Credit Suisse's approach to TLAC-eligible debt

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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.

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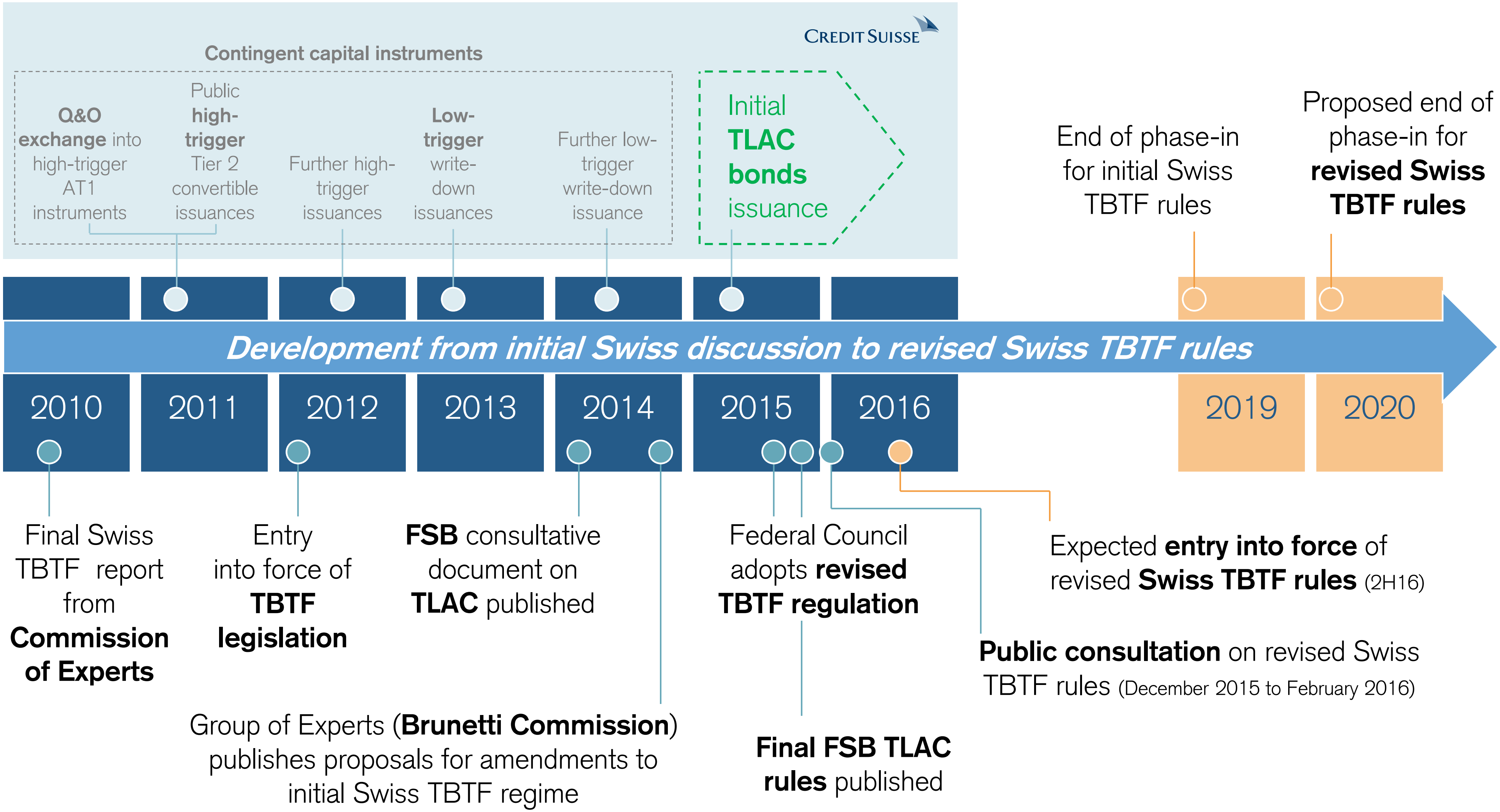
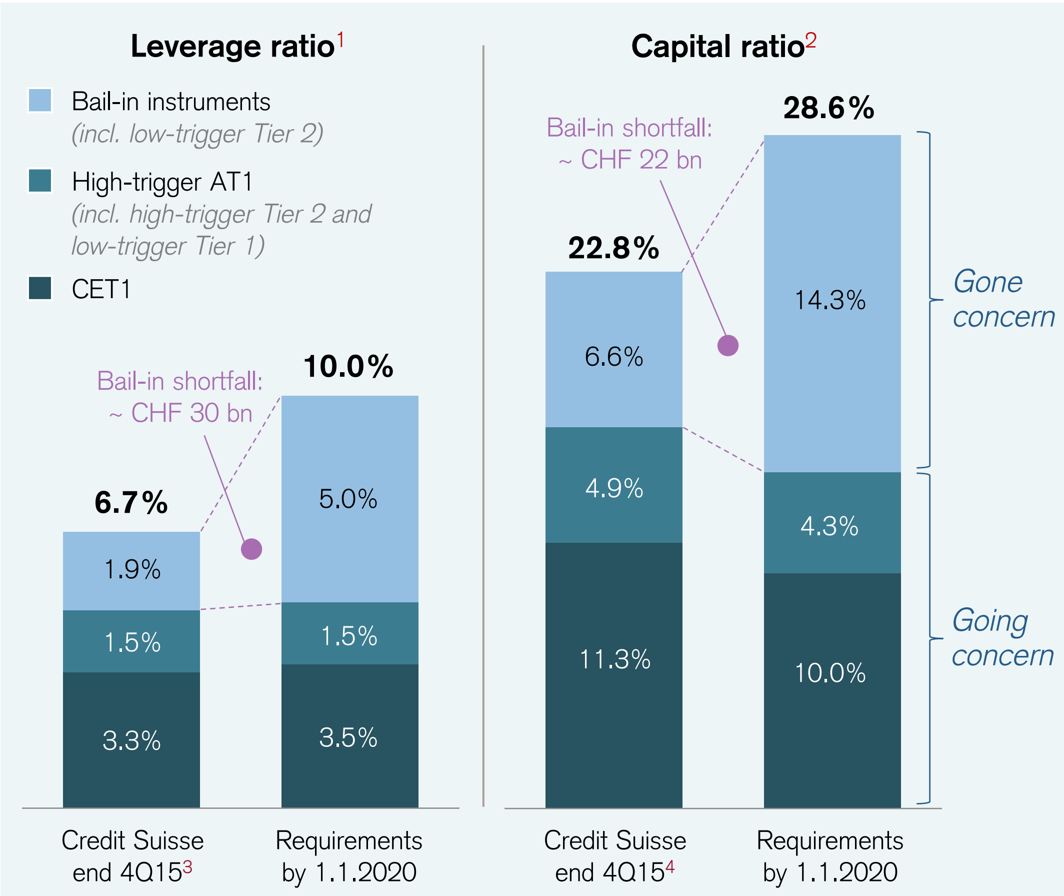
TBTF development since 2010



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

Proposed new Swiss TBTF capital requirements

Capital adequacy ratios, look-through



Gone concern

- To include **senior unsecured HoldCo** instruments
- **Low-trigger Tier 2** expected to qualify as gone concern capital immediately and also post 2019
  Grandfathering proposal would alternatively allow **low-trigger Tier 2** capital instruments to be recognized as going concern capital until their first call date or by end-2019 (whichever is first)
- Leverage ratio requirement is expected to be the binding constraint for the time being with a look-through[3,5] gone concern shortfall of ~CHF 30 bn

Going concern

- To include **CET1**
- To include **high-trigger Tier 1** capital instruments
- Grandfathering proposal:
  - **high-trigger Tier 2** capital instruments to be recognized as going concern capital until their first call date or by end 2019 (whichever is first)
  - **low-trigger Tier 1** capital instruments to be recognized as going concern capital until their first call date (even if date is beyond 2019)

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. 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.

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

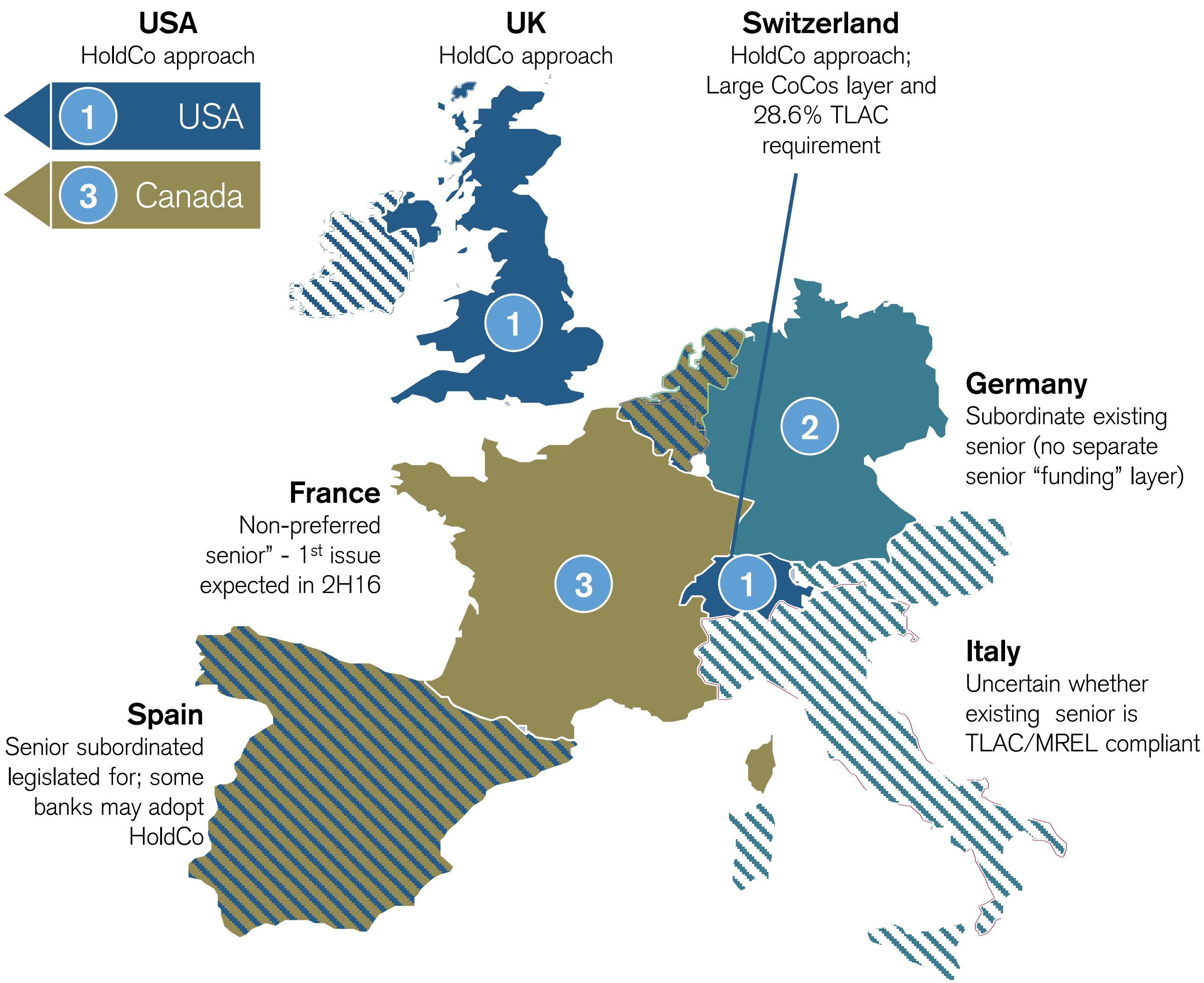
Extensive grandfathering proposals for existing high-trigger Tier 2 and low-trigger capital

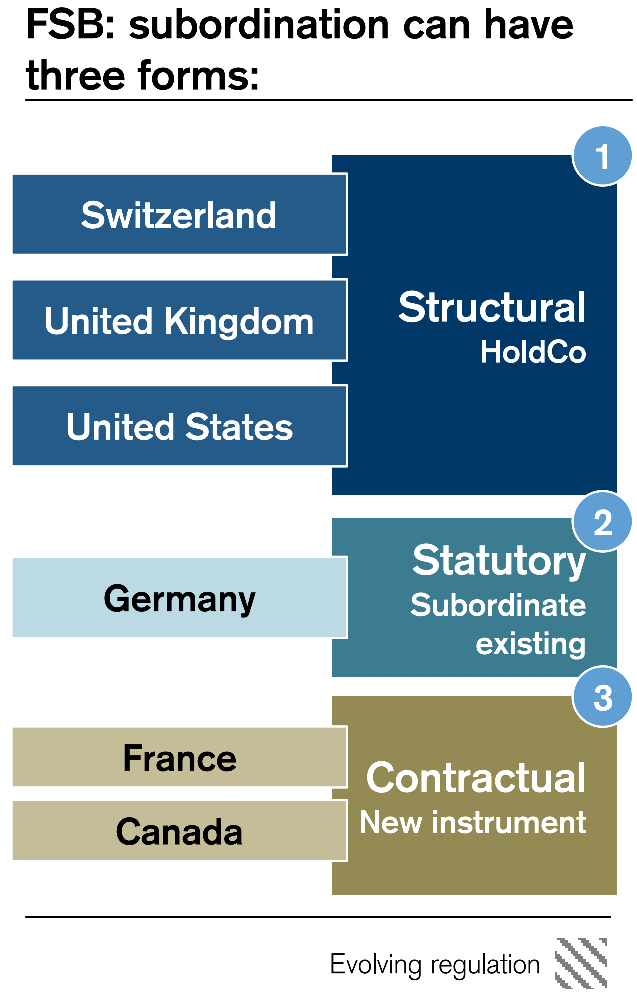
Recalibration of the **leverage** regime and associated **RWA requirements**

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

Bail-in debt – loss absorbency

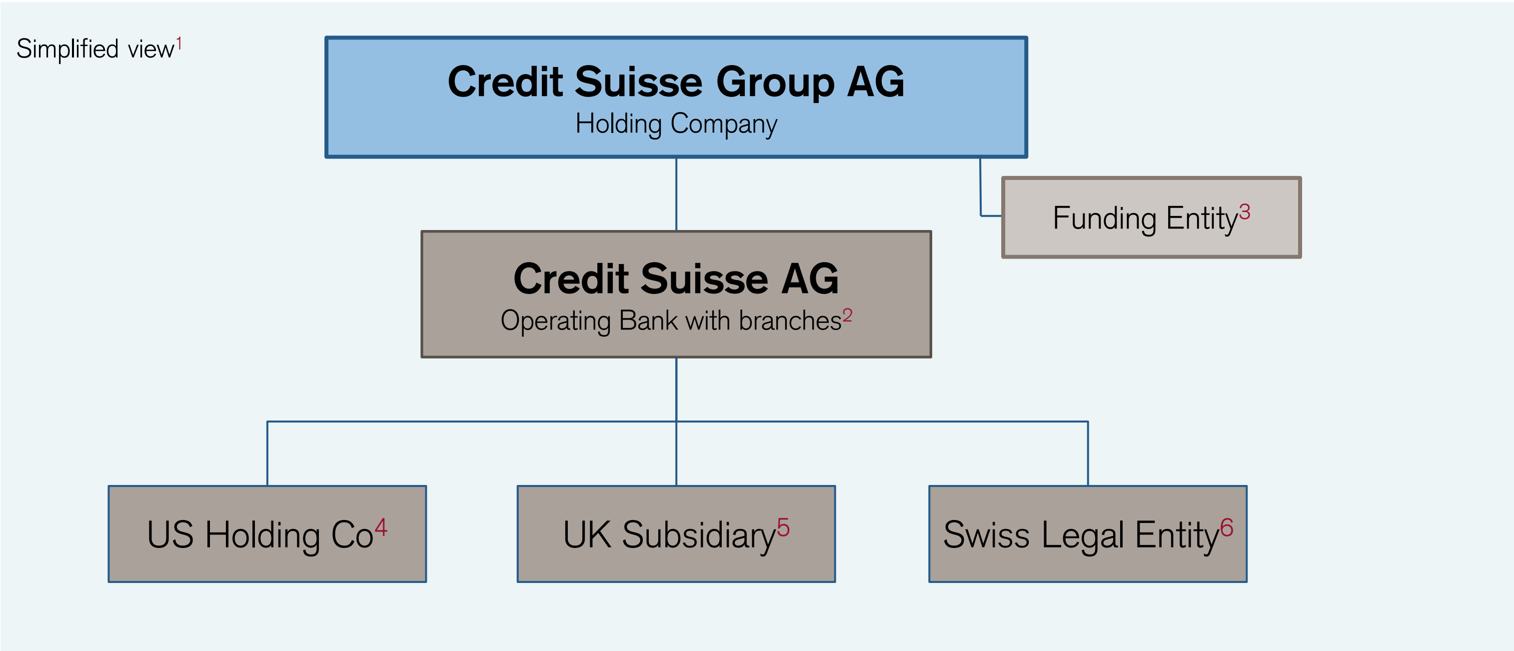
FSB Standard, but different national solutions





FSB = Financial Stability Board. MREL = Minimum Requirement for Eligible Liabilities. Source: Credit Suisse; European Commission.

Credit Suisse legal entity structure



- **Withholding tax**

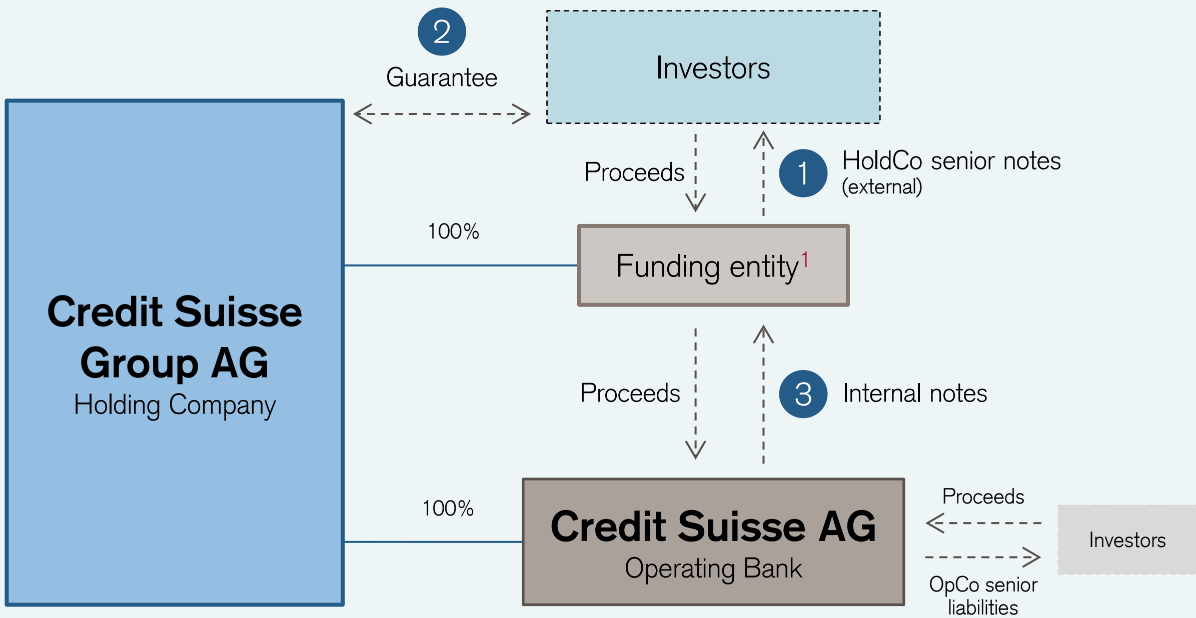
  Tax exemption for bail-in bonds expected beginning of 2017

Goals

- Designed to meet future requirements for global recovery and resolution planning
- 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 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 US Service Co activities will 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 has created 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).

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.

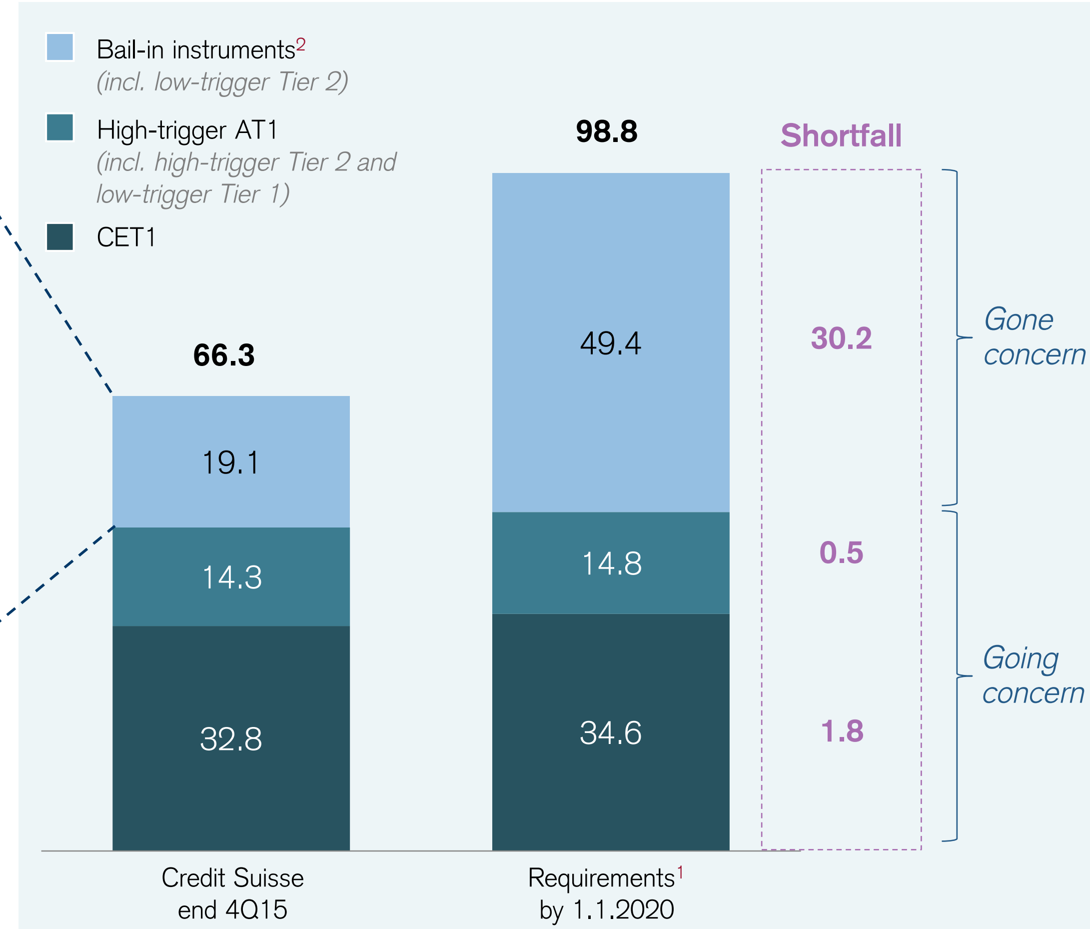
TLAC-eligible debt issuance requirements

Of which:
senior unsecured HoldCo instruments outstanding

Credit ratings	Currency	Notional (in million)	Maturity	Coupon rate
Fitch **A**	USD	1,500	2020	2.75%
S&P **BBB+**	USD	2,500	2025	3.75%
Moody's **Baa3**	***EUR***	***2,250***	***2022***	***1.25%***
	CHF	1,000	2023	1.0%
	USD	2,000	2045	4.875%
	GBP	600	2022	3.0%
	NOK	1,000	2025	3.6%
	CHF	435	2020	0.625%
	USD	2,000	2022	3.8%
	USD	2,000	2020	3.125%
	CHF	**15.0 bn**		

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

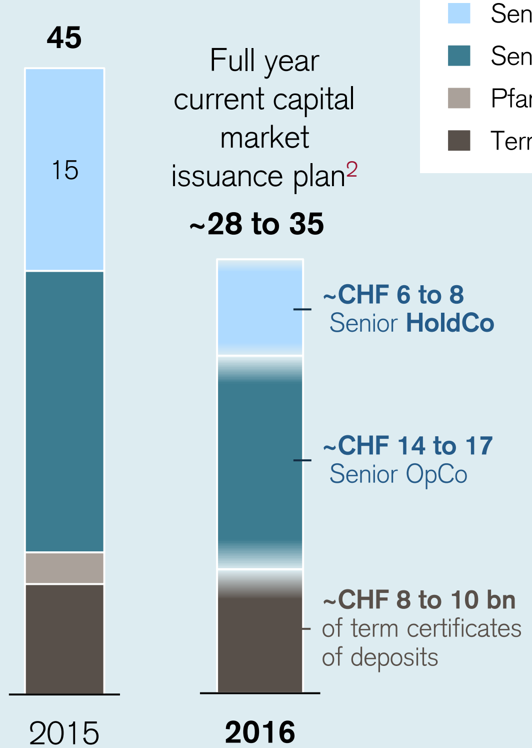
Capital adequacy amounts, Swiss look-through in CHF bn



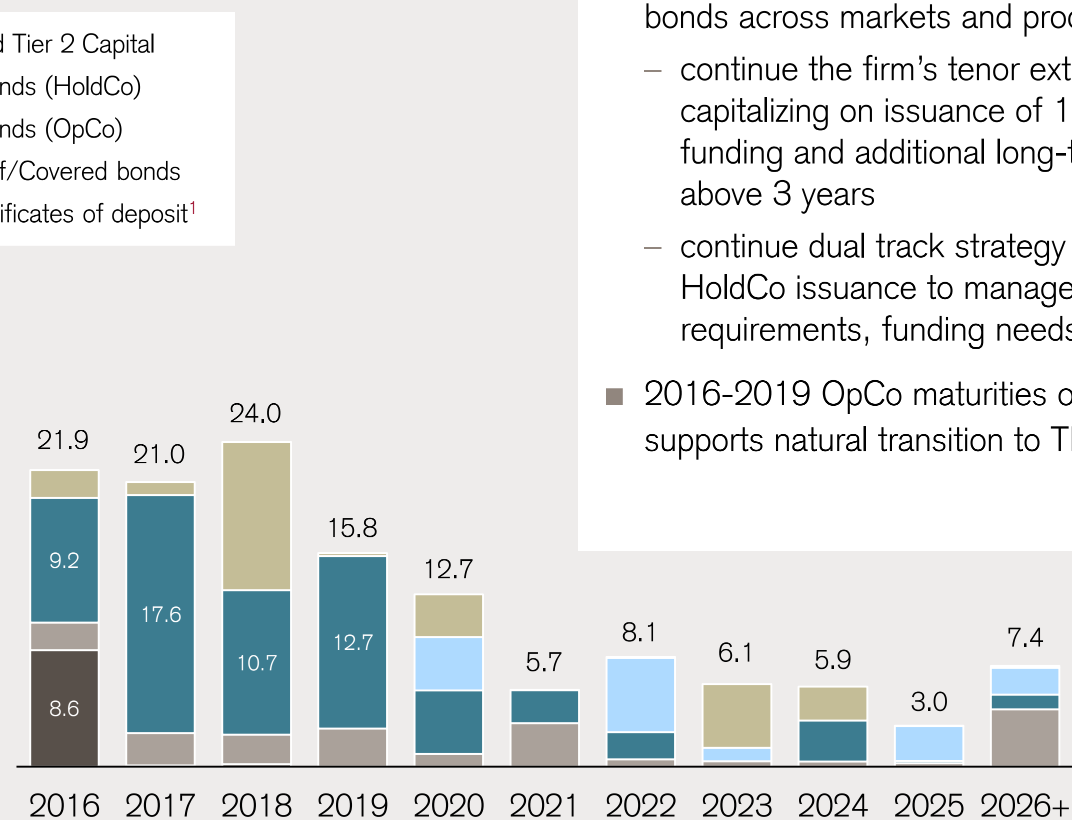
CET1 = Common Equity Tier 1. AT1 = Additional Tier 1. 1 Based on year-end 2015 look-through Swiss leverage exposure of CHF 988 bn. 2 Including CHF 15.0 bn of senior unsecured HoldCo debt and CHF 4.1 bn of low-trigger Tier 2 capital instruments. Note: On December 22, 2015, the Swiss Federal Council published 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 exposure) and market share of our domestic systemically relevant business and is subject to potential capital rebates that may be granted by FINMA.

Diversified funding strategy and natural transition to TLAC requirements

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



Long-term funding maturity profile, notional amounts[3], in CHF bn, as of end-2015

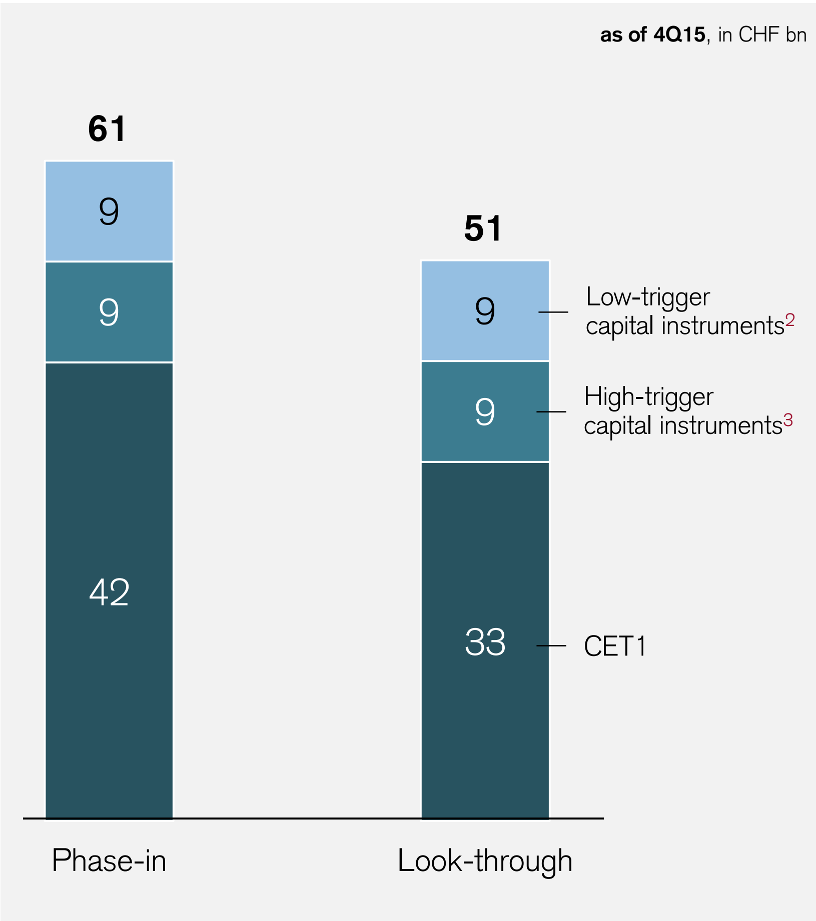


- 2016 issuance of capital instruments and senior bonds across markets and products
  - continue the firm's tenor extension strategy capitalizing on issuance of 12-24 months funding and additional long-term funding of above 3 years
  - continue dual track strategy of OpCo and HoldCo issuance to manage TLAC requirements, funding needs and debt costs
- 2016-2019 OpCo maturities of CHF 50.2 bn supports natural transition to TLAC requirements

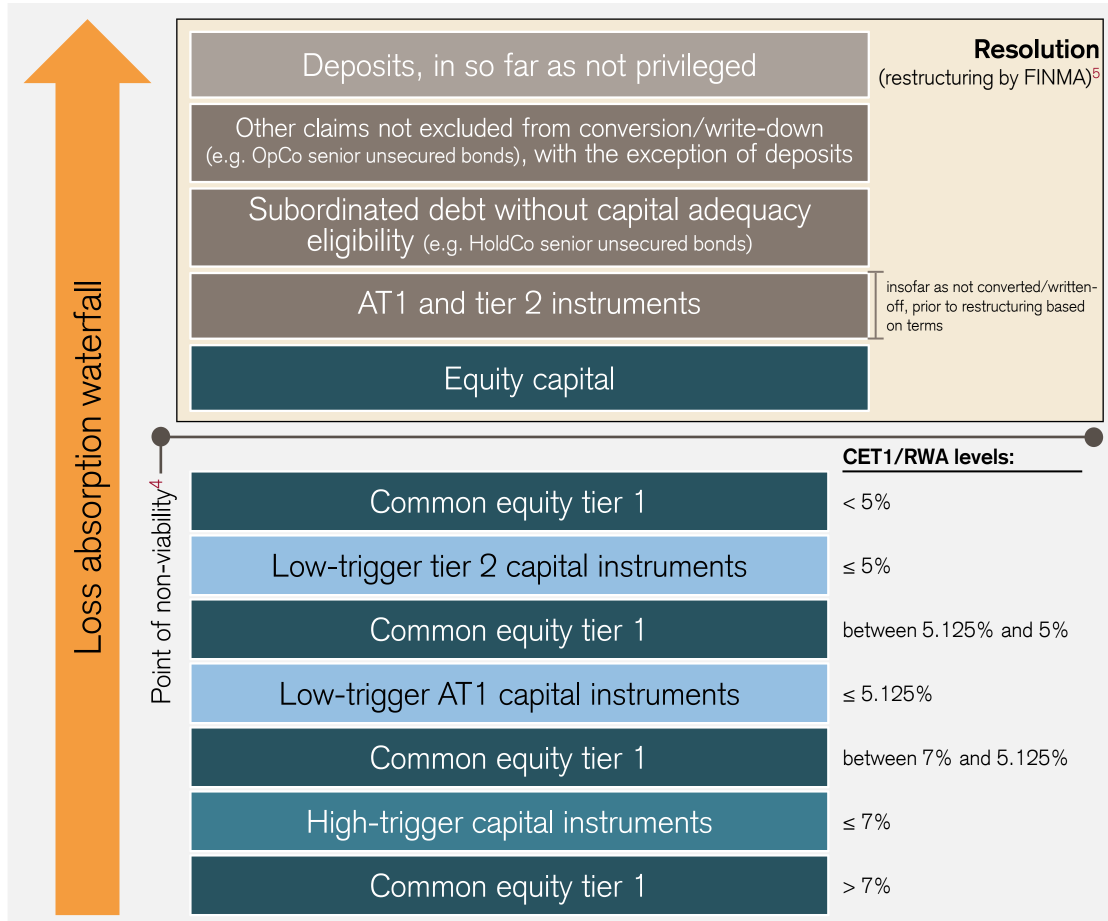
TLAC = Total loss absorbing capacity. HoldCo = Holding Company. OpCo = Operating Company. 1 With maturity >365 days. 2 Reflects projected business growth, development of the balance sheet, future funding needs and maturity profiles as well as the effects of changing market and regulatory conditions. 3 Assumes callable issues redeemed at first call date.

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.

In a nutshell

New Swiss TBTF rules

New Swiss TBTF rules envisage a more limited capital instrument requirement and by aligning with FSB rules, have given TLAC-eligible debt a significant role in our total capital structure

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

Q&A session