REORIENTATION OF CREDIT SUISSE FINANCIAL SERVICES

INFORMATION FOR EMPLOYEES

Zurich, June 2000
CONTENT

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- Responses of Credit Suisse Group
- Credit Suisse Financial Services
- Positioning, main thrusts, structure and milestones of the units
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CURRENT SITUATION
CREDIT SUISSE GROUP STRATEGY

Macro trends | Position of Credit Suisse Group
---|---
Capital formation | Now one of the top five asset management companies with Financial Services, CSPB and CSAM
Disintermediation | CSFB is one of the five leading global investment banks
Capital optimisation | Critical mass in almost all areas; bancassurance
Concentration and convergence | e-enabled in all key areas/markets by end 2000
Technology |

- Double-digit growth
- Profitability
CURRENT SITUATION
CREDIT SUISSE GROUP PRIORITIES 2000

- Exploitation of the benefits from the new Financial Services business area
  - bancassurance, e-business initiatives
- Personal Financial Services Europe
  - launch of the pan-European e-commerce platform
- Further development of e-business strategy
- Expansion of asset management activities through organic growth and, where possible, through acquisitions
- Exploitation of the benefits from investments and the low risk profile of CSFB
- Continuation of consistent risk, capital and cost management across the entire Group
- Good results in the first quarter: net profit CHF 1.9 bn (+45%); AuM + 4.6% since end-1999
CURRENT SITUATION
FINANCIAL SERVICES

Financial Services progressing well

- Restructuring has been implemented very successfully (CS) / is progressing well (WGR)
- Established operations are flourishing in their new e-business environment (CS) / are making good progress (WGR)
- New business models in Europe have been introduced successfully in previously untapped markets (PFS Europe)
- Strong expansion and profit growth momentum

Potential

- Further openings for bancassurance in Switzerland
- More distinct differentiation from the competition
- Efficiency of decision-making processes and cooperation
- Optimal use of resources and expertise
- New opportunities offered by changes in the market (client requirements, e-business, Europe)
EXTERNAL CHALLENGES
NEW CLIENT (REQUIREMENTS)

- Better informed clients
- Better products and services at lower cost
- Greater price consciousness, new low-cost providers, risk/return optimisation
- Holistic view of all financial services needs
  - investment, retirement provision, financing, insurance
- Better service and greater availability of services
  - personal advisory services and 24 x 7 access
EXTERNAL CHALLENGES
CHANGE IN FRAMEWORK CONDITIONS

- Strong growth in assets available for investment
  - new generation, loss of faith in the state

- Massive shift from investment in conventional products to investment in modern products
  - performance, tax optimisation

- Emergence of a European market
  - launch of the euro, deregulation, more homogenous client requirements
EXTERNAL CHALLENGES
TRANSITION TO THE WORLD OF e-BUSINESS

- Adaptation of IT, operations and infrastructure to the new environment
  - 24 x 7 availability, new interfaces between front, middle and back office

- Transformation of the existing structure
  - more marked distinction between distribution and production, interplay between conventional and new channels

- Development of new business models
  - independently and with third parties
EXTERNAL CHALLENGES
PARADIGM SHIFT

Previously
- the financial services provider ‘dictated’
- assigned to client segment
- little product differentiation
- only own products

Now
- client ‘dictates’
- client chooses the best product
- client selects channel/medium
- choice of products

Consequences for the financial services provider
- division of distribution/service and production
- own and third-party products (‘open architecture’)
- multichannel strategy
- branding/marketing
- new system requirements
RESPONSES OF CREDIT SUISSE GROUP
PREVIOUS STEPS

- Focus on bancassurance at an early stage (CS Life, Winterthur)
- 'First mover' strategy in new technologies (DirectNet, youtrade, Fundlab, webinsurance)
- Unwavering pursuit of a client-oriented distribution strategy (mutlichannel, third-party products)
- Development of new business models in Europe (Personal Financial Services Europe)
RESPONSES OF CREDIT SUISSE GROUP
1 APRIL 2000: CREATION OF FINANCIAL SERVICES

OBJECTIVES

- Closer integration of banking, insurance and e-commerce
  - new client service models
  - development of innovative products/services
  - strict application of multichannel approach

- Combining forces
  - massive expansion of e-commerce activities
  - exploitation of business opportunities in Switzerland and abroad
  - guarantee of the necessary expertise/resources in the technology area

- Better use of available expertise and resources
  - further development/adaptation of new technologies
  - making the best possible use of brand value and content
  - making better use of the available infrastructure
Credit Suisse Financial Services wants to become one of the leading providers of comprehensive financial services in Switzerland, Europe and other selected markets.
CREDIT SUISSE FINANCIAL SERVICES
MAIN THRUSTS

- Be among the leaders in developing innovative solutions for clients’ financial needs
- Provide clients with superior access through an integrated set of distribution and customer service channels, making optimal use of new technologies
- Be the benchmark in client and service orientation
- Achieve best-in-class performance through world-class IT and operational capabilities
- Continuously identify and develop new business opportunities
- Be the employer of choice for international talent
CREDIT SUISSE FINANCIAL SERVICES
ORGANISATIONAL PRINCIPLES

- More commercial business units with clear objectives at all levels
- Client focus at the centre of the organisation
- Better concentration and coordination of valuable resources and expertise, especially in e-business and IT
- More efficient management of strategic assets across business units (brand, IT, Human Resources)
- Straightforward communication with other units of Credit Suisse Group
Winterthur Insurance wants to be a recognised European leader in general insurance

- Provide individuals, small businesses and corporations with distinctive general insurance and bancassurance solutions through traditional and alternative channels
- Be best-in-class in service
- Be a performance leader in general insurance in Europe through world-class operational capabilities
WINTERTHUR INSURANCE
STRUCTURE

CEO
Manfred Broska

CFO
John Dacey

Human Resources & Communication
Ernst Liniger

Switzerland
Erwin Steiger

Germany
Peter Gnos

Italy
Fabrizio Rindi

Iberia
José Cercós

UK
Martin Long

Other Europe
Claude Desseille

North America
Herman Aaftink

Winterthur International
Willi Suter

Distribution and Channel Management
Kai Dierke

Product Management P&C
Severin Moser

Product Management Health
Thomas Schmitt

IT
Peter Höhn
WINTERTHUR INSURANCE
MILESTONES IN THE NEXT 12 MONTHS

- Investigation of additional growth possibilities (organic, partnerships, acquisitions, etc.)
- Optimisation of support for network of external agents through the deployment of technology (call centres, Internet)
- Establishment/expansion of alternative distribution channels (bank, Internet, partnerships)
- Increased product innovation (own, selected third-party products)
- Improvement in the efficiency of key processes through more widespread use of technology
Winterthur Life & Pensions wants to be a leading global provider in the life and pensions market

- Provide private and corporate clients with best-in-class life and pensions solutions
- Be among the leaders in innovation in the field of life and pension solutions and distribution
- Continuously develop attractive new business opportunities
WINTERTHUR LIFE & PENSIONS
STRUCTURE

CEO
Markus Dennler

CFO
Giovanni Bagiotti

Human Resources
tbd

Communication
Werner Schreier

Switzerland
Ruedi Hefti

Germany
Frank-Henning Florian

UK
John Finan

Rest of Europe and Asia
Christen Schnor

Operations New Business
tbd

Management Existing Business
Peter Angehrn

Asset Management
Giovanni Bagiotti a.i.

IT
Bruno Müller
WINTERTHUR LIFE & PENSIONS
MILESTONES IN THE NEXT 12 MONTHS

- Launch of new innovative life insurance and pension products
- Exploitation of the potential of all distribution channels (specialist network of agents, network of Winterthur Insurance agents, banks, Internet, third parties)
- Introduction and further development of new Web-based product platform
- Increase in efficiency through the improvement of existing processes
- Investigation of possible partnerships and acquisitions in European and Asian markets
Credit Suisse Banking wants to be the Swiss bank of choice for private and corporate clients

- Provide its clients with ‘best-in-class’ bank products, advice and services
- Generates added value for its clients through traditional and alternative distribution channels
- Be recognised as the bancassurance leader in Switzerland
CREDIT SUISSE BANKING
MILESTONES IN THE NEXT 12 MONTHS

- Service strategy and management structures focused even more closely on the needs of private and corporate clients
- Consolidation and expansion of our sales organisation
- Even greater deployment and improved integration of e-commerce solutions
- Significant expansion of bancassurance activities
- Creation of product units dedicated to sales and the consolidation of product management expertise
Credit Suisse Personal Finance wants to be the trusted financial advisor for affluent Europeans to grow and secure their wealth

- Provide leading-edge, personalised solutions for the financial needs of affluent Europeans
- Provide clients with access to Credit Suisse Group and third-party products and services through a tailored range of distribution channels
- Continuously develop new markets
CREDIT SUISSE PERSONAL FINANCE STRUCTURE

CEO
Olivier Steimer

CFO
Richard Lütolf

Human Resources
Franz Indergand

Product Management
tbd

IT/Operations
tbd

Italy
Paolo Lanzoni
tbd

Spain
tbd

Germany
tbd

UK
tbd

France
tbd
MILESTONES IN THE NEXT 12 MONTHS

- Creation of an independent business unit within Credit Suisse Financial Services
- Further development of the successful PFS Italian pilot market
- Adaptation of a PFS business model to the specific requirements of the target markets
- Establishment of at least one new market
- Use of supranational synergies in the areas of IT/Operations in cooperation with Credit Suisse e-Business
Credit Suisse e-Business wants to build one of the premier European financial services e-business franchises

- Provide best-in-class e-business solutions to the other business units of Credit Suisse Financial Services
- Develop and grow innovative e-businesses that provide added value for the client and for Credit Suisse Group
- Drive and support Credit Suisse Financial Services to e-enable its products and services
CREDIT SUISSE e-BUSINESS
MILESTONES IN THE NEXT 12 MONTHS

- Further development/increased dynamism of e-business activities in collaboration with the other business units
- Successful launch and further development of a range of Luxembourg-based e-investment packages
- Expansion and acceleration of B2B and B2C initiatives
- Investigation and launch of two new ‘attacker’ initiatives
- Plan of action and initial success in internal e-nabling
TECHNOLOGY AND SERVICES
POSITIONING/MAIN THRUSTS

Technology and Services wants to make a substantial contribution to Credit Suisse Financial Services’ success in the market by providing innovative, service-oriented IT and Operations

- Consistently exploit the potential offered by information technology for the CSFS business units
- Support the ambitious development and expansion strategies pursued by the business units
- Offer innovative, reliable and reasonably priced IT and Operations services and encourage a distinctive service mentality ethos
TECHNOLOGY AND SERVICES
MILESTONES IN THE NEXT 12 MONTHS

- Development and start of the implementation of a global IT strategy and architecture for Credit Suisse Financial Services
- Guarantee of an IT basis for e-business and bancassurance
- Introduction and operation of IT solutions for the business units based on state-of-the-art technology
- Completion of the rearchitecture programme of the Swiss IT platform by the end of 2001
- Further improvement in end-to-end service quality and its availability in IT production
- Further improvement in the efficiency and quality of Swiss operations
CORPORATE CENTRE

Chief Financial Officer:
creates the basis for further strategic development of Credit Suisse Financial Services

provides management information on the basis of which quantifiable objectives can be set and the level of attainment assessed

sets and monitors standards for Risk Management, Legal & Compliance

is responsible for all service areas within Credit Suisse Financial Services

Human Resources:
defines a Human Resources strategy in collaboration with the business units; guarantees HR services across all business units

Country Management:
ensures that legal and regulatory requirements are complied with to guarantee that business operations are conducted properly in each market

Corporate Communications:
enables internal communication across all business units
CREDIT SUISSE FINANCIAL SERVICES

TIMEFRAME

- New structure effective as of 1 July 2000
- Adaptation of delineations/interfaces, employment contracts, premises, etc. as of 1 January 2001 at the latest
- Naming/branding:
  - new names of the organisational units from 1 July
  - Credit Suisse and Winterthur will retain their appearance (logo/brand) vis-à-vis the outside world
  - future branding strategy will be defined in the course of the Group Branding Review and will be implemented from 2001
CREDIT SUISSE FINANCIAL SERVICES
SUCCESS FACTORS FOR THE REORIENTATION

- High ambitions
- Openness to new ideas
- Teamwork (in own area, within Credit Suisse Financial Services and the whole of Credit Suisse Group)
- Creativity and initiative
- Self-confidence
- Willingness to take on responsibility
- Constant thirst for knowledge