CREDIT SUISSE

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Annual General Meeting of CREDIT SUISSE GROUP
Zurich, April 29, 2016

Presentation by Tidjane Thiam
Chief Executive Officer

Thank you, Mr. Chairman.

Dear Shareholders

I would like to thank you for attending today's Annual General Meeting. I value this opportunity to address you this morning and to update you on the developments at Credit Suisse.

This is my first Annual General Meeting at Credit Suisse since I started in my CEO role a little over nine months ago, in July 2015. Our Chairman Urs Rohner underlined in his speech a few minutes ago how much our external environment has changed in the recent past - in terms of the world economy, the banking industry and in our regulation. There have also been many changes within our organization.

What I would like to do during the time I have been allotted this morning is to talk to you about the bank's strategy and its organizational structure.

I will then comment on our performance in 2015 before turning in the final section of my presentation to 2016 and our priorities - in the short term but also in the medium and long term.

Before I start my presentation, I would like to say a few words about something we all very much care about: the share price of Credit Suisse.

The development of our company's share price in recent months has been disappointing for you as shareholders, for everyone at Credit Suisse and for me personally.

Clearly, conditions in the world economy created unique pressures in the fourth quarter of 2015 and the first quarter of 2016, with a major impact on bank valuations. These include historically low interest rates, fears about a slowdown in China and in emerging economies, low oil prices, and uncertainties about the policies of major central banks.

In October we launched a major restructuring of our bank. Such a restructuring is always a challenge, particularly in such unsupportive markets and difficult economic conditions. I must recognise in all humility and honesty that our share price has been negatively impacted as a result, much like the share price of other banks that are going through a similar restructuring at this point in time.

A large investment bank was a key attribute of the previous strategy, leading to volatile results. We have seen some of that manifest itself in a poor performance in the fourth quarter of 2015 and, to a lesser extent, in the first quarter of this year.

I can assure you that the Board of Directors, the Executive team and I along with all the Credit Suisse employees are working hard every day to create shareholder value over the long term.

I believe that in the longer term, there is only one way to improve Credit Suisse's share price: demonstrating the merits of our strategy and the value of our team through the delivery of strong and consistent results.

I came to Switzerland and joined Credit Suisse because I firmly believe in the fundamental strengths of this bank:

- First, Credit Suisse has major and historic position in Switzerland. This country has all the prerequisites to remain a strong economy and a financial center of global importance. Since living here, my belief in the potential of this country in terms of innovation and economic strength has been very much confirmed.
- Second, I am deeply impressed by the vast expertise that is concentrated in our bank and by its strong network of relationships in emerging and developed markets.
- Third, I am also convinced that our long-established and important presence in many markets around the world, including Asia, is a source of competitive strength. We are in a unique position to capture the wealth being created by the world economy, and the benefits of this strategy will, over time, accrue to you, our shareholders.

Ladies and Gentlemen, that brings me to my first point on the agenda: Credit Suisse's strategy and structure.

Credit Suisse's strategy and structure – progress achieved

After taking office in July 2015, the management team and I – together with the Board of Directors – began a thorough assessment of the bank's strategic and financial position. This review process lasted three months and involved staff in all our businesses across the world.

As a result of this exercise, it became clear that we all share the same ambition: to be a leading private bank and wealth manager with strong investment banking capabilities.

My team and I – working closely with the Chairman and the Board of Directors – developed a detailed plan, which we presented last October.

We concluded that we want to build on the strengths of Credit Suisse as well as on clear secular macroeconomic trends:

- First, we want to build on our leading position in Switzerland – the country with the highest wealth per capita globally. Our Swiss home market not only offers attractive wealth management opportunities but also has vibrant business sectors, where we can support large global corporates as well as smaller and medium-sized companies.

  Switzerland has ranked at the top of the Global Innovation Index for the past five years. Innovation enhances productivity and helps to create prosperity.

  We serve more than 1.6 million clients in Switzerland through our team of over 2,000 relationship managers. With around 156 billion Swiss francs of loans outstanding, we play a vital role in the Swiss economy. We are a strong and reliable financial partner to around 100,000 small and medium-sized companies in Switzerland.

- Second, we want to serve wealthy and ultra-wealthy clients in emerging markets across the world. We believe that with the support of our strong investment banking capabilities, we can and will generate significant value for those clients. Underlying trends demonstrate the attractiveness of this opportunity.

The number of millionaires globally has grown by almost 150% in the past 15 years. Total wealth in the world has doubled since 2000. The middle class has grown by almost 140 million adults in the last 15 years, of which over 42 million live in Asia. China alone now counts 1.3 million millionaires in Swiss francs.

Like in other emerging markets, there is a wealth of opportunities that we are well positioned to capture. In those markets, we want to target ultra-high-net-worth and high-net-worth-individuals and entrepreneurs who have closely interconnected wealth management and investment banking needs.

- To do this successfully, we need an investment bank – one that is the right size, that is optimized in terms of capital usage, that engages in less risky activities, to produce stable earnings and that supports the needs of our wealth management clients.

Our new **organizational structure** with the Swiss Universal Bank, International Wealth Management and Asia Pacific divisions – combined with our two investment banking units – mirrors the opportunities that exist in the world's different regions.

We were able to substantially complete the process of realigning our organization by the end of 2015. All our employees have since January 1, 2016 been working under the new structure.

I would like to thank all Credit Suisse employees for their great efforts during this intensive period, which coincided with extremely challenging conditions in our key markets and activities. They had to deliver on three goals simultaneously: they had to remain focused on serving our clients, they had to fully support our restructuring initiatives and, at the same time, they had to continue to implement our growth initiatives. I am very grateful to them for their commitment.

Ladies and Gentlemen, the Board of Directors and the Executive Board agreed from the start that it was vital to significantly strengthen Credit Suisse's capital base in view of the planned restructuring and difficult market conditions.

We successfully completed the capital increase in December 2015, raising 6 billion Swiss francs in a challenging capital market environment. By the end of 2015, we had thus significantly strengthened our balance sheet, increasing our look-through common equity tier 1 ratio from 10.0% at Q1 2015 to 11.4% at year-end 2015, the highest we have ever achieved.

I would like to take this opportunity to thank you, our shareholders, for approving this important step for Credit Suisse at our Extraordinary General Meeting last November.

Now let me turn to our financial results for 2015.

Financial review 2015

In October 2015, we announced that the restructuring of Credit Suisse would probably lead to a goodwill impairment charge, which would impact our financial results but not our look-through capital. In addition, market conditions worsened dramatically in the fourth quarter of 2015 and negatively affected our business – especially in our Global Markets division – in the midst of our restructuring efforts.

These adverse conditions continued into early 2016. As a result, Credit Suisse reported a pre-tax loss of 2.4 billion Swiss francs for the full year 2015.

In this challenging environment, the adjusted performance of our underlying business based on our new strategy was, in fact, encouraging.

On an adjusted basis, we achieved a strong performance in our Swiss Universal Bank, Asia Pacific and International Wealth Management divisions.

- We reported strong net new assets of 13.8 billion Swiss francs for the Swiss Universal Bank, 17.8 billion Swiss francs for Asia Pacific and 23.5 billion Swiss francs for International Wealth Management for the full year 2015[1].
- Compared to 2014, adjusted pre-tax income grew by 4% in our Swiss Universal Bank division, by 27% in our Asia Pacific division and by 6% in International Wealth Management's Private Banking business for the full year 2015.

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[1] Not adjusted for assets managed across businesses

This demonstrates that our wealth management businesses – Swiss Universal Bank, Asia Pacific and International Wealth Management – delivered, on an adjusted basis, strong results in 2015 in our core growth markets.

We started making progress in de-risking and right-sizing our business in Global Markets in 2015, however we still had significant exposures in our fixed income business when market conditions began to deteriorate at the end of 2015. The situation was further exacerbated by a historical cost base that was both high and inflexible. This resulted in a substantial loss for the Global Markets division for 2015.

By further reducing capital usage in Global Markets, we will be able to re-allocate capital resources to areas of the Group that generate profitable growth, notably the Swiss Universal Bank, Asia Pacific and International Wealth Management. We are further shifting the business mix from Global Markets to wealth management in line with our strategy.

That brings me to our priorities for the current year and to the longer-term opportunities that will benefit Credit Suisse and you, our shareholders.

2016 and beyond

The first quarter of 2016 has seen a continuation of some of the negative pressures experienced in the further quarter of 2015. January and February were simply two of the worst months ever in international markets. As a result, we decided to accelerate our strategy of right-sizing and de-risking our market activities.

In 2016, our main focus will be on three areas:

First, we are **increasing the resilience** of our bank by continuing and amplifying our efforts to significantly lower our cost base by 2018. This will increase our ability to remain profitable through the economic cycle, even in challenging and volatile market conditions. A large part of our targeted 2018 cost savings will be delivered by restructuring of our Global Markets division and winding-down activities that are not in strategy anymore. As the Chairman said earlier, we increased our 2018 cost saving target from 3.5 billion Swiss francs to 4.3 billion Swiss francs, in order to bring the bank's cost base below 18 billion Swiss francs by 2018.

Second, as I highlighted before, our focus is on delivering **profitable and compliant growth**: Our aim is to be capital generative and to deliver profitable growth through the economic cycle. We will continue to invest in our Swiss Universal Bank, Asia Pacific and International Wealth Management divisions. We are also making investments to support our efforts to ensure compliance in these areas.

Our third priority is to maintain a **strong capital position**: At the end of 2015, our common equity tier 1 capital ratio on a look-through basis was 11.4% – the strongest at Credit Suisse ever. We are continuing to reduce our exposure to high-risk and volatile investment banking activities.

Ladies and Gentlemen, that brings me to my closing remarks.

Closing remarks

We have been making good progress in implementing the plans we communicated last October.

The performance of our wealth management businesses in 2015 was good and remained strong during the first quarter of 2016.

I remain convinced of the future growth potential of our wealth management business, supported by our investment banking capabilities.

At the same time, we must be clear that we are operating in challenging market conditions, which were reflected by our financial performance for the full year 2015 and have persisted into the first quarter of 2016. We will announce Credit Suisse's financial results for the first quarter of 2016 on May 10.

As previously mentioned, we expect Credit Suisse's financial performance in 2016 to continue to be affected by restructuring initiatives as we implement our strategy. It is therefore more important than ever for us to remain disciplined and focused on Credit Suisse's priorities going forward.

We are building our platform for the future. That can seem like a tough task, and one that rarely wins many plaudits in the short term but it is the only path that will lead to success in the long term.

Together with the Chairman, the Board of Directors and our senior management team, I firmly believe in our strategy and in the direction we are taking. I am committed to delivering on our common goals in order to improve our bank, Credit Suisse.

As a final point, I would like to express again my sincere gratitude to our employees around the world and to our clients for the trust they place in Credit Suisse.

And last but not least, my thanks go to you, our shareholders.

Thank you.

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