partner. “Our biggest competition over the past couple of years has been passive investments,” says Küffer. “Institutional investors are looking for other approaches, including more risk-oriented ones,” he explains. For large institutional businesses, MACS has a great deal to offer. For example, even large insurers that typically have their own sophisticated risk management turn to MACS. “In general, they are quite open when it comes to learning about our investment process. We are finding that people in these businesses increasingly want to engage in an active dialogue,” says Küffer.

Similar to the other MACS businesses, personal relationships matter a great deal in the institutional business. “We have portfolio managers that have served the same clients for 15 years. We strive for long-term relationships. It’s about trust and reliability. These are very important,” says Küffer. Several factors are expected to favor the MACS business in the future. More than ever, investors are keen to find the best way to successfully navigate unpredictable and difficult markets. “Our business model fits very well with the increasing complexity of markets,” says Gregor Cantieni of Premium Mandates. “There is significant potential for us, and we are confident that our business is going to continue to grow.”

Investors are driven by the need to re-risk and gain performance



Robert Shafir
Chief Executive Officer Asset Management

MACS, along with Swiss Equities and Fixed Income, has been an integral part of Asset Management’s success. What role do these businesses play in the division’s overall strategy?
We approach our business from a global perspective, but our home market remains a cornerstone of Asset Management’s strategy. Our Swiss-based businesses are one of our three primary business lines – along with Alternative Investments and Emerging Markets – and provide significant opportunities, particularly from an asset allocation perspective, for us to leverage Credit Suisse’s integrated one bank model, notably with the Private Bank.

What are your priorities for 2012 in terms of product and business growth?

In a partnership between Emerging Markets and MACS, we are focused on the international expansion of MACS with the establishment of a Singapore-based hub. We are excited about this and believe it

represents a great opportunity to capture assets in a rapidly growing market. And in Alternatives, we are consolidating our multi-manager hedge fund capabilities into the newly-formed Alternative Funds Solutions group, which includes our Fund of Hedge Funds, Hedge Fund Index (HFI) and Liquid Alternative Beta (LAB) businesses, enabling our clients to better leverage our expertise in the multi-manager hedge fund space.

Do you expect investor behavior to change in 2012?

Volatile market conditions and regulatory uncertainty have kept many investors on the sidelines over the last year. In 2012, we believe we’ll see investors return to the markets – a re-risking driven by a need for returns in this zero interest rate environment. Our goal is to capture this opportunity by delivering strong investment performance across a range of products with varying risk profiles – while maintaining an ongoing dialogue with our clients.

General Counsel

Building Expertise on All Levels

Valerie Philips and members of her team are working on ways to enhance efficiency in many different areas of the business. They are shown in Sihlcity, a new complex located in Zurich that is one of the bank's biggest real estate investment projects.

Legal and compliance expertise is crucial for any financial institution and the competition for experienced professionals is fierce. The rapid growth of some markets is making it even harder to secure the right talent in this area. To address this issue, Credit Suisse established a Compliance Academy in Singapore, giving motivated young people valuable on-the-job training in this field.

General Counsel

The General Counsel division 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 departments within 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 global standards and policies, and coordinating the bank's relationships with its regulators.

The General Counsel division provides legal and compliance support to all of the bank's divisions. It helps protect the reputation of Credit Suisse by giving legal and regulatory advice, by setting internal policies and by monitoring and testing compliance with policies and regulations. To support it in an increasingly demanding global regulatory environment, and meet the growing need for well-trained staff, Credit Suisse has launched a new program based in Singapore. Starting in 2011, Credit Suisse's Compliance Academy has presented a way for people entering the industry to gain hands-on training in one of the fastest-growing areas of the financial industry. Despite all these advantages, one of the biggest hurdles the new program faced initially was proving it could succeed.

The new program "did not fit neatly into our existing structure," recalls Eoin O'Shea, who believed such a program could work, at least in theory. When he was appointed as the bank's Chief Central Compliance Officer in March 2011, O'Shea already had spent many years in the region as Chief Executive Officer, Hong Kong, and Chief Operating Officer, Asia Pacific.

Cultivating Compliance Expertise

In his new position, which includes not only overseeing areas like cross-border business and trade surveillance, but also training, O'Shea was ready to put his idea to the test. An "MBA-type program," as he envisioned it, would form the basis of what would become the Compliance Academy. The program called for having participants who were neither on internship, nor on long-term employee contracts. It was something quite new. For two years, participants would do job rotations through areas of compliance. They would also attend demanding courses. Ultimately, if successful, they would gain accreditation. "I had a feeling it could work, but no assurance," recalls O'Shea. For one, he was uncertain if young people would be willing to join a program offering a two-year, fixed-term contract and stipend rather than a salary.



Certainly, though, a program was needed. O'Shea knew that the finance industry had a hard time finding enough experienced compliance staff, particularly in the rapidly growing emerging markets. Yet he also knew, from lecturing at universities in his prior role, that graduates had an equally tough time getting compliance jobs in the finance industry. A few lucky ones landed internships. But for most, chances of getting hired by a bank were slim. What the graduates and others new to the industry needed was a way to gain experience. O'Shea believed his new Compliance Academy program could offer critical job experience and training to people new to the industry. The Compliance Academy could also immediately increase the size and capacity of the bank's compliance team at a reasonable cost, and over time would create a larger pool of experienced compliance professionals from which entire industry could benefit. Being able to train in a top financial institution was a genuine prize. "Students see an enormous value in the opportunity to get on-the-job training at a bank like Credit Suisse," says O'Shea. Perhaps a new program built on the desire for job experience, coupled with the need for support in Credit Suisse's General Counsel division could work. Yet O'Shea wondered if such a thing hadn't been tried before for a good reason. "To be honest, I wasn't sure if the Compliance Academy could attract enough candidates with the right qualifications and the right attitude," he said. They must be qualified, and also motivated.

From Concept to Reality

In Singapore, Alice Ng, a senior Director in the Central Compliance Group, was having thoughts of as well. Like O'Shea, she, too, was concerned by a growing need for professional compliance officers in the Asian region and competition for well-trained candidates. "Due to growth in the financial sector and need to meet the demands of a rapidly changing regulatory environment, it has become imperative to maintain the highest levels of compliance professionalism," Ng says.

In the spring of 2011, as O'Shea was preparing to take up his new function, Ng paid him a visit in Hong Kong. O'Shea explained to her his idea for a Compliance Academy. Would she be interested in helping him launch it? It would be challenging, involve entering uncharted territory, and it would need to be put together within a very short period of time to attract applications from university students who were preparing to enter the job market. "It was clear to me that if the Academy was to be launched successfully, it needed careful planning and execution," Ng recalls. She jumped at the chance, believing that such a program was an opportunity to position Credit Suisse as an industry leader in offering training for young compliance professionals in Singapore.

The new program O'Shea envisaged certainly had one major factor working in its favor. There was indeed a strong demand at Credit Suisse for talented individuals within the bank's Centers of Excellence (CoE), a global sourcing initiative that aims to leverage talent around the world and maximize efficient use of Credit Suisse's resources. The General Counsel division was among the areas seeking to optimize qualified talent through the CoE strategy. The Compliance



Eoin O'Shea, Chief Central Compliance Officer, saw a need to leverage training and provide opportunities for recent graduates.



Valerie Philips (left) leads several global initiatives within the General Counsel division. She is also actively involved in developing programs for the Women's Forum through close collaboration with her colleagues (above).



To learn more about the Women's Forum, co-chaired by Valerie Philips, click on www.credit-suisse.com/cp/gc/

Academy that O'Shea was proposing might be part of the solution, if it could fit into the CoE framework. For this, O'Shea turned to Valerie Philips. Her role involves leading several global initiatives within the General Counsel division, including overseeing its CoE strategy. Before the Compliance Academy could get off the ground, aspects such as contracts, approvals, hiring and training guidelines needed to be brought into line to conform with the CoE format. Philips, who describes her contribution to the effort as basically "gluing it all together," provided structure and facilitated processes and communication. An auditor by training, she, too, was keenly aware of the demand for professional talent, especially in this area.

"A bank needs to stay focused on a top compliance program," Philips says. Once approved, the next step was to set up the Compliance Professional Practicum (CPP) in Singapore. Instructors were recruited from within Credit Suisse. The program also received notable support from key authorities in Singapore. This meant that

successful participants would not only receive certification from Credit Suisse's Talent Development function and from the International Compliance Association, but that their course work would also count for credits at The Institute of Banking and Finance (IBF) in Singapore. The Institute is endorsed by the Monetary Authority of Singapore. This latter element was particularly important because the IBF is in charge of national accreditation and certification for financial industry competency under the Financial Industry Competency Standards (FICS). Successful participants in Credit Suisse's CPP would be qualified to take more courses to gain FICS certification, another big plus in the job market.

The greatest challenge still remained – finding participants: Ideally there would be 20 in the new program. Universities, including some outside of Asia, were contacted. There was only a brief window for applicants to make up their minds. O'Shea worried right up to the last minute whether enough suitable candidates would apply. O'Shea



Alice Ng with students of the Compliance Academy. The program includes on-the-job rotation and courses.



Titus Seow, left, has a degree in mechanical engineering. He wants to be part of the solution in safeguarding banks.



Never a dull day in this challenging field, according to Tan Yan Min, whose background is in accounting.



With a degree in physics, Aini Said sees a bright future in compliance.

need not have worried. The program received more than 160 applications, more than eight times the number necessary for the program. Applicants' willingness to commit so quickly proved that demand was significant, and that the Compliance Academy truly offered a way to address a pressing need. The successful candidates, who joined the program in September 2011, came from China, Hong Kong, Indonesia, and Singapore. Eight were recent graduates and 12 graduates with work experience. They include Titus Seow, a 27-year-old from Singapore, who received a degree in mechanical engineering, and job training at a marine vessel company. "Through this program, I want to learn how to give meaningful compliance guidance and safeguard the bank's reputation," he says. Compliance also offers exposure to a variety of different activities within the bank, which also can be very absorbing. "There is never a dull day," says Tan Yan Min, a 23-year-old from Singapore with a degree in accounting who spent a year at a global accounting firm. "The program's system

of rotations allows those involved to experience a great deal, and explore their interests within compliance," says Michael Lung, a 22-year-old participant from Hong Kong with a degree in quantitative finance. The demanding schedule requiring long working hours doesn't dampen the enthusiasm. Another participant, Aini Said, a 23-year old from Singapore, joined the program after graduating with a degree in physics. She decided to focus on compliance, saying she appreciates the fact that "compliance is an interesting field and a fast-growing profession."

Talent, Flexibility, Cost-Efficiency

Now that the Compliance Academy is up and running, it is drawing praise from within Credit Suisse. It is "the perfect program at the perfect time," says Stephen Paine, Managing Director and Head of



Michael Lung (right), who studied quantitative finance, feels at home in the new program.

Policy and Training within Legal and Compliance. "It provides talent development, flexibility and cost-efficiency." There also may be scope to expand it. There could be prospects for similar offerings elsewhere, perhaps in Zurich, London and New York. Certainly there is demand. "We know how difficult it is for graduating students to get the right preparation to enter this industry," says O'Shea. "This program clearly works for us, and offering such training also prepares participants for entering the job market. It is an excellent way to provide well-trained people to fill a growing need for expertise in compliance in the communities in which we operate." In that regard, the Compliance Academy proves it is possible to find a solution of shared values that meets the needs of different parties for highly trained professionals.

Enhance the ability to meet increasing regulatory expectations



Romeo Cerutti
General Counsel

How has the work of the General Counsel division changed in recent years?

The division was reorganized in 2011 to enhance its ability to meet increasing regulatory expectations and the growing challenges of our global business. The Advisory & Control Group operates in each of the regions, and is the primary provider of local legal and compliance support for the activities of the bank's different business units. The Central Compliance Group is a single global organization that establishes, enforces and monitors key compliance standards and policies on a consistent basis across the entire bank.

How does the bank address growth in emerging markets, where well-trained employees may be scarce, and rules still evolving? We address this challenge in several ways ranging from internal mobility to law firm secondees. In 2011, we launched the Compliance Academy in Singapore, a training program that gives qualified applicants an opportunity to gain compliance experience in the finance industry, while creating a flexible

pool of motivated, experienced candidates for permanent compliance positions.

What does the bank do to inform employees about legal and regulatory changes?

We use a variety of methods. For example, when the UK Bribery Law became effective in 2011, we revised the anti-corruption policy and reinforced this information with a mandatory global eLearning module. For more dynamic updates, such as the short selling regulations, we maintain an intranet site.

What are the most significant compliance-related challenges the bank will face in the future?

Keeping pace with regulatory developments in the diverse markets in which the bank operates is a significant challenge. We must continue to ensure that the bank's cross-border activities are properly regulated, and that suitability standards are met for new products and for our clients. There will be a significant focus on client onboarding, especially with the new Foreign Account Tax Compliance Act and anti-money laundering regulations.

Risk Management

Keeping Risk at Bay

Gian Marco Martino of Investment Banking Finance Capital Management keeps close watch on what risks might be circling. In the present environment, it pays to keep an eye on all different variables. Never turn your back on potential dangers.

The financial crisis has significantly altered the industry landscape. The introduction of new rules is one aspect of this transformation. The resulting increase and complexity in regulations requires expert knowledge to keep the business on a sound footing, while making the best use of valuable capital.

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.

The introduction of new financial regulation following the 2008 crisis is taking the financial sector into a new – and in some ways unrecognizable – era. The seeds of the 2008 financial crisis were a complex mixture of valuation and liquidity problems in the US banking system. The collapse of the US housing bubble caused the values of securities tied to US real estate pricing to topple, damaging financial institutions globally.

This damaged investor confidence led to a slump in stock markets as well as tighter credit and liquidity – overall, a difficult financial environment. Governments and central banks reacted in unprecedented style with fiscal stimulus packages and bailouts for some of the ailing banks. The desire to prevent a similar situation forced regulators to assess the causes and try to make banks in the future better equipped to weather another downturn and avoid a re-run of the crisis.

At the heart of Regulatory Reform is Basel III. In effect it tries to provide a safety net by requiring banks to hold more capital for every unit of exposure. This will have such an impact that banks must reassess their balance sheets and re-evaluate their involvement in certain businesses sectors if they want to maintain the return on equity targets promised to their shareholders.

Specifically, Basel III focuses on key areas that include increasing minimum requirements on capital ratios using a more stringent definition of capital, strengthening counterparty risk frameworks, two new liquidity ratios and a new “risk-insensitive” leverage ratio.



Gian Marco Martino with a colleague in his office in New York.

National parliaments are currently in the process of transforming the Basel rules into national legislation. Switzerland has already passed the new legislation and included more stringent measures for the country's two big banks, considered Systemically Important Financial Institutions (SIFIs). They will be subject to higher capital ratio requirements than most of their global peers. As part of the effort to ensure safety and soundness, Switzerland also moved early to demand that banks meet Basel Committee on Banking Supervision's "Revisions to the Basel II market risk framework" (Basel II.5), for FINMA regulatory capital purposes by January 2011.

Strong Commitment

Despite tougher regulations, Credit Suisse, unlike many of its international competitors, was already operating at the level of Basel II.5 last year. It has expressed its commitment to apply the new rules and adapt its business to the new environment early on. Credit Suisse has recognized the complexity of implementing the Basel III regulation and the need for close cooperation across the bank between Risk, Finance, Treasury, Front Office and IT. Last year, Credit Suisse set up a cross-departmental program with representatives from these

different departments in a steering committee. The bank's Risk division, which protects the bank's capital by establishing a strong risk-control environment, plays a driving role.

"We have shown even before the crisis that Credit Suisse is committed to running a tight risk ship and this commitment continues with regard to Basel III," said Cenk Gencyilmaz, who heads the Risk division's Basel III compliance efforts. He added that Risk's greatest work in preparation for Basel III primarily regards derivatives – in particular OTC derivatives (over-the-counter contracts that are traded and privately negotiated directly between two parties). The primary focus has been to further develop the regulatory counterparty risk framework: for example, implementing a system to assess the risk of losses due to counterparty credit quality deterioration (Credit Valuation Adjustment or CVA) in addition to the assessment of default risk.

Within the Risk division, the Risk Analytics & Reporting (RAR) unit plays a crucial role. Headed by Jason Forrester, with some 400 employees, RAR is responsible for risk systems (creating systems capable of collating and measuring risk), credit risk analytics (development and implementation of models to assess credit risk exposure), risk model validation (independent assessment of the validity of risk models), credit risk reporting and analysis as well as regulatory coordination, policy and control. "Basel III is a significant initiative that requires engineering to ensure we have the right strategic system in place," said Forrester. "Its implementation is and will be the primary focus for RAR in 2012. Successful delivery will require significant effort and close teamwork."



Cenk Gencyilmaz oversees the Risk Division's Basel III compliance efforts. He notes that Credit Suisse is committed to running a tight risk ship with regards to risk, including with regard to Basel III.

Analysis, Creation and Validation

RAR teams will be adapting and creating risk models and systems needed under the changed regulations. This means analyzing the regulation in detail and figuring out how they can be applied by using or adopting the bank's existing risk analysis and risk measuring systems as well as developing new systems. Once a new model has been specified, it is transformed into an applicable and working system by the CRO Change function within RAR. This area will then specify to the IT division the functions necessary to have this implemented in the CRO IT system.

Enter the Risk Model Validation team. Before any risk model goes live, the Risk Model Validation team has to independently validate the robustness of the model over a stressed set of parameters and assumptions to ensure it is appropriate and trustworthy.

"Basel III makes capital a scarce resource that can critically affect Credit Suisse's ability to do business and puts a new emphasis on our risk capital modeling. In this environment, Risk Model Validation has to be ready to facilitate model developments that improve the efficient use of capital, while maintaining the control culture that allows the firm's management and regulators to be confident in our effective model governance," said Keith Garbutt, Head of Risk Model Validation. Garbutt added that his team subjects the models to tough mathematical and hypothetical tests to make sure that they work well in challenging market conditions.



Keith Garbutt is Head of Risk Model Validation. His job includes making sure that models are used efficiently, while maintaining the proper risk culture. He and his team subject the models to mathematical and hypothetical tests to ensure they function well, even in times of stress.

“Basel III makes capital a scarce resource that can critically affect Credit Suisse’s ability to do business and puts a new emphasis on our risk capital modeling.”
Keith Garbutt, Head of Risk Model Validation



Keith Garbutt keeps himself fit by participating in triathlons. See more about his passion on www.credit-suisse.com/cp/risk/



“Basel III is a significant initiative that requires tremendous engineering to ensure we have the right strategic system in place.”

**Jason Forrester,
Head of Risk Analytics
& Reporting**



Jason Forrester is Head of the Risk Analytics & Reporting unit, which plays a crucial role. The team, with about 400 employees, is responsible for risk systems, credit risk analytics, risk model validation, credit risk reporting and analysis as well as regulatory coordination, policy and control.

Targeting Specific Risks

Another risk unit working flat-out on Basel III is the Strategic Risk Management Investment Banking (SRM IB) department. It acts as a guardian of the bank’s market risk appetite, sharing responsibility with the Front Office to mitigate unexpected or “out of strategy” losses. Together with Risk Analytics & Reporting (RAR), SRM IB is responsible for measuring, monitoring and reporting risk and for controlling and addressing excessive risk-taking in the Front Office.

SRM IB has some 240 employees in various locations around the globe and is headed by Stephen Haratunian. For Basel III, SRM IB is leading the implementation of the advanced Credit Valuation Adjustment (CVA) for derivatives. The new regulations state that banks will be subject to a capital charge for potential mark-to-market losses (CVA risk) associated with deterioration in the creditworthiness of a counterparty. While Basel II covered the risk of a counterparty default, it did not address CVA risk. During the financial crisis, the mark-to-market losses provided greater losses than outright defaults.

However, within this new framework, banks can use risk assessment systems that are designed in-house. "The Basel III framework outlines two approaches to calculating the CVA charge, including a standard approach prescribed by the regulations or an "advanced approach" where a bank uses elements of its internal risk models – in this case the VaR (Value at Risk) model. This is a very involved process not only because of the significant infrastructure work that needs to be completed in order to implement, but also because the model needs to be approved by our regulators before we can use it in the capital calculations," Haratunian said. Banks such as Credit Suisse that already use advanced models for other components of the regulatory capital charge are also required to use the advanced approach for the CVA charge.

The new rules seek to encourage using central clearing houses for OTC derivatives as a way to reduce counterparty risk and increase standardization. Basel III stipulates that the best hedge for counterparty risk is collateral. While OTC dealers typically have margin agreements set up between firms, central clearing houses standardize the process. Basel III assigns a minimal risk weight for centrally cleared transactions – lower than most individual deals – thereby hoping to encourage the use of central clearing houses.

But the final outcome is not so straightforward. Gian Marco Martino of Investment Banking Finance Capital Management argues that despite incentives, central clearing houses may remain less attractive to banks, as costs of participating in OTC derivatives trade with central clearing houses will be higher than trading one-on-one, thus diminishing bank's margins. "Higher capital requirements on OTC contracts will incentivize banks to trade and clear more transactions through exchanges and central counterparties. But the current draft rules are still very punitive and this may diminish banks' profit margins as dealers of derivatives," he said.

Embracing New Rules

With increased capital charges it will be more critical than ever to strive towards a capital-efficient model optimized for return on capital usage. Risk management will continue to play a key role in developing analytical capabilities and enhanced management reporting to allow effective risk weighted asset management (pre- and post-trade) and in pointing management towards a target business mix which can best achieve return on capital targets.

The increased capital ratio requirements will be introduced gradually between 2013 and 2019. The stricter definition of capital will also be gradually introduced whereas the new rules regarding OTC derivatives and central clearing houses will be valid as of January 1, 2013. Achieving early success will allow the bank to reap the benefits of being one of the first able to operate efficiently in this new changed environment. Credit Suisse's goal is to be leading the way.

We expect these efforts to continue to pay off, even amid rapid changes that are shaping the entire industry. Responding to regulatory trends, banks are expected to shift towards more client-facing business models. We believe that strongly capitalized banks with a clear client focus will have a competitive advantage.

Besides theoretical models, experience plays an important role



Tobias Guldemann
Chief Risk Officer

This appears to be an exciting time to work in risk, correct?

Yes, it is quite dynamic. It is a time of considerable regulatory change for banks and financial institutions worldwide. Risk management also finds itself at the forefront of a changing global scenario. The Risk division plays a key role as the bank works on implementing the new rules and responding to the changed environment in the most effective ways.

Can you explain that in more detail?

From many perspectives, 2011 was unique. Global events have reshaped the world and how we perceive it. Things that were once considered fundamental and often taken for granted have dramatically changed and this has triggered a new sense of uncertainty. The debt crisis in Europe shook the stability of the global economy, and in its current form, continues to threaten the very existence of the European Union. US Treasuries, also considered literally risk-free, were unsettled by worries pertaining to default risk. Events like the earthquake and tsunami in Japan not only resulted in loss of life but had

devastating effects on industries considered to be secure. On the regulatory front, where financial services are concerned, some of the most important changes were the approval of the Too Big To Fail legislation and the request for tangible recovery and resolution plans for systemically important financial institutions. Whatever the ultimate impact of these events, we will feel the repercussions in our business and industry in general.

How is your division developing, and adapting in this new reality? Market volatility will persist in 2012 and unfortunately there is no quick recovery expected in the near term. This puts additional pressure on our profitability. In the Risk division, we are preparing for more rapid changes. We have to make sure we can adjust our business quickly. We anticipate further demands from the regulators. While we continue to work with mathematical calculations and statistical models, in the current environment our experience, astuteness and intuition are also becoming increasingly important.

Asia Pacific

Families and Corporates First

Yves-Alain Sommerhalder, Head of UHNWI Solutions for Private Banking Asia Pacific, says long-term relationships are key to his work: "It is important that we can cover clients from pure wealth generation, providing integrated solutions for their company, to the stage where they require sophisticated asset management and investment services."

Wealth creation in the emerging markets has reached unprecedented levels. Family-owned businesses, which form the backbone of the Asian economy, are one of the main drivers of this trend. Credit Suisse creates sustainable solutions – many of which go beyond traditional financial instruments – to address the sophisticated needs of wealthy families in the region.

Asia Pacific

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

Wealth in the emerging markets is growing at an unprecedented rate – particularly in Asia Pacific. Its share of the world's gross domestic product (GDP) doubled from 9 percent in 1990 to 18 percent in 2010. By 2025, the number of middle-class households in the region could outstrip that of the US, laying the foundations for domestic consumption that will underpin a long-term geographic shift in economic growth.

Family businesses are an important pillar of most of Asia Pacific's economies. According to a report on Asia's family business culture, recently published by the Credit Suisse Emerging Markets Research Institute, these companies delivered a 261-percent cumulative total return in the past 10 years, outperforming local benchmarks in seven out of ten Asian markets. Drawing on an analysis of primary data for 3,568 publicly listed family businesses across 10 Asian countries, the report shows that these businesses have been a crucial source of private wealth creation in Asia and are a key driver of the region's economies.



Bernard Fung, Head of Family Office Services and Philanthropy Advisory Asia Pacific, focuses on embryonic or aspiring single family offices: "We help our clients thrive while they are smaller, and build the foundations of a great relationship for when they are bigger."

Across these markets, family businesses account for around half of all listed companies and a third of total market capitalization. Credit Suisse has many clients who own family businesses and have diverse and interconnected personal and corporate needs in the area of finance. George Pavey, Co-Head of the Global Markets Solutions Group (GMSG) Asia Pacific, is familiar with the way in which the line between the corporate and the individual client sometimes becomes blurred. "I would divide our clients in Asia into two categories: state-owned enterprises and entrepreneur-driven businesses," says Pavey. "We work with both of them – governments, or government-related entities, and the private sector. Of course, in Asia in particular, doing business with a private sector entity means that we are working directly on behalf of the founder of a company and his family in many cases."

Planning for the Next Generation

Pavey helps companies across Asia Pacific to raise financing across the full spectrum, ranging from bank debt to bonds and shares. Like many in the finance industry, he sees the region as a source of opportunities: "It is a region experiencing massive growth that has tremendous potential. Despite its diversity, we see clear hallmarks that differentiate Asia from the rest of the world – and they match up very well with the strengths of our businesses. Its immense population works extremely hard and people across the region share a similar

work ethic and a similar approach to wealth creation, reinvesting, risk-taking and – in particular – to optimizing returns for the benefit of future generations."

Bernard Fung, Head of Family Office Services and Philanthropy Advisory Asia Pacific, concurs: "Wealth creation is an important goal for our clients. However, succession planning and ensuring that the wealth and the businesses they have built up during their lifetimes will be managed and grown for the next generation is just as important to them." Fung advises ultra-high-net-worth clients across the region on generational wealth transfer issues. He helps clients to establish a family office to manage their needs or provides existing family offices with sound advice on family legacy matters, investment policy and governance. It's a growing business with robust perspectives.

The study by the Credit Suisse Emerging Markets Research Institute found that in Asia – excluding Japan and Australia – there are 1,300 listed companies with a market capitalization of USD 500 million where a family owns 20 percent or more of the company's assets. Broadly speaking, that means that there are also about 1,300 families with a concentrated wealth position of more than USD 100 million. Fung points out: "As these companies grow, so will the family's wealth."

In five to ten years' time, almost half of these families may be thinking about managing their wealth through a family office. By focusing on embryonic or aspiring single family offices, we can help our clients to thrive while they are smaller and build the foundations of a great relationship when they are bigger."



When it comes to food, practically no other city on earth can rival Hong Kong for variety. Roast duck (above) is a favorite menu item. Not just a treat for the palate, hanging in restaurant windows, it also offers a feast for the eyes.

“Wealth creation is an important goal for our clients. However, they are increasingly thinking about how their wealth will be managed and grown for the next generation.”

Bernard Fung, Head of Family Office Services and Philanthropy Advisory Asia Pacific



Bernard Fung and a colleague at his office in Singapore. He helps clients to establish a family office to manage their financial needs or provides existing family offices with sound advice on family legacy matters, investment policy and governance.



George Pavey at Credit Suisse's offices in Kowloon (left) and at one of Hong Kong's famous markets (above). Find out more about his personal interest in culture and history here www.credit-suisse.com/cp/apac/



“Being successful is not just about the ability to execute a transaction, it’s about leveraging the insight that you get from having a long-term relationship with your clients.”

**Yves-Alain Sommerhalder,
Head of UHNWI Solutions
for Private Banking
Asia Pacific**

“With Credit Suisse’s global footprint and diverse business lines, our ability to address the two sides of our clients’ needs – the demand for investment opportunities and the demand for capital – is unrivalled,” says Yves-Alain Sommerhalder.



Offering Seamless Service

Building strong long-term relationships is the key to success in this area. Yves-Alain Sommerhalder, Co-Head of Global Capital Markets for Solution Partners and Head of UHNWI (ultra-high-net-worth individuals) Solutions for Private Banking Asia Pacific, explains: “There are significant synergies between Private Banking and Investment Banking in Asia. The financial requirements of many families have become so sophisticated that it is crucial that we can provide solutions developed in partnership with our Investment Bank. It is important that we can cover clients from pure wealth generation, providing integrated solutions for their company, to the stage where they require sophisticated asset management and investment services.”

Credit Suisse’s ability to offer integrated financial solutions and operate as a seamless organization often sees Sommerhalder working closely with Pavey and Fung. “The real strength of Credit Suisse’s business model is that the whole is much greater than the sum of its parts. With Credit Suisse’s global footprint and diverse business lines, our ability to address the two sides of our clients’ needs – the demand for investment opportunities and the demand for capital – is unrivaled,” says Sommerhalder.

Referring to a recent deal in which a large family-owned mining company was seeking a strategic investor, he further explains: “Investments in mining may take many years to mature. Consequently, you want a partner who knows this business inside out, is comfortable with the risks that an investment in this particular industry carries – and won’t decide to back out just because commodity markets have a few bad weeks. We were able to find the perfect investor for this transaction – someone who was not only keen to invest but who actually came from the same industry. Being really successful is not just about your ability to execute a transaction, it’s about leveraging the insight that you get from having a long-term relationship with your clients.”

Looking Beyond the Numbers

Sustainable success in this landscape of family-owned businesses in Asia Pacific is based on quality services and products, the range of solutions a financial institution can provide to meet individual needs, and, most importantly, a strong partnership that is built up over the long term. “A lot of our clients are still very much focused on their core activities, and a large percentage of our business will come from helping them to maximize the value of that strategic investment,” says Sommerhalder. “But we are complementing this with something that goes beyond mere numbers. Our long-term view of our clients and their businesses creates unique opportunities – and we will be able to continue to offer even more in the years to come.”

Trust and advice are top issues on our clients’ agenda



Osama S. Abbasi
Chief Executive Officer Asia Pacific

Is our client base in Asia Pacific different from other regions?

Asia has a proportionally larger number of companies owned by principals – by decision makers who are individuals. This is why the ultra-high-net-worth segment is particularly important in Asia and why the bank’s combination of Private Banking, Investment Banking and Asset Management is such a compelling value proposition. These clients need advice and services to meet their own very complex personal financial needs as well as those of their corporations. There is an immense power in getting the continuum right across individuals and corporates.

Which issues were at the top of our clients’ agenda over the past year?

Broadly speaking: trust and advice. Clients view us as a stable and reliable partner. They want to be able to trust us, and our capital strength is important in inspiring confidence. We make sure that we stay close to our clients, continuing

to offer them good ideas and showing that we are really thinking about their problems and needs. We have clearly been working in a challenging environment, but it is one that also rewards client focus, tenacity and outperformance. As a result, we have been able to grow our market share across many of our businesses.

What is your outlook for the Asia Pacific region in 2012?

Asia Pacific remains one of the world’s most dynamic regions. We continue to experience some of the fastest growth rates, both in terms of GDP and wealth creation. We have one of the region’s strongest client franchises and this presents us with a real opportunity to be one of the top banks in the region. I firmly believe that we have the right business model and the right talent and expertise. We also have the right geographical footprint and the client relationships to be able to exploit market opportunities for the benefit of our clients.

Investment Banking

Guiding Clients Through Turbulent Markets

Sometimes reaching a goal requires many steps. Malcolm Price, Jeffrey Salzman and David Miller in the lobby of Credit Suisse in New York.

In 2011, the operating environment proved challenging for many businesses. To help clients stay focused during turbulent periods such as this, the teams in Investment Banking draw on traditional strengths: creating innovative solutions, leveraging Credit Suisse's global franchise and helping the companies they advise to act quickly and decisively.

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.

Few transactions in 2011 captured the trade-off between risk and reward as meaningfully as a deal announced midway through the year: Reynolds Group Holdings' acquisition of Graham Packaging in an all-cash transaction valued at USD 4.5 billion. A core part of the transaction was our arrangement of a USD 5 billion financing package, underwritten solely by Credit Suisse.

The bank's previous work on a series of strategic transactions, including Reynolds' USD 6 billion purchase of Pactiv Corporation in 2010, had already helped Reynolds grow to become the biggest packaging company in the world. Armed with an intimate knowledge of Reynolds's balance sheet, the Credit Suisse deal team worked to put together a package of an additional USD 4.5 billion in debt as part of the Graham acquisition, consisting of USD 2.5 billion of bonds and USD 2.0 billion of term loans. Another component of the financing – the biggest in 2011 in the non-investment grade space – was a USD 500 million facility to replace existing debt.

"Timing was a critical part of this deal," said David Miller, Head of Global Leveraged Finance Capital Markets. "It was announced in June and was scheduled to close in October; we advised Reynolds to go to the market in July, and de-risk the transaction as soon as it was feasible. We said to ourselves: We know what the market is like today; let's remove market risk from the transaction."

The mix of bonds and loans helped Credit Suisse reach a wide range of investors through its global network. Many of these investors were already familiar with Reynolds and its parent company, New Zealand-based Rank Group Ltd., through their participation in previous financings. As the clock ticked down towards the final days of July, the Credit Suisse team worked non-stop on a process that Miller described as the team's "highest focus." Allocation took place on July 27, little more than a week before Standard & Poor's downgrade of the United States kicked off a fresh bout of global market turmoil.

For Reynolds, the successful transaction meant it could add Graham's high value-added plastic beverage and food containers to a product mix that already included aseptic and other liquid packaging, plastic closures, foodservice containers and consumer-branded foils. For Credit Suisse, it reinforced the importance of helping clients plan early and think strategically. Rank Group owner Graeme Hart had been eyeing Graham long before Graham announced in April 2011 an agreement to be acquired by another suitor, Silgan Holdings, for a mix of cash and stock. "When the deal with Silgan was announced Graeme Hart wasn't really responding to it, because he had already done all his homework," said Jeffrey Salzman, Vice Chairman of Credit Suisse and Global Head of the Paper, Packaging and Forest Products Group in the Investment Banking Department. "The Graham acquisition is part of a larger story. We've been working closely with Rank over a long period of time to help Rank develop a blueprint for Reynolds to identify strategic acquisitions and make it into one of the world's largest and most profitable packaging companies."

Revolutionizing the Client Experience

In Asia, a major challenge – but also a major opportunity – has been presented by the equity derivatives structured products space and the accessibility of these products to clients of the Private Banking division. Under the old system, relationship managers (RMs) in the Private



“SPIRIT allows us to compete on service and convenience instead of purely pricing.”

**Brian Chan,
Derivatives Management
in Hong Kong**

Brian Chan (left), Managing Director of Equity Derivatives, shown with his colleagues. His team worked closely with IT in “a strong collaborative effort” to develop the SPIRIT Asia platform for relationship managers and clients.



Banking division wishing to place orders on behalf of clients had to go through a cumbersome series of phone calls and e-mails with their counterparts in the Investment Banking division, a process that consumed valuable time and resources. The system also relied on manual execution and booking processes that were labor-intensive and prone to error.

During 2011 the Equities Department, working with information technology teams serving the Private Banking and Investment Banking divisions, accelerated the implementation of the new SPIRIT Asia platform to provide a seamless experience for RMs and their clients. Behind SPIRIT Asia are two main objectives: to open up the structured products business to a wider range of high-net-worth and ultra-high-net-worth clients, and to capture more cross-divisional revenues between Investment Banking and Private Banking with automated, scalable processes that reduce the minimum ticket size.

“The core of this story involves a strong collaborative effort by the Investment Bank and the Private Bank,” said Brian Chan, a Hong-Kong-based Managing Director on the Equity Derivatives team. “Making our relationship managers direct users of this platform means there’s a high level of differentiation between Credit Suisse and its competitors. Flow-structured products is a very mature, competitive market in Asia. SPIRIT allows us to compete on service and convenience instead of purely pricing.”

In broad terms, the platform consists of two main systems: the interactive quoting system Meerkat from the Investment Banking side, and the C-Cat automated trade booking system that processes trades without manual intervention. Between January 2010 and November 2011, the total notional value of trades on SPIRIT Asia was almost USD 3.0 billion. During 2011 the platform expanded from its

original focus on equity-linked notes and accumulators to encompass products including over-the-counter options, Trigger ELNs and fixed coupon notes.

“SPIRIT has really revolutionized the client experience,” said Patricia Lau, Director on the Equity Derivatives Sales team. “Because the RMs have direct access to quotes and immediate execution capabilities, clients can place their orders straightaway, which is a vast improvement over the former arrangement. Clients can trade in a much more efficient manner, which gives them a big advantage.”

Addressing Complex Challenges

For Investment Banking, one of the most significant deals of 2011 involved long-standing client Cargill, an international producer and marketer of food, agricultural, financial and industrial products and services that is one of the largest privately-held companies in the United States. At the center of the transaction was Cargill’s 64 percent stake in Mosaic, the world’s leading producer and marketer of concentrated phosphate and potash, two key nutrients used in agriculture.

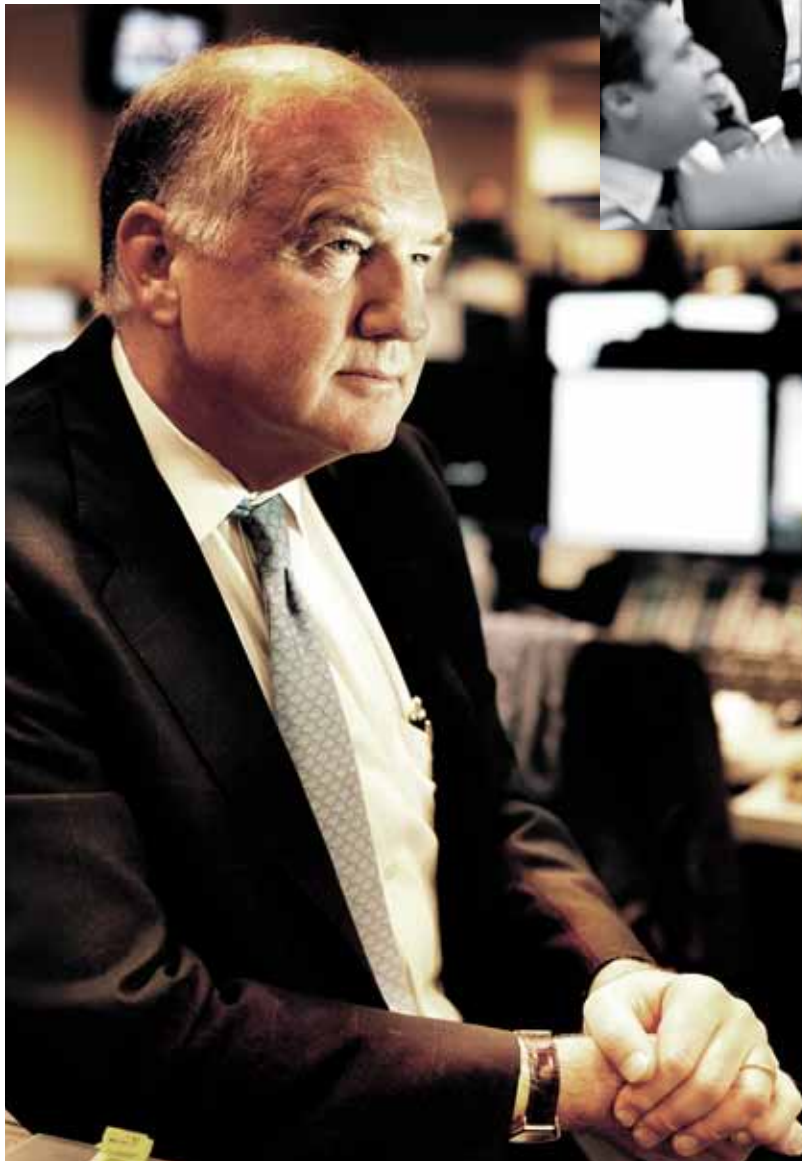
The challenge facing Cargill and Credit Suisse was complex. It dated back to 2006, when Margaret A. Cargill, one of Cargill’s largest shareholders, passed away and left her shares to charitable trusts and foundations collectively known as the MAC Trusts. With a mission to support philanthropic projects around the country – and in the process become one of the country’s leading private foundations – the MAC Trusts needed to find a way to monetize their stake in privately-held Cargill.



Team members of the Global Credit Products Group of Investment Banking in New York.

“Transactions flow from relationships, not the other way around.”

Robert Murley, Chairman of Investment Banking Americas



Robert Murley (left) and his colleagues worked closely for years with the client, Cargill, on the transaction. “There were disappointments and frustrations along the way, but we were consistent and patient, and we never gave up. Working closely with our client Cargill, we were able to create a solution that provided value and met the needs of all the parties involved.”

During a process that lasted four years, Credit Suisse helped Cargill and its partners evaluate a variety of strategic alternatives. The outcome: an announcement in January 2011 by Cargill and Mosaic of a transaction that would result in the distribution of Cargill's stake in Mosaic – which was already a publicly traded company – to Cargill shareholders and debtholders. “This transaction reflected a desire by our client Cargill to balance its own interests and those of its shareholders in a highly efficient way,” said Jeffrey Ponko, Managing Director in the Retail and Consumer Products Group. “Cargill was able to maintain its status as a private company while meeting the diversification and distribution needs of the MAC Trusts. Mosaic improved its long-term strategic and financial flexibility without any impact to its operations or its underlying financial performance.”

The highly structured transaction comprised three key steps. These included a recapitalization of Mosaic shares into three classes of stock; a split-off and debt-for-equity exchange with the participation of Cargill shareholders and debtholders, and regular follow-on offerings by Mosaic for the resale of 157 million of its shares, including the pricing in May of a USD 7.5 billion offering, which was the largest-ever follow-on offering in the US outside the financial sector and one of the largest US equity offerings of 2011. Credit Suisse acted as lead left bookrunner and stabilization agent on the transaction, which greatly increased Mosaic's free float and allowed it to enter the S&P 500 in September 2011.

Robert Murley, Vice Chairman of Credit Suisse and Chairman of Investment Banking for the Americas, pointed out that the entire transaction relied on classic investment banking skills. “Transactions flow from relationships, not the other way around,” Murley said. “If you serve your clients well, your own success will follow. We literally worked for years on this transaction. There were disappointments and frustrations along the way, but we were consistent and patient, and we never gave up. Working closely with our client Cargill, we were able to create a solution that provided value and met the needs of all the parties involved. It was very gratifying.”



Transactions involve different skills, including patience, a sense of timing and being a good listener. It's all about teamwork and being a partner to clients. Jeffrey Salzman (left) and David Miller (right) understand different viewpoints.

Helping clients to manage risk and still find windows of opportunity



Eric Varvel
Chief Executive Officer Investment Banking

How do the dynamics of investment banking change when markets suffer an extended period of dislocation?

The volatility of the past year has reminded people in all our departments – Equities, Fixed Income and Investment Banking – that they have to step back and help our clients take a much broader view of what's happening in the world as a whole. Some widely held assumptions were challenged in ways we never would have expected a few years ago. Who would have thought that the US would lose its triple-A rating from one of the major ratings agencies, for example? Who would have thought that the eurozone would face a test of its very existence? Times like these require us to be more proactive than ever with our clients, to help them focus on long-term value.

What questions have clients asked you most often in the past year?

One of the interesting things we've noticed is that broadly speaking, our clients are asking

the same questions we constantly ask ourselves: How do I manage my risk effectively when it's difficult to predict the markets' next move? How can I position myself in a way that's defensive, yet lets me take advantage of short-term windows of opportunity, and also captures the upside when the market headwinds subside? It's gratifying to see how time and again, clients look to us as a stable and well-capitalized partner to help them identify opportunities and execute their strategic plans.

What's your outlook for 2012?

Europe is certainly going to remain a focus this year, as will the US, because the outcome of the congressional and presidential elections will be an important indicator of the country's direction. We think investors are also going to continue to focus strongly on emerging markets, as economies like China, Indonesia and Brazil become more diversified and shift towards serving the needs and desires of their own consumers.

São Paulo, a metropolis home to 20 million people, is one of Latin America's major industrial centers. Credit Suisse has been present in Brazil for three decades. Its business there is continuing to evolve, a reflection of clients' changing needs and the country's strong growth.



Business Review 2011

Review of the Year's Events in 2011

January

Popular employer

Credit Suisse is found to be among the three most popular employers in Switzerland.

February

Best private bank

Credit Suisse is named the best private bank globally for a second consecutive year by Euromoney magazine.

Buffer capital

Credit Suisse Group reaches an agreement with strategic investors to issue approximately CHF 6 billion of tier 1 buffer capital notes. This will help meet capital requirements designed to ensure the long-term soundness and stability of Switzerland's big banks.

March

Rules for big banks

The Swiss Federal Council submits a bill to parliament designed to strengthen financial sector stability, including measures to address systemically relevant, large banks (Too Big to Fail). Credit Suisse fundamentally agrees with the concept of stricter capital requirements and has already implemented concrete measures to fulfill them.

Asian conference

The 13th Asian Investment Conference is held in Hong Kong, drawing some 2,000 institutional and high net worth investors from over 25 countries.

April

New bonds approved

At the Annual General Meeting of Credit Suisse Group AG in Zurich, shareholders approve creation of additional conditional capital for the purpose of contingent convertible bonds. Shareholders also vote in favor of a renewal of authorized capital at the current level. Urs Rohner assumes the role of Chairman of Credit Suisse.

Dividend of CHF 1.30

Credit Suisse pays out a dividend for the 154th consecutive year.

May

Macro Investors

The second annual Global Macro Investors Conference is held in New York. Participants at the two-day forum tackle the most pressing themes facing global markets.

IT development center

Credit Suisse inaugurates a new IT development center at the Swiss Federal Institute of Technology in Lausanne (EPFL). The facility will focus on creating cutting-edge IT solutions. Credit Suisse is the first financial institution to establish a presence in the EPFL's Quartier de l'innovation.

June

Advisory integration

Credit Suisse integrates two units; Investment Suitability and Appropriateness in Advice, and Executive of Securities Transactions, into the bank's existing Advisory Process.

Asset Management unit

Credit Suisse Asset Management launches the Systematic Trading Group within Alternative Investments, based in New York.

Cost saving via efficiency

To position the Group to perform well in what remains a challenging environment, Credit Suisse announces a number of efficiency enhancements that target CHF 1 billion in cost savings.

Performance of Credit Suisse's share price versus the STOXX Europe 600 Banks Index



Eurozone

Under the European Financial Stability Mechanism (EFSM), the European Union launches a bond totaling EUR 5 billion to raise funds for Ireland as part of a multi-billion euro rescue package. Eurostat announces that Eurozone annual inflation rose to 2.2% in December 2010, the first time since 2008 that price increases have exceeded the European Central Bank's medium-term ceiling of 2%.

Arab Spring

Sparked by unrest in Tunisia, thousands of people take to the streets in countries across the Middle East, launching what is to become known as the Arab Spring.

Changing world order

China officially becomes the world's second-biggest economy with a GDP of USD 5.9 trillion, overtaking Japan to rank behind only the US.

Egypt and oil

After weeks of protests, Hosni Mubarak steps down as Egyptian President. Brent crude oil tops USD 100 on concerns that unrest in the Middle East will affect supply.

Greek, Spain ratings

Moody's Investors Service downgrades Greece's government bond ratings by three notches to B1 from Ba1. It also downgrades Spain's government bond ratings by one notch to Aa2 from Aa.

Japan's earthquake

Japan is hit by the most powerful earthquake in its history. Tsunami waves sweep away entire towns along the country's northeast coast. The disaster is compounded by the meltdown of three reactors at the Fukushima nuclear power plant. In the aftermath of the quake, Japanese shares plunge by as much as 11% in a single day.

US curbs spending

US President Barack Obama calls for reducing the nation's budget deficit by USD 4 trillion within 12 years. The measures will be accomplished through spending cuts and higher taxes, including for wealthy individuals.

Italy outlook lowered

Standard & Poor's lowers its credit outlook for Italy to negative from stable. Italian stocks fall sharply following the news.

Portugal aid package

Portugal agrees to the terms of an international aid package totaling USD 116 billion (EUR 78 billion). The agreement, which is backed by the EU and IMF, requires Portugal to adopt austerity measures and also to accelerate its privatization plans.

Higher oil prices

Oil prices rise after most members of OPEC reject a proposal to increase output.

July

Youth barometer

Credit Suisse publishes the results of its second Youth Barometer, a comprehensive survey offering insight into the lives, problems, and views of Switzerland's young people. The Barometer surveyed over 1,000 people between the ages of 16 and 25. This time the survey focused on religion and the role faith plays in the lives of young Swiss.

First-half results

Credit Suisse Group reports underlying pre-tax income of CHF 1.2 billion.

August

Private bank head

Hans-Ulrich Meister becomes Chief Executive Officer Private Banking in addition to his role as Chief Executive Officer Credit Suisse Switzerland.

Conference on Asia

Credit Suisse hosts the ASEAN & India Investment Conference in Singapore.

September

Advertising initiative

Credit Suisse launches a new multi-media advertising campaign. Featuring the bank's current clients, the initiative highlights how Credit Suisse's commitment is helping them to achieve their financial goals.

German agreement

Credit Suisse and the Public Prosecutors' Office in Düsseldorf, Germany reach an agreement regarding the proceedings against Credit Suisse employees. The entire proceedings are to be resolved.

October

Wealth report

Credit Suisse Research Institute releases its second annual Global Wealth Report. Key findings include data highlighting Asian Pacific countries' leading role as centers of new global wealth creation.

November

Clariden Leu

Credit Suisse announces plans to fully integrate Clariden Leu, part of a previously announced target to increase Private Banking's contribution to the Group's pre-tax income by CHF 800 million by 2014. The legal and operational integration is expected to be completed by the end of 2012.

Q3 results published

Credit Suisse Group releases Q3 2011 core results showing pre-tax income of CHF 1,036 million, net income attributable to shareholders of CHF 683 million, net new assets in Private Banking of CHF 7.4 billion and a return on equity (ROE) of 8.7%.

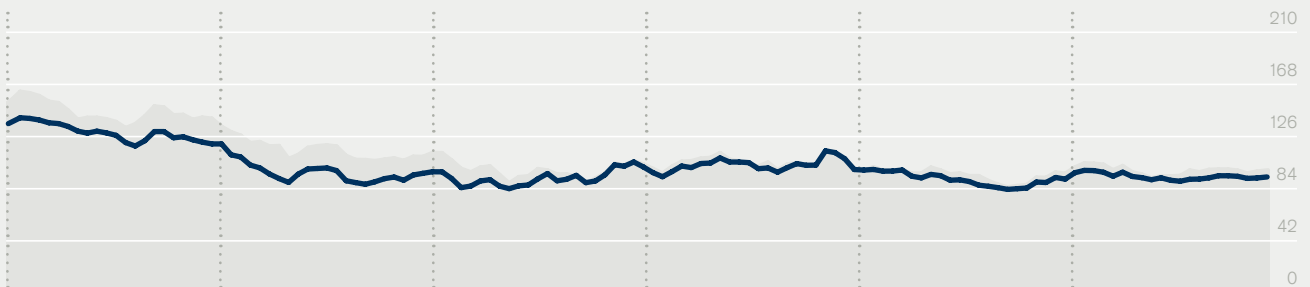
December

Private bank acquired

Credit Suisse signs a definitive agreement to acquire HSBC's private banking business in Japan.

Worry Barometer

Credit Suisse conducts its annual Worry Barometer survey. The chief concerns among the respondents to the survey are the economy and immigration.

**Banks' capital needs**

A stress test conducted by the European Banking Authority finds that out of 90 European banks surveyed, eight fell below the threshold deemed sufficient with regards to capital. It recommends that a further 16 banks take measures to strengthen capital.

US avoids default

The US Congress reaches a last-minute agreement to raise the nation's debt ceiling, avoiding a default.

Currency intervention

Japanese and Swiss central banks intervene separately in foreign exchange markets to halt the appreciation of their currencies. The Swiss franc reaches an all-time high against the euro of 1.05 euros to the franc. Gold reaches a record high of USD 1,911 per ounce, then retreats, staging one of its steepest drops ever.

Cross-border tax plan

Switzerland signs bilateral tax agreement with Germany that would regularize assets of German residents in Switzerland. Past assets are to be regularized through an anonymous one-off payment deducted by paying agents in Switzerland or by a bank client's voluntary disclosure to German authorities. If the agreement enter into force, German clients would have two options to meet their future tax liabilities on investment income and capital gains: they can either make an anonymous withholding tax payment or report to their home authorities. In order for the agreement to enter into force, it requires the approval of the parliaments in the contracting countries.

UK, Swiss tax plan

Similar to the agreement with Germany, the UK and Switzerland sign a tax agreement covering payment of taxes on accounts in Swiss banks held by UK residents.

Occupy Wall Street

Thousands of protesters take to the streets in scores of cities around the world. In New York as many as 7,000 people join the Occupy Wall Street demonstrations, including those who camp in a park in lower Manhattan.

World population

At the end of October, the world population tops 7 billion people, according to the UN.

Draghi new ECB head

Mario Draghi takes over from Jean-Claude Trichet as President of the European Central Bank.

Papademos, Monti

Lucas Papademos is named new prime minister in Greece, and Mario Monti becomes Italy's new prime minister.

ECB buys bonds

The European Central Bank reportedly intervenes heavily in the bond markets by purchasing Italian and Spanish government debt.

Eurozone jobless rate

The unemployment rate in the eurozone remains at a record high in December of 10.4%. Youth unemployment stands at 21.3%.

China reserve ratios

China's central bank announces it will cut its reserve ratios for the first time since 2008.

Eurozone ratings

Standard & Poor's places ratings of 15 eurozone countries on negative credit watch and threatens to downgrade them unless an agreement can be reached to resolve the EU debt crisis.

Operating Review

For 2011, net income attributable to shareholders was CHF 1,953 million. Results reflected the impacts of a challenging market environment and the implementation of our strategy. As we implemented our strategy, results included negative impacts of an aggregate CHF 1.8 billion from realignment costs, businesses we are exiting and the reduction of risk-weighted assets in our Investment Banking fixed income business. Also included were litigation provisions of CHF 478 million in connection with German and US tax matters. We made substantial progress in reducing Basel III risk-weighted assets in Investment Banking by CHF 76 billion to CHF 233 billion in 2011. We attracted CHF 40.9 billion of net new assets.

In 2011, Credit Suisse recorded net income attributable to shareholders of CHF 1,953 million, down 62% compared to 2010. Net revenues were CHF 25,429 million, down 17%, and total operating expenses were CHF 22,493 million, down 6%, compared to 2010, mainly due to lower compensation and benefits. Our 2011 results included negative impacts of CHF 1.8 billion consisting of realignment costs of CHF 847 million from cost-efficiency measures, and CHF 974 million (CHF 547 million of negative revenues and CHF 427 million of associated costs) from businesses we are exiting and the reduction of risk-weighted assets in our Investment Banking fixed income business. Also included were litigation provisions of CHF 478 million in connection with German and US tax matters. We had fair value gains of CHF 1,210 million on Credit Suisse long-term vanilla debt and fair value losses of CHF 291 million on stand-alone derivatives. Revenues were adversely impacted and expenses were favorably impacted by the strengthening of the Swiss franc against major currencies. Compared to 2010, the adverse impact on net revenues and income before taxes was CHF 3,092 million and CHF 909 million, respectively.

Diluted earnings per share were CHF 1.36. Return on equity attributable to shareholders was 6.0%. Our capital

position remained strong with a BIS tier 1 ratio under Basel II.5 of 15.2% as of the end of 2011.

Economic Environment

The global economy began 2011 showing signs of recovery, with manufacturing gains in most major economies and unemployment levels declining in the US and Europe. As the year continued, however, uncertainty and volatility affected economies and markets through the rest of the year. Significant causes included political unrest in the Middle East and North Africa, the European sovereign debt crisis, economic disruptions resulting from the natural disaster in Japan and US political gridlock and the related downgrading of US sovereign debt. The situation culminated in a summer equity market selloff. By mid-year it was clear the global economy was cooling after a relatively robust post-crisis rebound. Fears that the global economy could re-enter a recession eased somewhat towards the end of the year as indicators of economic growth in the US began to strengthen and major central banks continued to support loose monetary policies.

In the first half of the year global inflation was increasing. Central banks in many regions increased interest rates or were

Credit Suisse Group

		2011	2010
Net revenues, core results	in CHF million	25,429	30,625
Total operating expenses, core results	in CHF million	22,493	23,904
Net income attributable to shareholders	in CHF million	1,953	5,098
of which from continuing operations	in CHF million	1,953	5,117
Return on equity	in %	6.0	14.4
Diluted earnings per share	in CHF	1.36	3.89
BIS tier 1 ratio (Basel II.5) ¹	in %	15.2	14.2
Number of employees (full-time equivalents)		49,700	50,100
Assets under management from continuing operations	in CHF billion	1,229.5	1,253.0

¹ Under Basel II.5 since December 31, 2011. Previously reported under Basel II.

expected to do so. The European Central Bank (ECB) raised interest rates in April. After a second increase in July, the ECB signaled in September that it would not raise them further. In the fourth quarter 2011, the ECB lowered interest rates again to levels seen at the beginning of the year due to the weaker economic outlook in the eurozone. The US Federal Reserve (Fed) maintained low interest rates, unchanged throughout the year, and completed its plan to purchase USD 600 billion of long-term treasuries in an effort to stimulate the US economy. The Fed also announced it would keep short-term interest rates at low levels through mid-2013 and changed the composition of its US treasury securities holdings to hold a greater proportion of longer maturities in an effort to lower long-term interest rates. In the emerging markets, monetary policy actions were diverse. Brazil's central bank increased its benchmark rate by 1.75 percentage points from the beginning of the year until August, but then lowered rates gradually in the second half of the year. India's central bank raised rates throughout the year. China tightened monetary policy during the year by requiring banks to hold higher reserves against margin deposits, but then lowered the reserve requirement ratio in the fourth quarter 2011. By the end of 2011, inflation was falling in many emerging markets again and slowing in most developed countries. In 2011, the indebtedness of several developed countries was cause for substantial concern. In the third quarter 2011, the ratings agency, Standard & Poor's, downgraded the US long-term debt rating to AA+. Several European countries also had their ratings downgraded, and Italian and Spanish government bond spreads reached new highs, while German bond yields fell to record lows. Greek government bonds were an ongoing concern, with EU leaders moving to increase the haircut on Greek government bonds held by private investors. In July, EU finance ministers agreed to increase the effective capacity of the European Financial Stability Facility and widen the scope of its mandate.

Sector Environment

2011 was a challenging year for the banking sector. European bank stocks lost more than 30% in 2011 due to, among other challenges, the deepening sovereign debt crisis. North American bank stocks ended the year about 8% lower (refer to the charts "Equity markets"). Volatility in the sector was high. Industry participants took further steps to adjust their business models to reflect the sector's changing regulatory framework. The sector's underperformance reflected regulatory uncertainty, for example, proposals to limit specific bank activities, requirements for higher equity capital ratios and the imposition of financial transaction taxes. European banks' underperformance was largely due to discussions regarding the need for a recapitalization of the banks.

Funding availability, especially for many European banks, was difficult in 2011. Increased uncertainty due to sovereign debt concerns in Europe and higher capital and liquidity requirements from regulators forced many banks to announce restructuring and deleveraging plans. In addition, the weak operating environment throughout the year and subdued business activity added to banks' challenges.

Private Banking

In 2011, we reported income before taxes of CHF 2,348 million and net revenues of CHF 10,877 million. We attracted net new assets of CHF 44.5 billion, mainly from emerging markets and the ultra-high-net-worth individual client segment, despite a challenging environment.

Business Environment

The wealth management sector was affected by low trading activity in fixed income and equity markets. Negative market sentiment resulted in subdued client activity. The strong Swiss franc continued to have an adverse impact on the Swiss wealth management institutions. The sector continued adapting to

Private Banking

		2011	2010
Net revenues	in CHF million	10,877	11,631
Total operating expenses	in CHF million	8,419	8,187
Income before taxes	in CHF million	2,348	3,426
of which Wealth Management Clients	in CHF million	1,468	2,528
of which Corporate & Institutional Clients	in CHF million	880	898
Pre-tax income margin	in %	21.6	29.5
Net new assets	in CHF billion	44.5	54.6
Assets under management	in CHF billion	927.9	932.9

industry-specific regulatory changes, including cross-border business and investor protection requirements.

Results overview

For 2011, we reported income before taxes of CHF 2,348 million, down 31% compared to 2010. Net revenues of CHF 10,877 million decreased 6% compared to 2010. The adverse impact of the lower average exchange rate of major currencies against the Swiss franc on net revenues and income before taxes in Private Banking was CHF 844 million and CHF 550 million, respectively. Excluding this adverse foreign exchange impact and gains of CHF 72 million from the sale of real estate in 2011, revenues remained stable compared to 2010.

In an ongoing low interest rate environment, net interest income decreased 7%. Recurring commissions and fees were down 7% as average assets under management decreased slightly, mainly due to the adverse foreign exchange translation impact. Excluding fair value losses of CHF 17 million and CHF 50 million related to the Clock Finance transaction in 2011 and 2010, respectively, and the gains from the sale of real estate in 2011, transaction-based revenues decreased 9%. This decrease was driven by significantly lower brokerage and product issuing fees, reflecting lower client activity and lower transaction-based volumes. Provision for credit losses in 2011 was CHF 110 million compared to CHF 18 million in 2010, mainly driven by lower releases in 2011 compared to 2010.

Total operating expenses were CHF 8,419 million, slightly up compared to 2010, mainly driven by litigation provisions of CHF 478 million, of which CHF 183 million (EUR 150 million) was in connection with the German tax matter and CHF 295 million was in connection with the US tax matter. Excluding these litigation provisions in 2011, and the non-credit-related provisions for ARS of CHF 44 million in 2010, operating expenses decreased 2%. Compensation and benefits decreased 3%, reflecting a favorable foreign exchange translation impact and lower discretionary performance-related compensation expense.

Assets under management as of the end of 2011 were CHF 927.9 billion, stable compared to the end of 2010, as strong net new assets of CHF 44.5 billion were mainly offset by adverse market movements. Net new assets reflect the strength of our international footprint despite the challenging economic environment, including highly volatile equity and foreign exchange markets and client risk aversion. Wealth Management Clients contributed net new assets of CHF 37.8 billion with strong contributions from emerging markets and the ultra-high-net-worth individual (UHNWI) client segment. Switzerland contributed net new assets of CHF 12.8 billion, including CHF 6.7 billion from Corporate & Institutional Clients. Average assets under management in 2011 decreased slightly, as net new assets were more than offset by lower equity markets and foreign exchange-related movements.

Investment Banking

For 2011, we reported income before taxes of CHF 79 million and net revenues of CHF 11,496 million. Our performance was impacted by subdued client activity levels and a volatile trading environment. We made substantial progress in executing our refined strategy, including reducing our Basel III risk-weighted assets from CHF 309 billion at the end of 2010 to CHF 233 billion at the end of 2011.

Business environment

In the investment banking sector, the global fee pool saw a relatively good level of activity in the first two quarters of the year. The second half of the year, however, was affected by market volatility, a significant reduction in investor risk appetite and weakening of capital markets. Overall, the fee pool for 2011 was flat compared to 2010. Contributions from loan and mergers and acquisitions (M&A) activity increased, whereas debt and equity capital market activity decreased. 2011 global equity market volumes were in line with 2010. US fixed income volumes were slightly higher in 2011 than in 2010, though with similar overall levels of volatility.

Investment Banking

		2011	2010
Net revenues	in CHF million	11,496	16,214
Total operating expenses	in CHF million	11,340	12,780
Income before taxes	in CHF million	79	3,531
Pre-tax income margin	in %	0.7	21.8

Results overview

In 2011, we reported income before taxes of CHF 79 million and net revenues of CHF 11,496 million, compared to income before taxes of CHF 3,531 million and net revenues of CHF 16,214 million in 2010. Results in many of our businesses in 2011 were impacted by significantly lower levels of client activity and a volatile trading environment compared to 2010.

In light of increasing regulatory and capital requirements and continued challenging market and economic conditions, we announced a refinement of our Investment Banking strategy.

We have made significant progress in executing our refined strategy, including accelerating our risk-weighted asset reduction plan. We expect to exceed our previously announced year-end 2012 Basel III risk-weighted assets target of USD 229 billion by the end of the first quarter of 2012. Basel III risk-weighted assets were reduced by CHF 76 billion in 2011.

Our fixed income sales and trading revenues were significantly lower in 2011, reflecting challenging trading conditions, subdued client activity levels across most businesses and the execution of our risk reduction strategy. We incurred losses of CHF 547 million from businesses we are exiting and the reduction of risk-weighted assets. Revenues in securitized products were significantly weaker than 2010, reflecting valuation reductions on client inventory, losses on sales of client inventory as we reduced risk-weighted assets and lower client activity. Results in our credit businesses, including leveraged finance and investment grade trading, also noticeably declined from 2010, reflecting mark-to-market losses on client inventory.

Our equity sales and trading results were resilient despite lower levels of client activity. We had lower cash equities results, driven by reduced client trading activity and weaker results in derivatives, reflecting reduced customer flow. Prime services revenues declined, reflecting the foreign exchange translation impact. In US dollars, we had record prime services results due to higher client activity and higher client balances.

In 2011, we maintained our market share and leading market share rankings in cash equities and prime services.

Underwriting and advisory results were lower, reflecting a decline in industry-wide capital issuance levels and a decrease in our completed M&A market share, respectively.

Our results included debit valuation adjustment (DVA) gains relating to structured note liabilities of CHF 698 million in 2011 compared to DVA losses of CHF 73 million in 2010. Our results also included fair value losses on Credit Suisse vanilla debt of CHF 197 million in 2011 compared to fair value losses of CHF 232 million in 2010.

We had net provisions for credit losses of CHF 77 million in 2011 compared to net releases of provisions of CHF 97 million in 2010, driven by higher provisions, mainly against a guarantee provided in a prior year to a third-party bank, and lower releases and recoveries.

Total operating expenses were CHF 11,340 million, down 11%, reflecting a 17% decrease in compensation and benefits. The decrease in compensation and benefits was primarily driven by lower deferred compensation expense from prior-year awards, lower discretionary performance-related compensation expense, reflecting the lower results, and lower salary expense. General and administrative expenses were flat in Swiss francs, reflecting the foreign exchange translation impact in US dollars, expenses increased 18%. The increase reflected an accrual for the UK bank levy of CHF 115 million, an increase in IT investments, higher litigation provisions and an increase in risk management costs.

The weakening of the average rate of the US dollar against the Swiss franc in 2011 adversely impacted revenues and favorably impacted expenses. In US dollars, net revenues were 17% lower and total operating expenses were 4% higher compared to 2010.

Asset Management

In 2011, we recorded income before taxes of CHF 553 million and net revenues of CHF 2,146 million. Fee-based revenues

Asset Management

		2011	2010
Net revenues	in CHF million	2,146	2,332
Total operating expenses	in CHF million	1,593	1,829
Income before taxes	in CHF million	553	503
Pre-tax income margin	in %	25.8	21.6
Assets under management ¹	in CHF billion	408.7	425.8

¹ Excludes our portion of assets under management from our equity participation in Aberdeen.

increased due to higher placement fees and carried interest on realized private equity gains. Investment-related gains decreased to CHF 305 million. We recorded net asset outflows of CHF 0.9 billion, with inflows in alternative investments and multi-asset class solutions more than offset by outflows from discontinued businesses, investment sales and pension advisory services.

Business environment

In the asset management sector, the Dow Jones Credit Suisse Hedge Fund Index lost 2.5%. In the face of the generally high volatility, most hedge funds were unable to exploit trends. Private equity fundraising remained subdued in 2011, with funds raising USD 266 billion globally, slightly lower than 2010. Emerging regions contributed approximately 20% of all fundraising.

Results overview

In 2011, income before taxes was CHF 553 million, compared to CHF 503 million in 2010. The adverse impact of the higher average exchange rate of the Swiss franc against major currencies on net revenues and income before taxes was CHF 239 million and CHF 69 million, respectively. Net revenues of CHF 2,146 million decreased 8% compared to 2010, primarily reflecting the adverse foreign exchange translation impact in 2011 and gains in 2010 of CHF 143 million from securities purchased from our money market funds. Net revenues before investment-related gains were CHF 1,841 million, up 5% excluding gains in 2010 from securities purchased from our money market funds.

Compared with 2010, fee-based revenues increased 2%. Asset management fees of CHF 1,263 million were down 10%, reflecting the adverse foreign exchange translation impact and

the spin-off and sale of non-core businesses in 2010. Average assets under management decreased 2.0% to CHF 419.3 billion and were adversely impacted by negative market performance and adverse foreign exchange-related movements. Placement, transaction and other fees of CHF 259 million were up 61% from improved private equity placement fees and losses in 2010 related to investments held by Asset Management Finance LLC (AMF). Performance fees and carried interest of CHF 221 million were up 18% from higher carried interest relating to realized private equity gains, partially offset by lower performance fees. Income from equity participations of CHF 122 million was up 37% from 2010, reflecting higher income from single-manager hedge funds. Investment-related gains were CHF 305 million, down 29% from 2010. Other revenues in 2010 primarily reflected gains on the sale of securities purchased from our money market funds. Total operating expenses of CHF 1,593 million were 13% lower than in 2010, reflecting lower compensation and benefits and general and administrative expenses, benefiting from the favorable foreign exchange translation impact.

Assets under management were CHF 408.0 billion, down 4.2% compared to the end of 2010, reflecting adverse market performance, negative foreign exchange-related movements and net asset outflows. Net asset outflows in 2011 of CHF 0.9 billion included net outflows of CHF 4.9 billion in traditional investments and net inflows of CHF 3.9 billion in alternative investments. In traditional investments, outflows in pension advisory services were partially offset by inflows in multi-asset class solutions. In alternative investments, inflows in real estate and commodities and exchange-traded funds (ETF) were partially offset by net outflows in emerging markets and hedge funds and from outflows from discontinued businesses and investment sales.

Consolidated Statements of Operations

Consolidated Statements of Operations

in CHF million	2011	2010	2009
Interest and dividend income	23,002	25,533	25,288
Interest expense	(16,569)	(18,992)	(18,397)
Net interest income	6,433	6,541	6,891
Commissions and fees	12,952	14,078	13,750
Trading revenues	5,020	9,338	12,151
Other revenues	1,820	1,429	502
Net revenues	26,225	31,386	33,294
Provision for credit losses	187	(79)	506
Compensation and benefits	13,213	14,599	15,013
General and administrative expenses	7,372	7,231	7,701
Commission expenses	1,992	2,148	1,997
Total other operating expenses	9,364	9,379	9,698
Total operating expenses	22,577	23,978	24,711
Income from continuing operations before taxes	3,461	7,487	8,077
Income tax expense	671	1,548	1,835
Income from continuing operations	2,790	5,939	6,242
Income/(loss) from discontinued operations, net of tax	0	(19)	169
Net income	2,790	5,920	6,411
Net income/(loss) attributable to noncontrolling interests	837	822	(313)
Net income attributable to shareholders	1,953	5,098	6,724
of which from continuing operations	1,953	5,117	6,555
of which from discontinued operations	0	(19)	169
Basic earnings per share (in CHF)			
Basic earnings per share from continuing operations	1.37	3.93	5.14
Basic earnings per share from discontinued operations	0.00	(0.02)	0.14
Basic earnings per share	1.37	3.91	5.28
Diluted earnings per share (in CHF)			
Diluted earnings per share from continuing operations	1.36	3.91	5.01
Diluted earnings per share from discontinued operations	0.00	(0.02)	0.13
Diluted earnings per share	1.36	3.89	5.14

For detailed information on the financial results of Credit Suisse Group, please refer to the Annual Report 2011.



Noreen Doyle



Walter B. Kielholz



Jean Lanier



Richard E. Thornburgh



Anton van Rossum



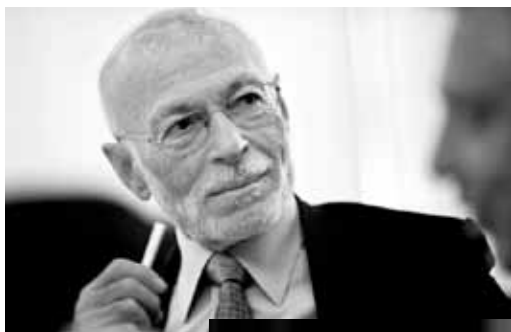
Andreas N. Koopmann



Robert Benmosche



Jassim Bin Hamad J. J. Al Thani



Aziz R. D. Syriani



Urs Rohner



Peter Brabeck-Letmathe



Peter F. Weibel



John Tiner



David W. Syz

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:

Urs Rohner¹ Chairman,
Born 1959, Swiss citizen

Peter Brabeck-Letmathe¹ 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. Kielholz^{1, 3}
Born 1951, Swiss citizen

Andreas N. Koopmann²
Born 1951, Swiss citizen

Jean Lanier^{3, 4}
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, 4}
Born 1952, US citizen

John Tiner^{1, 2, 4}
Born 1957, British citizen

Peter F. Weibel⁴
Born 1942, Swiss citizen

¹ Member of the Chairman's and Governance Committee, chaired by Urs Rohner

² Member of the Risk Committee, chaired by Richard E. Thornburgh

³ Member of the Compensation Committee, chaired by Aziz R. D. Syriani

⁴ Member of the Audit Committee, chaired by John Tiner

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. Abbasi Chief Executive Officer Credit Suisse
Asia Pacific

Born 1968, British and Jordanian citizen

Walter Berchtold Chairman 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-Saad 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 Mathers Chief Financial Officer

Born 1965, British citizen

Hans-Ulrich Meister Chief Executive Officer Private Banking
and Credit Suisse Switzerland

Born 1959, Swiss citizen

Antonio Quintella Chief Executive Officer

Credit Suisse Americas

Born 1966, Brazilian citizen

Robert Shafir Chief Executive Officer Asset Management

Born 1958, US citizen

Pamela Thomas-Graham Chief Talent, Branding and
Communications Officer

Born 1963, US citizen

Eric M. Varvel Chief Executive Officer Investment Banking

Born 1963, US citizen



Hans-Ulrich Meister



Robert Shafir



Pamela Thomas-Graham



Karl Landert



Romeo Cerutti



Tobias Guldemann



Antonio Quintella



Eric Varvel



Brady W. Dougan



David Mathers



Fawzi Kyriakos-Saad



Osama S. Abbasi



Walter Berchtold

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, and is available in nine languages.

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.

Responsible Approach to Compensation

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 our shareholders, 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 2011, the financial services industry experienced a volatile market environment and continued uncertainties regarding regulatory developments and proposals, including capital, leverage and liquidity requirements, changes in compensation practices and systemic risk.

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, 2011 was also characterized by increased competitive pressure. With established markets in the US and Europe affected by ongoing sovereign debt concerns and a slow economic recovery, we expect 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 towards client-facing business models which will increase competition in client flows. We believe, however, that strongly capitalized banks with a clear and demonstrated client focus will have a competitive advantage.

Evolution of our strategy

In light of increasing regulatory and capital requirements and continued challenging market and economic conditions, we announced in November 2011 that we are adapting our client focused, capital-efficient strategy to optimize our use of capital and improve our cost structure in order to deliver attractive returns for our shareholders.

In Private Banking, we remain committed to a long-term international growth strategy, focusing on onshore, faster growing and large markets and the ultra-high-net-worth individual client segment as key growth areas. We are continuing to build on our strong position in the Swiss market while enhancing our efficiency. We are rationalizing our operating model for Western European markets and will serve smaller markets opportunistically. With these combined measures, we are targeting an increase in Private Banking's contribution to the Group's pre-tax operating income of CHF 800 million by 2014, based on the assumption of unchanged market conditions. In November 2011, we began the full integration of Clariden Leu into the Group, a process which we expect to complete by the end of 2012.

In Investment Banking, we are redeploying capital in order to invest and grow businesses and significantly reduce risk-weighted assets and our cost base. We are investing and growing in businesses where we have competitive advantages and synergies with Private Banking and Asset Management,

including foreign exchange, electronic trading, emerging markets, prime services and equity capital markets. At the time, we announced a 50% reduction in Basel III risk-weighted assets in our fixed income business from 55% of Group risk-weighted assets to 39% by the end of 2014. Since November 2011 we have accelerated our risk-weighted assets reduction plan in Investment Banking and expect to exceed our previously announced year-end 2012 Basel III risk-weighted assets target of USD 229 billion by the end of Q1 2012. In addition, we have revised our Basel III risk-weighted assets target to USD 190 billion for both year-end 2012 and 2014 from USD 229 billion for year-end 2012 and USD 201 billion for year-end 2014. We are significantly reducing our cost base, including through improved client coverage efficiency and reduced country, industry and product coverage overlaps.

In Asset Management, we are expanding the range of alternative products in collaboration with Private Banking and Investment Banking, growing our fee-based revenues and driving further cost reductions through platform optimization and outsourcing.

The Group is allocating additional resources across our businesses to fast growing markets, especially Brazil, South-east Asia, Greater China and Russia, to increase the revenue contribution from 15% of revenues in 2010 to 25% by 2014. In the second quarter 2011, we began implementing a number of cost efficiency initiatives, which we expect to achieve CHF 1.2 billion in cost savings and resulting reductions in the annualized first half 2011 expense run rate during 2012 (excluding the impact from the expense in the first quarter 2012 for the 2011 Partner Asset Facility). We subsequently began implementing additional cost efficiency measures to target an additional CHF 0.8 billion of cost savings by the end of 2013. We expect these total cost savings of CHF 2.0 billion to involve headcount reductions of approximately 7% across the Group, maximizing deployment opportunities by rationalizing our existing business footprint, more fully integrating our operating model and continuing to centralize our infrastructure and streamlining of operational and support functions.

We target an annual after-tax return on equity (ROE) of 15% or greater over the next three to five years. Building on the momentum we have established, we aim to further grow our client business with gains in market share and a strengthened geographic footprint.

Client focus

We put 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 and thrive. We continue to strengthen the coverage of our key clients by dedicated teams of senior executives who can deliver our integrated business model. We have a strong capital position and high levels of client satisfaction and brand recognition, and our strong client momentum is well recognized.

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. Credit Suisse is above the external benchmark for employee engagement in the financial services industry. We review our talent and identify the right developmental opportunities based on individual and organizational needs. 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. 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.

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 2011, our tier 1 ratio under Basel II.5 stood at 15.2%, up from 14.2% the year before. Our tier 1 ratio under Basel II stood at 18.1%, up from 17.2% the year before. Consistent with the Swiss Expert Commission's recommendations on "Too Big to Fail" issues, we took action to raise tier 1 and tier 2 contingent buffer capital in February 2011. We continue to deploy capital in a disciplined manner based on our economic capital model, assessing our aggregated risk taking in relation to our client needs and our financial resources.

Efficiency

We continue to strive for top-quartile efficiency levels, while being careful not to compromise on growth or reputation. We target a pre-tax income margin above 28%. In line with the

announced evolution of our strategy, efficiency measures implemented with strong involvement of senior management are generating cost savings while helping to build an efficiency culture. We have five Centers of Excellence (CoE) in Pune (India), Raleigh Durham (US), Singapore, Wroclaw (Poland) and Mumbai (India) in which we have deployed more than 12,000 roles, improving productivity. We continue to focus on our Operational Excellence program, which has strengthened our culture of continuous improvement and client focus. 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.

Corporate responsibility and Code of Conduct

At Credit Suisse, we firmly believe that corporate responsibility plays a crucial role in our long-term success as a business. We therefore strive to incorporate our approach to corporate responsibility into every aspect of our work. This approach is founded on a broad understanding of our commitments in banking, society and the environment, our role as an employer and our dialogue with our stakeholders.

Our Code of Conduct defines the ethical values and professional standards that the Board and all employees are required to follow, including an emphasis on adhering to all relevant laws, regulations and policies in order to maintain and strengthen our reputation for integrity, fair dealing and measured risk taking.

Consolidated Balance Sheets

Assets

in CHF million	end of 2011	end of 2010
Cash and due from banks	110,573	65,467
of which reported from consolidated VIEs	1,396	1,432
Interest-bearing deposits with banks	2,272	1,524
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	236,963	220,443
of which reported at fair value	158,673	136,906
Securities received as collateral, at fair value	30,191	42,147
of which encumbered	20,447	21,352
Trading assets, at fair value	279,553	324,704
of which encumbered	73,749	87,723
of which reported from consolidated VIEs	6,399	8,717
Investment securities	5,160	8,397
of which reported at fair value	5,158	7,945
of which reported from consolidated VIEs	41	72
Other investments	13,226	16,482
of which reported at fair value	9,751	13,448
of which reported from consolidated VIEs	2,346	2,334
Net loans	233,413	218,842
of which reported at fair value	20,694	18,552
of which encumbered	471	783
of which reported from consolidated VIEs	5,940	3,745
allowance for loan losses	(910)	(1,017)
Premises and equipment	7,193	6,725
of which reported from consolidated VIEs	646	72
Goodwill	8,591	8,585
Other intangible assets	288	312
of which reported at fair value	70	66
Brokerage receivables	43,446	38,769
Other assets	78,296	79,585
of which reported at fair value	35,765	39,470
of which encumbered	2,255	2,388
of which reported from consolidated VIEs	13,002	19,570
Assets of discontinued operations held-for-sale	0	23
Total assets	1,049,165	1,032,005

Liabilities and equity

in CHF million	end of 2011	end of 2010
Due to banks	40,147	37,493
of which reported at fair value	2,721	3,444
Customer deposits	313,401	287,564
of which reported at fair value	4,599	3,537
of which reported from consolidated VIEs	221	54
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	176,559	168,394
of which reported at fair value	136,483	123,697
Obligation to return securities received as collateral, at fair value	30,191	42,147
Trading liabilities, at fair value	127,760	133,997
of which reported from consolidated VIEs	1,286	188
Short-term borrowings	26,116	21,683
of which reported at fair value	3,547	3,308
of which reported from consolidated VIEs	6,141	4,333
Long-term debt	162,655	173,752
of which reported at fair value	70,366	83,692
of which reported from consolidated VIEs	14,858	19,739
Brokerage payables	68,034	61,746
Other liabilities	63,217	62,214
of which reported at fair value	31,092	29,185
of which reported from consolidated VIEs	746	840
Total liabilities	1,008,080	988,990
Common shares	49	47
Additional paid-in capital	21,796	23,026
Retained earnings	27,053	25,316
Treasury shares, at cost	(90)	(552)
Accumulated other comprehensive income/(loss)	(15,134)	(14,555)
Total shareholders' equity	33,674	33,282
Noncontrolling interests	7,411	9,733
Total equity	41,085	43,015
Total liabilities and equity	1,049,165	1,032,005

Additional share information

		end of 2011	end of 2010
Par value	in CHF	0.04	0.04
Authorized shares	in million	1,868.1	1,468.3
Issued shares	in million	1,224.3	1,186.1
Treasury shares	in million	(4.0)	(12.2)
Shares outstanding	in million	1,220.3	1,173.9

Investor Information

Ticker symbols

	Common shares	ADS ¹
Bloomberg	CSGN.VX	CS.US
Reuters	CSGN.VX	CS.N
Telekurs	CSGN,380	CS,065

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

Stock exchange listings

	Common shares	ADS ¹
Swiss security number	1213853	570660
ISIN number	CH0012138530	US2254011081
CUSIP number	–	225 401 108

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

Bond ratings

as of March 16, 2012	Moody's	Standard & Poor's	Fitch Ratings
Credit Suisse Group AG ratings			
Short term	P-1	A-1	F1
Long term	Aa2	A	A
Outlook	Review for possible downgrade	Negative	Stable
Credit Suisse AG ratings			
Short term	P-1	A-1	F1
Long term	Aa1	A+	A
Outlook	Review for possible downgrade	Negative	Stable

Share price common shares

in CHF	in/end of		
	2011	2010	2009
Average	31.43	45.97	45.65
Minimum	19.65	37.04	22.48
Maximum	44.99	56.40	60.40
End of period	22.07	37.67	51.20

Share price (American Depositary Shares)

in USD	in/end of		
	2011	2010	2009
Average	35.36	44.16	42.61
Minimum	21.20	36.54	19.04
Maximum	47.63	54.57	59.84
End of period	23.48	40.41	49.16

Market capitalization

		in/end of		
		2011	2010	2009
Market capitalization	in CHF million	27,021	44,683	60,691
Market capitalization	in USD million	28,747	47,933	58,273

Dividend per share

in CHF	2011	2010	2009
Dividend per share	0.75 ¹	1.30 ²	2.00

¹ Proposal of the Board of Directors to the Annual General Meeting on April 27, 2012, to be paid out of reserves from capital contribution.


² Paid out of reserves from capital contributions.





Private Banking

Advice You Can Depend On



Nicole Pauli, Head of the Investment Services and Products Business Area of Private Banking, views the core principles for serving clients as quality, planning and sustainability.

The different businesses throughout the bank rely on teams of dedicated professionals – often working in the background – to deliver optimal results. The Investment Services and Products group within Private Banking is one such unit. It provides vital support to ensure that relationship managers have the tools they need to offer clients the best possible financial solutions in response to their individual requirements.

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.

In the Uetlihof complex, where 8,000 Credit Suisse employees from Private Banking, Investment Banking, Asset Management and Shared Services have their offices, the 12th floor commands a panoramic view of Zurich. Nicole Pauli's office is situated here but her attention is focused inward. Since August 2011, she has served as the Head of the Investment Services and Products business area of Private Banking, or "ISP" as it is known. ISP plays a pivotal role in serving the bank's clients, including ultra-high-net-worth and high-net-worth individuals globally, as well as retail clients in Switzerland. "We provide relationship managers – RMs – with the advisory concepts, investment solutions and the infrastructure they require to offer clients high-quality advice and solutions," says Pauli.

In doing so, quality is key. "The quality of the investment and banking products, the quality of the advisory process, the quality of the tools we provide and, most importantly, the quality of our people, is key," Pauli explains. Ensuring quality, careful planning and sustainability are core principles that the bank relies on to serve its clients. Together with the integrated business model, which combines Credit Suisse's expertise in the areas of Private Banking, Investment

Banking and Asset Management, these principles allow the bank to offer advisory services and customized products to satisfy the needs of each client.

The biggest challenge Pauli faces? "Anticipating client demands, which are constantly evolving, so that the products, solutions and infrastructure we supply to RMs can help them to meet and exceed their clients' expectations," she says. A client's priorities and wishes may also change over time. The issue of risk, for example, took on a whole new significance following the 2008 market collapse. Today, RMs regard risk as an issue that is on par with performance. "Returns are as important as ever," acknowledges Pauli, "but appropriate advice is at least as important, including clear rationale for proposing an investment to a client or advising against it."

Anticipating Client Needs

"Our clients are sophisticated and have individual needs that require tailor-made solutions," says Pauli. "To deliver the highest possible quality of advice, our RMs follow a systematic approach with the Credit Suisse Advisory Process." Credit Suisse launched its successful Advisory Process in 2004 and has regularly adapted it to new developments. It comprises five different stages: needs analysis, financial concept, client profile, strategy and implementation.

Numerous factors must be considered before advice is provided, such as the client's liabilities, objectives, investment preferences, risk profile and investment horizon. To ensure that our clients' portfolios match their needs and objectives, ISP also focuses on the suitability and appropriateness of the products and solutions offered by RMs. Tools such as the Risk Analyzer and various guidelines are in place to facilitate this process. "It is critically important that clients understand the implications and possible outcomes of their investment decisions," says Pauli. RMs use the Risk Analyzer to help clients understand how their current portfolio would be affected by historical market situations

such as the market turmoil in 2008. After exploring the impacts of such scenarios, the RM can discuss with the client whether he or she could have tolerated the level of fluctuations shown. If the answer is no, the client's portfolio is adjusted in line with the client's risk profile.

Of course, all of these sophisticated tools are only beneficial if they are understood and applied properly by RMs. This is Dominique Schwab's mission. He is responsible for training RMs in how to incorporate all of these support applications into their daily work. This is no small undertaking, given the wide range of products and solutions available to clients in all major markets, onshore and cross-border, through a total of 22 booking centers worldwide.

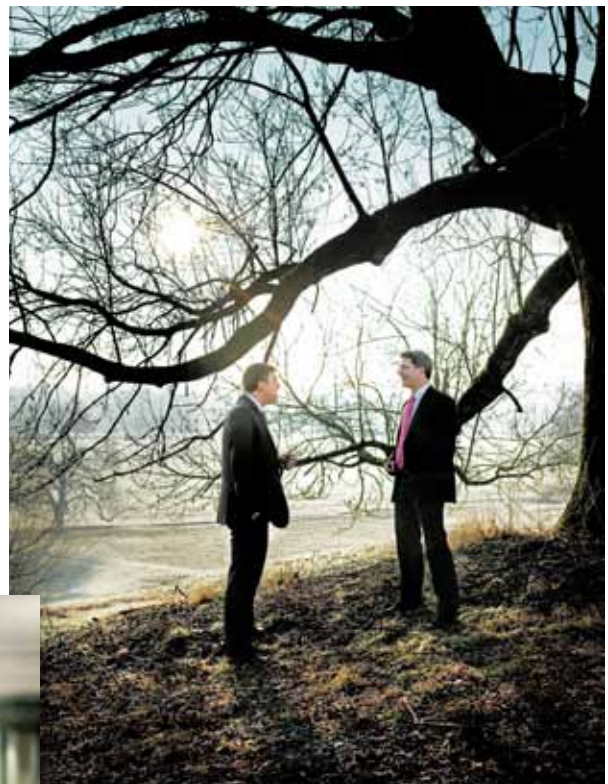
State-of-the-Art Technologies

Schwab spends a lot of time in London, Frankfurt, Moscow and Geneva – holding a seminar here, or giving a presentation there on the merits and diversity of the bank's Advisory Framework and tools.

His most important task is training RMs in how to use the applications within the context of the Advisory Process. One example is INVESTnet, which is used to design, analyze and manage portfolios and to evaluate alternative investment opportunities. Schwab conducted over 100 training sessions in 2011. "There is a natural resistance to and skepticism about change that often comes with using new tools and technologies," Schwab says. "However, these tools complement an RM's in-depth knowledge, background and experience to help with decision-making as well as with the development of customized solutions that meet client needs."

RMs are supported by ISP product specialists. "Investing has become very complex," says Pauli, "and beyond a certain point, product specialists are necessary to provide specific, detailed knowledge about an investment." One such member of Nicole Pauli's business area is Yannick Leydet, a hedge fund expert who works at a Credit Suisse's branch in Geneva. The hedge fund team in Switzerland consists of 15 specialists. With the exception of Leydet, they are all based in Zurich. Leydet, who grew up in the south of

"We know the product range in detail and can help RMs offer each client exactly the right solution for their specific needs."
Yannick Leydet, hedge fund expert based at Credit Suisse in Geneva



Nicole Pauli (left) chats with colleagues. Dominique Schwab (above right), is responsible for training RMs on applications that support clients in 22 booking centers worldwide. He is shown with Yannick Leydet (left), a member of the hedge fund team in Switzerland, who says investor interest in these funds is increasing.

France and graduated in Mathematics, took up his position in Geneva in September 2008. "The timing was tricky," he states, looking relieved that this period is now over. In 2008, the hedge fund industry experienced its most profound crisis to date. For Leydet, who had worked in this field since 2003, this was also a very challenging time. "This scenario didn't exist in the minds of the investors until it happened," explains Leydet. "This meant that the dismay over the losses was widespread, despite the fact that losses were typically less than those on the stock markets. The resulting disillusionment was a wake-up call for the hedge fund industry. Investors punished the entire sector but, in doing so, ignored the fact that investors in hedge funds can earn money even during a downturn. Hedge funds don't require rising markets to perform well." The hedge fund business is picking up again as investors see fewer suitable opportunities amid the current market volatility.

Sharing Expertise to Benefit Clients

"Clients are coming back to hedge funds," explains Leydet, "but there is a lot of catching up to do." In Credit Suisse's Private Banking division, only a small percentage of assets under management are currently invested in hedge funds. The recommended asset allocation for private banking clients based on a diversified investment approach is around 10 percent to 20 percent, depending on their risk profile. The hedge fund allocation reduces volatility and increases performance compared to a portfolio without any hedge fund exposure. So what is the strategy to close the gap? "We know the product range in minute detail and can help RMs to offer each client exactly the right solution for their specific needs," he says.

Leydet now spends an increasing amount of time with RMs and clients with a potential interest in hedge funds, discussing content and variety as well as the pros and cons of the individual funds. While clients did not previously know a great deal about hedge funds, their knowledge has increased, he says, adding that this is one positive consequence of the crisis.

Like Schwab, Leydet does most of his work behind the scenes without direct client contact. As a hedge fund specialist, he receives constant updates from analysts and researchers within the bank. He also personally knows all the managers of nearly 100 hedge funds that currently top the rankings. "We never recommend a product if we don't know who's behind it," he says.

Leydet uses his expertise to support around 200 RMs based in the Geneva region. When certain hedge funds are in the news, RMs immediately want to know his thoughts regarding the possible impacts on the client portfolios they manage. He has learned to deal with such situations. "I have steady nerves," he says.

It is impossible to imagine the Private Banking division without the support of the ISP organization led by Nicole Pauli. Working to provide RMs with the best infrastructure, advisory tools and investment products is a challenge. By delivering on this goal, ISP helps to ensure that RMs can continuously offer clients the leading advice and solutions that they have come to expect from Credit Suisse.

Goals that include strong growth in services to the UHNW client segment



Hans-Ulrich Meister
Chief Executive Officer Private Banking and
Chief Executive Officer Credit Suisse Switzerland

How has Private Banking evolved in response to the current challenging environment? Against the backdrop of the continued difficult markets and evolving regulatory environment, we have taken a number of decisive steps to position our business to achieve future growth. We are continuing to invest in our international growth strategy and will focus, in particular, on the emerging markets and on ultra-high-net-worth clients as a high-growth business with significant potential. For example, we have ambitious plans to grow the pre-tax income contribution in the ultra-high-net-worth segment by 50 percent by 2014. This requires dedication and means that we must fully leverage the capabilities of the integrated bank.

Where do you see growth opportunities for Private Banking? Total global wealth is currently estimated at USD 230 trillion and is expected to grow by 50 percent by 2016. We believe that a large part of that growth will come from

the emerging markets, where we are focusing our investments and resources. We are increasingly well positioned in these regions. In addition, the needs of clients in these markets are becoming more and more sophisticated, which plays to our strengths as a global wealth manager and integrated bank.

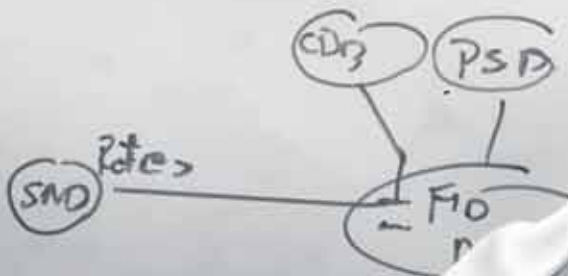
What distinguishes Credit Suisse's Private Banking business from its competitors?

Our capital strength and successful client franchise are distinctive features that give us the necessary flexibility to adapt more quickly to the new industry paradigm. In addition, our integrated business model enables us to deliver Credit Suisse's full capabilities to clients. We offer an industry-leading investment platform and have a global presence spanning all major markets, onshore and cross-border, with 22 booking centers worldwide. Our team of talented professionals also sets us apart from the competition.

Information Technology

It All Starts With a Simple Wish

- Set up Bonds/ Bank
in TFS
- Set up Strategy.
- Set up CNP / EN
- Set up spec type → ...



The Advisory & Order Fulfillment (AOF) area searches venues displaying prices for income products, such as bonds, according to Pritpal Ryatt, Head of Fixed Income IT in Zurich.

Clients can be unaware of the complex processes involved in providing the products and services they require. This is certainly true in banking. Information Technology (IT) plays a key role when it comes to satisfying client needs, but its importance is often overlooked.

Information Technology

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

It is a winter morning in Zurich, and on this day of rare sunshine the snowcapped Alps are clear in the distance. Petra¹ sits at her kitchen table sipping a hot cup of tea – a daily ritual she enjoys before heading to the office of the executive search firm she runs. The phone rings. It is her Credit Suisse relationship manager, Urs¹, calling to propose a small change in her investment portfolio. From the comfort of her kitchen, Petra, a Credit Suisse Private Banking client, will make a simple decision regarding the sale of one financial instrument and the purchase of another. This decision, however, will trigger a complex sequence of processes, supported by a vast IT infrastructure which operates seamlessly and discreetly in the background to serve Petra's needs. These operations are carried out millions of times every day within Credit Suisse, all over the world.

¹ Petra and Urs are fictional names.



Worldwide IT specialists are involved in ensuring that reliable and consistent products and services are delivered to the bank and its clients every day. One of these specialists is Heinz Frei, who works at the bank's Global Data Center Operations in Zurich.



Pritpal Ryatt at his workplace in Uetlihof in Zurich in discussion with a colleague.



**“When an order comes in,
an immense network
is activated, which among
other things searches
to find the right security
at the right price.”**

**Pritpal Ryatt, Head of
Fixed Income IT Zurich**

Let's return to Petra's morning. Before she even made her tea, Urs was at work in his office, reviewing her portfolio through INVESTnet. This proprietary IT system, created by Credit Suisse, supports more than 10,000 of the bank's advisors around the globe in systematically constructing and monitoring their clients' portfolios, using numerous analyses and detailed reports. In addition, it helps advisors to provide tailor-made, top-quality advice to customers while monitoring more than 650,000 portfolios meticulously for risks, and quickly reporting any undesirable changes. INVESTnet is used to generate more than 1,000 investment proposals every day. On this morning, thanks to INVESTnet, Urs has identified an opportunity for Petra's portfolio. He advises her to partially shift out of certain equity positions into fixed income investments (bonds) – in particular, bonds of a US company.¹

¹ All financial advice is purely theoretical and is used only to explain the IT process.

Petra agrees to Urs' proposal and gives him the go-ahead. She hangs up the phone, finishes her tea and heads out the door for another busy day.

Without being aware of it, Petra already has benefited considerably from Credit Suisse's IT systems and services. About 6,000 applications are in use internally in the bank to process business transactions globally. More than 15,000 IT specialists bank-wide ensure that reliable and consistent products and services are delivered to the bank and its clients every day.

Credit Suisse's mainframes are important transaction engines utilized for many applications. Those for Private Banking are housed in two high-security areas in northern Switzerland. A robust infrastructure consisting of 8,600 square meters underground houses impressive machines that work 24 hours a day, 365 days a year. In addition, the system includes a massive water cooling system – in the winter the excess heat warms the building above – and an emergency power supply to guarantee uninterrupted service even if the main power supply fails. “A room full of industrial-size batteries is on hold to kick in immediately when there is a power failure. The batteries are powerful enough to keep the whole system working until an in-house diesel generator is fired up in five minutes' time,” said Heinz Frei, who works at the bank's Global Data Center Operations.

Performance and Energy Efficiency

The mainframes are the backbone of data processing. Each mainframe has 96 processors that can handle 52 billion instructions per second and store the results at lightning speed on disk drives via more than 200 fiber-optic channels. All of this goes hand in hand with Credit Suisse's commitment to saving energy. Thanks to rigorous deployment of new server technologies and additional measures, the annual increase in energy consumption by the Zurich Data Center between 2006 and 2009 fell from 14 percent to five percent – despite an increase in data transmission of more than 30 percent.

All data – including information regarding Petra's account and her e-mails to Credit Suisse – is not stored on servers. Instead it is held in disk storage units, whose information is then sent, when needed, to servers through fiber-optic cables. All server data is also backed up one or more times a day onto tape libraries that hold some 9,500 terabytes (one terabyte is equal to one trillion bytes) of data each. If this data were transferred onto common household CDs, 14 million of them would be needed. A stack of these CDs would stretch 6.8 km high, or nearly the height of Mount McKinley, the highest peak in North America – and the volume of stored data is constantly increasing. Credit Suisse expects it to grow this year by some 7,500 terabytes, or 40 percent, equivalent to adding 38 meters to the stack of CDs each day.

These massive mainframes, servers and tape libraries are also monitored 24/7. The control room for the mainframes is how one might imagine NASA's Mission Control. The concentration is intense and communication between the other key control rooms at the bank's global IT centers in Singapore and New York is continual.

“The people who are monitoring the key system work on shifts around the clock and even have to make sure someone can replace them if they have to step away from the desk for a minute,” according to Frei.

After benefiting from INVESTnet and making use of stored data, Petra's trading decision will now trigger a chain of IT events across multiple systems and locations. Immediately after finishing the call, Urs updates Petra's asset allocation in the Portfolio Management System, which promptly generates the order to sell her equity position and purchase the bonds. These orders are then sent to the Order, Trade and Execution system. The order to purchase the bonds is then automatically routed to the bank's Advisory & Order Fulfillment (AOF) desk. The job of the AOF desk is to find the best price available on the market for Petra's order.

Collaborating Across Continents

“The AOF team will start searching many venues where investment banks provide liquidity by displaying prices at which they will buy or sell fixed income products, such as bonds,” explained Pritpal Ryatt, Head of Fixed Income IT in Zurich. With the order in hand, Ryatt added, the AOF team will check numerous vendor systems (i.e., Bloomberg, Reuters and proprietary Credit Suisse systems) to find the right bond at the right price. Information regarding more than five million trades every year passes through thousands of miles of network cables under the ocean floor to connect different global IT systems.

In this fictional case, the AOF team in Zurich will search for the best price of the designated US company bond in the afternoon when the US markets are open. The team determines that the best price is offered by Credit Suisse Investment Banking, posted by one of the bank's traders in New York.

There, on the other side of the Atlantic Ocean from Petra, hundreds of traders are spread across a vast trading floor. Each trader monitors up to eight screens that provide a constant flow of data and information that affects the financial instrument they are pricing. Numerous IT systems are required by the bank's New York Investment Banking branch to calculate prices – including sophisticated risk analysis systems – and then post them onto the trading venues. Each system is designed, monitored and regularly reassessed by its respective IT team.

Quest for the Best Price

Before the floor opens each morning, the traders begin their day by monitoring market trends and setting pricing strategies for the instruments they cover. The systems created by the IT department allow traders to collect, calculate and display data from numerous sources so they can successfully compare and analyze the information to determine a competitive price for clients. “Several other auxiliary functions are also required to support a trading operation,” added Ryatt,



Heinz Frei in the heart of the printing center, the size of a football field, where output totals 200 million pages per year.



who has lived on three continents but is now settled in Switzerland. "Product Control needs technology to compare prices set by our traders to those of other banks to make sure they are in line with the market. Mid- or back-office teams also require additional IT applications to monitor, manage and ensure all trades are settled correctly." Meanwhile, risk teams working in parallel with the traders employ specially designed programs to analyze in minute detail the bank's overall risk positions, and ensure that the bank is adequately hedged.

By this time Petra is at her office and has long stopped thinking about her earlier talk with Urs. Once the AOF team finds the bonds and books them, other key IT systems come into play, such as the systems that interact with third-party clearing houses, to ensure the cash is received and that the bonds are safely delivered to Petra's account.

This stage also involves the settlement of Petra's trade. This includes the calculation of commissions and fees, requiring yet another Credit Suisse IT system. The settlement details will then be

reviewed and added in the Back Office before the foreign exchange rate needed to buy US dollar-denominated assets will be applied. Once this information has been collected and processed – again via the vast underground mainframes and servers – a confirmation will be sent to Petra through Direct Net. This is Credit Suisse's electronic banking product that enables clients to conduct banking transactions via the Internet. Petra's portfolio is then updated to reflect her current position.

Complex Systems – Critical Processes

Every evening at 11 p.m. CET the mainframes at Credit Suisse start to calculate the investment performance of nearly one million portfolios, a process that continues into the early morning hours, according to Oliver Jenni, Head of Advisory and Wealth Management IT. Jenni's team develops and maintains applications that help Credit Suisse advise clients and keep them informed about their investments. The end-of-day (EOD) processing is highly complex and closely linked with other systems and processes.

"One problem can have a ripple effect that requires immediate fixing, even in the middle of the night. If EOD does not complete on time, multiple applications can be affected the next morning because they lack up-to-date values or numbers," noted Johannes Hennekeuser, who is responsible for IT support and operations for Private Banking worldwide. If Petra has requested a transaction letter, this triggers another process which prints and mails a confirmation. "While print volume is decreasing at a rate of around five percent every year, electronic output is increasing at a rate of about 35 percent," said Hennekeuser.

Petra's request for a physical letter means her trade information is routed to Credit Suisse's printing center, which is part of IT. Here, once again in a vast underground room – the size of a football pitch – 200 million pages are printed every year. The feel is industrial; fork-lifts drive around carrying 315 kilos of paper rolls and robotic machines sort and pack the mail at whirlwind speed. "The print center has four of the fastest ink-jet printers in the world," said Heinz Frei, who is responsible for the end-to-end process in the print center. "It can print 1,000 sheets every minute; if you laid the papers out in a line that would be the length of six football pitches every 60 seconds." The letter for Petra confirming her trade will arrive in her mail box one to two days later. This may be the only other time she thinks about the transaction.

The dynamic systems in place at Credit Suisse are not easy to develop or even imagine. Behind them are vast teams of highly skilled IT professionals (business analysts, architects, developers, project managers, quality managers/testers and finally support teams) to ensure that everything is up and running at all times. Tens of millions of computer instructions are processed across oceans and systems every minute – in stark contrast to the morning quiet of Petra's kitchen.

Maintaining IT security is the task of every individual in the bank



Karl Landert
Chief Information Officer

Information security is critical from a client and business perspective. How does Credit Suisse mitigate technology risks?

IT and data security are of utmost importance. Around ten percent of our IT budget goes to ensure information security and business continuity. While some employees' job is to focus solely on this, maintaining information security is also the responsibility of every employee. We are using an IT security framework that is threat-driven, allowing us to understand current and emerging threats and to proactively manage and report on information security. We regularly assess various threats and review the effectiveness of controls. We also have created and promote a strong culture of awareness.

How does IT balance security demands with the need to remain a leader in innovation?

Client data protection is a core element of our business proposition. At Credit Suisse, we implement best-in-class solutions for our clients to safeguard their information and connections to

the bank. But the right amount of protection is a trade-off. It has to include customer convenience, service quality and business efficiency. Further reductions of data access must be balanced against operational efficiency and our ability to offer a comprehensive range of products and services.

There have been major investments in IT in the past. Is the bank safer and better prepared today to handle potential crises?

We invest continually in organization, infrastructure and processes to maintain the highest security standards, controls and monitoring for clients and the bank. Even so, often the last line of defense is employee awareness. Client confidentiality cannot be mastered solely through technological means or by the IT division. We advise employees across the bank to remain vigilant, and to report anything suspicious. It is critical to remain conscious of threats and constantly improve the protection of the bank. At the end of the day, information security is a process, not a product.

Switzerland

Growing Together

Hans Burri, a client advisor in Lucerne, established the initial contact that led to C&IC's first big factoring agreement in 2011.



The Corporate & Institutional Clients business area provides innovative products and services to more than 100,000 businesses and institutional clients. One service it offers is factoring. This type of financing agreement involves the bank buying accounts receivable from clients, in turn providing them with liquidity.

Switzerland

Our home market is Switzerland where we are one of the leading banks for private clients, corporations and institutions. Our network comprises more than 200 offices throughout the country. We provide clients not only with a comprehensive range of Private Banking services, but together with the Investment Banking and Asset Management Divisions, also offer them a wide range of financial services and investment products.

For the bank's clients, it's a partner they can rely upon. For Credit Suisse, it's a dependable income generator, and creates ties between clients and the bank's three main businesses – Private Banking, Investment Banking and Asset Management. The Corporate & Institutional Clients business area, or C&IC for short, within the Private Banking division perfectly demonstrates the strength of the integrated business model so that clients in turn are granted full access to the potential the bank has to offer.

C&IC's clients include 100,000 small and mid-sized enterprises, 800 major company groups, 3,200 institutional clients such as pension funds and health insurers, 2,500 financial institutions from all over the world, 300 commodities traders, and more than 100 shipping companies. C&IC's 1,200 employees, who are based primarily in Switzerland, offer these clients a comprehensive spectrum of services including investment advice, cash management, leasing, trade and corporate financing, and payments processing. The full range of innovative financing options and cross-divisional expertise helps clients to position themselves in their industries, helping to enhance Switzerland's competitive position.

Providing Innovative Financing

Factoring is an alternative form of financing that delivers tangible benefits to clients. The bank buys outstanding invoices from the client on an ongoing basis. Due to the strong Swiss franc, the debt crisis in the EU and disruptions in the wake of the financial crisis, it has become more difficult for small and medium-sized enterprises to access working capital. Credit Suisse helps counter this trend by offering factoring solutions.

Richard Hügle is Head of Sales for Factoring. "Our factoring is more than just a type of financing. Factoring can offer a whole bundle of benefits," he says. This alternative financing approach gives businesses access to a steady flow of liquidity in line with their revenue. As soon as an invoice has been sent, the business sells its payments receivable to Credit Suisse in what is termed "true sales." The company immediately receives up to 90 percent of the value of the invoice. The remainder is paid as soon as the invoice is settled.

“Factoring is a strategic instrument for healthy businesses during growth phases.”

Richard Hügler, Head of Sales for Factoring



Client advisor Hans Burri (right) provides the business contacts to his colleague Richard Hügler (middle), the factoring specialist. Once the agreement with the client is signed, Nadine Büeler (left), Head of Client Care in Factoring, takes care of the daily business activities.

“Factoring was key in establishing a full business relationship with a client, starting from the ground up, in just six months.”

Hans Burri, Corporate Client Advisor in Lucerne



Hans Burri, corporate client advisor based in Lucerne, may be considering new client relationships as he pauses next to the modernistic KKL facility for culture and events on the shores of Lake Lucerne.

Another benefit is that the factoring client doesn't have to be concerned with the risk of a customer defaulting on payment or – if the client also outsources receivables management to Credit Suisse – with late payments. Credit Suisse deals with these issues, both in Switzerland and abroad, to the extent that the receivables are covered by the factoring agreement. Factoring clients receive the “liquidity” shortly after the invoices have been dispatched. Outsourcing the risk and managing payments enables these clients to focus more of their energy on the main aspects of their business.

“True sales” factoring, which also allows clients to manage their balance sheet in an optimal way, is new to the Swiss factoring landscape. “We are the only bank in the market that offers ‘true sales’ combined with complete assumption of the associated risks,” according to Richard Hügler. Since the risk has to be quantifiable, factoring is only available to companies that already have proved themselves in the market and have a solid customer base. “We therefore only offer factoring services to clients who possess a suitable credit rating,” Hügler says. Other key prerequisites for a factoring agreement include immaculate bookkeeping, sales of at least one million Swiss francs per year, and all accounts receivable must be businesses rather than private individuals. A factoring agreement with Credit Suisse should not be treated as an emergency financial aid or a short-term fix. “Our factoring is a strategic instrument for healthy businesses during growth phases,” says Hügler.

Connectis, a medium-sized telecommunications provider with around 200 employees, was one of the first major factoring agreements in 2011, according to Hügler. The company's clients include top-ranked finance businesses, watchmakers and logistics firms. Hans Burri, who works as a corporate client advisor in Lucerne, took note of this company due to a brief report that appeared in the Swiss Official Gazette of Commerce, noting Connectis had moved its base from Zurich to Lucerne. “I always follow up reports like this,” Burri says. He visited the company's home page, consulted the Commercial Register, and made a call. Hans Burri enjoys telling the story of how Credit Suisse and Connectis came together: What started with an initial contact was followed by mutual interest. Factoring specialists from C&IC became involved, and a business relationship established. Within a short period of time, Credit Suisse had become Connectis' “house bank.” Soon the bank was handling both its payment processing and its foreign exchange business. “Growth went from zero to a fully-fledged relationship within six months,” says Burri, not least due to factoring.

Getting Expertise from All Divisions

This business relationship could acquire even more dimensions. C&IC regularly makes major contributions to Credit Suisse's strategy of combining Private Banking, Investment Banking and Asset Management. C&IC clients have one contact person for all their needs. Typically this is the relationship manager, who can request assistance from specialists from any other area, whenever support is needed from them. These experts offer a whole range of solutions: Asset Management specialists can help out with investments in funds and alternative investments; investment bankers can be consulted on strategic decisions such as initial public offerings (IPOs) or mergers; relationship managers from Private Banking can help to find the best ways to oversee personal assets. Within Credit Suisse's Swiss business region, C&IC is seen as the engine of the combination of the three business divisions. In 2011 there was a substantial flow of assets from Switzerland and abroad into Wealth Management via C&IC, that has been an important contributor to Investment

Banking and Asset Management earnings. Factoring clients, too, offer potential to expand business.

With its factoring product, C&IC had an unrivaled offering in 2011. "Other banks don't offer factoring with this scope or with the same level of technical expertise as we do," says Hans Burri. But as so often in business, luck also played a role, at least where Connectis was concerned. "When I first contacted the company, they were already urgently looking to put their financing on a new footing," according to Burri. After just one meeting, it was clear that Connectis met all of the criteria for factoring. Burri immediately put Connectis in contact with factoring specialist Richard Hügler. He researched the key data about Connectis and made a site visit to find out about the business first-hand by getting to know the management team and analyzing the relevant processes and the business environment. At the end of his visit, he shared Burri's assessment that Connectis was an ideal fit for factoring. He then made Connectis an offer and submitted the factoring contract for their approval.

New Ways to Leverage Expertise

As soon as the factoring contract was signed, Nadine Büeler took over. She is Head of Client Care in Factoring. "I set up and activate the factoring process and look after clients in their day-to-day business from then on," explains Büeler. Factoring, unlike classic credit approval, is not defined in terms of a predefined fixed amount. Instead it develops in line with sales – and depending on the creditworthiness of each account. Receivables are bought only if Credit Suisse can insure the debtor default risk. This means that the creditworthiness of every debtor has to be determined and checked. What comes out of this process has a definite value for Büeler's clients, even if Credit Suisse does not pay out on an invoice because of reservations on the part of the credit insurer. "If we decide not to buy a particular receivable, we can usually explain this." The reason is often that the particular account is not sufficiently creditworthy. "Cases of this kind are often used by our clients as an opportunity to review their relationship with their customers," says Büeler. But she has little work to do where Connectis is concerned, noting that they are "a good client with good customers."

Richard Hügler, Nadine Büeler and Hans Burri can look back on an exciting 2011. And this year should also prove interesting. The strong franc and the financial crisis in Europe will continue to affect Swiss businesses. In 2012, as in previous years, Credit Suisse will leverage its expertise, its tailored products and the combined strength of its three business areas to help its clients position themselves in the market.

Offering clients the bank's entire global service network



Hans-Ulrich Meister
Chief Executive Officer Private Banking and
Chief Executive Officer Credit Suisse Switzerland

Does Credit Suisse truly earn the "Suisse" (Swiss) part of its name? The home market has in the past, and still continues to occupy a central role in Credit Suisse's business. In Switzerland we earn about one-third of our profit. Despite a global orientation, Credit Suisse is based on values such as dependability, hard work, quality, a strong focus on clients, and discretion.

It's one thing to say Switzerland is important for Credit Suisse. Is the reverse also true? Is Credit Suisse important for Switzerland? We are one of the largest employers in Switzerland, with about 20,000 staff, and help to create numerous further jobs through our orders amounting to about CHF 2.4 billion. We further demonstrate our commitment towards our social responsibility on different levels – we play a significant role in terms of providing training, and also support cultural institutions in all different parts of the country.

Since 2006 we have operated on a greenhouse gas-neutral basis. We also allow employees who fill a political office in the communities and cantons generous working-hour agreements.

In difficult economic times, pursuing the approach calling for a globally integrated bank raises questions. Why doesn't the bank just concentrate on the Swiss market instead? Because I set such store on Swiss clients, I am convinced that we cannot deviate from our business strategy. Private and corporate clients have increasingly complex financial needs and require access to capital markets. A large portion of our over 100,000 corporate clients, for example, have a strong export orientation. They face a variety of challenges that a global bank is much better able to solve than could a strictly local financial services provider. We can offer our clients from a single source all of the advantages of our expertise and our global relationship network.

Talent, Branding and Communications

Crossing Bridges

Tobi Olopade joined Credit Suisse in 2011. The bank plans to increase the number of young people it recruits.

A new advertising campaign highlights the qualities that help to set Credit Suisse apart by putting the focus on clients. A program encourages promising individuals to make the most of their talent. Both of these initiatives are part of the Proactive Principled Partner approach that is defining how the bank prepares to meet future challenges.

Talent, Branding and Communications

The Talent, Branding and Communications (TB&C) area comprises human resources, which seeks to attract, retain and develop staff, as well as corporate communications and corporate branding, which provide support in media relations, executive and employee communications, corporate sponsorship and related functions.

TB&C also includes Corporate Citizenship which leads our volunteering programmes.

Erich Storchenegger doesn't have to think long when asked what makes Credit Suisse different. "Everything we do is centered around the client and all our internal discussions are about the clients' needs," says the Zurich-based Key Account Manager for large corporate clients in Switzerland.

Six thousand miles away, colleagues in other divisions repeat that sentiment. "Client focus and entrepreneurship are part of our culture," says Gillian Yu, who advises Private Banking customers in the United States and Asia from her base in San Francisco and was named one of America's top 100 women financial advisors in 2011 by Barron's, one of America's premier financial magazines.

This spirit of partnership runs deep at Credit Suisse. Clients' needs can be highly complex, and 50,000 Credit Suisse employees collaborate globally across the bank's three divisions of Investment

Banking, Private Banking and Asset Management to deliver the best possible solutions. "The better we work together, the better we can help clients succeed," says Storchenegger.

How Credit Suisse has helped its clients grow and thrive comes to life in its latest global advertising campaign, launched in September 2011. The campaign portrays six clients who operate in very different industries and in different parts of the world. They include Maccaferri, an Italian engineering firm that developed the acclaimed flood control system that protects Venice; Lindt, a Swiss maker of premium chocolate; Jen Kao, a fashion designer known for her eclectic, bold style; and Baidu, the leading Chinese language search engine.

And while the ad campaign features just a handful of our clients, it sends a powerful message to all clients: no matter how unique your ambitions or complex your needs, we have the people, expertise and partnership culture to help you reach your goals.

Offering Tailor-Made Solutions

It's not the first time that real clients have been used in advertising. "In the past, when using actual clients they normally gave a straightforward testimonial about Credit Suisse," explains Libby Hills, the bank's Global Head of Advertising. "Our past campaigns also used traditional messaging and the conventional imagery that are typical in financial services advertising, but which made the content rather generic."

This time, Credit Suisse's latest campaign took a new approach. "The clients are the heroes of the campaign and their dreams are the center of the message," says Hills. "Instead of them talking about us, we talk about their ambitions."

The campaign began with six client profiles, but more will be added in 2012. The result will be a gallery of client stories that inspire and showcase what true partnership looks like in practice.

The advertising is particularly visible in China, Australia, Hong Kong and Singapore, where Credit Suisse aims to grow its market share, as well as traditional markets such as the United States, Switzerland, Germany and the United Kingdom. The look and feel of the campaign

“The clients are the heroes of the campaign.”

Libby Hills, Global Head of Advertising, Credit Suisse



Libby Hills believes in getting the message across by putting clients in the center of a new corporate ad campaign. She is also passionate about helping others by singing. To see her perform for a charity event, please visit www.credit-suisse.com/cp/tbc/

reveals the kind of bank Credit Suisse wants to be: a premium service provider. This is achieved by using visual elements often found in the advertising of luxury goods, such as high-quality photography, little text and sometimes a splash of humor.

This premium positioning resonates well with employees like Yu, the client adviser to Jen Kao. “Providing a premium experience means not compromising on the quality of our services,” she says. Storchenegger, the client advisor to Lindt, adds: “For me, the premium touch means we have the resources and the time to deal with our clients and their needs, and to offer tailor-made solutions. And it means working with people who are convinced that what we are doing and offering is the best attainable in the market.”

Proactive Principled Partner

The campaign is not only inspired by the success of its clients, but also by Credit Suisse’s shared values – Proactive Principled Partner, or the 3Ps – which underpin all client relationships.

Being proactive at Credit Suisse means being a constant catalyst for new ideas and boldly asking the tough questions. “Proactive is thinking alongside your client and being curious about what’s driving

the client,” says Storchenegger. “Being proactive results in positive surprises for the client and unexpected ideas.”

Credit Suisse expects its people to have a strong set of principles and ethical standards. Principled behavior at Credit Suisse means being prepared to defend your own convictions as well as those of the bank. And it means standing up for your clients’ interests in all market cycles.

“I have to make principled decisions all the time,” says Gillian Yu. “Especially in a volatile market, integrity is really important. You might make a suggestion to your client, such as putting their money in a safe haven, that could hurt your revenues in the short time, but which you know is good for your client. It takes a lot of courage to navigate the financial crisis.”

Growing Talent from Within

Even new employees quickly latch on to the 3Ps. Twenty-two-year-old Tobi Olopade, who recently joined Credit Suisse’s global credit products group in New York, says: “We really work in a relationship-based industry. Partnership means being responsive to both your clients’ and colleagues’ needs. That way, you can develop more meaningful relationships.”



“Proactive is being curious about what’s driving the client.”
Erich Storchenegger,
Key Account Manager
Corporate Clients

The better the company can work together with clients, the better chance that clients will succeed, says Erich Storchenegger, Key Account Manager for large corporate clients in Switzerland, who is based in Zurich.

**“Partnership means
being responsive
to both your clients’ and
colleagues’ needs.”**

**Tobi Olopade, Global
Credit Products Group,
New York**



Tobi Olopade and other recruits, part of the “Grow Your Own” initiative to encourage and build new talent from within the company.

While the new ad campaign is helping Credit Suisse to differentiate itself from its peers, a campaign is always a moment in time. Not so the banks' brand promise, which is timeless. Hence, the 3Ps – Proactive Principled Partner – are also the starting point for how Credit Suisse recruits and manages talent. The aim is to connect its brand, communications and talent strategies in such a way that the brand promise can be fulfilled long after this campaign ends.

Credit Suisse is doing this by developing a new unified approach to recruiting, developing and managing people. The recruitment phase is critical: Credit Suisse seeks to attract exceptional individuals to the firm who embrace the 3Ps from the outset and who are naturally interested in collaborating with each other.

As part of this new approach, called "Grow Your Own," Credit Suisse plans to increase the number of young people it recruits from college for entry-level roles. By hiring promising people early in their careers, they will "grow up" in the 3Ps and naturally embrace the partnership culture. The purpose is to grow our culture from within, thus reducing the necessity to attract talented individuals at a more advanced stage in their careers.

Once onboard, new hires are given early opportunities to assume responsibility and demonstrate their entrepreneurial thinking. "From the start, I was given significant tasks," says Tobi Olopade, who joined the bank in July 2011 straight out of college. "For example, I was asked to work on a research report within the energy sector. A lot of the data we collect goes to clients and is used by our traders to trade and make markets. Data quality is really important in our business."

Promoting Personal Development

The learning curve is steep, Tobi Olopade has been encouraged to go at his own pace. "I was challenged from day one, but you get to grow as fast as you want. Without the support of my mentors and work colleagues, it wouldn't be possible to learn and absorb things as quickly."

Credit Suisse also encourages employees to take control of their professional and personal development. The bank focuses in particular on improving opportunities for internal mobility, believing that giving its people more exposure to different colleagues, clients, countries and business areas can boost collaboration and enrich Credit Suisse's partnership culture.

In the meantime, the new campaign is creating plenty of enthusiasm and pride within the firm. "I was like a kid in a candy store when I received the first magazine copy hot off the press and opened to the page with our ad," says Libby Hills, Global Head of Advertising. "It was an exciting day to finally see all that hard work come to life."

Gillian Yu stopped in her tracks when she saw a huge billboard of her client Jen Kao during a recent trip to Hong Kong. "It was an emotional moment," she says. "We all worked so hard together globally to put this campaign together. I was amazed at how much time and effort Credit Suisse took to help our clients, understand their inspiration and translate that into the ads. This campaign really shows how Credit Suisse is different."

Instill shared values, and deliver on the promise of the brand



Pamela Thomas-Graham
Chief Talent, Branding and Communications Officer

Why did Credit Suisse launch its new advertising campaign during a difficult period, both for clients and the industry?

We launched our new advertising campaign despite the challenging business environment. Financial markets are extremely volatile and the economic outlook is uncertain. Our clients need us now more than ever. They want to hear from us. They seek our insights and ideas, and we have the ideas.

What is the main message to clients that you seek to communicate through this approach?

We're a safe haven in these uncertain times, which is why we wanted to raise our visibility now with this campaign. We want clients and employees to see that even in tough times, we remain focused on our clients. When you have a client-focused strategy like we do, people are key. Already in the recruiting stage, we look for talented individuals for whom collaboration and partnership come naturally.

How important is the brand, and what role does it play in terms of the overall business?

Our branding strategy is closely related to recruitment and people development. It's critical to have a strong brand that connotes confidence and quality with potential and current employees. Just as important is to have a compelling brand promise that our people can identify with.

How does the advertising campaign tie in with efforts to develop talent?

We develop our people at each stage of their career to be better in how they partner with clients for their success. We are incorporating our core values and our brand promise into all of our talent strategies, from recruitment, onboarding, skills and leadership development, to the way we appraise performance. We want to be what we promise in our advertising.

Europe, Middle East and Africa

Tailored Solutions



Pierre Fleuriot, CEO of France and Belgium, and Elisabeth Maugars, Head of UHNWI business for French and Belgian clients, work together to deliver to UHNWI clients the bank's offering in private banking, investment banking, and asset management.

The ultra-high-net-worth individuals (UHNWI) initiative is an area where Credit Suisse's three divisions work together particularly closely, offering tailored advice to individuals, their businesses and families. The Europe, Middle East and Africa (EMEA) region helps illustrate the bank's new responses to serve the complex needs of this dynamic and growing client base.

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.

When Credit Suisse decided to refine its approach to ultra-high-net-worth (UHNW) clients, it became necessary to reevaluate virtually everything that had been taken for granted in the past.

For example, the bank had to step back and survey its pool of clients in EMEA, both existing and future – against the backdrop of a region that is home to the world's oldest market-based economies, and some of its youngest as well. It was also necessary to differentiate the needs of individual entrepreneurs from the needs of their business ventures, and identify the places where the two overlapped. Finally, Credit Suisse needed to re-think the ways it approached these clients in order to provide them with the optimal number of contact points across the bank.

"In late 2009, the decision was taken to establish a group of bankers across EMEA that would focus purely on entrepreneurs, families and family offices with a net worth of CHF 250 million or more. The remit of the bankers covering UHNW clients is to deliver the whole firm to meet their needs, from private to corporate, asset to liability," says Blake Shorthouse, Head of the ultra-high-net-worth individuals (UHNWI) business in the EMEA region.

The roots of the current UHNWI initiative stretch back to at least 2005, when Credit Suisse was laying the groundwork for its integrated banking strategy that would eventually see Private Banking, Investment Banking and Asset Management working together under one roof and one brand. It was becoming clear that implementing the strategy would require Private Banking relationship managers to forge links with their counterparts in the two other divisions in order to deliver the entire bank to clients.

"At one of our early Private Banking management forums, we decided that we needed to be just as connected as our clients," recalled Michael Ruediger, a former executive with Private Banking in Zurich who is now CEO for Germany, Austria and Central Europe. "When we have a Russian client who talks about investing in Asia, we have to be there with the ideas and the services to help him do that."



Blake Shorthouse heads the UHNWI business in the EMEA region, where “entrepreneur shareholders” are often found in fast-growing places such as India and Russia, as well as in the economies of the Middle East region.

“The remit of the bankers covering UHNW individuals is to deliver the whole firm to meet clients’ needs, from private to corporate, asset to liability.”

Blake Shorthouse, Head of the UHNWI business in the EMEA region

The bank defines UHNWI as those with wealth of at least CHF 250 million, or assets under management at Credit Suisse totaling CHF 50 million or more. Reaching these clients – particularly the ones at the top of the wealth pyramid – requires making a distinction between traditional wealthy families and their family offices on the one hand, and what Shorthouse’s team refers to as “entrepreneur shareholders” on the other. This latter group is often found in fast-growing places such as India and Russia, as well as in the economies of the Middle East region.

Focusing on Long-Term Goals

“In emerging markets, UHNW clients are people who are in the throes of creating wealth. Often their wealth is expanding dramatically,” said Babak Dastmaltschi, Head of the UHNWI Segment for Russia, Eastern Europe and Greece. “This is distinct from an individual in developed countries who might be the second or third generation of wealth, with an emphasis that’s very much on maintaining it.”

In many cases the entrepreneurs involved in wealth creation have succeeded by concentrating their attention on a single company, or on a group of companies, which operate in closely related industries, Dastmaltschi noted. For Credit Suisse, the challenge then becomes one of helping the client focus on the long term, and on the breadth of possibilities available.

“Our clients tend to have strong opinions and clear ideas about their strategies. We can provide guidance, but in the end the decisions are going to be made by the clients,” Dastmaltschi said. “That means our core competency has to involve leveraging Credit Suisse’s full panoply of resources, using our breadth of expertise to present a range of options that suit the client’s unique needs, and then executing on what the client chooses to do.”

Global Expertise and Resources

The heart of the value proposition for entrepreneurial UHNW clients goes far beyond private banking’s customary emphasis on the management of personal wealth. It encompasses corporate as well as private needs and covers the management of liabilities as well as assets. As a result, relationship managers have to operate an effective one-stop shop. As such they ensure, for example, that a client with a business to sell has direct access to the M&A team in the Investment Banking Division. Similarly, they provide a client who plans to enter a new business access to equity analysts, who help the client to grasp the fundamentals of a new sector. This approach has helped make 35 percent of the billionaires in the EMEA region clients of Credit Suisse.

For Credit Suisse, these multiple touch points have the added benefit of generating increased business for all three divisions of the bank, said Walter Berchtold, Chairman Private Banking. “The UHNW segment and wealth from the emerging markets will also remain important drivers of revenue growth in coming years,” he said.

“We are not their private banker, and we are not their investment banker. We are simply their banker.”

**Babak Dastmaltschi,
Head of the UHNWI
Segment for Russia,
Eastern Europe and
Greece**



The team advising UHNW individuals shows a keen interest in new products and ideas to help wealthy clients better manage their wealth, including the need to focus on long-term goals.



Babak Dastmaltschi speaks to his team, which assists clients in Russia, Eastern Europe and Greece.



For Credit Suisse, the multiple touch points have the added benefit of generating increased business for all three divisions of the bank, said Walter Berchtold, Chairman Private Banking.



Russia's capital is an example where old and new go hand in hand. EMEA is home to the world's oldest market-based economies, and some of its youngest as well.

“The UHNW segment and wealth from the emerging markets will remain important drivers of revenue growth in coming years.”

**Walter Berchtold,
Chairman Private Banking**

Structured lending is a key example of the way the bank uses its global resources to assist UHNWIs. Clients that fulfill certain requirements have access to a dedicated credit pool created by the bank that helps them leverage non-traditional assets such as commercial property and illiquid single stocks. As a result, clients can meet ongoing liquidity needs and plan securely for the future – a crucial factor for UHNWIs whose fortunes are often bound tightly to the prospects of the businesses they have helped create.

Shorthouse recalled the example of one client in Western Europe with a range of objectives. The client was a shareholder in two companies and had monetized part of his investment through a flotation of both. An additional layer of complexity was added by the fact that the client had loans against both equity stakes.

“We introduced the client to our investment bank, which handled the sale of the client’s stake in both companies, providing a smooth exit,” Shorthouse said. “We then restructured the loans, and brought

in our Asset Management Division to manage some of the resulting liquidity. For the client, the experience involved dealing with multiple contact points within the bank.”

This range of services and the global infrastructure backing them are helping Credit Suisse gain market share in established markets such as France, where the environment includes large corporations, family-owned businesses, private equity players and dynamic entrepreneurial companies. This means the bank has all the expertise to advise UHNWIs, says Pierre Fleuriot, CEO of Credit Suisse in France and Belgium. He points out that this plays to the bank’s strengths because the three divisions which serve this diverse range of clients all speak the same language.

Pursuing a Holistic Approach

“There have been cases where we’ve provided M&A and capital markets advisory services to an international listed corporate, while at the same time providing personalized investment or financing advice to its family holding,” Fleuriot said. “We have a holistic approach in terms of the advice we provide, taking into consideration the business and ownership aspect, and we are equipped to deliver tailor-made services adapted to where our clients stand in the cycle of their wealth building.”

The bank’s growing client roster and its strong position in emerging markets are validating the strategy throughout EMEA, according to Dastmaltzchi. “The range and depth of the relationships we have with our clients is very much a function of the quality of the people we put in front of them,” he said. “They have to be able to establish a dialogue with these clients, take intellectual ownership of the issues and act as sparring partners for them, rather than being merely service providers. We are not their private banker, and we are not their investment banker. We are simply their banker.”

Complex client needs, both on a personal and corporate level



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

What’s the impetus behind the UHNWI initiative?

Since the mid-1980s, a substantial amount of wealth has been created by individuals who do not fit the traditional private banking client profile. They have complex needs at both a personal and corporate level. Because Credit Suisse’s roots are in private banking, and because of our strong global investment banking and asset management franchises, we are in an excellent position to respond to these needs in a holistic way.

What types of services are these clients interested in?

The EMEA region has two types of clients: those in developed economies and those in economies which are still developing, but growing strongly in places such as Russia, the Middle East and Africa. Much of Europe is still a world of older money, which requires traditional services based on family offices and trusts. In other places, our services are geared towards entrepreneurs.

How do you articulate Credit Suisse’s value proposition to clients?

We rank as one of the top five private banks in the world, but we don’t take anything for granted. We have to convince clients that we have the most thorough understanding of the solutions that best suit their needs. In Asset Management, for example, we have extensive knowledge of alternative investments.

What are the factors that make Europe a good place to introduce the UHNWI initiative?

Credit Suisse has a strong commitment to Europe. It’s where our roots are. It is where we have some of our longest-standing client relationships, yet it is also where we have introduced some of our most innovative concepts. My hope is that the bank will be able to apply the lessons from Europe in a broader context as we continue to deepen our client relationships around the world.

Finance

The Future in Mind

A photograph of a man with glasses and a white shirt, identified as Markus Sunitsch, speaking to another person whose back is to the camera. The man is gesturing with his hands as he speaks. The background is a blurred office setting.

For Markus Sunitsch, Head of Liquidity, a strong funding profile is especially critical during periods when markets face uncertainty.

Maintaining a company's financial strength in an adverse operating environment is hard work. It requires a broad view of changes in the marketplace, relentless attention to detail, and continuous collaboration between the bank's financial experts and business areas to manage capital, funding, liquidity and expenses as effectively as possible.

Finance

The Chief Financial Office (CFO) Division is a guardian of the bank's financial franchise. It provides information to stakeholders and optimizes financial resources. Its departments maintain a control infrastructure and advise on how resources can best be deployed to achieve strategy, provide clients with capital, maximize shareholder value and respond to a changing competitive and regulatory environment.

The financial industry is still working on responses to the crisis of 2008, when weaknesses were exposed that have led to widespread efforts to put banks on a more solid footing. In 2011, the CFO division created a new department called Swiss Regulatory Liquidity/Change to focus exclusively on the long-term, strategic issues stemming from the introduction of new liquidity rules in the wake of the financial crisis. Liquidity is the ability to pay on time. In 2010, the Swiss Financial Market Supervisory Authority (FINMA) and the Swiss National Bank (SNB) substantially revised the liquidity rules for large, global banks, marking the first comprehensive revision of the Swiss liquidity rules since 1988. The Basel Committee on Banking Supervision also issued the Basel III international framework on liquidity risk measurement, standards and monitoring.

A major innovation under Basel III is the introduction of a liquidity coverage ratio (LCR) and a net stable funding ratio (NSFR). It is the first time that common liquidity standards have been formulated for all banks globally; in the past, the requirements differed by country.



Markus Sunitsch and his team always focus on maintaining a stable funding profile, believing that, in addition to a strong capital position, a strong funding profile is especially crucial in difficult times.



Karl Hagstrom and his colleagues, members of the brokerage, clearing and exchange team in New York, seek ways to increase cost efficiency without sacrificing quality.

The LCR is the proportion of high-quality liquid assets to net cash outflows over a 30-day period. The LCR aims to ensure that a bank maintains an adequate amount of unencumbered high-quality liquid assets that can be converted into cash to meet its liquidity needs for 30 days under a severe stress scenario. The NSFR is intended to ensure banks maintain a structurally sound long-term funding profile beyond one year and is a complementary measure to the LCR. Both the LCR and the NSFR should be at least 100 percent.

Though the period of calibration and interpretation is still under way and the LCR and NSFR ratios will not be implemented until 2015 and 2018, respectively, Credit Suisse is already demonstrating its ability to fulfill the new standards. In the fourth quarter of 2011, the NSFR ratio was estimated at 98 percent. "In our stress testing, we take a proactive approach to ensure we don't miss anything and are not caught by surprise," says Markus Sunitsch, Head of Liquidity. "Our assumptions are also conservative. This has contributed to our financial strength."

Also contributing to Credit Suisse's robust liquidity position is its strong funding profile, which is driven by the private banking activities. "Private Banking provides a solid base of stable deposits," continues Sunitsch. "We are one of the few banks globally to have more deposits than loans. We have always had a big focus on maintaining a stable funding profile because we believe that, in addition to having a strong capital position, a strong funding profile is especially crucial in the current difficult times." At the end of the fourth quarter of 2011, customer deposits accounted for 44 percent of Credit Suisse's total funding mix.

Striking the Right Balance

The new regulatory landscape will increase the cost of doing business. Thus, in addition to capital, funding and liquidity, Credit Suisse is just as proactive in managing expenses. Expense managers from the Expense Management department work closely with their business partners in every region to advise them on cost efficiency. Expense Management might develop a cost strategy for a specific expense line to be implemented across the entire bank, or help develop a tailor-made cost strategy for a specific business unit.

Christophe Rougeron, Head of Expense Management in Asia Pacific, acknowledges that expense management is a constant balancing act. "We try to be pragmatic about efficiency and the projects we undertake because we have to ensure that we do it in a manner that is optimal for the firm and preserves and enhances our reputation. We have intense debates within the bank to make sure we always strike the right balance."

The ability to collect and interpret highly detailed information is the key to finding the right cost efficiencies. This is best illustrated by a specialized department within Expense Management that looks exclusively at the bank's brokerage, clearing and exchange (BC&E) costs. These are the costs Credit Suisse incurs in its trading activities. Credit Suisse executes approximately one billion equity trades each year in Investment Banking in the United States alone. Despite this

“We have intense debates within the bank to make sure we always strike the right balance.”

**Christophe Rougeron,
Head of Expense
Management in Asia Pacific**



Christophe Rougeron, Head of Expense Management in Asia Pacific, and his team work closely with their business partners to advise on cost efficiency.

enormous volume, Credit Suisse is able to aggregate all of its expenses for brokerage, clearing houses and exchanges and map them back to a specific trade. This level of granularity enables Credit Suisse to fully understand the cost of each trade. Armed with this information, it can, in turn, negotiate better rates with brokers or direct trade flows to exchanges where it can get a better price (called “flow optimization”).

The ability to calculate and attribute complex BC&E fees on a per-trade basis across all products traded globally is possible thanks to a proprietary enterprise system called EXCALIBUR (EXpense CALculation and Integrated BUsiness Reporting), which Credit Suisse has been developing over the last few years. “EXCALIBUR is one of the most sophisticated execution cost management systems of its kind in the industry,” states Karl Hagstrom, a member of the BC&E team in New York. Hagstrom works with the trading desk heads

to share BC&E fees and other analysis generated by EXCALIBUR to develop strategies that can increase cost efficiency in executing trades without affecting the quality of the execution or altering clients’ wishes. In 2011, the BC&E Efficiency Team managed approximately 100 different efficiency projects related to BC&E fees, achieving a total savings of approximately USD 55 million.

Finally, Credit Suisse drives cost efficiencies by actively managing its third-party supplier costs. The aim of Supply Management is to provide the business with what it needs while conducting global sourcing in a consistent way and protecting the firm’s reputation. In 2011, Supply Management cut third-party supplier costs by approximately CHF 200 million globally by negotiating lower prices and significantly reducing the number of suppliers. The same amount of savings was also realized through cost avoidance. But Supply Management cannot achieve these savings alone. Cost savings are

the result of working closely with the business group that has the requirement, Expense Management, legal counsel, IT and others. An example of how such collaboration works in practice was a project in 2011 to introduce more cost savings and better controls for services provided by external law firms. The Supply Management team of the Europe, Middle East and Africa (EMEA) region partnered with colleagues from the bank's internal legal departments to develop a new strategy for external legal expenditures. They also initiated a request for proposal (RFP) process with the goal of creating a preferred list of legal firms.

"Traditionally, it's been very difficult to negotiate rates with law firms," explains Helen Tonkin, Head of Supply Management for the EMEA region. "This particular cost category and the governance around future usage of legal services require a very different approach than traditional sourcing categories such as furniture, recruitment or technology where more mature sourcing practices are used. Supply Management would have had very little success approaching this category alone."

Finance, a Core Consideration

As a result of the competitive bidding process, Credit Suisse will reduce legal expenditure by an estimated CHF 6 million per year. Other benefits include more transparency in pricing, volume discounts and the completion of a greater amount of standard administrative legal work at law firms' low-cost locations (known as "offshoring").

Cooperation with Expense Management is the key to getting savings from global sourcing just right. "Expense Management looks at demand and our internal cost policies. Supply Management takes the internal business partners' requirements, packages them, and purchases them from the external market. But we can't do that properly unless Expense Management has the right policy that outlines how employees can use third-party products and services," explains Tonkin.

These examples illustrate how Finance is at the heart of everything that happens at Credit Suisse. Utilizing information both at granular and broad levels, the CFO division sees how the bank works and what drives cost, performance and ultimately shareholder value. Actively managing capital, funding, liquidity and expenses is vital to keep Credit Suisse agile and competitive in a challenging market environment, and to enable it to grow. But high-quality information and sophisticated management information systems alone won't do the job. The most important requirement is the proactive partnership between the bank's financial experts and their business partners to ensure acceptance of Credit Suisse's decisions and actions by all key stakeholders.

Cost savings through greater efficiency and a focus on Basel III



David Mathers
Chief Financial Officer

How are you responding to the regulatory demands and capital requirements, in particular around Basel III?

We are accelerating the reduction of our risk-weighted assets (RWA) in Investment Banking. In the fourth quarter 2011 alone, we reduced Basel III RWA by CHF 35 billion, putting the bank well ahead of its plan.

How will the CFO Division support the bank's ambitious cost reduction efforts?

In 2011 we announced measures to develop the strategy to adapt to the new environment. Of the bank's total commitment of CHF 2 billion by the end of 2013, we aim to achieve cost reductions across all Shared Services divisions and the other businesses, reducing complexities while gaining efficiency and productivity.

What measures are being taken?

In the CFO Division, we are taking a number of key actions, in particular integrating Private Banking and Investment Banking Operations into the CFO Division.

This creates a more strategic and centralized structure that enhances the bank's global operations and improves client access to our products. We are also accelerating the Centers of Excellence (CoE) strategy, a bank-wide initiative that seeks the best ways to deploy resources globally in our five CoEs.

You have reevaluated the bank's focus on supplier relations. Can you elaborate?

We have designed a new function within the CFO Division called Efficiency Management focused on serving as a catalyst to ensure the bank achieves cost levels that support profitability and its return on equity targets. This function will work closely with all divisions and regions to drive cost reduction efforts through an integrated approach addressing policies, processes, and be more rigorous and disciplined in terms of supply management. All of this will put the bank in a position to achieve more synergies through greater operating efficiency.

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 of 1995. 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 or downturn in the US or other developed countries in 2012 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 to achieve our strategic objectives, including improved performance, reduced risks, lower costs and more efficient use of capital;
- 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.

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Photography: Alberto Venzago
Design: KMS TEAM, www.kms-team.com
Printer: Swissprinters Zürich AG
Paper: Z-Offset, Plano Premium, matt, FSC, 90 g/m² (content) and 150 g/m² (inside cover); MultiArt silk/Luxo Satin, coated, semi-matt, 100 g/m² (Business Review 2011) and 350 g/m² (outside cover)





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