

4Q15 Letter to shareholders

Dear shareholders

During 4Q15, our bank implemented the strategy we announced on October 21, 2015. Our strategy is to be a leading private bank and wealth manager with strong and distinctive investment banking capabilities. We are building on our core strengths in order to achieve sustainable growth in both profits and cash to our shareholders.

Strategy

In the three months since October 21, 2015, we have made a good start in implementing the new strategy we presented: the important milestone of the capital raise was completed in December and the new streamlined organization was put effectively in place by year-end. With three newly created divisions – Swiss Universal Bank (SUB), Asia Pacific (APAC) and International Wealth Management (IWM) – our new geographic focus will enable us to be more agile in meeting our clients' needs by bringing together our capabilities in wealth management and investment banking. The new organization gives our business heads clearer accountability both in terms of managing their clients and the resources they require to deliver more value to their clients.

In parallel, we have strengthened the Group's control functions, which remain centralized, with significant investments in our risk management and control capabilities.

As announced in October, we have right-sized our investment banking businesses and are closing or downsizing select activities to achieve a higher return on capital. In Investment Banking & Capital Markets (IBCM), we are shifting our activities towards advisory and equity underwriting and towards investment grade corporates, which will help us to reduce the volatility of our earnings and generate higher-quality earnings. In Global Markets (GM), we have reduced risk-weighted assets and leverage exposures to below the targets we had set for ourselves for the end of 2015. We will continue to build our equities franchise and restructure our fixed income activities to generate more stable earnings through the cycle, notably by reducing certain existing portfolios.

Our focus on allocating capital to those businesses with the best returns on capital is a key component of our strategy. This will lead to increased investment in our geographic divisions at the same time as we increase returns on capital in our investment banking activities and particularly in GM. We plan to allocate more resources to our home market of Switzerland, where we have a strong franchise and strong capabilities supported by our longstanding tradition, and to our growth markets in the emerging economies, particularly in the Asia Pacific region.

We must materially reduce the bank's fixed cost base. Cost competitiveness and flexibility are a crucial imperative for our bank.



Urs Rohner, Chairman of the Board of Directors (left) and Tidjane Thiam, Chief Executive Officer.

We are applying a rigorous, disciplined approach to cost management across the Group to reduce our fixed cost base and permanently lower the bank's break-even point in order to enhance our ability to generate capital through the economic cycle.

FY2015 and 4Q15 Results

For FY2015, we reported a net loss attributable to shareholders of CHF 2.9 billion and a pre-tax loss of CHF 2.4 billion. The pre-tax loss was driven by three items. Firstly, we incurred a goodwill impairment charge of CHF 3.8 billion as a result of the new strategic direction, structure and organization that was announced in October 2015. The goodwill impairment was predominantly related to the acquisition of Donaldson, Lufkin & Jenrette in 2000 and was recognized across three divisions relating to our investment banking businesses: GM (CHF 2,661 million), APAC (CHF 756 million) and IBCM (CHF 380 million). Secondly, we incurred restructuring costs of CHF 355 million in 4Q15 across all the divisions in connection with the implementation of the new strategy. And lastly, we incurred charges relating to significant litigation items and a pre-tax loss in the Strategic Resolution Unit (SRU) in connection with the continued wind-down of businesses that no longer fit with our strategic direction, partially offset by the positive impact from Fair Value of Own Debt (FVOD) of CHF 298 million.

As we progress with the implementation of our new strategy and remain committed to deliver our 2018 targets as announced on October 21, 2015, it is important to measure the progress made in terms of our underlying business performance. To achieve this, we are focusing on adjusted Core results, which are measured excluding SRU activities, goodwill impairment, restructuring

expenses, real estate transactions, deconsolidation and business sales, certain significant litigation expenses, and the impact from FVOD. We will report quarterly on this same adjusted basis at Group, Core and business level until 2018. We believe this will allow investors to monitor our progress in implementing our new strategy, given the material restructuring charges and other one-off items we expect to be borne in the interim period.

Our adjusted results reflect a positive start in the implementation of the new strategy, despite volatile market conditions in 4Q15. The Group delivered adjusted* Core pre-tax income of CHF 4.2 billion compared to CHF 6.3 billion in 2014. The underlying business performance of our three newly created geographic divisions – Asia Pacific, Swiss Universal Bank and International Wealth Management – in FY2015 and 4Q15 highlights the long-term attractiveness of the wealth management opportunity.

APAC delivered its highest full-year adjusted* pre-tax income in five years with more than CHF 1.1 billion and achieved CHF 17.8 billion of net new assets (NNA) with continued strong growth (+9% per annum) in 4Q15. SUB increased its 2015 adjusted* pre-tax income by 4% to CHF 1.6 billion, with a 25% increase over 4Q14. SUB is on track for the partial IPO planned by year-end 2017¹. IWM's Private Banking business increased its FY2015 adjusted* pre-tax income by 6% to CHF 0.8 billion.

NNA generation for FY2015 was strong for APAC and SUB, which generated CHF 17.8 billion and CHF 13.8 billion, respectively. Additionally, we increased mandate penetration from 15% to 26% in SUB and from 23% to 30% in IWM.

Given the particularly challenging environment we face, we have decided to accelerate the implementation of our cost savings program across the bank. We have identified and initiated measures that will permanently reduce our fixed cost base, resulting in cost savings of CHF 500 million per annum on a full-year run-rate basis. We are implementing a workforce reduction (employees, contractors and consultants) of approximately 4,000 positions. Combined with the measures already implemented in 4Q15 (including the transfer of our US Private Banking operations), the cost savings measures identified and initiated by the end of January will represent CHF 1.2 billion per annum, or 34%, of the CHF 3.5 billion of savings targeted by end-2018.

These changes involve some tough decisions but they are unavoidable to ensure the long-term success of the bank. They will provide us with the required room for maneuver to successfully navigate volatile markets and conditions and fund the investments we intend to make to build the foundations of durable, sustainable and profitable growth for Credit Suisse.

We have continued to rebuild our IBCM business through targeted investments, shifting activity towards advisory and equity underwriting and towards investment grade corporates in order to reduce the volatility of our earnings in this attractive, capital-light activity. 4Q15 was our best quarter in terms of announced M&A transactions in the last five years: the overall pipeline into 2016 is strong.

The solid performance of our geographic divisions in 4Q15 was offset by the results of our GM division, which reported an adjusted* pre-tax loss of CHF 658 million for 4Q15 and adjusted* pre-tax income of CHF 1.1 billion for FY2015. Despite the slow-down in market activity and difficult macro environment in Latin America in 4Q15, equities delivered a resilient performance. GM has a legacy of material positions in segments of the market where spreads increased significantly in 4Q15 and where liquidity is low. These positions have been reduced aggressively since we announced the new strategy. Nevertheless, they were still significant at the end of 4Q15, resulting in material inventory mark-downs. In this context, it is essential to continue to restructure our GM activities to make them less volatile and less vulnerable to negative developments in the credit markets. Our focus is on continuing to make the fixed income business model significantly less volatile and inventory dependent as we permanently reduce legacy inventory positions and change the strategic approach. This will include a continued focus on lowering the fixed cost base of the business.

Capital Position

In October 2015, we indicated that a strong capital position was central to our new strategy. This is the reason why we asked you, our shareholders, in November to approve a CHF 6 billion capital increase. Events in 4Q15 and market developments so far this year have confirmed how important this prudent approach is for the future of the Group and we are grateful for your support.

A measure of a bank's capital position is the look-through CET1 ratio, which fully applies the regulatory requirements as of 2019. At the end of 4Q15, Credit Suisse's look-through CET1 ratio was 11.4%, up from 10.2% at the end of 3Q15, and the look-through CET1 leverage ratio was 3.3%. Over the next three years, through a disciplined capital allocation process, we intend to release capital from the SRU and to fund further growth in our APAC and IWM divisions. This is expected to enable us to achieve a CET1 ratio of approximately 13% and a CET1 leverage ratio above 3.5%.

Outlook

Credit Suisse has a clear strategy: to be a leading private bank and wealth manager with strong and distinctive investment banking capabilities that is able to grow profitably and generate capital through the economic cycle.

We continue to believe that wealth management, supported by our investment banking capabilities, remains a uniquely attractive long-term opportunity for our bank, as we are positioned to create value for our clients, individual and institutional, across our chosen markets. Therefore we will continue to implement our strategy with discipline during the 35 months that now separate us from the objectives we committed to achieving by December 2018.

Market conditions in January 2016 have remained challenging and we expect markets to remain volatile throughout the remainder of 1Q16 as macroeconomic issues persist. We expect to continue to make progress on the key dimensions of our strategy as we continue the restructuring of the bank to ensure it is positioned for the future, beyond 2016.

A combination of uncertainties on Chinese growth, the abrupt drop in oil prices, large industry mutual fund redemptions of financial assets, asynchronous policies by leading central banks, lower liquidity and a strong Swiss franc have all contributed to making 4Q15 challenging, with lower levels of client activity, lower levels of issuance and material shifts in the prices of some asset classes. In that context, the bank has delivered a resilient performance. Our strength in our core business and the quality of our teams give us confidence that we will achieve our objectives and, in doing so, will deliver strong returns to our shareholders.

Distribution to shareholders

Consistent with 2014, the Board of Directors will propose to the shareholders at the Annual General Meeting on April 29, 2016, a distribution of CHF 0.70 per share out of reserves from capital

contributions for the financial year 2015. The distribution will be free of Swiss withholding tax and will not be subject to income tax for Swiss resident individuals holding the shares as a private investment. The distribution will be payable in cash or, subject to any legal restrictions applicable in shareholders' home jurisdictions, in new shares of Credit Suisse Group at the option of the shareholder.

We would like to express our sincere gratitude to our clients, our shareholders and our employees for their continued support.

Sincerely



Urs Rohner
Chairman of the
Board of Directors



Tidjane Thiam
Chief Executive Officer

February 2016

* Adjusted results are non-GAAP financial measures. For a reconciliation of the adjusted results to the most directly comparable US GAAP measures, see the "Adjusted results" part of this release.

¹ Any such IPO would involve the sale of a minority stake and would be subject to, among other things, all necessary approvals and would be intended to generate / raise additional capital for Credit Suisse AG or Credit Suisse (Schweiz) AG.

As of January 1, 2013, Basel III was implemented in Switzerland along with the Swiss "Too Big to Fail" legislation and regulations thereunder. As of January 1, 2015, the BIS leverage ratio framework, as issued by BCBS, was implemented in Switzerland by FINMA. The related disclosures are in accordance with Credit Suisse's interpretation of such requirements, including relevant assumptions. Changes in the interpretation of these requirements in Switzerland or in any of Credit Suisse's assumptions or estimates could result in different numbers from those shown herein.

References to phase-in and look-through included herein refer to Basel III requirements. Phase-in under the Basel III capital framework reflects that for the years 2014 – 2018, there will be a five-year (20% per annum) phase in of goodwill and other intangible assets and other capital deductions (e.g., certain deferred tax assets) and for the years 2013 – 2022, there will be a phase out of certain capital instruments. Look-through assumes the full phase-in of goodwill and other intangible assets and other regulatory adjustments and the full phase out of certain capital instruments.

Unless otherwise noted, leverage exposure is based on the BIS leverage ratio framework and consists of period-end balance sheet assets and prescribed regulatory adjustments.

Cost reduction program measured on constant FX rates and based on expense run rate excluding major litigation expenses, restructuring costs and goodwill impairment taken in 4Q15, but including other costs to achieve savings.

We may not achieve all of the expected benefits of our strategic initiatives. Factors beyond our control, including but not limited to the market and economic conditions, changes in laws, rules or regulations and other challenges discussed in our public filings, could limit our ability to achieve some or all of the expected benefits of these initiatives.

This document contains forward-looking statements that involve inherent risks and uncertainties, and we might not be able to achieve the predictions, forecasts, projections and other outcomes we describe or imply in forward-looking statements. A number of important factors could cause results to differ materially from the plans,

objectives, expectations, estimates and intentions we express in these forward-looking statements, including those we identify in "Risk Factors" in our Annual Report on Form 20-F for the fiscal year ended December 31, 2014 and in "Cautionary statement regarding forward-looking information" in our third quarter 2015 Financial Report filed with the US Securities and Exchange Commission, and in other public filings and press releases. We do not intend to update these forward-looking statements except as may be required by applicable law.

Mandates penetration means advisory and discretionary mandates in private banking businesses as a percentage of the related assets under management, excluding those from the external asset manager business.

A summary document containing a more detailed description of the option to receive the distribution in new shares will be made available to shareholders of Credit Suisse Group on or around March 23, 2016. The conditions for the exercise of the scrip alternative, including possible restrictions to its availability to some Credit Suisse Group shareholders, will be specified in such summary document. This letter does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, securities of Credit Suisse Group nor shall it (or any part of it) or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefor. This letter does not constitute a prospectus within the meaning of any applicable law. Eligible shareholders should make their decision to receive a cash distribution or to receive new shares of Credit Suisse Group as part of the 2015 distribution solely based on the terms and conditions of the 2015 distribution and the additional information contained in the relevant documents, which will be available upon publication of the invitation to the 2016 Annual General Meeting. This letter does not constitute a recommendation to shareholders to elect to receive new shares of Credit Suisse Group as part of the 2015 distribution. Eligible shareholders are furthermore advised to consult their bank, tax or financial adviser before making any decision.

Adjusted results

Adjusted results are non-GAAP financial measures that exclude goodwill impairment and certain other items included in our reported results. Management believes that adjusted results provide a useful presentation of our operating results for purposes of assessing our Group and divisional performance over time, on a basis that excludes items that management does not consider representative of our underlying performance. Provided below is a reconciliation of our adjusted results to the most directly comparable US GAAP measures.

in	4Q15	3Q15	4Q14	2015	2014
Core Results – adjusted results (CHF million)					
Income/(loss) before taxes reported	(5,319)	1,492	1,983	88	7,200
Fair value on own debt	697	(623)	(297)	(298)	(543)
Real estate gains	(72)	–	(414)	(95)	(414)
Gains on business sales	(34)	–	(101)	(34)	(101)
Adjustments to net revenues	591	(623)	(812)	(427)	(1,058)
Goodwill impairment	3,797	–	–	3,797	–
Restructuring expenses	202	–	–	202	–
Major litigation provisions	309	177	10	530	111
Adjustments to total operating expenses	4,308	177	10	4,529	111
Adjustments to income/(loss) before taxes	4,899	(446)	(802)	4,102	(947)
Adjusted income/(loss) before taxes	(420)	1,046	1,181	4,190	6,253

Swiss Universal Bank – adjusted results (CHF million)

Income before taxes reported	367	394	707	1,659	1,976
Real estate gains	(72)	–	(414)	(95)	(414)
Gains on business sales	(23)	–	(24)	(23)	(24)
Adjustments to net revenues	(95)	–	(438)	(118)	(438)
Restructuring expenses	39	–	–	39	–
Major litigation provisions	25	–	–	25	–
Adjustments to total operating expenses	64	–	–	64	–
Adjustments to income/(loss) before taxes	(31)	–	(438)	(54)	(438)
Adjusted income before taxes	336	394	269	1,605	1,538

International Wealth Management – Private Banking – adjusted results (CHF million)

Income/(loss) before taxes reported	(56)	151	250	526	795
Gains on business sales	(11)	–	(77)	(11)	(77)
Adjustments to net revenues	(11)	–	(77)	(11)	(77)
Restructuring expenses	30	–	–	30	–
Major litigation provisions	228	50	10	268	51
Adjustments to total operating expenses	258	50	10	298	51
Adjustments to income/(loss) before taxes	247	50	(67)	287	(26)
Adjusted income before taxes	191	201	183	813	769

Asia Pacific – adjusted results (CHF million)

Income/(loss) before taxes reported	(617)	162	122	377	900
Goodwill impairment	756	–	–	756	–
Restructuring expenses	3	–	–	3	–
Major litigation provisions	6	–	–	6	–
Adjustments to total operating expenses	765	–	–	765	–
Adjustments to income/(loss) before taxes	765	–	–	765	–
Adjusted income before taxes	148	162	122	1,142	900

Global Markets – adjusted results (CHF million)

Income/(loss) before taxes reported	(3,474)	169	365	(1,944)	2,657
Goodwill impairment	2,661	–	–	2,661	–
Restructuring expenses	105	–	–	105	–
Major litigation provisions	50	127	–	231	60
Adjustments to total operating expenses	2,816	127	–	2,997	60
Adjustments to income/(loss) before taxes	2,816	127	–	2,997	60
Adjusted income/(loss) before taxes	(658)	296	365	1,053	2,717

Key metrics

	in / end of			% change		in / end of			% change
	4Q15	3Q15	4Q14	QoQ	YoY	2015	2014	YoY	
Credit Suisse (CHF million, except where indicated)									
Net income/(loss) attributable to shareholders	(5,828)	779	691	–	–	(2,944)	1,875	–	
of which from continuing operations	(5,828)	779	701	–	–	(2,944)	1,773	–	
Basic earnings/(loss) per share from continuing operations (CHF)	(3.28)	0.46	0.40	–	–	(1.73)	0.99	–	
Diluted earnings/(loss) per share from continuing operations (CHF)	(3.28)	0.44	0.39	–	–	(1.73)	0.98	–	
Return on equity attributable to shareholders (%)	(51.3)	7.1	6.2	–	–	(6.8)	4.4	–	
Effective tax rate (%)	9.7	9.7	21.2	–	–	(21.6)	38.7	–	
Core Results (CHF million, except where indicated)									
Net revenues	4,189	5,995	6,419	(30)	(35)	23,384	25,074	(7)	
Provision for credit losses	40	89	55	(55)	(27)	192	153	25	
Total operating expenses	9,468	4,414	4,381	114	116	23,104	17,721	30	
Income/(loss) before taxes	(5,319)	1,492	1,983	–	–	88	7,200	(99)	
Cost/income ratio (%)	226.0	73.6	68.3	–	–	98.8	70.7	–	
Assets under management and net new assets (CHF billion)									
Assets under management	1,214.1	1,285.8	1,368.7	(5.6)	(11.3)	1,214.1	1,368.7	(11.3)	
Net new assets from continuing operations	4.3	16.2	(2.9)	(73.5)	–	49.1	29.9	64.2	
Balance sheet statistics (CHF million)									
Total assets	820,805	858,420	921,462	(4)	(11)	820,805	921,462	(11)	
Net loans	272,995	274,825	272,551	(1)	0	272,995	272,551	0	
Total shareholders' equity	44,382	44,757	43,959	(1)	1	44,382	43,959	1	
Tangible shareholders' equity	39,378	36,022	35,066	9	12	39,378	35,066	12	
Basel III regulatory capital and leverage statistics									
Risk-weighted assets (CHF million)	294,950	290,122	291,410	2	1	294,950	291,410	1	
CET1 ratio (%)	14.3	14.0	14.9	–	–	14.3	14.9	–	
Look-through CET1 ratio (%)	11.4	10.2	10.1	–	–	11.4	10.1	–	
Look-through CET1 leverage ratio (%)	3.3	2.8	2.5	–	–	3.3	2.5	–	
Look-through Tier 1 leverage ratio (%)	4.5	3.9	3.5	–	–	4.5	3.5	–	
Share information									
Shares outstanding (million)	1,951.5	1,633.7	1,599.5	19	22	1,951.5	1,599.5	22	
of which common shares issued	1,957.4	1,638.4	1,607.2	19	22	1,957.4	1,607.2	22	
of which treasury shares	(5.9)	(4.7)	(7.7)	26	(23)	(5.9)	(7.7)	(23)	
Book value per share (CHF)	22.74	27.40	27.48	(17)	(17)	22.74	27.48	(17)	
Tangible book value per share (CHF)	20.18	22.05	21.92	(8)	(8)	20.18	21.92	(8)	
Market capitalization (CHF million)	42,456	38,371	40,308	11	5	42,456	40,308	5	
Number of employees (full-time equivalents)									
Number of employees	48,200	48,100	45,800	0	5	48,200	45,800	5	

Financial calendar and contacts

Financial calendar

Annual General Meeting	Friday, April 29, 2016
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US share register and transfer agent

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