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Credit Suisse Chief Dougan 'Confident' About Outlook for 2010  
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By Elena Logutenkova

Feb. 11 (Bloomberg) -- Credit Suisse Group AG, Switzerland's biggest bank by market value, had a "strong start" to the year, after reporting a fourth straight quarterly profit in the final three months of 2009.

"We are confident about our prospects for 2010," Chief Executive Officer Brady Dougan said in a statement today. "We have had a strong start to the quarter with strong client activity. Our transaction pipelines and net new asset inflows are the best we have seen since the crisis."

Credit Suisse rose as much as 3.1 percent in Swiss trading after reporting record trading revenue in 2009, benefiting from the low interest rates that also lifted earnings at Goldman Sachs Group Inc. and Deutsche Bank AG. Revenue from trading bonds and stocks fell in the fourth quarter from the third, hurt by lower client activity, the bank said.

Net income amounted to 793 million Swiss francs (\$746 million) in the fourth quarter, compared with a loss of 6.02 billion francs a year earlier and the 1.28 billion-franc median estimate of 14 analysts surveyed by Bloomberg.

Credit Suisse rose 1.19 francs, or 2.6 percent, to 47.30 francs by 9:23 a.m. The shares are down 4 percent this year, compared with a decline of 7.8 percent in the 52-company Bloomberg Europe Banks and Financial Services Index.

Earnings in the fourth quarter were hurt by a \$536 million charge to settle claims the bank helped process payments that let Iran and other nations avoid government sanctions and gain access to U.S. financial markets.

#### Adding Assets

Credit Suisse's private banking division added 6.4 billion francs in net new assets in the fourth quarter, even as wealthy clients at Swiss competitor UBS AG withdrew 45.2 billion francs. Credit Suisse aims to attract 175 billion francs to 225 billion francs of net new assets by the end of 2012, after adding 160 billion francs over the three-and-a-half years ended in June.

"Developments in private banking reassure, even if the investment bank's results were weaker than peers in the fourth quarter," said Morgan Stanley analyst Huw van Steenis.

The wealth management division's pretax profit amounted to 857 million francs, while asset management earnings rebounded to 159 million francs from a 656 million-franc loss a year earlier.

#### Investment Bank

Pretax profit at the investment bank was 1.03 billion francs, cushioned by lower personnel expenses as the bank released some of the

money it had accrued for compensation in the previous quarters. Analysts had estimated earnings of 1.25 billion francs. Total trading revenue dropped 55 percent in the fourth quarter from the third to 1.92 billion francs.

"We got the indications out of U.S. companies that investment banking numbers were very weak," said Florian Esterer, who helps manage about \$58 billion at Swisscanto Asset Management in Zurich, in a Bloomberg TV interview. Credit Suisse earnings "came much worse than even we had been expecting."

Credit Suisse aims for "sustainable" and less volatile earnings at the investment bank and has a "constructive" medium-term outlook for revenue at the division, Chief Financial Officer Renato Fassbind told investors last month, according to his presentation slides.

Credit Suisse said it decided to defer 40 percent of about 6.85 billion francs in bonuses for 2009 into future years, with members of the executive board receiving only deferred awards. The total bonus pool is down 21 percent from the level of 2007.

UBS, the biggest Swiss wealth manager, reported this week that the pace of withdrawals by rich clients from its private bank increased in the fourth quarter to 45.2 billion francs from 26.6 billion francs in the previous three months.

UBS, the European bank with the biggest losses from the credit crisis, earned 1.21 billion francs in the fourth quarter, its first profit since the third quarter of 2008, helped by lower costs tied to the company's debt and a tax credit. CEO Oswald Gruebel said in a statement that the return to profitability "will increase clients' confidence in UBS."

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