Dear Shareholders
Ladies and Gentlemen

The finance industry is undergoing fundamental changes globally. You can read about them every day in the media. It is therefore no surprise that 2012 proved to be another very challenging financial year.

When I spoke to you at last year’s Annual General Meeting, I said that the Board of Directors and Executive Board have a common goal: to ensure that Credit Suisse is ideally positioned to achieve future success, generate sustained profitability and create value for our shareholders, clients and society.

Based on this goal, we further refined our strategic objectives in 2012 and transformed our business. Despite difficult market conditions, we generated underlying pre-tax income of CHF 5 billion – double the result for the previous year. Underlying net income also doubled from almost CHF 1.8 billion in 2011 to CHF 3.6 billion in 2012.

We will distribute a dividend for the financial year 2012, as we have done every year since our bank was founded in 1856. In view of the significant challenges we faced last year, as well as the generally adverse market environment, I think we can rightly say that we produced a good performance – including in comparison with our peers. We are not yet satisfied, however; we want to deliver further improvements.

Our Chief Executive Officer Brady Dougan will provide a detailed presentation of our financial results in his speech. First, however, I would like to talk to you about our strategy and the measures we implemented in 2012, as well as our future priorities and the developments we expect to see in our operating environment.
Credit Suisse strategy and implementation of measures in 2012

Credit Suisse’s strategy is based on three main areas: First, our presence in our Swiss home market, where we operate as a major universal bank; second, our position as one of the world’s leading wealth and asset managers; and third, our leading franchise in the capital markets business and in those areas of investment banking in which we choose to operate.

Switzerland has been our home market for over 150 years. Today, more than 19,000 employees work for Credit Suisse in Switzerland. As a broad-based universal bank, we supply a wide range of banking services to private clients – drawing on our global presence, structured advisory processes and diverse offering of innovative products. Meanwhile, our Swiss corporate clients – comprising small and medium-sized enterprises (SMEs), global corporations, banks, insurers and pension funds – benefit from our financial advice and broad spectrum of banking services. In the area of asset management, we are able to capitalize on our strong position in the traditional Swiss business and our wide variety of alternative investment products. And finally, through our investment bank, our Swiss clients can access a broad offering of specific financial services and can benefit from our market-leading positions in the credit and capital markets as well as in the area of M&A advisory in Switzerland.

Our activities in our home market thus clearly demonstrate the importance of our integrated offering – including investment banking – for our corporate clients, many of which are very active in the export sector.

In November 2012, we combined our Private Banking and Asset Management divisions to create the new Private Banking & Wealth Management division. At the same time, we transferred the majority of our securities trading and sales operations in Switzerland from Investment Banking to the new Private Banking & Wealth Management division. Through the integration, we created one of the world’s leading wealth and asset management businesses. In the area of Wealth Management Clients, we already made significant progress in 2012 in terms of implementing a targeted client focus and a rigorous service-based culture. In addition, we decided to place a strategic focus on fast-growing and large markets, on the ultra-high-net-worth individual (UHNWI) client segment, and on ensuring we have talented employees who receive appropriate training. We have also increased the profitability of this business. In Asset Management, we are focusing on liquid, scalable alternative investment products – with a strong presence in the emerging
markets – and on core investments such as our equity, fixed income, real estate and index mandates. At the same time, we decided to exit capital-intensive, low-return businesses and have thus optimized our activities on a targeted basis.

Finally, in Investment Banking, we have transformed our model since 2008 to create a client-focused, capital-efficient business. Together with our strong capital base and conservative funding and liquidity positions, this has strengthened our business in a period of market volatility and substantial changes in our industry. In 2012, Credit Suisse achieved further progress in the implementation of its strategic initiatives. We further evolved our business model and significantly reduced risk, and we are today one of the first global banks to be Basel III compliant. Our fixed income business in particular has already been aligned to the strict capital requirements under Basel III. The fixed income business remains of key importance for Credit Suisse. We believe that if a bank is to offer its clients comprehensive support and advice, it is essential for it to be active in the fixed income market – the largest of all the global financial markets. Our transformed business model is designed to also serve the needs of our clients in this area. The effectiveness of this model is demonstrated by the fact that in 2012, we generated over 50% more revenues with a third less risk-weighted assets. At the same time, we continued to advance our cost initiatives in Investment Banking and have generated substantial savings. The Board of Directors and Executive Board are therefore convinced that with our realigned business portfolio, we will be able to deliver attractive returns under Basel III. We are also withdrawing from businesses in which we cannot cover the cost of capital across the cycle.

You are all aware of the discussions about the strengthening of bank capital positions. At Credit Suisse, we took a series of actions in 2012 to strengthen our capital position by CHF 15.3 billion. As a result of these measures, we reported a Look-through Swiss Core Capital ratio of 9.0% at the end of 2012 and of 9.6% as of the end of the first quarter of 2013. We expect to exceed the strict Look-through Swiss Core Capital ratio requirement of 10% during the second or third quarter of 2013 – making us one of the world’s best-capitalized banks.

In addition, we reduced our total balance sheet assets to CHF 924 billion as of the end of 2012 – corresponding to a decrease of CHF 125 billion compared to the previous year.
When I stood here a year ago, I announced a set of measures to enhance Credit Suisse’s efficiency. We have made good progress in executing these measures: we are not only working more efficiently but we have also substantially reduced costs. Our cost base – which was an annualized CHF 20.5 billion as of mid-2011 – was reduced by CHF 2.0 billion to CHF 18.5 billion in 2012. We are confident that we will be able to deliver CHF 4.4 billion of expense savings by the end of 2015 and are on track to achieve this.

As you can see, Ladies and Gentlemen, Credit Suisse last year initiated and executed measures at all levels based on our strategic analysis and we continued to improve our operating performance – precisely as I said we would at last year’s Annual General Meeting. During this transition period in 2012, we nevertheless also succeeded in gaining market share, delivering solid revenues and generating an underlying return on equity of 10%.

The Executive Board led by Chief Executive Officer Brady Dougan deserves our sincere thanks and recognition for its success in implementing our strategic plan while confronted with challenging conditions. Above all, we owe our thanks to Credit Suisse’s employees in Switzerland and our other regions for their exceptional efforts in a very difficult environment shaped by the fundamental changes in our industry.

Priorities in 2013

Ladies and Gentlemen, the points I have made so far explain what we have done to create the best possible basis for Credit Suisse’s future success. Although we have adopted a low-key approach when announcing changes to our organizational structure, these changes are, nevertheless, far-reaching and should have a positive impact on efficiency while paving the way for marked improvements in terms of client proximity and client service. These are aspects that we want to focus on in 2013.

Credit Suisse continues to have considerable growth potential in the area of global wealth management – particularly in our business with emerging markets clients with sophisticated financial needs – even if we believe this area will look very different in the future. We are currently seeing a shift in wealth creation toward the emerging markets – a trend that is confirmed by research studies such as the Global Wealth Report published annually by the Credit Suisse Research Institute. Our strategy is focused on capturing the potential in these markets, meeting the evolving needs of clients and consistently and continuously
strengthening our position in the ultra-high-net-worth client segment. We are one of the world’s leading wealth managers with a global footprint and are thus well positioned to generate attractive returns in the new regulatory environment despite continued margin pressure.

In line with this strategy, we announced the acquisition of Morgan Stanley’s private wealth management businesses in the EMEA region, excluding Switzerland, at the end of March. This transaction will enable us to expand our existing activities at strategically important international locations.

The increasing needs of clients in growth markets are a constant indication of the potential of our integrated business model. This model remains the core element of our value proposition in the wealth management business. The close collaboration between our Investment Banking division and our Private Banking & Wealth Management division enables us to serve our clients on an even more targeted basis. Our Swiss private banking clients naturally also benefit from access to Credit Suisse’s global expertise and resources. Thanks to our knowhow in the areas of investment banking and asset management, for example, we can offer them opportunities to invest in the emerging markets or in alternative investments.

In Investment Banking, we are seeing continued positive market share momentum in those areas where we want to continue operating in the future and where we already have – or aspire to achieve – a leadership position. Our investment bank remains a core element of our strategy. The good results we delivered in the first quarter confirm its importance and are an incentive to continue this success in the future.

The regulatory environment has altered significantly in recent years. The need for change has been recognized and – in Switzerland at least – this transformation process has largely been completed. We believe that it is now important to ensure the uniform implementation of the various regulatory initiatives at an international level and to thus prevent the emergence of an uneven playing field and the resulting distortion of competition. We must remain alert to the risks posed by the trend toward fragmented regulation and by extraterritorial banking rules in certain countries.

In addition to all these regulatory and business-related challenges, it is also important to reach a consensus – or rather a new consensus – between the business community, politicians and society. It is therefore
important for Credit Suisse as a bank – and for us as the leaders of the company – to contribute toward this. The success of our business depends in part on our ability to do so; this success can only be guaranteed in the long term if we can create value for society through our activities. This is the aim of our corporate culture, which is geared toward doing what is both right and in the best interests of our clients. It is important for everyone to understand that responsible conduct, compliance and the good reputation of our bank are key factors that will help to increase the value of Credit Suisse in the long term. It is, however, also important to once again strengthen the public’s awareness and understanding of the vital role played by banks in the economy and society.

Development of the Swiss financial center – an important factor determining Credit Suisse’s success

Our activities in our home market of Switzerland clearly illustrate the high level of interconnectedness between our bank and the economy and society that has existed for more than 150 years. For example, we are today one of the country’s largest employers, with every sixth employee in the Swiss banking sector working for Credit Suisse. The bank and its employees are also major contributors of tax revenues. And Credit Suisse is one of the largest clients of Swiss companies – purchasing more than CHF 2 billion of goods, service and licenses from them each year.

Above all, Credit Suisse is a reliable financial partner to its clients – as a lender with over CHF 150 billion of loans outstanding to private and corporate clients and as a well-capitalized wealth and asset manager. In Switzerland, we serve around 2 million private clients and over 100,000 corporate clients – reflecting our strong Swiss roots and our commitment to our home market.

Our corporate clients, most of which are SMEs, are important drivers of growth and prosperity in Switzerland. For Credit Suisse – as a strategic partner to these companies – it is therefore absolutely vital for the competitiveness of Switzerland as a business location in general – and that of the Swiss financial center in particular – to be safeguarded in the future. This is an area in which much work still needs to be done.

I would like to share a few thoughts with you on this topic:
Following the implementation of the Minder Initiative, Switzerland will have very rigid company law by international standards as far as corporate governance issues are concerned. In other areas, however, our company law will remain liberal and balanced compared to other countries. In terms of financial regulation, Switzerland also has very strict capital and liquidity rules, which are supported by the banks. I believe that the Swiss banks – which are very well capitalized by international standards – will provide our financial center with an important advantage in the future.

As a business location, Switzerland also has further strengths that should not be squandered: first, the tax burden in Switzerland remains relatively low compared to other European countries thanks to the beneficial impacts of tax competition in promoting efficiency. On the other hand, Switzerland profits from its liberal economy – coupled with its reliable legal system, political stability and sound financial policy. In the case of many countries, Switzerland is much more open to investment from abroad than these countries are toward Switzerland.

I am convinced that Switzerland – and the Swiss finance industry as a whole – are well positioned for the future. However, they will only continue to enjoy these advantages if we all take the necessary action – and by that, I mean Swiss industry, the financial sector and politicians.

In particular, financial institutions themselves have a responsibility to help strengthen Switzerland’s competitiveness as a business location and financial center. In this context, it is important to have a consensus within the finance industry about the future direction it is taking. The objections that we regularly hear from some financial market participants, who refuse to recognize the fact that the industry landscape is changing, are neither helpful nor constructive.

Banks need to intensify their efforts to support companies domiciled here in Switzerland – especially also SMEs – both in their business activities in our home market and in their efforts to enter new markets abroad. It is also important to give fresh momentum to the wealth management sector – by making better use of the opportunities created by the realignment of advisory standards, by offering tax-compliant and innovative investment solutions, and in the area of fund management. A systematic focus on declared assets is imperative. Future business models cannot be based on the acceptance of undeclared client assets. To safeguard the interests of the entire financial center and the Swiss economy, Swiss banks also
have a responsibility to work with the Swiss Federal Council and the Swiss authorities to reach a swift and definitive solution to the problem of legacy issues – especially, but not exclusively, in connection with US tax matters. To hope that the problem of legacy issues will resolve itself over time is not the answer: this will simply create problems for everyone and further exacerbate the issue. At the same time, it is important to reach an international consensus on future policy and on the rules that will apply going forward. From a Swiss perspective, the critical issue in this context is not what the relevant model or models are called: most important is that these solutions are based on standards that apply globally and are also implemented globally.

In addition, it will be necessary to dispense with a few old practices in order to preserve and further strengthen the financial center. This includes the complete abolition of stamp duty – following the positive initial steps have already been taken in respect of the stamp duty on the issue of securities – to allow a more flexible approach to corporate financing. In addition, the environment for companies can be made more competitive through the Corporate Tax Reform III. At the same time, it is essential to secure EU market access for Swiss companies – especially in view of the large number of jobs in the Swiss financial sector that are directly or indirectly dependent on the generation of revenues outside Switzerland. It is precisely this access to the EU market that is, however, jeopardized by various European legislative projects unless Switzerland rapidly implements equivalent legislation. This makes it essential for the Swiss law governing financial services as well as the Swiss law governing financial market infrastructure to be brought swiftly into line with EU requirements.

Ladies and Gentlemen, Switzerland and the Swiss financial center continue to have significant potential, even against the backdrop of a rapidly changing environment – and it is now up to us to capture this potential. At Credit Suisse, we are ready to help achieve this. Before I close my speech, I would like to take the opportunity to express my considerable thanks to you, Ladies and Gentlemen, for the loyalty you have shown Credit Suisse Group as shareholders. With your trust and support, we will be able to deliver on the ambitious goals we have defined for our company.

Thank you.