CREDIT SUISSE

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Annual General Meeting of CREDIT SUISSE GROUP AG

Zurich, May 9, 2014

Remarks by Urs Rohner

Chairman of the Board of Directors

Dear Shareholders

Ladies and Gentlemen

In the past few days, you will no doubt have followed the media coverage concerning the tax dispute with the US. The **resolution of the tax dispute** is one of the most pressing issues currently facing Credit Suisse. I would therefore like to begin today by talking to you about this topic.

Tax dispute with the US

The US authorities have been investigating the cross-border business activities of Swiss banks, including Credit Suisse, for over three years.

Since the start of the investigations into Credit Suisse – which we have always taken very seriously – our approach was clear: **To work with the US authorities to the extent permitted by Swiss law** toward bringing this matter to closure for the Bank. As you know, Swiss law imposes certain restrictions which limit the delivery of data to US authorities and that has been an issue in this matter.

The business itself accounted, on average, for less than 1% of our revenues and just over 1% of assets under management.

And we already began exiting our US cross-border business in 2008.

We do not dispute that some foreign clients – including US clients – used Swiss banking confidentiality in order to deposit undeclared assets in Switzerland.

To the extent that errors were made by the bank, it has to assume responsibility.

In February, we reached a settlement with the US Securities and Exchange Commission. The investigations by the US Department of Justice are, however, ongoing. These proceedings are still in progress and I am therefore unable to comment on the details at this point in time.

We are doing everything we can to resolve this matter within the given framework of US and Swiss law in the best possible way and in a timely manner so that we can successfully move ahead with the transformation of our bank.

Challenges and changes in the global finance industry

Dear Shareholders

These are challenging times for Credit Suisse, the Swiss financial center and the banking sector globally.

I would therefore like to outline what I see as the **challenges** now facing the finance industry in general and to explain their impact on the **Swiss financial center** and how we have positioned **Credit Suisse** strategically in order to address them.

The economic and social impacts of the last **global financial crisis** highlighted the importance of banks and a properly functioning financial system. Lessons have since been learned and a great deal of effort has gone into building a more robust financial sector and into reversing the loss of **trust** among stakeholders.

The implementation of strict regulations to resolve the **'Too Big to Fail'** issue facing major global financial institutions in many countries is perhaps the most important measure in this context. Eliminating the possibility of future bank bailouts that would have to be funded using taxpayers' money is an essential part of the efforts to rebuild trust in our industry.

The **significant strengthening of bank capital and liquidity positions** – as required under Basel III – is part of this process. However, we must ensure that the emerging regulatory framework for banks does not have an impact beyond the agreed target since it could otherwise restrain their business activities and prevent them from performing vital economic functions – such as supplying the capital needed by companies to finance growth, innovation and job creation. The negative effects this has on economic growth are already visible within Europe.

In the case of global financial institutions in particular, **national differences** in the provisions governing the implementation of Basel III are giving rise to a very uneven playing field. This additional difficulty will also impact the structures of the market and of individual financial institutions.

Equally, banks need to have viable business models and strategies in place that enable them to operate competitively at a global level.

The economic environment in which we are currently operating is still characterized by **low interest rates**. Together with the sustained **pressure on margins**, this is affecting the profitability of many banks. Opportunities are, however, available to banks – as well as other industries – in the **emerging markets**. Despite experiencing a slowdown in some cases, these countries are continuing to post far higher growth rates than more advanced economies.

Technological change is another major source of opportunity. Nowadays, our clients have access to significantly more information than in the past and they expect to have permanent access to our products and services globally via the Internet. We can – and must – position our bank as a leading partner to our clients by helping them to navigate this vast quantity of data in order to reach the right conclusions when taking financial decisions. At the same time, we want to use state-of-the-art technology in order to make the full breadth of our product and service offering available to clients throughout the world. We are at the beginning of this process and hope that our efforts will lend considerable **impetus to our business – thus driving growth**.

Defining the future direction of the Swiss financial center

The wealth management business is an area in which the Swiss banks have been **global leaders for more than 150 years.** This is also a sector that has, for decades, made a significant contribution to the prosperity of our country. According to the Swiss National Bank, the volume of assets managed in

Switzerland on behalf of foreign clients at the end of 2012 was more than double the figure for the next largest international financial center.

Switzerland is valued as a **stable, competitive financial center** with a high degree of legal certainty and a very high quality service offering.

Having benefited from strong margins and constant inflows of assets in the past, the success of the financial center was, perhaps, taken for granted for too long. As a result, some banks waited a long time before adapting their business models to the new operating environment.

The evolving legal and regulatory landscape poses major strategic challenges for many Swiss banks. For a long time, the prevailing attitude toward the acceptance and management of potentially **undeclared assets** by Swiss banks was one of tolerance. This has fundamentally changed, as we have stated for many years. Future business models cannot be based on the knowing acceptance of undeclared client assets; it makes no sense from an economic perspective and is morally wrong.

While we are in the process of resolving legacy issues, we must also prepare our business for future growth. Going forward, **emerging financial centers** – primarily in Asia – will grow more rapidly than Switzerland. The major proportion of the growth in private assets and, in particular, the generation of new wealth will occur in the Asia Pacific region. In contrast, Switzerland's growth rate as an international wealth management hub will be significantly lower.

Naturally, these challenges are also a source of opportunity. What we need in this context is a reliable and **appropriate regulatory framework** – especially in an international comparison. Another important requirement is for Swiss banks to have **access to** their **key markets**. This mainly includes the need for unrestricted access to the European market – especially to allow for the cross-border provision of financial services.

I therefore welcome the appointment by the Swiss Federal Council of the **Brunetti group of experts**. As a member of this group, I will call for future-oriented measures to be put in place that will sustainably strengthen our financial center.

Looking beyond this, we also need to be mindful of the **general situation in terms of economic policy**. Here, it is essential to have some degree of certainty regarding future developments to allow for effective planning. I would like to make one very personal observation in this context: One of the undisputed reasons for the success of global companies in Switzerland is the fact that they employ top talents from around the world, irrespective of their nationality. At Credit Suisse, we have employees from 161 different nations. The diversity of our workforce gives us a better understanding of client needs, cultural aspects and regional markets – thus opening up a broader range of business opportunities for our company.

Measures taken to date and Credit Suisse's strategic direction

So where does Credit Suisse stand today, Ladies and Gentlemen? What have we achieved during the last few years and, in particular, the last 12 months – and which future direction do we want to take?

As you all know, Credit Suisse has implemented targeted measures in recent years to further strengthen the bank's **capital and liquidity position**. Our Look-through Basel III Common Equity Tier 1 ratio is currently 10%. We also have a solid leverage ratio that is today within reach of the 2019 requirement.

In addition, last November we announced a program to **evolve our legal entity structure.** This will enable us to meet future regulatory requirements for global recovery and resolution planning.

The new structure will not only provide greater security but will also result in a **less complex** operating infrastructure for the bank and enable us to increase efficiency. At the same time, it will increase the strategic options available to us.

During the past few years, we have also **substantially lowered our costs**. Since mid-2011, the Group's cost base has been reduced by CHF 3.4 billion.

The implementation of cost and efficiency measures on this scale naturally **places a strain on employees**, who have to adapt to the new environment and meet increased requirements. Based on my own personal discussions with many employees, I know that this situation can lead to feelings of insecurity and frustration. Credit Suisse's management team is aware of this. However, we are convinced that in order to guarantee Credit Suisse's long-term success, it is imperative that we align the bank to the new operating conditions in a way that allows us to meet the new regulatory requirements that apply in Switzerland and in international locations while, at the same time, generating stable revenues and good returns.

The bank's profitability improved significantly last year as a result of these efforts. We delivered a much higher **operating result** for 2013 than in the previous year, with reported pre-tax income of CHF 3.5 billion. We will therefore be in a position to distribute a **dividend** to you, our shareholders, that will be paid out entirely in the form of cash.

Strategy and outlook

These solid results are based on the systematic execution of our strategy as an **integrated bank**. We have further adjusted the allocation of capital in order to grow our high-returning businesses, especially in Private Banking & Wealth Management. At the same time, we have made progress in scaling back our non-strategic operations.

We believe that the combination of our Private Banking & Wealth Management business and our capital-efficient Investment Banking business provides us with a business model that allows us to meet the increasingly sophisticated needs of individual clients, companies and institutions around the world. This is one of our core functions as a financial services provider. With this strategy, we are – to some extent – consciously setting Credit Suisse apart from our competitors. The success of the integrated bank is demonstrated by the **strong inflows of new assets** we have attracted – especially from emerging markets.

The emerging markets are at the center of our growth strategy in **Private Banking & Wealth Management**. In particular, we want to increase our lending to ultra-high-net-worth individuals. Among other measures, the balanced allocation of capital between our two divisions that we are striving for will allow us to realize this goal.

In **Investment Banking**, we have implemented a client-focused and capital-efficient business model and are focusing on high-returning businesses in which we have a market-leading position. They mainly comprise our Equities business but also our successful Underwriting & Advisory franchise and our Fixed Income business, which is focused on high-returning yield businesses.

In our **Swiss home market**, Credit Suisse operates very successfully as a universal bank. For the past 150 years, Credit Suisse has been closely interconnected with the Swiss economy – and also with Swiss industry as a center of manufacturing and innovation. This close interrelationship is reaffirmed by our proposal to the Annual General Meeting that **Severin Schwan,** CEO of Roche, be newly elected to the Board of Directors. Dr. Schwan represents an industry that is of immense importance for our country – an industry in which Swiss firms are global leaders. The pharmaceutical industry has always been characterized by a high level of innovation.

The technology sector is also synonymous with innovation. Enormous changes are currently occurring in the field of **digital technology** in particular, and these changes are affecting all areas of our lives. **Sebastian Thrun**, a Google Fellow and the mastermind behind Google X – the company's highly innovative research lab – has a virtually unrivalled knowledge of the digital world. In view of his expertise and experience, Professor Thrun – who is also being proposed for election – represents an ideal addition to our Board of Directors. He will help us to ensure that Credit Suisse is well positioned in the digital age.

The right use of innovative technology and the provision of an attractive client offering will drive growth going forward. However, the bank of the future will function first and foremost on the basis of trust. Especially in the new, virtual world, bank clients want to know that behind each Web application they will ultimately find a strong and trustworthy bank with a wealth of experience and a long tradition. We must work hard to earn our clients' trust day after day – whether we are operating in a digital world or otherwise.

Summary and thanks

Ladies and Gentlemen

At Credit Suisse, we are committed to running our business in a way that creates value for our clients and shareholders. At the same time, we recognize that our sphere of influence extends beyond the boundaries of the international financial system and that as a global bank we are also closely interconnected with the economy and society. We therefore have a broad understanding of our duties as a financial services provider. We believe that the pursuit of a responsible approach to business – where we consider the needs and interests of our stakeholders – is a decisive factor determining our long-term success.

We are currently seeing the global **transformation** of the finance industry. The **Swiss financial center** is not immune to this fundamental process of change – which entails both risks and opportunities.

Credit Suisse has made significant progress in implementing its strategy as an integrated bank and has substantially improved its profitability – especially in the course of last year. As a result of organizational measures as well as our clear focus on strategic growth areas, Credit Suisse is positioned for future success. However, we still have work to do.

I would like to take this opportunity to **thank** our highly motivated **employees** around the world, including our Executive Board, for their committed efforts on behalf of our bank. Together, they all make Credit Suisse the great company that it is today.

I would like to end my remarks by expressing my particular gratitude to you, our **shareholders**, for the trust you have placed in Credit Suisse. With your support, we will be able to move ahead with the implementation of our strategy with energy and determination.

Thank you.

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