Credit Suisse: Capital Structure & Legal Entity Transformation

2016 Credit Suisse European Banks Conference

David Mathers, Chief Financial Officer

London, March 3, 2016

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This presentation 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 fourth quarter earnings release 2015 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.

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This presentation contains certain historical information that has been re-segmented to approximate what our results under our new structure would have been, had it been in place from January 1, 2014. In addition, "Illustrative,“ “Ambition” and “Goal” presentations are not intended to be viewed as targets or projections, nor are they considered to be Key Performance Indicators. All such presentations are subject to a large number of inherent risks, assumptions and uncertainties, many of which are outside of our control. Accordingly, this information should not be relied on for any purpose. In preparing this presentation, management has made estimates and assumptions which affect the reported numbers. Actual results may differ. Figures throughout presentation may also be subject to rounding adjustments.

Statement regarding capital, liquidity and leverage

As of January 1, 2013, Basel 3 was implemented in Switzerland along with the Swiss “Too Big to Fail” legislation and regulations thereunder. As of January 1, 2015, the Bank for International Settlements (BIS) leverage ratio framework, as issued by the Basel Committee on Banking Supervision (BCBS), was implemented in Switzerland by FINMA. Our related disclosures are in accordance with our interpretation of such requirements, including relevant assumptions. Changes in the interpretation of these requirements in Switzerland or in any of our assumptions or estimates could result in different numbers from those shown in this presentation. Capital and ratio numbers for periods prior to 2013 are based on estimates, which are calculated as if the Basel 3 framework had been in place in Switzerland during such periods. 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. Leverage amounts for 4Q14, which are presented in order to show meaningful comparative information, are based on estimates which are calculated as if the BIS leverage ratio framework had been implemented in Switzerland at such time. Beginning in 2015, the Swiss leverage ratio is calculated as Swiss total capital, divided by period-end leverage exposure. The look-through BIS tier 1 leverage ratio and CET1 leverage ratio are calculated as look-through BIS tier 1 capital and CET1 capital, respectively, divided by end-period leverage exposure.

Cautionary statement regarding this presentation

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Agenda

2016 Credit Suisse European Banks Conference

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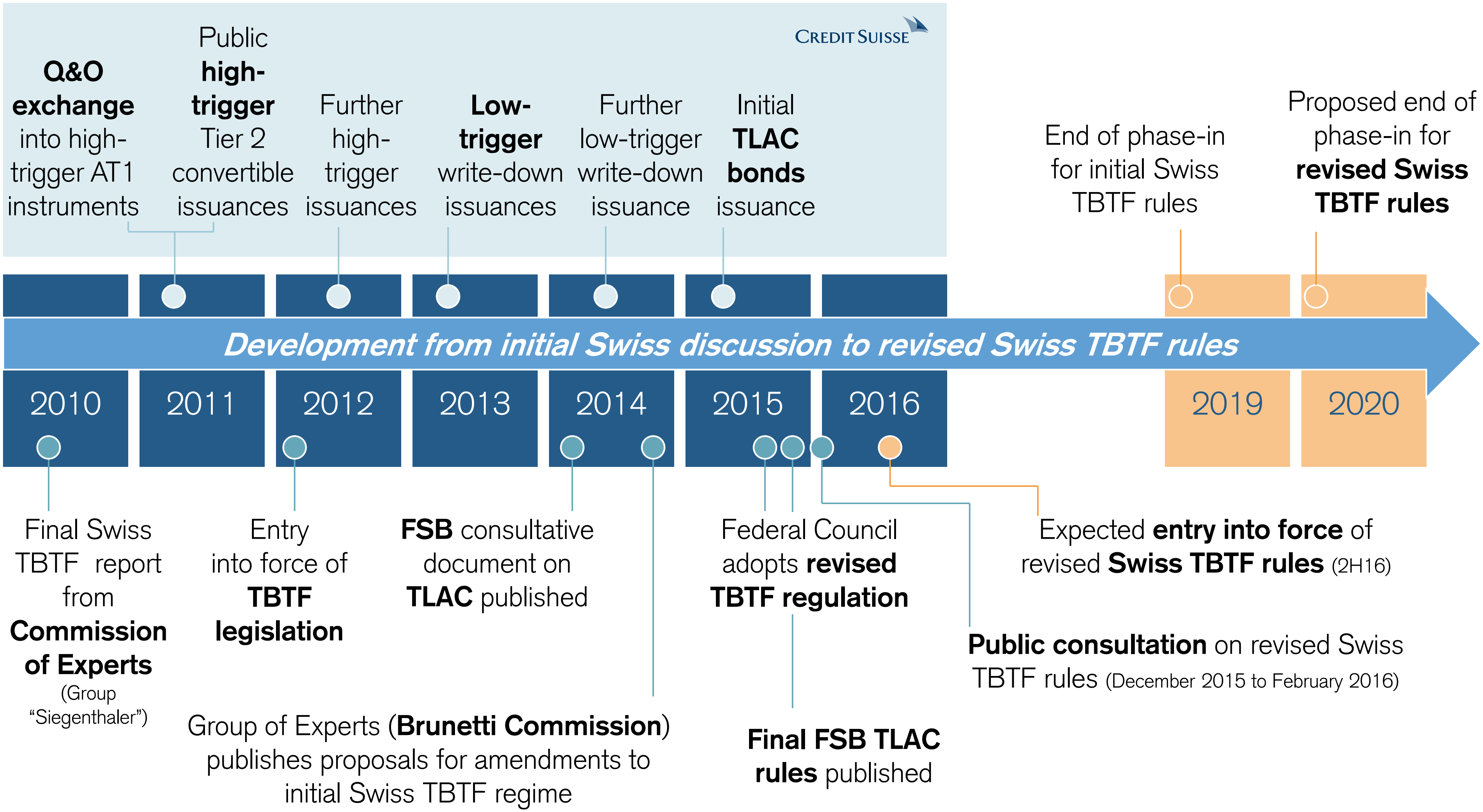
1. **Existing Credit Suisse Capital Instruments**
2. **Draft New Swiss TBTF Rules and TLAC**
3. **Q&A Session**

TBTF development since 2010



TBTF = Too Big to Fail. FSB = Financial Stability Board. TLAC = Total loss-absorbing capacity. Q&O = Qatar Investment Authority and The Olayan Group.

Credit Suisse capital instrument philosophy

Design and implementation have been driven by the differentiation between concepts of going and gone concern capital

– Generally, **equity and high-trigger capital instruments** are considered **going concern**, while **low-trigger capital instruments** are considered **gone concern**

Going Concern

Credit Suisse has **favored equity conversion structures for high-trigger capital instruments** in order to provide recovery value and preserve equity subordination

– Have a preference for high-trigger conversion formats, but may also look to issue high-trigger write-down instruments (also aligns with employee Contingent Capital Awards)

Gone Concern

Low-trigger capital instruments were generally viewed as gone concern capital, given the **likely limited recovery value** at the specified trigger point. As such, all **low-trigger capital instruments have been issued with write-down structures**

– Note that the revised TBTF rules do not *require* any trigger-based gone concern capital

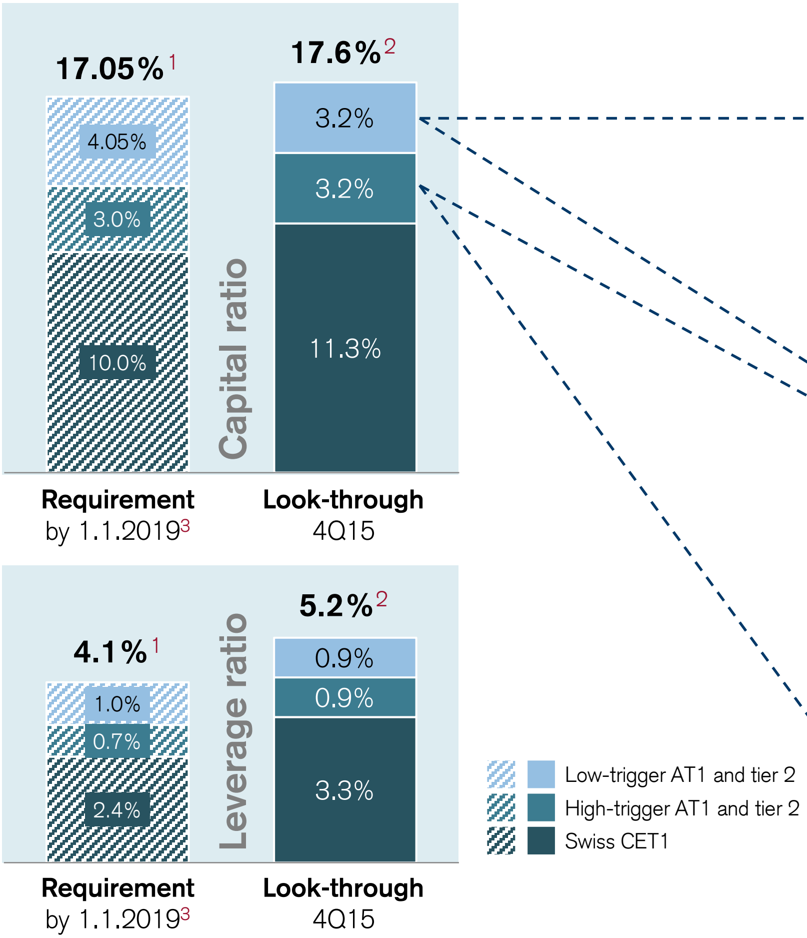
We have designed our issuance structure in coordination with the rules to **align various stakeholder groups**:

– **Dividend stopper** aligns the interests of equity and AT1 investors

– **High-trigger write-down AT1 employee Contingent Capital Awards** aligns the interests of employees with fixed income investors

Existing instruments under current TBTF

Capital and leverage ratio



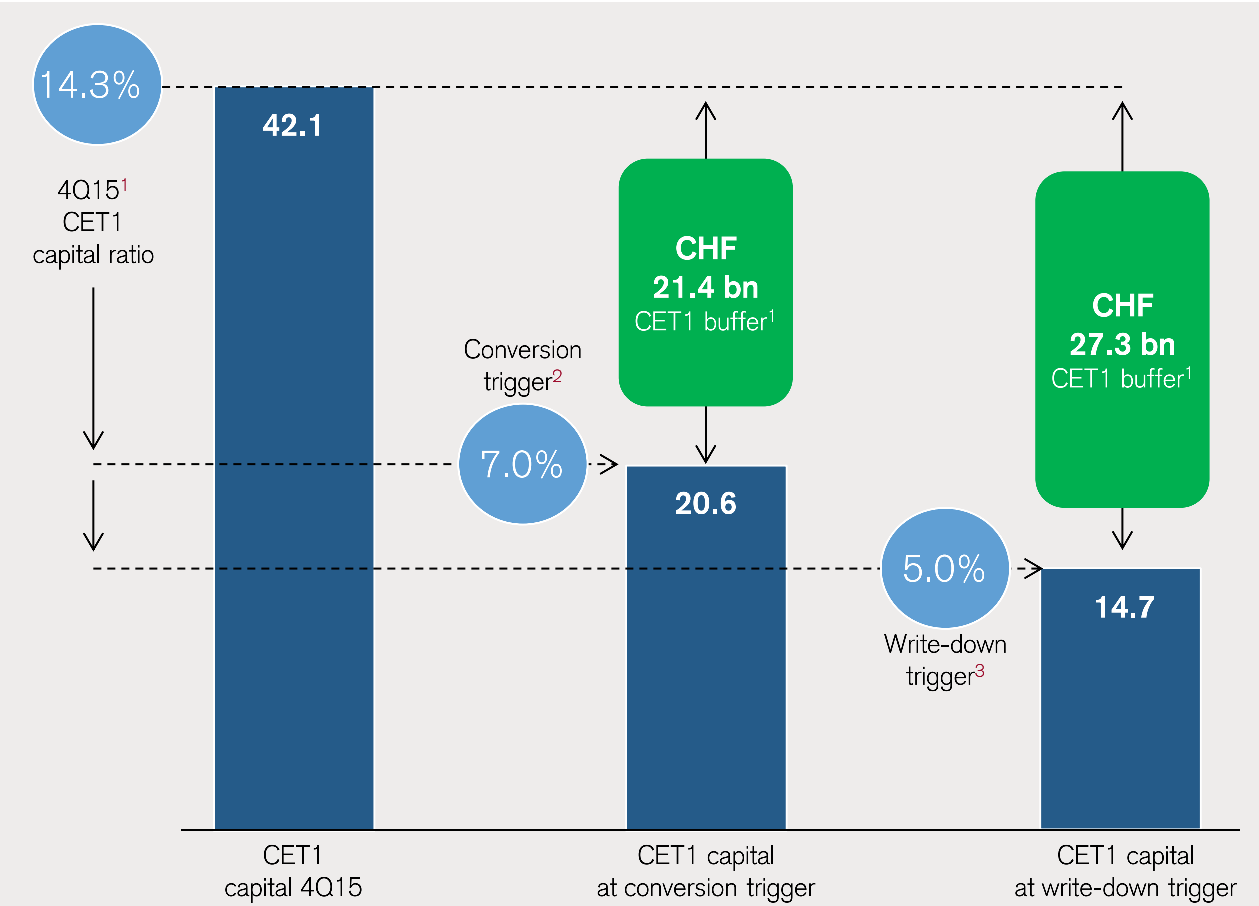
Outstanding instruments

			Currency	Notional (in million)	Maturity	First call	Proposed New TBTF: Qualifies as Going concern until	Proposed New TBTF: Recognized as
Low-trigger	Write-down	Tier 2	USD	2,500	2023	Aug. 2023	First call or end 2019 (whichever is first)	Going / Gone concern
			EUR	1,250	2025	Sept. 2020		
		AT1	CHF	290	perpetual	Sept. 2018	First call (even if beyond 2019)	Going /Gone concern
			USD	2,250	perpetual	Dec. 2023		
			USD	2,500	perpetual	Dec. 2024		
High-trigger	Conversion	Tier 2	USD	2,000	2041	Aug. 2016	First call or end 2019 (whichever is first)	Going /Gone concern
			CHF	750	2022	Mar. 2017		
		AT1	CHF	2,500	perpetual	Oct. 2018		Going concern
			USD	1,720	perpetual	Oct. 2018		
			USD	1,725	perpetual	Oct. 2018		
	Write-down	AT1	Contingent Capital Awards CHF	510[4]	perpetual	n.a.		Going concern
		Total[4]	CHF	18.5 bn				

Rounding differences may occur. TBTF = Too Big Too Fail. CET1 = Common equity tier 1. AT1 = Additional tier 1. 1 Excludes countercyclical buffer required as of September 30, 2013. 2 Swiss CET1 of CHF 32.8 bn, high-trigger capital instruments of CHF 9.2 bn and low-trigger capital instruments of CHF 9.2 bn. 3 Shown is end 2015 requirement. Note that for 2016, FINMA increased our 2019 progressive component requirement from 4.05% to 5.07% due to the latest assessment of relevant market shares, which leads to a total capital ratio requirement of 18.07% and a Swiss leverage ratio requirement of 4.34%. The progressive component requirement is dependent on our size (leverage exposure) and the market share of our domestic systemically relevant business and is subject to potential capital rebates that may be granted by FINMA.
4 Represents the amount recognized in capital.

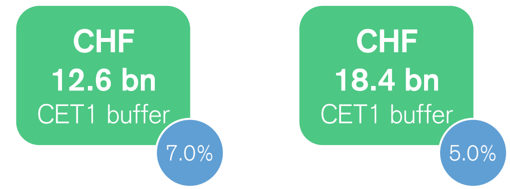
Large capital buffer to capital instrument triggers

Phase-in BIS CET1 ratio and capital in CHF bn

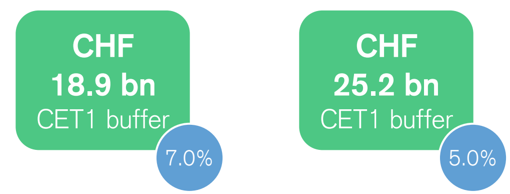


Look-through impact[4]:

- Assuming CET1 capital ratio of 11.4%[5] (as of end 4Q15)



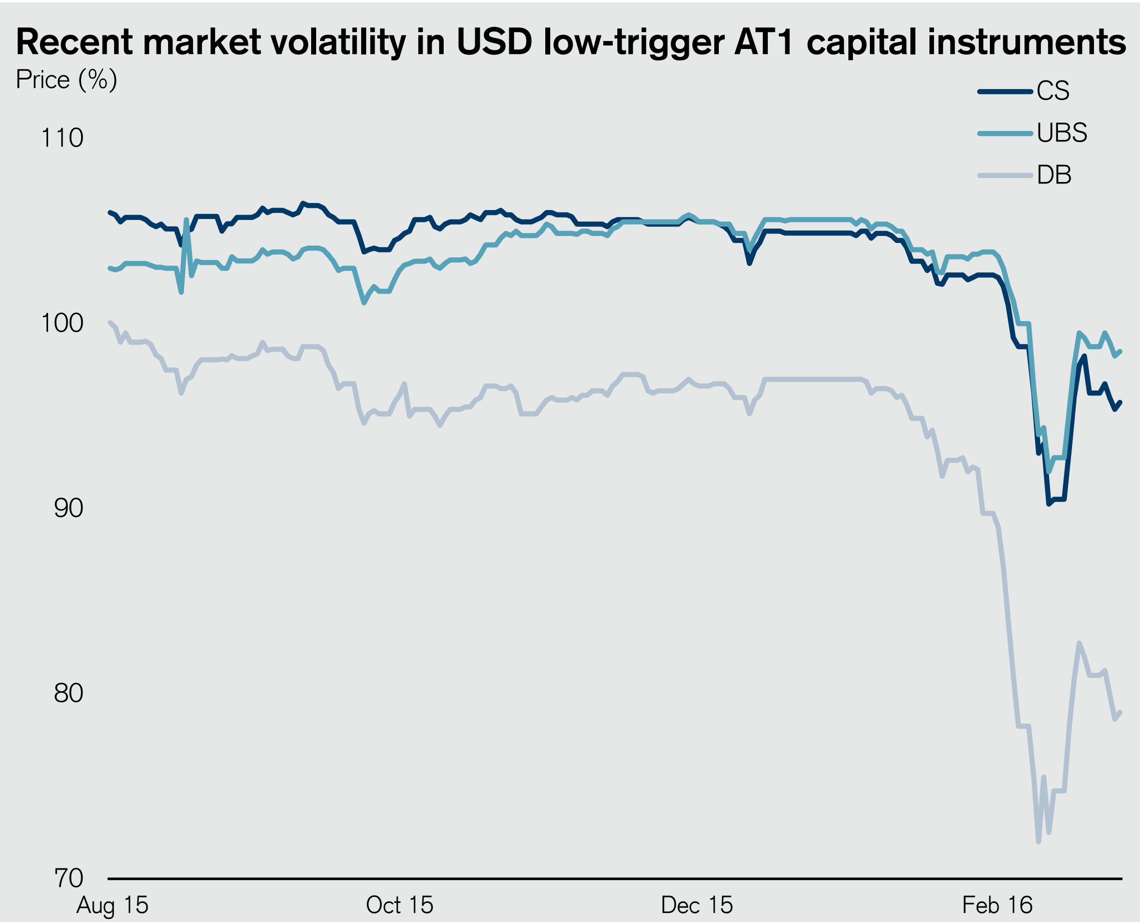
- Assuming a targeted CET1 capital ratio of 13%[6] (as end 2018 target)



Note: For presentation purposes the CET1 buffer for the 5.125% low-trigger capital instrument is not shown. Rounding differences may occur. CET1 = Common equity Tier 1. 1 Based on year-end 2015 phase-in risk-weighted assets of CHF 295 bn. 2 Conversion into equity upon Credit Suisse Group AG's (the "Group") reported phase-in CET1 ratio falling below 7%, or a determination by FINMA that conversion is necessary, or that the Group requires public sector capital support, to prevent it from becoming insolvent, bankrupt or unable to pay a material amount of debts, or other similar circumstances. 3 The principal amount of the instrument would be written-down to zero and canceled if the following trigger events were to occur: A) the Group's reported phase-in CET1 ratio falls below 5%; or B) FINMA determines that cancellation of the instrument and other similar contingent capital instruments is necessary, or that the Group requires public sector capital support, in either case to prevent it from becoming insolvent or otherwise failing ("Customary Non-Viability Scenarios"). 4 Assumes the full application of a five-year (20% per annum) phase-in of goodwill, other intangible assets and other capital deductions (e.g., certain deferred tax assets) and the phase-out of an adjustment for the accounting treatment of pension plans and certain capital instruments. 5 Based on year-end 2015 look-though risk-weighted assets of CHF 290 bn. 6 Based on year-end 2018 look-though RWA target of CHF 315 bn.

Strong capacity for AT1 coupon payments

Credit Suisse has been a consistent dividend payer, not only throughout the financial crisis but since the bank was founded in 1856



- Distributable profits[1] of CHF 15.7 bn
- Provides significant coverage for AT1 coupon payments of ~CHF 1bn (2016)

- AT1 instruments include a contractual dividend stopper (unlike EU under CRD4)

- Credit Suisse will be prohibited from making any AT1 interest payment if:
  - Distributable profits are less than the aggregate amount of AT1 interest payments
  - FINMA prohibited such interest payment
  - Minimum regulatory requirements are not met

Source: Bloomberg. "Distributable Profits" = aggregate of i) net profits carried forward and ii) freely available reserves (other than reserves for own shares), in each case, less any amounts that must be contributed to legal reserves under applicable law, all as appearing in the Relevant Accounts (i.e., the audited unconsolidated financial statements of the issuer for the previous financial year). 1 As of the end of 2014, the distributable profits of Credit Suisse Group AG, under the terms of our capital instruments, consisted of retained earnings brought forward of CHF 5.2 bn and free reserves of CHF 10.5 bn.

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Expected key changes of new Swiss TBTF capital requirements

Formalization of **FSB TLAC proposals**

Swiss law requirements for TLAC

Streamlining of capital instruments into **only high-trigger AT1**

Withholding tax exemption

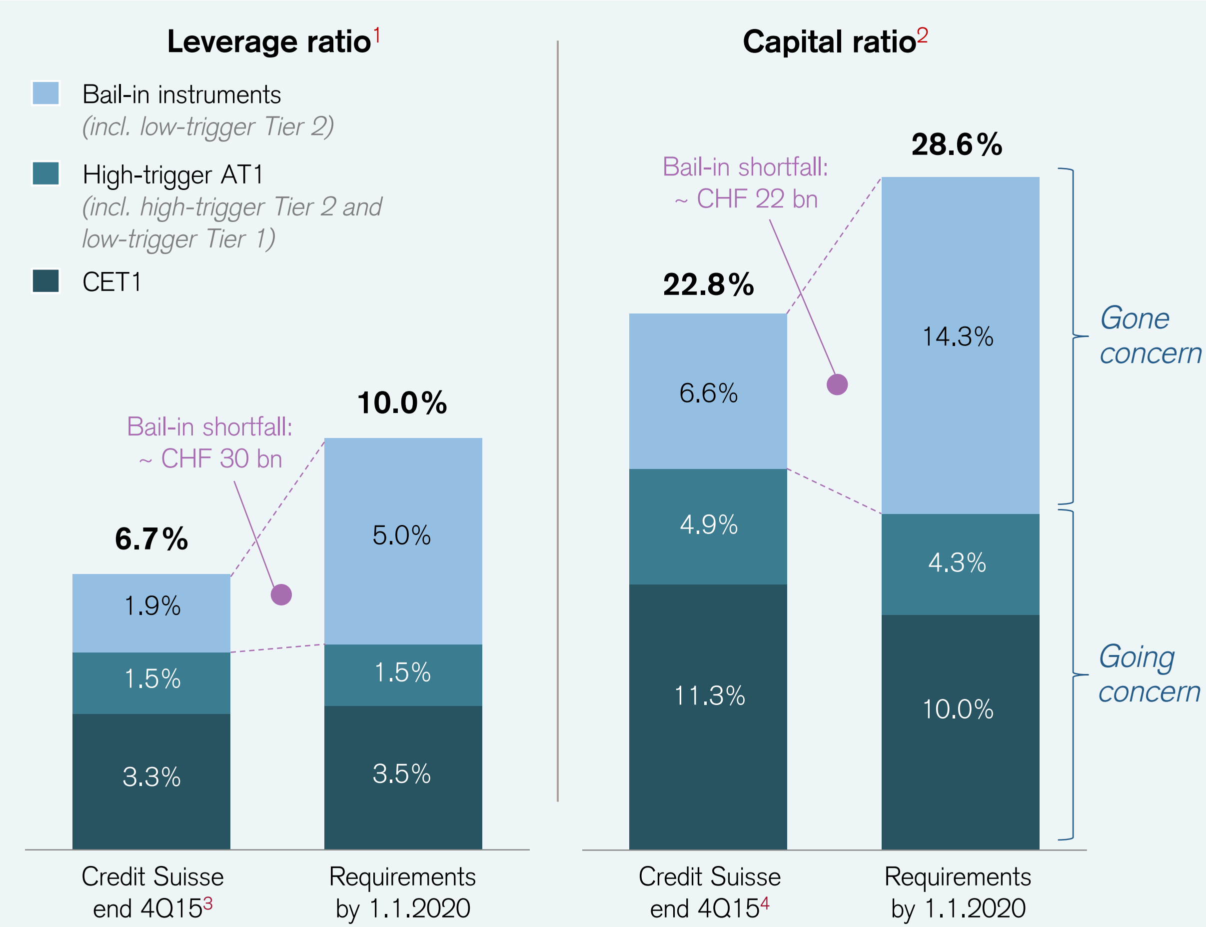
Extensive grandfathering proposals for existing high-trigger Tier 2 and low-trigger capital

Recalibration of the **leverage** regime and associated **RWA requirements**

FSB = Financial Stability Board. TLAC = Total loss-absorbing capacity.

Proposed new Swiss TBTF capital requirements

Capital adequacy ratios, Swiss look-through



Bail-in (TLAC) shortfall:

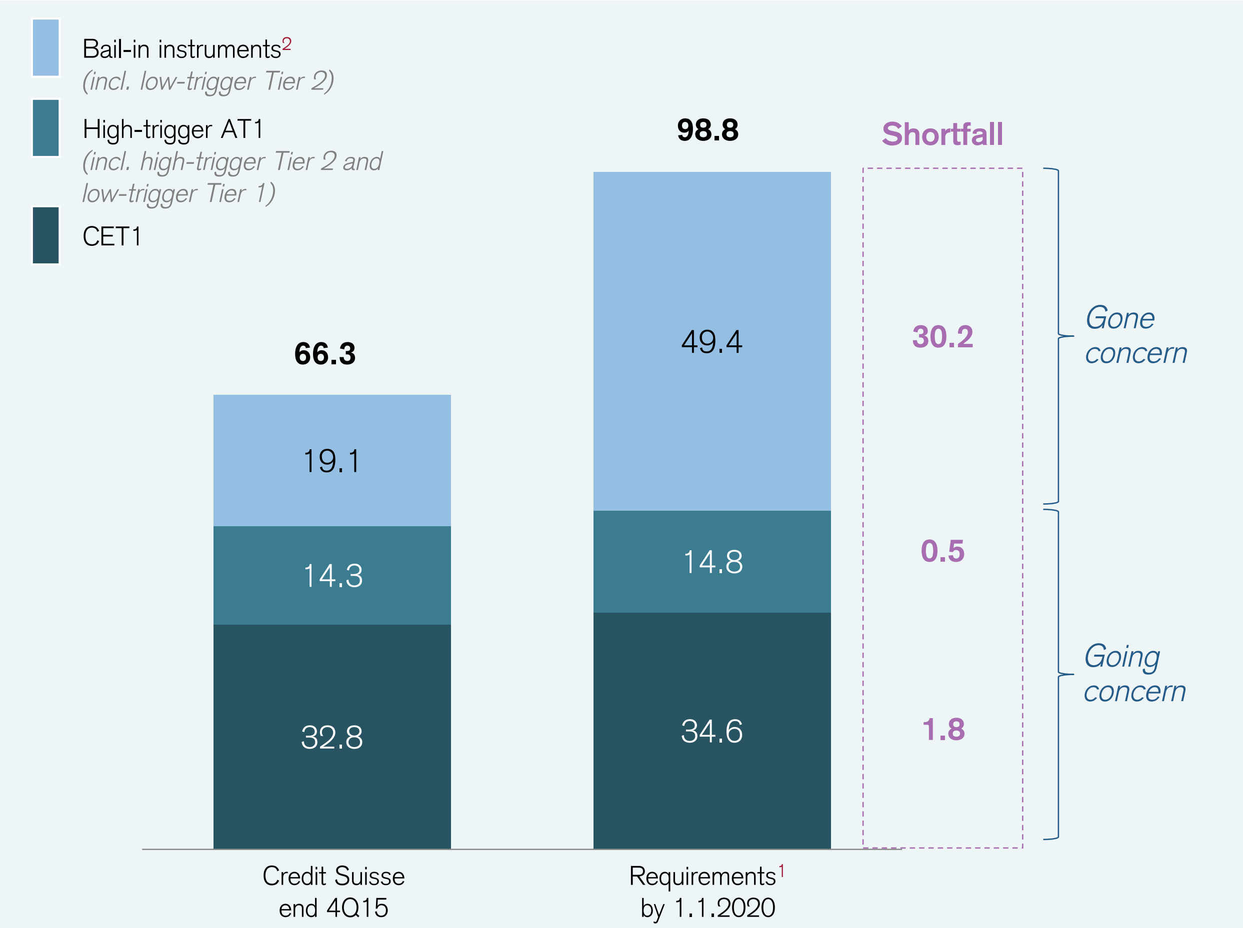
- Based on 4Q15 leverage exposure and RWA, the look-through gone concern[5] shortfall is:
  - ~ CHF 30 bn on a leverage basis[3]
  - ~ CHF 22 bn on an RWA basis[4]
- Based on end-2018 leverage exposure and RWA targets, the look-through gone concern[5] shortfall would be:
  - ~ CHF 31 bn on a leverage basis[6]
  - ~ CHF 26 bn on an RWA basis[7]

- Leverage ratio requirement currently most binding:
  - determines optimal level of high-trigger AT1
  - determines gone concern requirement

TBTF = Too Big to Fail. SIBs = Systemically important banks. CET1 = Common Equity Tier 1. AT1 = Additional Tier 1. 1 In percentage of leverage exposure. 2 In percentage of risk-weighted assets (RWA). 3 Based on year-end 2015 look-through Swiss leverage exposure of CHF 988 bn. 4 Based on year-end 2015 look-through Swiss RWA of CHF 291 bn. 5 Including CHF 15.0 bn of senior unsecured HoldCo debt and CHF 4.1 bn of low-trigger Tier 2 capital instruments. 6 Based on end-2018 leverage exposure target of CHF 1,000 bn. 7 Based on end-2018 RWA target of CHF 315 bn. Note: On December 22, 2015, the Swiss Federal Council published the planned ordinance amendments to the Swiss TBTF regime, which will be phased in by the end of 2019. It is expected that draft ordinances implementing this new framework into Swiss law will be approved by the Swiss Federal Council in 2Q16 and implemented shortly thereafter. Note: Going concern adequacy ratios dependent on size (leverage ratio exposure) and market share of our domestic systemically relevant business and is subject to potential capital rebates that may be granted by FINMA.

Capital instrument issuance requirements

Capital adequacy amounts, Swiss look-through in CHF bn

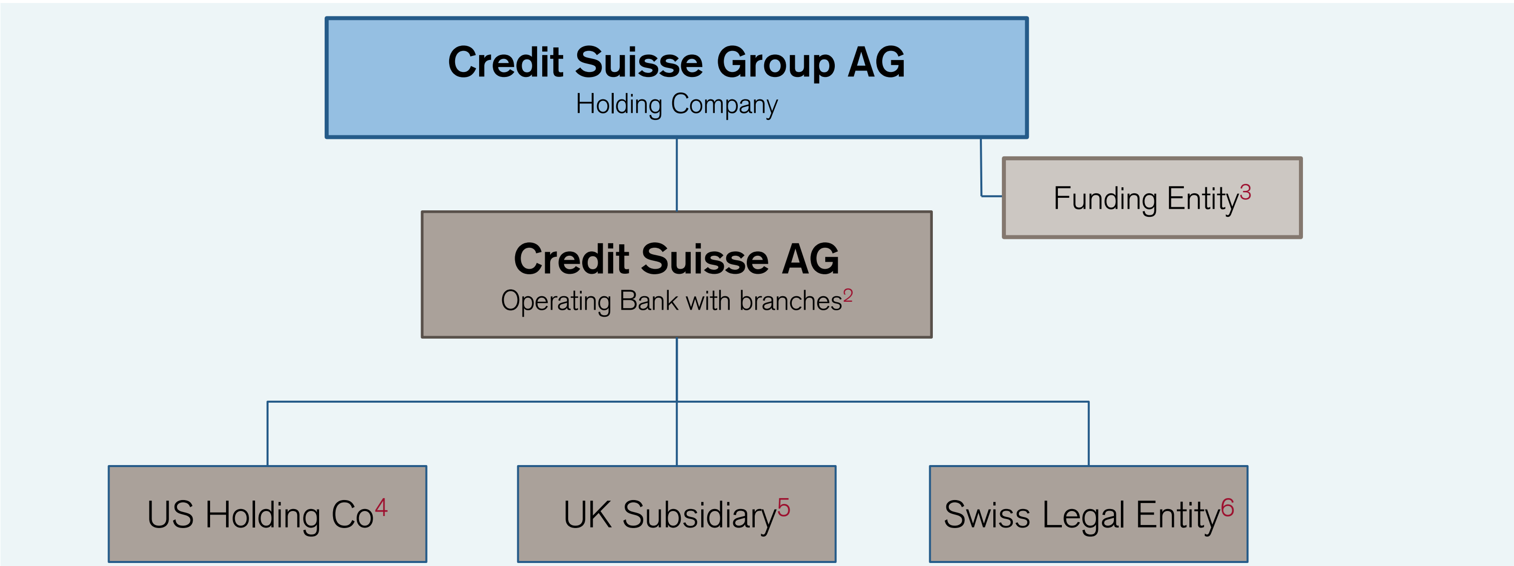


- Through 2019 we will replace existing callable capital instruments with fully compliant going concern AT1 capital
- We will replace a portion of maturing Bank (OpCo) instruments through 2019 with ~CHF 30 bn of TLAC instruments to reach our estimated gone concern requirement

CET1 = Common Equity Tier 1. AT1 = Additional Tier 1. 1 Based on year-end 2015 look-through Swiss leverage exposure of CHF 988 bn. 2 Including CHF 15.0 bn of senior unsecured HoldCo debt and CHF 4.1 bn of low-trigger Tier 2 capital instruments. Note: On December 22, 2015, the Swiss Federal Council published the planned ordinance amendments to the Swiss TBTF regime, which will be phased in by the end of 2019. It is expected that draft ordinances implementing this new framework into Swiss law will be approved by the Swiss Federal Council in 2Q16 and implemented shortly thereafter. Note: Going concern adequacy ratios dependent on size (leverage ratio exposure) and market share of our domestic systemically relevant business and is subject to potential capital rebates that may be granted by FINMA.

Credit Suisse legal entity structure

Simplified view[1]



- **Withholding tax**

  Paying agent principle to be refrained for now and tax exemption for bail-in bonds expected beginning of 2017

Goals

- Designed to meet future requirements for global recovery and resolution planning
- Possibility of limited reduction in capital requirements provided for under Swiss banking law if resolvability is improved
- In support of FINMA's "single point of entry" bail-in strategy we commenced issuing long-term senior debt from Credit Suisse Group AG[3] in 2015. We also expect to continue issuing long-term senior debt from Credit Suisse AG
- Better aligns the booking of Investment Banking business on a regional basis, from a client and risk management perspective
- Less complex and more efficient operating infrastructure for the bank

1 Org structure shows main operating entities only; This program has been approved by the Board of Directors of Credit Suisse Group AG, but is subject to final regulatory approval. Implementation of the program is well underway, with a number of key components to be implemented through to 2017. 2 Proposed hub for Asia Pacific Investment Banking business in Singapore branch. 3 Funding may be issued either at the holding company level or at the level of an entity that will be substituted by the holding company in a restructuring event. 4 Subject to US regulatory approvals, the US derivatives businesses, currently booked in London in Credit Suisse International, are anticipated to be transferred to the US broker-dealer. US Service Co activities will also be housed here. 5 Credit Suisse is planning that its two principal UK operating subsidiaries (Credit Suisse Securities (Europe) Limited and Credit Suisse International) will be consolidated into one single subsidiary. 6 In Switzerland, Credit Suisse will create a subsidiary for its Swiss-booked business (primarily wealth management, retail and corporate and institutional clients as well as the product and sales hub in Switzerland).

Bail-in debt – loss absorbency

FSB Standard, but different national solutions

FSB: Subordination can have three forms:

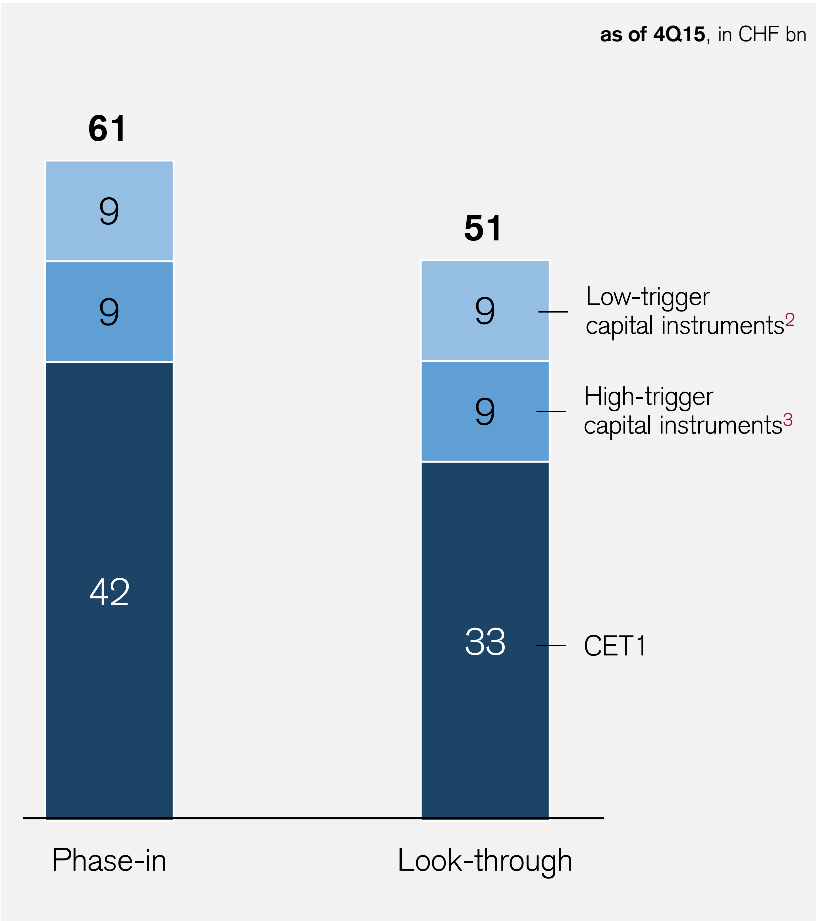
1 Structural	Switzerland	HoldCo issuance
	United Kingdom	
	United States	
2 Statutory	Germany	Subordination by law and retrospective outstanding bonds
3 Contractual	France	Contractual subordination plus new category of non-preferred debt instruments in insolvency law

Further solutions developing in Italy, Spain, Canada and other countries, which all fall into the broad categories listed above, but have nuanced national differences

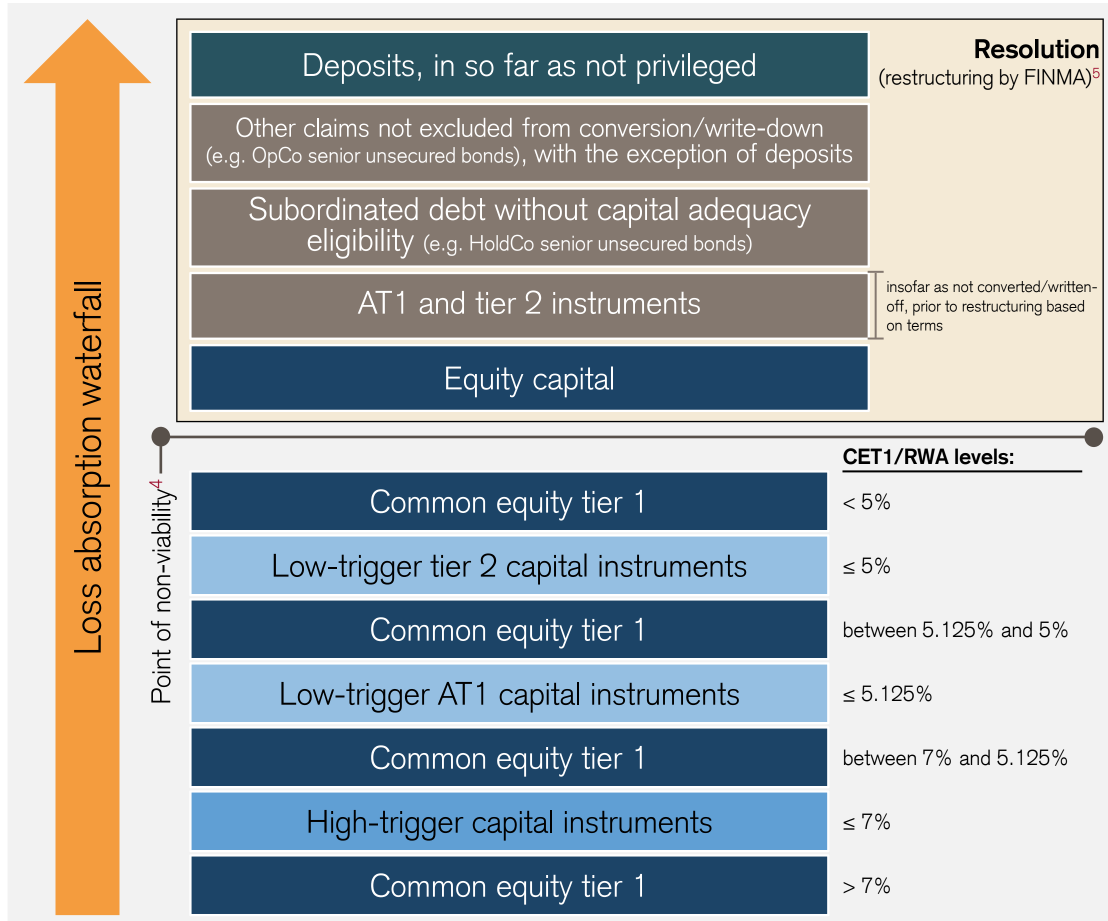
FSB = Financial Stability Board.

Large capital buffers supporting senior creditors with clear credit hierarchy

Multiple "buffer" layers[1] for senior creditors



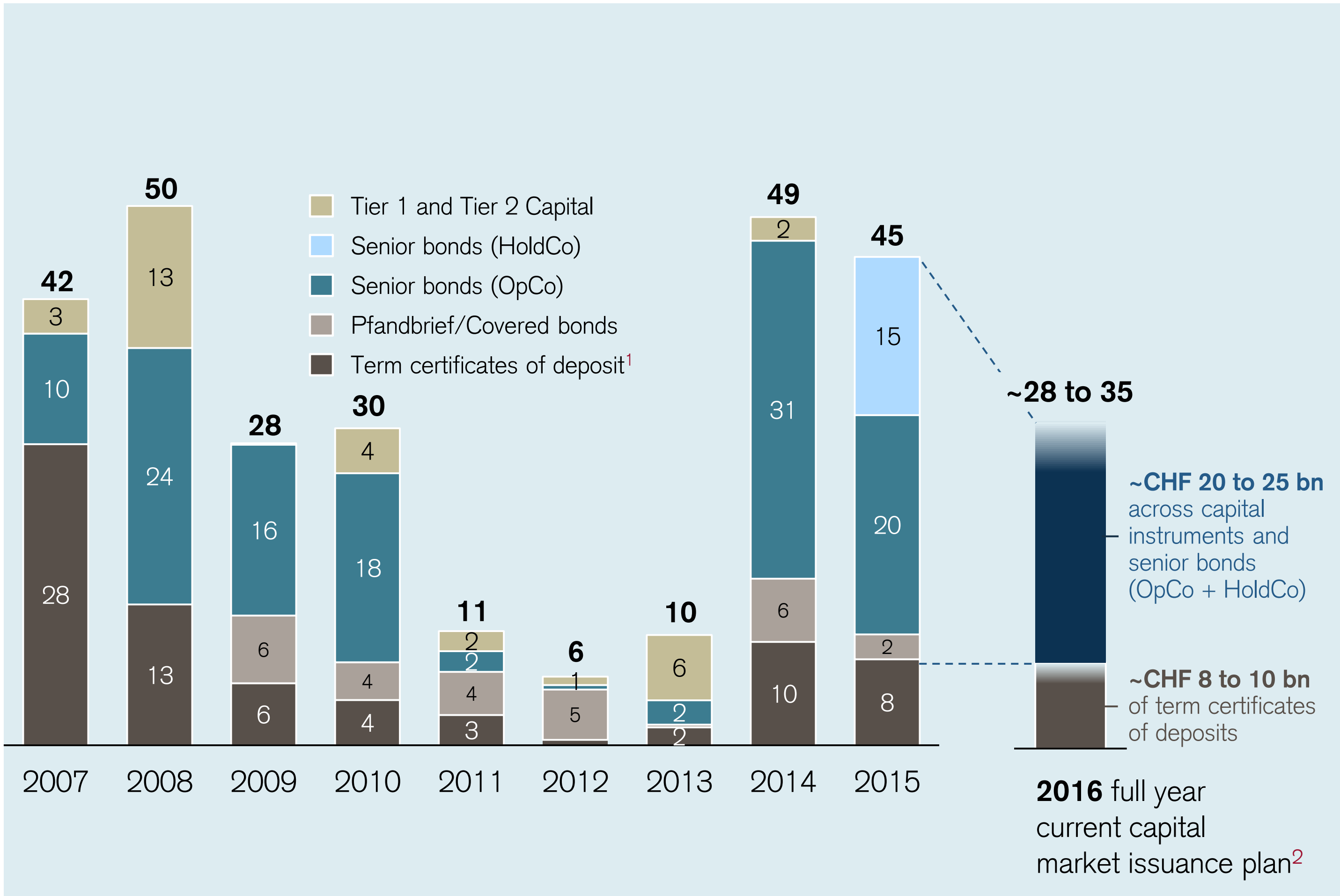
Bail-in hierarchy in Switzerland



CET1 = Common equity tier 1. AT1 = Additional tier 1. RWA = Risk-weighted assets. 1 Basel 3 Credit Suisse Group AG consolidated figures. 2 Consists of CHF 5.1 bn additional tier 1 instruments and CHF 4.1 bn tier 2 instruments. 3 Consists of CHF 6.6 bn additional tier 1 instruments and CHF 2.7 bn tier 2 instruments. 4 Trigger of regulatory capital instruments with PONV conversion/write-down feature. 5 Bank Insolvency Ordinance (BIO-FINMA). References to phase-in and look-through refer to Basel 3 capital requirements. Phase-in reflects that, for the years 2014 – 2018, there will be a five-year (20% per annum) phase-in of goodwill, other intangible assets and other capital deductions (e.g., certain deferred tax assets and participations in financial institutions) and the phase-out of an adjustment for the accounting treatment of pension plans 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 phase-out of certain capital instruments.

Diversified funding strategy

Long-term debt and term certificates of deposit issuance in CHF bn



- 2016 issuance of capital instruments and senior bonds expected to be ~CHF 20 to 25 bn across markets and products
  - continue the firm's tenor extension strategy capitalizing on issuance of 12-24 months funding and additional long-term funding of above 3 years
  - continue dual track strategy of OpCo and HoldCo issuance to manage TLAC requirements, funding needs and debt costs
- Issued CHF 15 bn of debt expected to be TLAC-eligible in 2015; estimate CHF 6 to 8 bn in 2016

TLAC = Total loss absorbing capacity. 1 With maturity >365 days. 2 Reflects projected business growth, development of the balance sheet, future funding needs and maturity profiles as well as the effects of changing market and regulatory conditions.

In a nutshell

New Swiss TBTF rules

- New Swiss TBTF rules envisage a more limited capital instrument requirement
  – ~CHF15 bn of high-trigger AT1, rather than ~CHF 25 bn of both high- and low-trigger capital instruments
- Continue to prefer convertible high-trigger AT1 capital instruments, but may consider high-trigger AT1 write-down as appropriate
- Benefit from extensive grandfathering proposals for existing CHF 18 bn capital instruments

Dividend stoppers & capital buffers

- Capital instruments benefit from distributable profits reserves of > CHF 15 bn and dividend stoppers
- Significant buffer to capital triggers: CHF 21 bn (7%) and CHF 27 bn (5%)

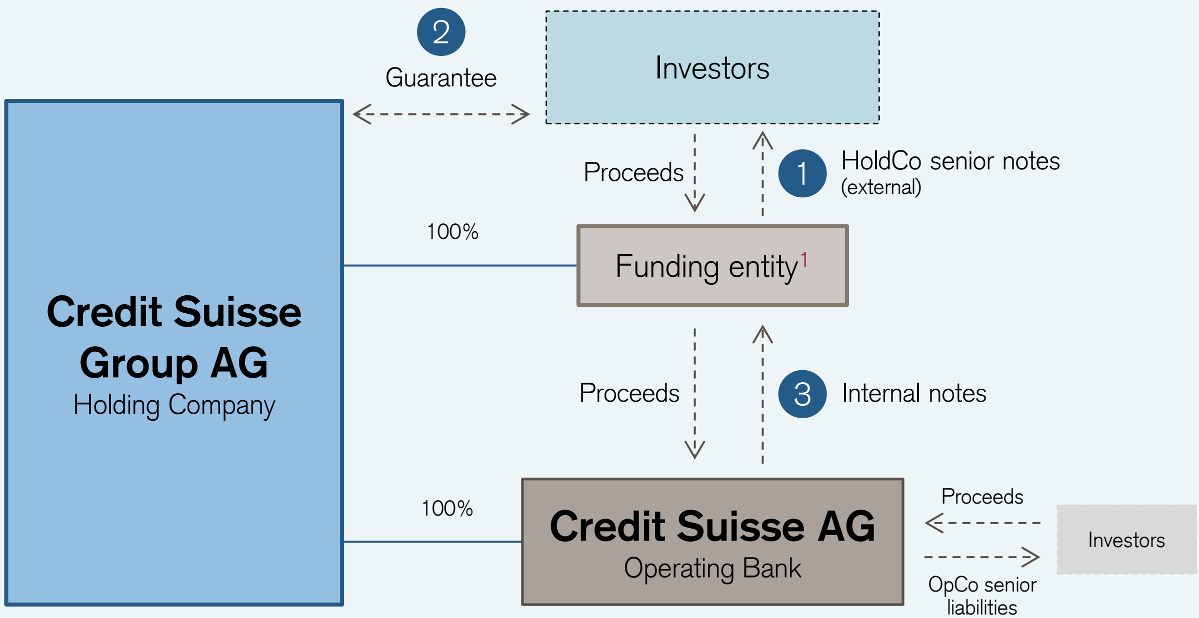
TLAC compliance

- Clear Swiss TLAC regime; structural rather than statutory subordination (similar to US and UK)
- CHF 50 bn of OpCo maturities from 2016 to 2019 provide opportunity to issue CHF 30 bn of HoldCo debt for TLAC compliance

Questions

Appendix

Down-streaming of HoldCo senior financing



1. Funding entity issues senior unsecured notes ("Notes") expected to qualify for FSB's proposed TLAC rules by way of "structural subordination" and Swiss TBTF Gone concern capital
2. Notes are guaranteed by CSG AG. The guarantee is a traditional direct, unconditional, unsecured and unsubordinated contingent liability of CSG AG, thereby placing investors in an equivalent position against CSG AG as holding senior debt issued directly by CSG AG
3. The internal notes will be senior unsecured debt aligned to the external notes (maturity, interest rate and currency)

- **Proceeds**
  - Proceeds are down-streamed initially to CS AG, acting through a non-Swiss branch ("OpCo") as unsecured notes
  - Investors have no direct recourse to this intercompany instrument
- **Hierarchy**
  - HoldCo senior notes (external) structurally subordinated to OpCo liabilities
  - Internal notes:
    - subordinated to OpCo senior liabilities in restructuring
    - pari passu with OpCo senior liabilities in liquidation

CSG AG = Credit Suisse Group AG. CS AG = Credit Suisse AG TLAC = Total loss absorbing capacity. FSB = Financial Stability Board. HoldCo = Holding Company.
OpCo = Operating Company . 1 Funding may be issued either at the holding company level or at the level of an entity that will be substituted by the holding company in a restructuring event. Current funding entity: Credit Suisse Group Funding (Guernsey) Ltd.