V

Compensation

LETTER FROM THE CHAIR OF THE COMPENSATION COMMITTEE

Kai S. Nargolwala
Chair of the
Compensation Committee

Dear shareholders
As the new Chair of the Compensation Committee of the Board of Directors (Compensation Committee), I am pleased to present to you the 2017 Compensation Report. This year we have modified the structure and presentation of the report to make it clearer and more reader-friendly.

2017 Annual General Meeting regarding compensation
After we published the 2016 Compensation Report, some shareholders expressed concerns over the amount of variable incentive compensation proposed for the Executive Board. Recognizing these concerns, the Chief Executive Officer (CEO) and each member of the Executive Board voluntarily proposed to reduce both their 2016 Short-Term Incentive (STI) awards and 2017 Long-Term Incentive (LTI) opportunities by 40%, and this proposal was approved by the Board of Directors (Board). In terms of compensation for members of the Board, the Board decided to maintain the proposed aggregate amount at the same level as approved by shareholders for 2015 and 2016, with no incremental increase in 2017 as originally proposed.

All revised compensation proposals were approved by shareholders at the Annual General Meeting (AGM) on April 28, 2017, with many shareholders commenting positively on our efforts to address their concerns. However, the consultative vote on the 2016 Compensation Report resulted in only 58% of votes in favor, indicating a clear desire for change.

We noted the view of many shareholders that the interests of management and shareholders should have been more closely aligned. My top priority has been, and will remain, to strengthen confidence in our responsiveness to investor sentiment and ensure that our compensation decisions are guided by our principles and values, which includes greater alignment between pay and performance.

Shareholder engagement during 2017
Against that background, one of the first tasks I undertook as Chair of the Compensation Committee was to meet our key shareholders and other external stakeholders, including our regulators, in order to listen to their views on our compensation framework, address their questions, and better understand any concerns they had. I personally attended 26 investor meetings, a number of these together with the Chairman of the Board (Chairman), covering approximately 40% of our shareholder base, and maintained a continuous dialogue with our various regulators. The discussions were frank and open and the Compensation Committee has considered the feedback received as part of its review of the compensation framework.

Listening (April – July)	Meetings with key shareholders to better understand their concerns and views on compensation
Consultation (August – October)	Discussions with key shareholders and other external stakeholders on compensation design considerations
Feedback (November – December)	Meetings with key shareholders to explain the proposed changes to our compensation design
Implementation (2018)	Changes to our compensation design approved by the Board and to be implemented in 2018

Review of our compensation framework and key changes proposed
Equipped with the feedback from our shareholders and other external stakeholders, the Compensation Committee conducted a comprehensive review of our overall compensation framework, including compensation governance and approach to compensation disclosure.

In doing so, the Compensation Committee was mindful of the objectives of our compensation strategy, which is intended to attract, retain, reward and motivate the talented individuals needed for our long-term success as a client-focused and capital-efficient business. In particular, the compensation strategy emphasizes the link between pay and performance, supporting a performance culture which is based on merit, which recognizes and rewards excellent short- and long-term performance, and which is aligned with the Group's values.

Key changes for 2018 onwards

- Stronger governance and transparency
- Removal of capital metrics and introduction of simplified metrics for assessing Executive Board performance to focus more on profitability and shareholder returns
- Use of only Group-level metrics in setting the STI and LTI payout levels, enabling greater transparency on performance targets
- Reduced STI and LTI payout levels for achievement of target performance and reduced LTI payout for below median relative total shareholder return (RTSR) ranking
- Increased shareholding requirements
- Reduced subsidiary board fees for members of the Group Board newly appointed to subsidiary boards

The Compensation Committee decided that while the overall compensation framework remained appropriate, refinements were required in certain areas, in particular with respect to the Executive Board. Given that the 2017 compensation framework had been approved and the performance targets had been set at the beginning of the 2017 financial year, before the shareholder engagement and review period, implementation of the key changes is planned to take effect only for 2018 and onwards.

The proposed changes are aimed at strengthening the link between delivery of the strategy approved by the Board and our compensation outcomes. The performance measures for the Executive Board for 2017 reflected a phase of stabilization and consolidation (e.g., capital metrics, adjusted income before taxes, and division-specific performance indicators), whereas the performance measures for 2018 and beyond reflect a turnaround phase, building a leading wealth management business with strong investment banking capabilities which has the benefit of having gone through a significant and deep restructuring period. This can be seen in the removal of capital metrics for both STI and LTI awards and the introduction of return on tangible shareholders' equity (RoTE) and tangible book value per share (TBVPS) as metrics for the LTI awards, to reward long-term sustainable performance for performance periods starting with 2018.

The proposed compensation arrangements for the Executive Board, as well as the Board and the wider Group, are shown below.

	Shareholder themes	Our response
Executive Board	Simple and transparent STI and LTI metrics	Group-level only metrics to determine an overall STI pool and the LTI awards
Executive Board	More stringent performance conditions and hurdles	STI and LTI payout levels for target performance reduced to 67% (previously 80%) and reduced payout on RTSR component of LTI awards if RTSR is below median
Executive Board	Return, profitability and growth metrics	RoTE and TBVPS added to LTI performance metrics
Executive Board	Reduced overlap in short- and long-term measures	Limited overlap of STI and LTI measures
Executive Board	Lower RTSR component of LTI awards	RTSR component of LTI awards reduced to $33\frac{1}{3}\%$ weighting from 50% previously
Executive Board	Lower weighting on capital metrics	Capital metrics removed from both STI and LTI awards
Executive Board	Higher shareholding requirement	CEO requirement increased to 500,000 shares, and Executive Board member requirement increased to 300,000 shares
Executive Board	Greater transparency on performance targets	Retrospective disclosure of STI performance targets and prospective disclosure of LTI performance targets
Board	Board fee levels	Our Group Board fees are comparable to market in a Swiss context. Going forward, Group Board members newly appointed to subsidiary boards will receive fees generally lower than for other external subsidiary board members

	Shareholder themes	Our response
Group	Large scale retention award programs not favored	No further wide-scale retention programs planned, but may be considered in exceptional circumstances
Group	Disclosure and transparency	Structure and presentation of Compensation Report modified to make our compensation design and decisions easier to understand
Group	Compensation Committee discretion and adjustments	Compensation Committee Charter amended to clarify how discretion can be applied, including negative adjustments, to ensure that compensation outcomes are aligned with business performance. Any such discretionary adjustments will be clearly communicated

Financial performance context for compensation decisions

The Group's performance forms the primary basis for compensation decision-making. During the second full year of our three-year restructuring plan announced in October 2015, the Group continued to make strong progress in delivering on its key priorities. In particular we strengthened our capital position, delivered profitable growth with higher adjusted income before taxes, reduced our fixed cost base, right-sized and de-risked our trading activities, and made progress in resolving our legacy issues. The key financial achievements for 2017 noted by the Compensation Committee included:

- Group adjusted revenues increased by 5% compared with the prior year, while adjusted total operating expenses decreased by 6%, driving positive operating leverage;
- Group reported income before taxes was CHF 1.8 billion, an increase of CHF 4.1 billion compared with the prior year, and Group adjusted income before taxes was CHF 2.8 billion, up 349% year on year;
- Adjusted income before taxes and before variable incentive compensation expense was 54% higher compared with the prior year;
- The Group cost target was achieved for 2017 and management is on track to deliver further fixed cost savings by the end of 2018;
- Net new assets of CHF 37.2 billion from the wealth management[1] businesses reached the highest level since 2013, and increased by 27% compared with the prior year;
- The Group achieved a look-through CET1 ratio of 12.8% at the end of the year (after deducting approximately 45 basis points due to increased risk-weighted assets related to operational risk in the second half of 2017, primarily in respect of our RMBS settlements), compared with 11.5% at the end of the prior year, and a look-through CET1 leverage ratio of 3.8% compared with 3.2% at the end of the prior year;
- The Strategic Resolution Unit is on track to close one year ahead of schedule by the end of 2018, which should, from 2019 onwards, significantly reduce the drag on the Group's operating profits from legacy positions compared with prior years; and
- Market capitalization at the end of 2017 was up 46% from a year earlier.

[1] Referring to the combined net new assets of Private Clients within Swiss Universal Bank, Private Banking within International Wealth Management and Private Banking within Wealth Management & Connected in Asia Pacific.

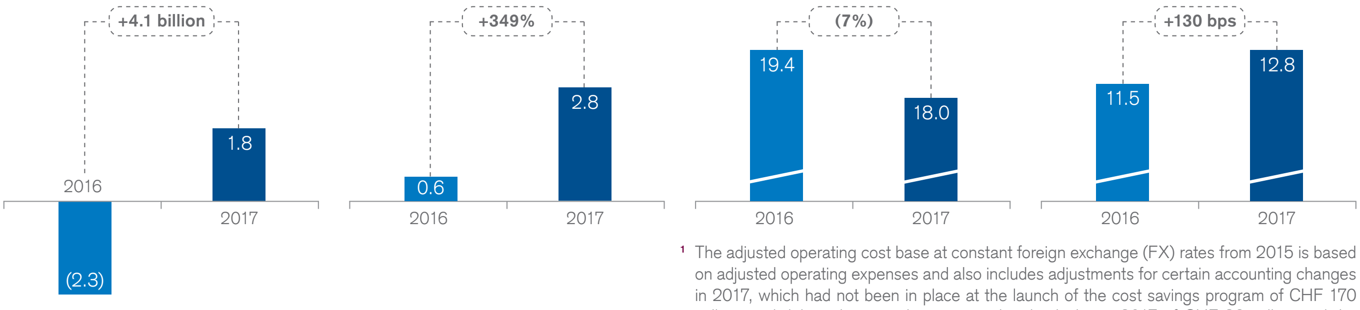
Group performance highlights

Reported income before taxes
(CHF billion)

Adjusted income before taxes
(CHF billion)

Adjusted operating cost base[1]
(CHF billion)

Look-through CET1 ratio
(%)



[1] The adjusted operating cost base at constant foreign exchange (FX) rates from 2015 is based on adjusted operating expenses and also includes adjustments for certain accounting changes in 2017, which had not been in place at the launch of the cost savings program of CHF 170 million, and debit valuation adjustments related volatility in 2017 of CHF 83 million and the negative FX impact in 2017 of CHF (326) million and in 2016 of CHF (293) million. Adjustments for FX apply unweighted currency exchange rates, i.e., a straight line average of monthly rates, consistently for the periods under review.

▸ Adjusted results are non-GAAP financial measures that exclude goodwill impairment, real estate transactions, business sales, restructuring expenses and major litigation provisions. Refer to “Reconciliation of adjusted results” in II – Operating and financial review – Credit Suisse for further information. For further information on variable incentive compensation expense, refer to the “Group compensation and benefits expense” table in Group compensation.

On December 22, 2017, the United States enacted new tax legislation which, among other things, lowered the US federal corporate tax rate. Overall, we believe the US Tax Cuts and Jobs Act is a positive development for our US businesses. The legislation could also result in a more favorable business climate, in particular for our investment banking activities in advisory and underwriting, which enjoy a strong position in the US market. As required by US GAAP, however, the reduction in US federal corporate tax rates has led to a re-assessment of our deferred tax assets (DTAs), with an associated non-cash tax charge of CHF 2.3 billion recognized in the fourth quarter of 2017, primarily related to our US DTAs. Many of our peers also reported significant DTA re-assessments following the enactment of the US tax reform. This was a primary factor behind the net loss attributable to shareholders of CHF 983 million for the full year. For the performance year 2017, the Compensation Committee took into account the effect of this non-cash item in determining the variable incentive compensation pool proposal. Although this event was outside of the control of management and had minimal impact on capital, liquidity, our ability to pay dividends or our underlying results, the Compensation Committee applied a downward adjustment of approximately CHF 100 million to the overall Group variable incentive compensation pool to reflect the impact of the tax charge on net income.

This tax charge does not impact our strategy going forward, and we intend to maintain a look-through CET1 ratio of greater than 12.5% in 2018 as well as in 2019 and 2020, before the implementation of the Basel III reforms beginning in 2020. The policy for returning capital to shareholders announced at the Investor Day is also unchanged.

2017 compensation decisions

Group compensation

Aside from the Group’s financial performance in 2017, the Compensation Committee considered a range of other factors such as progress made against strategic objectives, relative performance, market position and market trends, as well as control, risk, compliance and ethical considerations, to determine the Group variable incentive compensation pool. The Board approved the total Group variable incentive compensation pool of CHF 3,190 million, 3% higher than 2016 after the downward adjustment of approximately CHF 100 million applied by the Compensation Committee to take into account the impact resulting from the US tax reform mentioned above.

Executive Board compensation

Executive Board compensation is included in the total compensation awarded for the Group. Executive Board compensation related to 2017 is comprised of:

- CHF 28.89 million total fixed compensation;
- CHF 25.46 million total STI award, subject to shareholder approval at the 2018 AGM; and
- CHF 31.2 million total LTI award maximum opportunity, with a fair value of CHF 15.55 million at the time of grant (estimated based on a Monte Carlo pricing model) as approved at the 2017 AGM.

▸ Refer to “Executive Board compensation for 2017” for further information.

The total compensation amount of CHF 69.90 million reflects the Group’s business performance and ongoing restructuring described above and the fair value of the 2017 LTI award at the time of grant. This total amount for 2017 is 4% lower than the prior year amount of CHF 73.06 million, mainly due to the voluntary reduction to the initial 2017 LTI award proposal.

CEO compensation

Compensation for our CEO, Tidjane Thiam, has been determined based on evaluation of his performance against a range of quantitative and qualitative factors. The quantitative measures capture the Group’s financial performance and capital strength, while the qualitative assessment includes criteria related to strategy execution, leadership, talent management, collaboration and reputation. The Compensation Committee considers that Mr. Thiam’s proposed total compensation for 2017 of CHF 9.70 million reflects his strong performance against this suite of measures, while also recognizing that the Group is still in a transition phase, having completed the second year of its three-year restructuring plan. Mr. Thiam's total compensation amount for 2017 is 5% lower than for the prior year, which in part reflects his voluntary proposal to reduce his 2017 LTI award opportunity by 40%, as approved by shareholders at the 2017 AGM. In future years the Compensation Committee expects the compensation for the CEO to return to levels in line with the expected improvement in Group performance.

Board of Directors compensation

Consistent with recent years, compensation of the Board continues to be based on a fixed fee structure, with pre-defined fees for Board membership, committee membership and chairing a committee. The fee amounts are set at levels comparable to those at other leading Swiss companies and global financial services firms, with 50% of the Group-level Board fees paid in Group shares. In line with industry practice, Board fees are not linked to the financial performance of the Group. Fees for specific Board leadership roles are reviewed periodically and adjusted as required, and base Board fees have remained constant for over 10 years.

In the past few years, the Chairman has voluntarily waived all or part of his chair fee. For the period from the 2017 AGM to the 2018 AGM, the Chairman has proposed to waive 30% of his chair fee, an amount equal to CHF 0.45 million, and this proposal was approved by the Board. The Board expects that the Chairman's compensation will return to the previously approved level, as the Group completes its restructuring plan.

In line with the Group's governance framework, at least one Board member at the Group level is appointed to the board of each major subsidiary. This is to leverage the knowledge and experience that Board members already have concerning the Group and to perform an oversight role. Going forward, Board members newly appointed to serve on subsidiary boards will receive a flat subsidiary board membership fee of CHF 100,000 (or higher amounts if a Board member serves as the chair of the subsidiary board or a committee), paid in cash. This amount is generally less than that received by other external subsidiary board members, given that Board members are already familiar with the Group's entities and activities.

2018 AGM proposals

At the 2018 AGM on April 27, 2018, we plan to submit the following proposals related to Executive Board and Board compensation:

- Maximum aggregate amount of CHF 31.0 million in total fixed compensation for the Executive Board for the 2018 AGM to 2019 AGM period (no change compared with the prior year's proposal);
- CHF 25.46 million total 2017 STI award to be granted to the Executive Board (2% lower than the prior year's initial proposal before the voluntary reduction);
- Maximum aggregate amount of CHF 58.5 million total 2018 LTI award maximum opportunity to be granted to the Executive Board (12.5% higher than the prior year's proposal before the voluntary reduction); and
- Maximum aggregate amount of CHF 12.0 million in total compensation for the Board for the 2018 AGM to 2019 AGM period (no change compared with the prior year's proposal approved at the 2017 AGM).

In aggregate, the compensation proposals for the Executive Board at the 2018 AGM will be 5.5% higher than the initial proposals at the 2017 AGM before the voluntary reduction. The proposal for the Board remains unchanged compared with the prior year's approved amount of CHF 12.0 million.

For the 2018 LTI awards, the maximum opportunity is designed to keep the Executive Board members focused on further achieving the Group's strategic mid-term goals, while being aligned with market. The percentage of the maximum opportunity realized will be based on performance over the three-year period as well as changes in the share price of Credit Suisse Group during the five years prior to the settlement of the award in full. Historically, LTI awards granted in previous years have been realized at 50-60% of the initial grant value. As outlined earlier and explained in more detail later in this report, we have removed the capital-based performance metrics and introduced performance conditions that are more aligned to long-term profitability and shareholder return generation for the 2018 LTI awards. In addition, we have reduced the payout levels for achievement of target performance to 67% (from 80% previously), and reduced payout levels on the RTSR component for below-median rankings. We have not increased the LTI award maximum opportunity for the CEO (250% of base salary) or the upper range of maximum opportunities for the other Executive Board members (425% of base salary). The increase in the total LTI award maximum opportunity from the initial proposal at the 2017 AGM of CHF 52 million to the 2018 AGM proposal of CHF 58.5 million relates to three individuals whose roles have expanded in scope and impact, and the need to take into account developments in local labor markets in order to retain the required talent. The maximum opportunity for the LTI awards of the other Executive Board members remained unchanged.

On behalf of the Compensation Committee, I would like to thank you for your support and feedback, which we will continue to seek as we review and refine our compensation practices to ensure that they are fully compliant with all regulatory requirements and aligned with the interests of our shareholders.

Kai S. Nargolwala
Chair of the Compensation Committee
Member of the Board of Directors
March 2018

Compensation design at a glance

Compensation strategy and objectives

Consistent with prior years, our key compensation objectives are to maintain compensation practices that:

- foster a **performance culture** based on merit that differentiates and rewards excellent performance;
- **attract and retain employees**, and motivate them to achieve results with integrity and fairness;
- **balance the mix of fixed and variable** compensation to appropriately reflect the value and responsibility of the role performed, and to influence appropriate behaviors and actions;
- promote **effective risk management** practices that are aligned with the Group's compliance and control cultures;
- create a culture that adheres **to high conduct and ethics standards** through a system of applying both malus and rewards;
- encourage **teamwork and collaboration** across the Group;
- achieve a **balanced distribution of profitability between employees and shareholders** over the long term, subject to Group performance and market conditions; and
- take into account the long-term performance of the Group, in order to **create sustainable value for shareholders**.

Executive Board compensation framework 2017: key elements

	Features	Vesting (year) 2017	2018	2019	2020	2021	2022	Design
Fixed	**Base Salary**							■ CEO base salary remained at CHF 3 million ■ Executive Board member base salary remained at CHF 2 million/USD 2 million
Fixed	**Pension and Benefits**							■ Pension and benefits consistent with local market practice ■ Other benefits include housing allowances, expense allowances and relocation allowances
Variable	**STI Awards**	Annual performance period	½ cash			½ deferred cash		■ Payout subject to achievement of threshold, target and maximum performance levels for the performance year, defined as % of total opportunity: – Maximum performance: 100% – Target performance: 80% – Threshold performance: 25% – Below threshold: 0% ■ Metrics depend on role and may include divisional metrics for divisional heads
Variable	**LTI Awards**	Three-year performance period Rewards achievement of long-term business plan and long-term return for shareholders			⅓ shares	⅓ shares	⅓ shares	■ Payout for financial metrics subject to threshold, target and maximum performance levels over a three-year period, defined as % of total opportunity: – Maximum performance: 100% – Target performance: 80% – Threshold performance: 25% – Below threshold: 0% ■ Assessed against group and divisional targets at the end of the three-year period
		Vesting over 5 years						
Minimum shareholding requirement								■ CEO: 350,000 shares ■ Other Executive Board members: 150,000 shares

Note: Individuals in certain jurisdictions may be subject to conditions other than those outlined above in order to comply with local legal or regulatory requirements.

‣ Refer to "Executive Board compensation for 2017" for further information.

Executive Board compensation: key changes for 2018

- **Revised metrics** for assessing Executive Board performance, including **removal of capital-based performance metrics** and use of **only Group-level metrics**
- **Reduced STI and LTI payout levels** for achievement of target performance
- **Reduced payout for below median RTSR ranking** and zero payout for a bottom quartile ranking
- **Increased shareholding requirements** (500,000 shares for the CEO and 300,000 shares for Executive Board members)

‣ Refer to "Revised Executive Board compensation design for 2018" for further information.

Determination of Group variable incentive compensation pools

The Group variable incentive compensation pools are determined on an annual basis, with accruals made throughout the year. The primary driver of the pool amounts is economic contribution, which is considered along with the other factors shown in the illustrative example below.

Initial pool size	Other factors used to determine adjustments to the Group, divisional and corporate function pools				Compensation Committee review	Board approval of final pools
Financial drivers ■ Economic contribution[1] ■ Revenue growth ■ Adjusted income before taxes ■ Adjusted operating expenses	Strategic objectives	Market position and trend	Control function review	Relative performance vs peers	Consistency with compensation objectives	
Initial pool size estimated based on a percentage of economic contribution[1] as the primary financial driver	Progress on achievement of strategic objectives may impact the size of the pools	Adjustments may be required to maintain competitive compensation levels	Adjustments for feedback on regulatory, audit, disciplinary and risk-related issues	Market out- or under-performance is assessed	Compensation Committee discretion may be applied in exceptional cases	The Board reviews and approves the Compensation Committee's recommendation on the Group and divisional pools

[1] Economic contribution is measured as adjusted income before taxes excluding variable incentive compensation expense, after deducting a capital usage charge that is calculated based on regulatory capital. Group and divisional results are adjusted to exclude items such as goodwill impairment, real estate transactions, business sales, restructuring expenses and major litigation provisions. For 2017, regulatory capital for compensation purposes was defined for each division as the higher of 10% of average divisional Basel III risk-weighted assets and 3.5% of average divisional leverage exposure. This measure of economic contribution considers the profitability of the divisions and the Group and the capital utilized to achieve this profitability.

▸ Refer to "Determination of variable incentive compensation pools" in Group compensation – Compensation framework for further information.

Group employees' compensation framework: key elements

	Features	Vesting (year) 2017	2018	2019	2020	2021		Design
Fixed	Base Salary	■						■ Based on skills, qualifications, relevant experience, responsibilities and external market factors
Fixed	Pension and Benefits	■						■ Pension and benefits consistent with local market practice ■ Includes country-specific pension schemes, certain allowances, subsidizations and insurances ■ Role-based allowances apply to certain Material Risk Takers and Controllers (MRTC)
Variable	Cash Award		■					■ Employees with total compensation below CHF/USD 250,000 receive their full amount of variable compensation in the form of an immediate cash award
Variable	Share Awards			⅓	⅓	⅓	For total compensation of CHF/USD 250,000 or higher:	■ Deferred share awards with no additional performance conditions
Variable	Performance Share Awards			⅓	⅓	⅓		■ Managing Directors (MD) and MRTC receive deferred share awards with performance conditions as part of their deferred compensation
Variable	Contingent Capital Awards (CCA)					■		■ MD and Directors receive loss-absorbing contingent capital awards ■ At settlement, contingent capital instrument or cash payment based on the fair value of the CCA ■ Prior to settlement, conditional right to receive semi-annual cash payments of interest equivalents

Note: Individuals in certain jurisdictions may be subject to conditions other than those outlined above in order to comply with local legal or regulatory requirements.

▸ Refer to "Group compensation" for further information.

Compensation governance

THE COMPENSATION COMMITTEE

The Compensation Committee is the supervisory and governing body for compensation policies, practices and plans. In designing and setting compensation, the Compensation Committee aims to make decisions in the best interests of the Group and also to align the interests of the Group's employees to those of shareholders. The Compensation Committee reviews proposals regarding Group, Executive Board and Board compensation, and makes recommendations to the Board for approval. Total Executive Board compensation and Board compensation are also subject to shareholder approval pursuant to the Swiss Ordinance Against Excessive Compensation with respect to Listed Stock Corporations (Compensation Ordinance) and the Articles of Association of Credit Suisse Group AG (AoA).

The Compensation Committee consists of at least three members of the Board, all of whom must be independent. The current members are Kai S. Nargolwala (Chair), Iris Bohnet, Andreas N. Koopmann and Alexandre Zeller. The Board has applied the independence criteria of the SIX Swiss Exchange Directive on Information relating to Corporate Governance, FINMA, the Swiss Code of Best Practice for Corporate Governance, and the listing standards of the New York Stock Exchange (NYSE) and the Nasdaq Stock Market (Nasdaq), in determining that all of these individuals are independent.

▸ Refer to "Independence" in IV – Corporate Governance – Board of Directors for more information on how the Group determines the independence of its Board members.

Compensation Committee activities

The Chairman and the CEO may attend the Compensation Committee meetings, and the Compensation Committee Chair determines the attendance of other Board members, Executive Board members, senior management, compensation advisers and external legal counsel, as appropriate. The Chairman, CEO, Executive Board members and senior management do not participate in discussions which relate to their own compensation.

In addition to the 26 investor meetings held by the Compensation Committee Chair, during 2017, the Compensation Committee held 10 meetings and calls, with an overall attendance rate of 95%. The Compensation Committee's focus areas in 2017 are summarized in the following table:

Compensation Committee activities in 2017

	Jan	Feb	Mar	Apr	Jun	Jul	Aug	Oct	Dec
Compensation governance, design and disclosure									
Review of compensation policy and charter updates					●		●	●	●
Review of Compensation Report			●					●	●
Review and refinement of Executive Board compensation design			●		●		●	●	
Review of Group compensation structure and award plans	●		●	●			●		
Compensation Committee self-assessment and focus areas	●								
Risk and regulatory									
Review of input from control functions		●					●		●
Review of any disciplinary events/potential application of malus	●	●	●	●	●		●	●	●
Review of regulatory developments				●				●	
Annual compensation review									
Accruals and full year forecast of variable incentive compensation pools				●		●		●	●
Performance assessment and overall Group pool recommendation	●	●							●
CEO and Executive Board performance objectives and target setting		●	●						●
CEO and Executive Board performance assessment and awards		●	●	●					●
Review of Board fees			●				●		
External									
Review of shareholder engagement and feedback				●	●		●		●
Review of market trends				●				●	●
Review of benchmarking data								●	●

Advisers to the Compensation Committee

The Compensation Committee is authorized to retain external advisers to provide support as it carries out its responsibilities. Deloitte LLP (Deloitte) has been retained to assist the Compensation Committee in ensuring that the Group's compensation programs remain competitive, responsive to regulatory developments and in line with the compensation policy. Deloitte has appointed a senior consultant to advise the Compensation Committee. Apart from assisting the Compensation Committee, this senior consultant does not provide any other services to the Group. Before the appointment of Deloitte in October 2017, McLagan provided the above mentioned advisory services. The Compensation Committee also obtained legal advice during 2017 on various matters relating to compensation policy and design. Prior to appointment, the Compensation Committee conducted an independence assessment of its advisers pursuant to the rules of the US Securities and Exchange Commission (SEC) and the listing standards of the NYSE and the Nasdaq.

OTHER ASPECTS OF COMPENSATION GOVERNANCE

Compensation policy

The compensation policy applies to all employees and compensation plans of the Group. It contains a detailed description of the Group's compensation principles and objectives as well as the compensation programs. It also sets out the standards and processes relating to the development, management, implementation and governance of compensation. The compensation policy is available at *credit-suisse.com/compensationpolicy*.

Approval authority

The approval authorities for setting the compensation policy and compensation for different groups of employees are defined in the Group's Organizational Guidelines and Regulations (OGR) and the Compensation Committee charter available at *credit-suisse.com/governance*.

Action	Compensation Committee	Board
Establish or change the Group's compensation policy	R	A
Establish or change compensation plans	R	A
Set variable incentive compensation pools for the Group and the divisions	R	A
Determine Executive Board compensation, including for the CEO	R	A [1]
Determine Board compensation, including for the Chairman	R	A [1]
Determine compensation for the Head of Internal Audit	A [2]	n/a
Determine compensation for MRTC and other selected members of management	A	n/a

R = recommendation; A = approval

[1] Subject to shareholder approval requirement pursuant to the Compensation Ordinance and the AoA.

[2] In consultation with the Audit Committee Chair.

Risk and control considerations

During its annual review of the Group's performance, the Compensation Committee considers input from the Risk Committee Chair with respect to risk considerations, and the Audit Committee Chair with respect to internal control considerations. The Compensation Committee also considers input from various corporate functions including Compliance and Regulatory Affairs, General Counsel, Human Resources, Internal Audit, Product Control and Risk Management, regarding control and compliance issues and any breaches of relevant rules and regulations or the Group's Code of Conduct.

To meet regulatory guidelines regarding employees engaged in risk-taking activities, the Compensation Committee reviews and approves the compensation for employees identified as Material Risk Takers and Controllers (MRTC). The Risk Committee is involved in the review process for MRTC compensation.

‣ Refer to "Focus on risk and control " in Group compensation for further information.

Performance criteria and target setting

At the beginning of the year, as part of the annual compensation review, the Compensation Committee defines the performance criteria and performance targets that will be applied to determine the Executive Board's variable incentive compensation. For the STI awards, the performance criteria and performance levels are set on an annual basis, and are designed to reward progress towards the achievement of the Group's annual objectives in the financial plan. For the LTI awards, the performance criteria and performance levels are set for a prospective three-year period, designed to reward achievement of the longer term business plan and the enhancement of shareholder returns. In setting the threshold, target and maximum performance levels, the Compensation Committee takes into account the Group's ambitious financial plan, prior-year performance, analyst expectations and any publicly stated targets, in order to set performance levels which are challenging and motivating for the Executive Board. The performance criteria and performance levels are presented to the Board for approval before implementation.

Executive Board compensation for 2017

COMPENSATION STRUCTURE FOR 2017

The compensation structure and design for Executive Board members remained unchanged in 2017 and is in line with the framework described in the 2016 Annual Report. Total compensation for the Executive Board members included fixed compensation and the 2017 STI awards, as well as the fair value of the 2017 LTI awards at the time of their grant in 2017 (estimated based on a Monte Carlo pricing model).

Maximum opportunity levels

The maximum STI and LTI opportunity levels for the Executive Board members and the CEO are reviewed annually, based on internal factors as well as external benchmarking of the market levels of compensation for each role. The maximum levels for each individual vary from one another, subject to the overall maximum levels outlined in the following table.

Maximum opportunity levels for 2017

	Executive Board member		CEO	
	Opportunity ranges (multiple of base salary)	Maximum compensation (CHF million) [2]	Maximum opportunity (multiple of base salary)	Maximum compensation (CHF million) [2]
Base salary [1]	–	2.00	–	3.00
STI awards	0.75 – 2.50	5.00	1.50	4.50
LTI awards	1.25 – 4.25	8.50	2.50	7.50
Total	**2.00 – 6.75**	**15.50**	**4.00**	**15.00**

[1] Equivalent amount may be provided in local currency. USD 2.0 million for Executive Board members based in the US.
[2] Excluding dividend equivalents, pension and other benefits.

As part of the review of Executive Board compensation conducted at the beginning of the year, the Compensation Committee considered it necessary to adjust the upper end of the STI maximum opportunity range for 2017 to 250%, compared with 225% for 2016, to reflect the expansion of one Executive Board member's role and to reflect developments in the local labor market.

COMPENSATION OUTCOMES FOR 2017

2017 STI awards

The 2017 STI awards have the same overall structure as the 2016 STI awards, and are designed to reward the achievement of annual objectives based on performance in 2017. The final payout of the STI award is determined based on pre-defined quantitative criteria and performance levels which are linked to our strategic plan, as well as qualitative criteria related to topics such as delivery of strategic initiatives, leadership/culture and risk and compliance. Taking into account the quantitative achievements against the target performance levels, as well as the qualitative assessment outlined below, the Compensation Committee recommended a total STI award amount of CHF 25.46 million for the Executive Board. This represented, on average, 81% of the STI maximum opportunity pre-defined for each Executive Board member. The 2017 STI compensation will be submitted for shareholder approval at the 2018 AGM.

Executive Board compensation for 2017 (audited)

in	STI awards (Non-deferred) [1]	STI awards (Deferred) [2]	**Total STI compensation**	Base salaries and role-based allowances	Dividend equivalents [3]	Pension and similar benefits and other benefits [4]	**Total fixed compensation**	LTI awards 2017 fair value (Deferred) [5]	**Total compensation, including LTI awards** [6]
2017 (CHF million, except where indicated)									
12 members	12.54	12.92	**25.46**	26.34	0.56	1.99	**28.89**	15.55	**69.90**
% of total compensation, including LTI awards			**36%**				**42%**	22%	
of which CEO: Tidjane Thiam	1.99	1.99	**3.98**	3.00	0.22	0.25	**3.47**	2.25	**9.70**
% of total compensation, including LTI awards			**41%**				**36%**	23%	

[1] STI non-deferred awards for 2017 comprised CHF 12.16 million cash, with a further CHF 0.38 million granted as blocked shares to Mr. Mathers, to comply with regulatory requirements given that he was categorized as UK PRA Code Staff during 2017.
[2] STI deferred awards for 2017 comprised CHF 12.34 million in deferred cash awards as well as CHF 0.58 million granted as share awards to Mr. Mathers, to comply with regulatory requirements given that he was categorized as UK PRA Code Staff during 2017.
[3] Dividend equivalents were paid in respect of replacement awards and were delivered in cash, consistent with dividends paid on actual shares.
[4] Other benefits consist of housing allowances, expense allowances and relocation allowances.
[5] The fair value of the LTI awards as of the date of grant has been determined using a Monte Carlo pricing model. The pricing is based on a valuation and estimate by an external provider. The awards have a total maximum opportunity of CHF 31.2 million, which was the amount approved by shareholders at the 2017 AGM.
[6] For the total compensation awarded to the members of the Executive Board, the Group made payments of CHF 3.05 million in 2017 to cover the mandatory employer social security contributions as required under the social security laws applicable to the individual Executive Board members based on their domicile and employment status. These contributions do not form part of the Executive Board members' compensation.

Executive Board compensation for 2016 (audited)

This table has been updated to reflect the voluntary reduction in the 2016 STI award proposal for the Executive Board, which was approved by shareholders at the 2017 AGM.

in	STI awards (Non-deferred) [1]	STI awards (Deferred) [2]	**Total STI compen-sation** [3]	Base salaries and role-based allowances	Dividend equivalents [4]	Pension and similar benefits and other benefits [5]	**Total fixed compen-sation**	LTI awards 2016 fair value (Deferred) [6]	**Total compen-sation, including LTI awards** [7,8]
2016 (CHF million, except where indicated, does not include replacement awards)									
13 members [9]	12.81	4.20	**17.01**	26.99	0.60	2.00	**29.59**	26.46	**73.06**
% of total compensation, including LTI awards			**23%**				**41%**	36%	
of which joiners and leavers during 2016 (2 individuals)	2.35	1.88	**4.23**	2.60	0.00	0.01	**2.61**	3.51	**10.35**
% of total compensation, including LTI awards			**41%**				**25%**	34%	
of which CEO: Tidjane Thiam	2.08	0.42	**2.50**	3.00	0.47	0.21	**3.68**	4.05	**10.24**
% of total compensation, including LTI awards			**24%**				**36%**	40%	

1 STI non-deferred awards for 2016 comprised CHF 12.44 million cash, with a further CHF 0.37 million granted as blocked shares to Mr. Mathers, who was categorized as UK PRA Code Staff during 2016.
2 STI deferred awards for 2016 comprised CHF 3.23 million in deferred cash awards as well as CHF 0.97 million granted as share awards to Mr. Mathers, who was categorized as UK PRA Code Staff during 2016, and Mr. O'Hara, who ceased to be a member of the Executive Board during 2016.
3 STI awards included a variable compensation award of CHF 1.58 million comprising CHF 0.79 million cash and CHF 0.79 million deferred awards in respect of Mr. O'Hara relating to the period after he ceased to be a member of the Executive Board.
4 Dividend equivalents were paid in respect of replacement awards, as well as in respect of share awards granted prior to January 1, 2014, and were delivered in cash, consistent with dividends paid on actual shares.
5 Other benefits consist of housing allowances, expense allowances and relocation allowances.
6 The fair value of the LTI awards as of the date of grant has been determined using a Monte Carlo pricing model. The pricing is based on a valuation and estimate by an external provider. This has been further validated by internal valuation. The awards have a total maximum opportunity of CHF 49 million, which was the amount approved by shareholders at the 2016 AGM.
7 For Mr. Chin, who joined the Executive Board during 2016, only compensation relating to the period during which he was a member of the Executive Board is included in the table above.
8 For the total compensation awarded to the members of the Executive Board, the Group made payments of CHF 2.6 million in 2016 to cover the mandatory employer social security contributions as required under the social security laws applicable to the individual Executive Board members based on their domicile and employment status. These contributions do not form part of the Executive Board members' compensation.
9 Due to the departure of Mr. O'Hara and the appointment of Mr. Chin in his role, there were 12 active members of the Executive Board at any given point in time during 2016.

Assessment of performance against quantitative criteria (70% weighting)

The quantitative Group and divisional performance levels for the 2017 STI awards were pre-defined at the beginning of the year by the Compensation Committee, during the financial planning stage, and were based on certain assumptions regarding the Group's capital plan. Subsequently, due to an acceleration of the Group's capital strategy through a rights offering that was completed in June 2017, the Compensation Committee reviewed the validity of the pre-defined performance levels for the CET1 ratio metric and decided that the target performance level should be raised to 11.9% from 11.7% previously, to reflect the accelerated strengthening of the Group's capital position through the rights offering. No other performance criteria or performance target levels were modified during the year.

The quantitative criteria and corresponding 2017 outcomes are shown in the following tables for the CEO and functional heads (70% weighting on Group metrics only) and divisional heads (30% weighting on Group metrics and 40% weighting on divisional metrics), respectively. In terms of the Group metrics, the key financial highlights considered in the quantitative assessment can be summarized as follows:

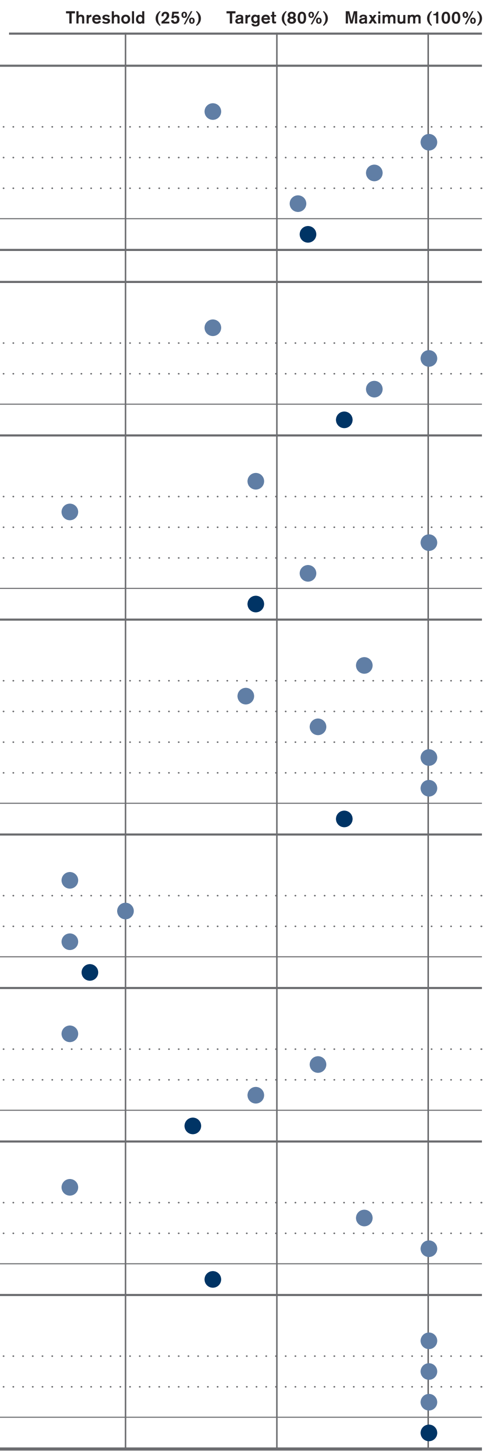
- Adjusted income before taxes of CHF 2.8 billion was up 349% compared with the prior year, albeit below the target performance level;
- Look-through CET1 ratio of 12.8% at year-end and look-through CET1 leverage ratio of 3.8% were both above the target performance level, mainly driven by the rapid wind-down of risk-weighted assets within the Strategic Resolution Unit and a range of internal and external capital measures; and
- Adjusted operating expenses of CHF 17.8 billion (after excluding CHF 170 million for certain accounting changes in addition to the usual adjustment items) over-achieved the target performance level of CHF 18.0 billion.

▸ Adjusted results are non-GAAP financial measures that exclude goodwill impairment, real estate transactions, business sales, restructuring expenses and major litigation provisions. Refer to "Reconciliation of adjusted results" in II – Operating and financial review – Credit Suisse for further information.

STI awards: 2017 quantitative performance assessment

Performance criteria	Weighting	2017 target[1]	2017 result
CEO and functional heads			
Group metrics			
Adjusted income before taxes (CHF million)	20%	3,450	2,762
Look-through CET1 ratio	20%	11.9%	12.8%
Look-through CET1 leverage ratio	20%	3.5%	3.8%
Adjusted operating expenses (CHF million)[2]	10%	18,045	17,771
Total	**70%**		
Divisional heads			
Group metrics			
Adjusted income before taxes (CHF million)	7.5%	3,450	2,762
Look-through CET1 ratio	11.25%	11.9%	12.8%
Look-through CET1 leverage ratio	11.25%	3.5%	3.8%
Total	**30%**		
Swiss Universal Bank metrics			
Adjusted income before taxes (CHF million)	20%		1,873
Private Banking net new assets (CHF billion)[3]	4%		2
Risk-weighted assets (CHF billion)	8%		66
Leverage exposure (CHF billion)	8%		257
Total	**40%**		
International Wealth Management metrics			
Private Banking adjusted income before taxes (CHF million)	8%		1,116
Asset Management adjusted income before taxes (CHF million)	8%		381
Private Banking net new assets (CHF billion)	8%		16
Risk-weighted assets (CHF billion)	8%		38
Leverage exposure (CHF billion)	8%		99
Total	**40%**		
Asia Pacific metrics			
Adjusted income before taxes (CHF million)	16%		792
Private Banking net new assets (CHF billion)	8%		17
Adjusted return on regulatory capital	16%		15.0%
Total	**40%**		
Global Markets metrics			
Adjusted return on regulatory capital	16%		4.3%
Risk-weighted assets (USD billion)	12%		60
Adjusted operating expenses (USD million)	12%		5,010
Total	**40%**		
Investment Banking & Capital Markets metrics			
Adjusted return on regulatory capital	16%		15.2%
Risk-weighted assets (USD billion)	12%		21
Leverage exposure (USD billion)	12%		45
Total	**40%**		
Strategic Resolution Unit metrics			
Adjusted income/(loss) before taxes (CHF million)	12%		(1,847)
Risk-weighted assets (CHF billion)	16%		34
Leverage exposure (CHF billion)	12%		60
Total	**40%**		

Payout level



Adjusted results are non-GAAP financial measures. For a reconciliation of the adjusted results to the most directly comparable US GAAP measures, see "Reconciliation of adjusted results" tables in II – Operating and financial review – Credit Suisse.

1 Due to commercial sensitivity, only the target performance levels for the Group metrics are disclosed.

2 The target performance level of CHF 18,045 million was set prior to accounting changes where certain expenses previously recognized as contra revenue were reclassified as operating expenses. Therefore, an amount of CHF 170 million for such accounting changes was deducted from adjusted operating expenses of CHF 17,941 million to ensure consistency with the target definition.

3 The 2017 net new asset target was determined with reference to the legacy Private Banking business within Swiss Universal Bank prior to a reorganization effective January 1, 2017. Under the legacy Private Banking business, the external asset manager business was included at that time. Refer to I – Information on the Company – Divisions – Swiss Universal Bank – Business profile for further information. Private Banking net new assets for 2017 include net new assets from Private Clients of CHF 4.7 billion and net asset outflows of CHF 2.9 billion relating to the external asset manager business.

Assessment of performance against qualitative criteria (30% weighting)

The qualitative performance evaluation was based on criteria such as successful execution of business strategy, leadership initiatives, talent management, partnership and collaboration in strengthening the Group's client focus, and contribution to the enhancement of the Group's brand and reputation. The Compensation Committee noted that during 2017 the Executive Board continued to successfully implement the Group's strategy. In particular, the divisional heads guided their respective businesses towards profitable growth in terms of higher adjusted income before taxes while maintaining the focus on clients and supporting the reputation of the Group. The Compensation Committee also noted the strong leadership qualities of the divisional and functional heads, the strengthening of compliance and control measures within the business and corporate functions, as well as the promotion of diversity and retention of key talent. Overall, the Compensation Committee determined that each of the Executive Board members had achieved between the target and maximum performance levels with respect to their qualitative objectives for the year.

2017 LTI awards

The 2017 LTI awards approved by shareholders at the 2017 AGM have a total maximum opportunity of CHF 31.2 million, following the 40% voluntary reduction. This represents the maximum amount payable if all Executive Board members achieve the maximum performance levels under the financial measures (50% weighting for the CET1 ratio/CET1 leverage ratio, cost target, and, as applicable, divisional performance metrics), and the Group RTSR (50% weighting) is ranked within the top four of the peer group at the end of the three-year performance measurement period. Due to commercial sensitivity of the internal financial metrics, performance against the target performance levels will only be disclosed retrospectively after the end of the three-year performance period. The fair value of the 2017 LTI awards at the time of grant was CHF 15.55 million.

▸ Refer to "Compensation design at a glance" and the 2016 Annual Report for further information on the 2017 LTI awards.

Compensation of the CEO and highest paid Executive Board member

The compensation for the CEO and highest paid Executive Board member, Tidjane Thiam, comprised of CHF 3.00 million base salary, which remained unchanged compared with the prior year, a 2017 STI award of CHF 3.98 million representing 88% of the maximum opportunity and a 2017 LTI award with a maximum opportunity of CHF 4.5 million (following the 40% voluntary reduction) and a fair value of CHF 2.25 million at the time of grant. In terms of realized compensation for 2017, Mr. Thiam received a base salary of CHF 3.00 million, pension and other benefits of CHF 0.25 million, dividend equivalents of CHF 0.22 million, and a CHF 1.99 million 2017 STI award in non-deferred cash.

The assessment of Mr. Thiam's performance against the quantitative criteria is based on the same criteria and outcomes as described earlier for the Executive Board. In terms of the qualitative assessment, the Compensation Committee determined that Mr. Thiam had achieved the maximum performance level with respect to the qualitative measures. Some of the key highlights from Mr. Thiam's qualitative assessment are summarized in the table below.

STI awards: 2017 qualitative assessment for the CEO (30% weighting)

Strategy execution

- Mr. Thiam has continued to successfully lead the Group towards achieving profitable growth, reducing the operating cost base, and improving the Group's operating leverage by embedding a focus on fixed cost efficiency and effectiveness throughout the business
- He has overseen the prudent strengthening of the Group's capital position and the orderly wind-down of legacy assets

Leadership initiatives

- Mr. Thiam has displayed sound leadership and success in driving the Group towards a cohesive and profitable client-centric bank
- Mr. Thiam has supported the development of an intelligence-led compliance organization and an industry-leading risk and control framework for compensation
- He has instigated a change in culture which emphasizes rewarding performance and ethical conduct, and has been personally engaged in resolving significant legacy issues

Talent management

- Mr. Thiam has fostered a culture of internal mobility and the development of talent within the Group, including the promotion of diversity and inclusion across the Group

Partnership and collaboration

- Mr. Thiam has continued to steer an integrated approach between wealth management and investment banking, such as the establishment of the International Trading Solutions business, which has enhanced the Group's client offering and fostered collaboration and synergies across the Group

Brand and reputation

- Mr. Thiam continued to protect and build upon the Group's reputation and brand during 2017

UTILIZATION OF EXECUTIVE BOARD COMPENSATION APPROVED AT THE 2017 AGM

At the 2017 AGM, shareholders approved an aggregate amount of fixed compensation to be paid to members of the Executive Board for the period from the 2017 AGM to the 2018 AGM of no more than CHF 31 million. By the time of the 2018 AGM, a total of CHF 29.1 million will have been paid to Executive Board members with respect to fixed compensation. Fixed compensation includes base salaries, role-based allowances, dividend equivalents, pension and benefits.

At the 2017 AGM, shareholders also approved an aggregate maximum amount of LTI compensation to be granted to members of the Executive Board for the 2017 financial year of no more than CHF 31.2 million. The actual 2017 LTI compensation awarded to members of the Executive Board corresponds to this maximum amount. The amount of the 2017 LTI award realized by each of the Executive Board members can only be determined after the completion of the three-year performance period.

In line with the Compensation Ordinance and as specified in the AoA, if new members join the Executive Board or members of the Executive Board are promoted during a period for which compensation has already been approved by shareholders, a further 30% of the aggregate amounts already approved may be used for the compensation of such members. No such additional amount was required in 2017.

SUPPLEMENTARY INFORMATION

Cash settlement of share awards

The Executive Board members are permitted to elect, subject to minimum shareholding requirements, at a predefined date in advance of settlement, to receive their vested share-based awards in the form of shares, cash or 50% in the form of shares and 50% in cash, in each case based on the Group share price at the time of settlement. An election to receive cash is subject to reversal if at the time of settlement the Group share price is less than 75% of the share price at the time of election. The timing and pricing of settlement will be the same as under the previous award plan and as under the plans of the non-Executive Board population.

Contract lengths, termination and change in control provisions

All members of the Executive Board have employment contracts with the Group which are valid until terminated. The notice period for termination of employment by either the Group or the respective Executive Board member is six months. Executive Board members may be held to a non-compete period of up to one year and may be compensated for this period of time by mutual agreement. In the event of termination, there are no contractual provisions that allow for the payment of severance awards to Executive Board members beyond the regular compensation awarded during the notice period. Pre-defined conditions for all employees, including Executive Board members, apply for the payment of outstanding deferred compensation awards, depending on whether the termination of employment was voluntary, involuntary or the result of a change in control. There are no other contracts, agreements or arrangements with the members of the Executive Board that provide for other types of payments or benefits in connection with termination of employment that are not generally available to other employees of the Group.

In the case of a change in control, the treatment of outstanding awards for all employees, including Executive Board members, will be determined by the Board upon recommendation of the Compensation Committee with the aim of maximizing shareholder value, subject to circumstances and prevailing market conditions. There are no provisions in the employment contracts of Executive Board members or any other pre-determined arrangements that require the payment of any type of extraordinary benefits, including special severance awards or transaction premia, in the case of a change in control.

Former Executive Board members (audited)

During 2017 and 2016, former Executive Board members received total compensation for services they continued to perform after they stepped down from the Executive Board of CHF 1.4 million and CHF 8.0 million, respectively. In addition, a total of CHF 4.1 million was paid during 2017 to former Executive Board members pursuant to non-compete arrangements agreed upon in 2015. Some former members of the Group's most senior executive body who no longer provide services to the Group are still eligible to receive office infrastructure and secretarial support. These services are based on existing resources and are not used on a regular basis.

Other outstanding awards

As of December 31, 2017, the outstanding cash-based deferred compensation awards granted to certain Executive Board members in prior years comprised of the Capital Opportunity Fund (COF), CCA, LTI awards (from 2012 and 2013) and deferred cash awards. The cumulative value of such cash-based awards at their grant dates was CHF 21.57 million compared with CHF 21.19 million as of December 31, 2017. These amounts also include the cash value of dividend equivalents related to unvested share awards at their respective grant dates and at December 31, 2017.

Executive Board holdings and values of deferred share-based awards by individual

end of	Number of owned shares [1]	Number of unvested awards (at maximum opportunity) [2]	Number of owned shares and unvested awards	Value (CHF) of unvested awards at grant date (at maximum opportunity)	Value (CHF) of unvested awards at year end (at fair value) [3]
2017					
Tidjane Thiam	1,967	1,132,835	1,134,802	20,298,771	13,941,708
James L. Amine	382,106	1,098,488	1,480,594	18,110,327	11,694,777
Pierre-Olivier Bouée	38,204	439,832	478,036	7,200,011	5,345,214
Romeo Cerutti	199,630	410,871	610,501	6,945,908	4,389,711
Brian Chin	234,328	1,098,757	1,333,085	17,798,557	16,800,518
Peter Goerke	21,953	282,112	304,065	4,750,031	2,985,514
Thomas Gottstein	–	354,275	354,275	6,009,654	3,639,767
Iqbal Khan	25,135	379,846	404,981	6,412,346	4,016,413
David R. Mathers	52,672	704,359	757,031	11,723,886	7,726,820
Joachim Oechslin	–	386,390	386,390	6,627,551	4,027,112
Helman Sitohang	394,737	826,572	1,221,309	13,516,027	9,278,836
Lara Warner	2,036	325,449	327,485	5,501,327	3,445,577
Total	**1,352,768**	**7,439,786**	**8,792,554**	**124,894,396**	**87,291,967**
2016					
Tidjane Thiam	81,927	1,032,118	1,114,045	20,718,964	12,550,161
James L. Amine	262,706	1,025,658	1,288,364	18,884,166	11,868,592
Pierre-Olivier Bouée	3,614	372,907	376,521	7,096,724	4,436,540
Romeo Cerutti	286,688	323,908	610,596	6,013,140	3,593,974
Brian Chin	109,013	692,600	801,613	14,516,015	10,118,886
Peter Goerke	17,640	223,951	241,591	4,407,779	2,428,892
Thomas Gottstein	64,318	273,660	337,978	5,177,166	2,858,578
Iqbal Khan	40,282	295,044	335,326	5,516,095	3,182,133
David R. Mathers	70,573	555,791	626,364	10,122,747	6,251,319
Joachim Oechslin	32,345	277,331	309,676	5,359,233	2,949,735
Helman Sitohang	244,895	777,688	1,022,583	14,138,551	9,092,974
Lara Warner	92,043	302,939	394,982	5,752,577	3,368,217
Total	**1,306,044**	**6,153,595**	**7,459,639**	**117,703,157**	**72,700,001**

1 Includes shares that were initially granted as deferred compensation and have vested.
2 Includes unvested shares originating from LTI awards calculated on the basis of maximum opportunity for awards that have not reached the end of their three-year performance period, given that the actual achievement level and associated number of unvested shares cannot be determined until the end of the performance period. We believe this is a more appropriate approach than our prior practice of applying the target performance level (i.e., 80% of maximum opportunity) in calculating the number of unvested shares. As such, the table for 2016 has been updated.
3 Includes the value of unvested LTI awards, which was determined based on fair value.

Executive Board loans (audited)

The majority of loans outstanding to Executive Board members are mortgages or loans against securities. Such loans are made on the same terms available to employees under the Group's employee benefit plans. Pursuant to the AoA, each Executive Board member may be granted individual credit facilities or loans up to a maximum of CHF 20 million. As of December 31, 2017, 2016 and 2015, outstanding loans to Executive Board members amounted to CHF 26 million, CHF 25 million and CHF 26 million, respectively. The number of individuals with outstanding loans at the beginning and the end of 2017 was 8 and 8, respectively, and the highest loan outstanding was CHF 7 million to Mr. Gottstein.

All mortgage loans to Executive Board members are granted either with variable or fixed interest rates over a certain period. Typically, mortgages are granted for periods of up to ten years. Interest rates applied are based on refinancing costs plus a margin, and interest rates and other terms are consistent with those applicable to other employees. Loans against securities are granted at interest rates and on terms applicable to such loans granted to other employees. The same credit approval and risk assessment procedures apply to Executive Board members as for other employees. Unless otherwise noted, all loans to Executive Board members were made in the ordinary course of business and substantially on the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and in consideration of the terms which apply to all Group employees. These loans did not involve more than the normal risk of collectability or present other unfavorable features.

▸ Refer to "Banking relationships with Board and Executive Board members and related party transactions" in IV – Corporate Governance – Additional information for further information.

Revised Executive Board compensation design for 2018

The overall compensation structure and design for the Executive Board in 2018 builds upon the existing framework. To reflect feedback after extensive consultation with shareholders and other external stakeholders, the Compensation Committee has proposed a number of changes to specific aspects of Executive Board compensation, effective from 2018, which are aligned with the Group's strategic plan. The key changes are summarized in the following table, and further details on the 2018 STI and 2018 LTI award design are provided below.

Element	Key changes	Rationale and outcome
Fixed compensation	■ No change to base salaries	■ Base salaries are at competitive levels, requiring no adjustment for 2018
STI awards	■ Introduction of STI award pool for Executive Board, with the total pool amount determined based on achievement of pre-determined Group financial (weighted as 67% of the maximum opportunity) and non-financial metrics (weighted as 33% of the maximum opportunity) ■ Allocation of pool amount to be based on CEO assessment and recommendation to the Compensation Committee, taking into account individualized balanced scorecard with financial and non-financial metrics ■ Revised metrics for assessing performance, including greater focus on Group-level financial metrics and removal of capital-based performance metrics ■ Reduced payout levels for achievement of target performance: 67% of the maximum opportunity (reduced from 80%)	■ Performance criteria simplified and use of Group only performance metrics enables greater transparency ■ Replacement of capital-based metrics, given the Group's stronger capital position, with criteria that focus on profitability and operating leverage
LTI awards	■ Revised metrics for assessing performance that focus on Group only metrics and removal of capital-based performance metrics ■ Introduction of RoTE[1] and TBVPS[1] as LTI performance metrics ■ Reduced payout levels for achievement of target performance: 67% of the maximum opportunity (reduced from 80%) ■ Weighting of RTSR component reduced to 33% (from 50%), with reduced payout for ranking below median and zero payout for bottom quartile ranking	■ Performance criteria simplified and use of Group only performance metrics enables greater transparency ■ Replacement of capital-based metrics, given the Group's stronger capital position, with criteria that focus on generating returns and cumulative earnings ■ Lower weighting for RTSR component to place more emphasis on metrics that are more directly influenced by management's performance ■ Revised payout levels for RTSR ranking below median in line with Swiss market practice
Shareholding requirements[2]	■ CEO minimum shareholding requirement at 500,000 shares (increased from 350,000 shares) ■ Executive Board member minimum shareholding requirement at 300,000 shares (increased from 150,000 shares)	■ Increased minimum shareholding requirements to be more aligned with global banking peers

1 Non-GAAP financial measure.
2 The thresholds include all Group shares held by or on behalf of the Executive Board members, including unvested share-based awards. Executive Board members are restricted from selling shares, or from receiving their share-based awards in the form of cash, until they fulfill the minimum shareholding requirements.

The performance target levels for the STI and LTI awards are set on the basis of the internal stretch targets, prior year performance, analyst expectations and publicly stated targets. For instance, the RoTE metric (a non-GAAP financial measure) is based on reported unadjusted results and will be measured as an average for the three performance years of 2018, 2019 and 2020. The threshold performance level was set at 5.0%, which exceeds the RoTE achieved for 2017 of 3.0% (before the impact of the CHF 2.3 billion non-cash tax charge primarily resulting from the US tax reform). The target performance level of 7.5% is significantly higher than the RoTE achieved for 2017, and is 50% higher than the threshold performance level of 5.0%. The maximum performance level of 11.0% was set taking into consideration our publicly stated ambitious objectives for 2019 (10-11%) and 2020 (11-12%), and the fact that 2018 is the final year of our three-year restructuring plan. As such, the 100% payout level will only be achieved if the average RoTE over the three years is at least 11%. The TBVPS metric (a non-GAAP financial measure) will also be measured as an average of the three performance years based on the values at the end of 2018, 2019 and 2020, respectively. The threshold performance level was set at a level which exceeds the TBVPS achieved at the end of 2017, and the target and maximum performance levels were set in consideration of internal stretch targets.

Overview of 2018 Short-Term Incentive awards and Long-Term Incentive awards

STI awards: key features

- Rewards achievement of annual objectives of the Group
- The maximum STI award pool equals the sum of all individual maximum opportunities of the Executive Board members. The award pool amount is determined based on achievement of pre-determined Group financial and non-financial metrics.
- The STI award amount for each Executive Board member is assessed by the CEO based on individualized balanced scorecards. Based on this assessment, the Compensation Committee makes proposals to the Board for the approval of final STI award amounts.
- Payout levels defined as % of total opportunity:[1]
  - Maximum performance: 100%
  - Target performance: 67%
  - Threshold performance: 25%
  - Below threshold: 0%
- Delivery as 50% immediate cash payment and 50% deferred cash vesting on third anniversary of grant date[2]

Performance criteria	Weighting	Performance targets
Adjusted income before taxes[3]	33⅓%	To be disclosed retrospectively due to commercial sensitivity
Cost target	33⅓%	
Non-financial criteria	33⅓%	

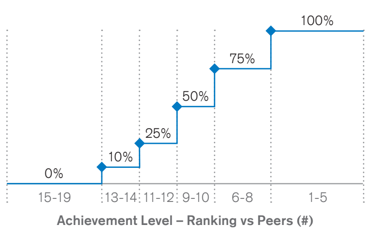
Vesting and delivery

LTI awards: key features

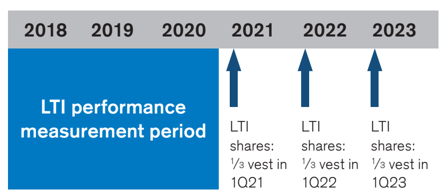
- Rewards achievement of long-term business plan and long-term returns for shareholders
- Maximum opportunity is expressed as a percentage of base salary taking into account role, market experience and geography
- Payout levels with respect to Group financial criteria are determined by average performance over three years:[1]
  - Maximum performance: 100%
  - Target performance: 67%
  - Threshold performance: 25%
  - Below threshold: 0%
- Payout levels with respect to RTSR ranking are shown in the chart "RTSR payout levels"
- Delivery in the form of shares with vesting in three equal tranches on the third, fourth and fifth anniversaries of the grant date

Performance criteria	Weighting	Performance targets Threshold	Target	Maximum
Three-year average reported RoTE[4]	33⅓%	5.0%	7.5%	11.0%
Three-year average TBVPS (CHF)[5]	33⅓%	15.00	16.00	18.00
RTSR	33⅓%	See "RTSR payout levels"		

RTSR payout levels (%)[6]



Vesting



1 Payout levels between threshold, target and maximum performance levels are calculated as a linear percentage of the award opportunity.
2 For UK PRA Code Staff, to comply with regulatory requirements, delivery comprises 20% immediate cash payment, 20% immediate Credit Suisse Group AG registered shares, subject to blocked period of 12 months, and 30% deferred cash and 30% deferred shares, vesting in five equal tranches on the third to seventh anniversaries of the grant date.
3 Adjusted results are non-GAAP financial measures that exclude goodwill impairment, real estate transactions, business sales, restructuring expenses and major litigation provisions.
4 RoTE is based on tangible shareholders' equity attributable to shareholders, a non-GAAP financial measure, which is calculated by deducting goodwill and other intangible assets from total shareholders' equity attributable to shareholders as presented in our balance sheet.
5 TBVPS is a non-GAAP financial measure and excludes the impact of any dividends paid during the performance period, share buybacks, own credit movements and FX rate movements.
6 To provide the benchmark for comparison of performance, a group of 18 peers has been chosen by the Compensation Committee based on size, geographic scope and business mix, and consists of companies with publicly traded shares where there is positive correlation to Credit Suisse in the relationship of share price movements and how they react to external market conditions. For the purposes of the RTSR ranking, the peer group list is unchanged since 2016 when the RTSR criteria was introduced, and consists of Banco Santander, Bank of America, Barclays, BBVA, BNP Paribas, Citigroup, Deutsche Bank, Goldman Sachs, ING Group, Intesa Sanpaolo, JPMorgan Chase, Julius Bär, Morgan Stanley, Nordea Bank, Royal Bank of Scotland, Société Générale, Standard Chartered and UBS.

Board of Directors compensation

COMPENSATION STRUCTURE

Board members receive fees which reflect their respective role, time commitment and scope of responsibility on the Board. The fee amounts are set at levels to attract and retain highly qualified and experienced individuals, taking into consideration levels at comparable leading Swiss companies. The base board and committee membership fees for the period from one AGM to the next are paid 50% in cash and 50% in Group shares in arrears in two equal installments, except for the Chairman and committee chairs as described below. The Group shares awarded are blocked and non-transferable for a period of four years. This ensures that the interests of Board members are closely aligned to the interests of shareholders. The fee amounts for the 2017 AGM to 2018 AGM Board period are shown in the table below, and are consistent with prior years, with the following changes:

- committee chairs continue to receive chair fees, but no longer receive the committee membership fees for serving on committees that they chair;
- revised Compensation Committee Chair fee to reflect the increased complexity and time commitment of this role and to further align with Swiss market practice (increased to CHF 300,000 compared with CHF 200,000 previously);
- Audit Committee Chair fee reduced to CHF 480,000 from CHF 560,000 previously; and
- Governance and Nominations Committee (formerly the Chairman's and Governance Committee) membership fee reduced to CHF 50,000 from CHF 100,000 previously.

Membership fees: 2017 AGM – 2018 AGM

Role	Base fees	Chair fees [1]	Committee fees
CHF			
Chairman	3,000,000	1,500,000	–
Board member [2]	250,000	–	–
Audit Committee (AC)	–	480,000	150,000
Governance and Nominations Committee (GNC)	–	No additional fee	50,000
Compensation Committee (CC)	–	300,000	100,000
Risk Committee (RC)	–	420,000	100,000

[1] Committee chairs do not receive committee fees in addition to their chair fees.
[2] The Vice-Chair and Lead Independent Director do not receive additional compensation for these roles.

Effective as of the 2018 AGM, the Risk Committee Chair fee will be reduced to CHF 400,000 from CHF 420,000 previously.

Compensation of the Chairman

The Chairman's role is a full-time appointment. He is paid an annual base board fee of CHF 3.0 million in cash (divided into 12 monthly payments) plus a chair fee of CHF 1.5 million in Group shares delivered in one installment at the end of the current board period. The Chairman may also receive benefits from and make contributions to the Group pension fund in line with local market practice for the Group. For the period from the 2017 AGM to the 2018 AGM, the Chairman proposed to voluntarily waive 30% of his chair fee of CHF 1.5 million, an amount equivalent to CHF 0.45 million, and this proposal was approved by the Board. Going forward, as the Group completes its restructuring plan, the Board expects that the Chairman's compensation will return to the previously approved level. The total compensation paid to the Chairman reflects his full-time status and active role in shaping the Group's strategy, governing the Group's affairs, engaging and maintaining a close working relationship with the CEO and senior management, and providing counsel and support, where appropriate. The Chairman coordinates the Board's activities, works with the committee chairs to coordinate the tasks of the committees and ensures that Board members are provided with sufficient information to perform their duties. The Chairman drives the Board agenda on key topics such as the strategic development of the Group, corporate culture, succession planning and the structure and organization of the Group. The Chairman also steers the agenda on compensation and compensation structure, including the performance evaluation and compensation of the CEO and the Executive Board. He chairs the Board, the Governance and Nominations Committee and the shareholder meetings and takes an active role in representing the Group to regulators and supervisors, key shareholders, investors, and other external stakeholders. Moreover, he is a member of several Swiss and international industry associations on behalf of the Group, including the Swiss Bankers Association, the Swiss Finance Council, the Institute of International Finance and the European Banking Group.

Compensation of the committee chairs

The committee chair fees are fixed in advance and are not linked to the Group's financial performance. The chair fees are paid 50% in cash and 50% in Group shares in one installment at the end of the current board period. In addition to the greater time commitment required to prepare and lead the committee work, the chair fees reflect the engagement of the three committee chairs throughout the year with regulators, shareholders, the business divisions and corporate functions and other stakeholders. Regulatory developments in the banking industry in recent years have put increasing demands on the Risk and Audit Committee Chairs, in particular, increasing the frequency of interaction with the Group's main regulators on internal control, risk, capital and other matters under the supervision of these committees. Similarly, the greater focus of shareholders and regulators on compensation has resulted in an increased number of engagements between the Compensation Committee Chair and key shareholders and shareholder proxy advisers, as well as with regulators. The Compensation Committee held 10 meetings and calls during 2017. The Audit Committee Chair fee also considers the greater number of meetings required of the Audit Committee for the review and approval of the quarterly financial results and related filings and the Audit Committee Chair's supervisory role over the Internal Audit function. The Audit Committee held 16 meetings and calls during 2017. The Risk Committee Chair fee considers the regular interaction required between the Risk Committee Chair and the Group chief risk officer and other senior managers in the risk management function, as well as his oversight role over the Credit Risk Review function, which reports directly to him. The Risk Committee held 6 meetings during 2017, and in addition, the Risk Committee Chair held numerous meetings with regulators and other stakeholders.

▸ Refer to the table "Members of the Board and Board committees" in IV – Corporate Governance – Board of Directors for further information.

▸ Refer to "Credit risk governance" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management – Risk coverage and management – Credit risk for further information on the Credit Risk Review function.

UTILIZATION OF BOARD COMPENSATION APPROVED AT THE 2017 AGM

At the 2017 AGM, shareholders approved an aggregate amount of compensation to be paid to members of the Board for the period from the 2017 AGM to the 2018 AGM of CHF 12 million. Of this amount, a total of CHF 11.5 million will have been paid to Board members by the time of the 2018 AGM, of which CHF 9.8 million related to fees for Group Board membership and CHF 1.7 million related to fees paid to certain Board members for subsidiary board membership. Total Group Board compensation is 5% lower than for the prior period, and aggregate Board and subsidiary board compensation for Board members is 4% higher due to the increase in compensation related to subsidiary board fees, which were not incurred in the prior period during the start-up phase of Credit Suisse (Schweiz) AG.

Board compensation from the 2017 AGM to the 2018 AGM (audited)

										Group		Subsidiaries	
	GNC	AC	CC	RC	Base board fee	Committee fee	Chair fee	Pension and other benefits	**Total**	Of which awarded in Group shares [1]	Subsidiary board fee	Pension and other benefits	**Total including subsidiary boards** [2]
CHF													
Urs Rohner, Chairman [3]	C				3,000,000	–	1,050,000	216,823	**4,266,823**	1,050,000	–	–	**4,266,823**
Iris Bohnet			M		250,000	100,000	–	–	**350,000**	175,000	–	–	**350,000**
Alexander Gottschling				M	250,000	100,000	–	–	**350,000**	175,000	33,333	–	**383,333**
Alexander Gut		M			250,000	150,000	–	–	**400,000**	200,000	150,000	–	**550,000**
Andreas N. Koopmann			M	M	250,000	200,000	–	–	**450,000**	225,000	–	–	**450,000**
Seraina Macia		M			250,000	150,000	–	–	**400,000**	200,000	–	–	**400,000**
Kai S. Nargolwala	M		C		250,000	50,000	300,000	–	**600,000**	300,000	–	–	**600,000**
Joaquin J. Ribeiro		M			250,000	150,000	–	–	**400,000**	200,000	–	–	**400,000**
Severin Schwan	M			M	250,000	150,000	–	–	**400,000**	200,000	–	–	**400,000**
Richard E. Thornburgh	M	M		C	250,000	200,000	420,000	–	**870,000**	435,000	271,600	–	**1,141,600**
John Tiner	M	C		M	250,000	150,000	480,000	–	**880,000**	440,000	218,250	–	**1,098,250**
Alexandre Zeller	M		M		250,000	150,000	–	–	**400,000**	200,000	800,000	216,823 [4]	**1,416,823**
Total					**5,750,000**	**1,550,000**	**2,250,000**	**216,823**	**9,766,823**	**3,800,000**	**1,473,183**	**216,823**	**11,456,829**

GNC = Governance and Nominations Committee; AC = Audit Committee; CC = Compensation Committee; RC = Risk Committee; C = Chair; M = Member

1 As of December 31, 2017, one-half of the Board member fees to be awarded in Group shares have been delivered to Board members. The applicable Group share price was CHF 16.11. The remaining shares will be delivered to Board members at or around the date of the 2018 AGM and the share price for this second share delivery will be determined at that time. Group shares are subject to a four-year blocking period.

2 At the 2017 AGM, shareholders approved a maximum amount of total compensation to be awarded to Board members until the 2018 AGM of CHF 12 million. For the total compensation awarded to members of the Board, the Group will make payments of CHF 0.5 million for the 2017/2018 Board period to cover the mandatory employer social security contributions as required under the social security laws applicable to the individual Board members based on their domicile and employment status. These contributions do not form part of the Board members' compensation.

3 The Chair fee of the Chairman is set at CHF 1.5 million to be awarded as 100% Group shares. For the period from the 2017 AGM to the 2018 AGM, the Chairman proposed to voluntarily waive 30% or CHF 0.45 million of his Chair fee and this proposal was approved by the Board. The total compensation of the Chairman includes benefits for the period from the 2017 AGM to the 2018 AGM of CHF 216,823, including pension and health insurance benefits.

4 Mr Zeller is eligible for pension and health insurance benefits in connection with his role as board member and chairman of the board of directors of the subsidiary Credit Suisse (Schweiz) AG, but not for his role as a member of the Group Board.

Board compensation from the 2016 AGM to the 2017 AGM (audited)

	GNC	AC	CC	RC	Base board fee	Committee fee	Chair fee	Pension and other benefits	Group Total	Group Of which awarded in Group shares [1]	Subsidiaries Subsidiary board fee	Total including subsidiary boards [2]
CHF												
Urs Rohner, Chairman [3]	C				3,000,000	–	750,000	230,929	**3,980,929**	750,000	–	**3,980,929**
Jassim Bin Hamad J.J. Al Thani					250,000	–	–	–	**250,000**	125,000	–	**250,000**
Iris Bohnet			M		250,000	100,000	–	–	**350,000**	175,000	–	**350,000**
Noreen Doyle	M			M	250,000	200,000	–	–	**450,000**	225,000	252,000	**702,000**
Alexander Gut		M			250,000	150,000	–	–	**400,000**	200,000	–	**400,000**
Andreas N. Koopmann			M	M	250,000	200,000	–	–	**450,000**	225,000	–	**450,000**
Jean Lanier	M		C		250,000	200,000	200,000	–	**650,000**	325,000	–	**650,000**
Seraina Macia		M			250,000	150,000	–	–	**400,000**	200,000	–	**400,000**
Kai S. Nargolwala			M	M	250,000	200,000	–	–	**450,000**	225,000	–	**450,000**
Joaquin J. Ribeiro		M			250,000	150,000	–	–	**400,000**	200,000	–	**400,000**
Severin Schwan				M	250,000	100,000	–	–	**350,000**	175,000	–	**350,000**
Richard E. Thornburgh	M	M		C	250,000	350,000	420,000	–	**1,020,000**	510,000	274,510	**1,294,510**
John Tiner	M	C		M	250,000	350,000	560,000	–	**1,160,000**	580,000	137,255	**1,297,255**
Total					**6,000,000**	**2,150,000**	**1,930,000**	**230,929**	**10,310,929**	**3,915,000**	**663,765**	**10,974,694**

GNC = Governance and Nominations Committee; AC = Audit Committee; CC = Compensation Committee; RC = Risk Committee; C = Chair; M = Member

1 As of December 31, 2016, one-half of the Board member fees to be awarded in Group shares have been delivered to Board members. The applicable Group share price was CHF 14.39. The remaining shares will be delivered to Board members at or around the date of the 2017 AGM and the share price for this second share delivery will be determined at that time. Group shares are subject to a four-year blocking period.

2 At the 2016 AGM, shareholders approved a maximum amount of total compensation to be awarded to Board members until the 2017 AGM of CHF 12 million. For the total compensation awarded to members of the Board, the Group will make payments of CHF 0.5 million for the 2016/2017 Board period to cover the mandatory employer social security contributions as required under the social security laws applicable to the individual Board members based on their domicile and employment status. These contributions do not form part of the Board members' compensation.

3 The Chair fee of the Chairman is set at CHF 1.5 million to be awarded as 100% Group shares. For the period from the 2016 AGM to the 2017 AGM, the Chairman proposed to voluntarily waive 50% or CHF 0.75 million of his Chair fee and this proposal was approved by the Board. The total compensation of the Chairman includes benefits for the period from the 2016 AGM to the 2017 AGM of CHF 230,929, including pension and health insurance benefits and lump sum expenses.

COMPENSATION OF BOARD MEMBERS SERVING ON SUBSIDIARY BOARDS

A number of Board members also serve as members on the boards of Group subsidiary companies. This practice is consistent with the Group's legal entity governance principles, which aim to foster a close alignment of the Group's governance practices and those of its significant subsidiary companies.

▸ Refer to the "Governance of Group subsidiaries" and "Biographies of the Board members" in IV – Corporate Governance – Board of Directors for further information.

With the exception of the Chairman, Board members may receive separate fees for serving on subsidiary boards, in addition to their Board fees, which are paid in cash. These fees are approved by the respective subsidiary boards and are subject to ratification by the Board. All subsidiary board fees are included in the total amount of compensation of members of the Board proposed for approval by shareholders at the AGM. The Chairman does not receive separate fees for board memberships in other Group companies, as this is considered to be included as part of the Chairman's compensation.

Going forward, the Board members newly appointed to serve on subsidiary boards will receive a flat subsidiary board membership fee of CHF 100,000 (or higher amounts if a Board member serves as the chair of the subsidiary board or a committee). This amount is generally less than that received by other external subsidiary board members, given that Board members are already familiar with the Group's entities and activities. Serving on a subsidiary board is nevertheless a significant additional commitment for these Board members, reflected, for example, in the number of subsidiary board meetings held throughout the year as shown below.

Number of subsidiary board meetings

	Board	Committee	Total
Subsidiary			
Credit Suisse (Schweiz) AG	7	12	**19**
Credit Suisse International (CSI) / Credit Suisse Securities (Europe) Limited (CSSEL)	12	18	**30**
Credit Suisse Holdings (USA) Inc.	17	15	**32**

SUPPLEMENTARY INFORMATION

Board shareholdings

The table below discloses the shareholdings of the Board members, their immediate family and companies in which they have a controlling interest. As of December 31, 2017 and 2016, there were no Board members with outstanding options.

Board shareholdings by individual

end of	**2017**	2016
December 31 (shares) [1]		
Urs Rohner	189,956	197,861
Iris Bohnet	49,451	38,287
Andreas Gottschling	5,432	–
Alexander Gut	24,152	7,865
Andreas N. Koopmann	117,900	81,746
Seraina Macia	37,231	19,700
Kai S. Nargolwala	280,883	226,362
Joaquin J. Ribeiro	24,150	7,865
Severin Schwan	116,402	82,803
Richard E. Thornburgh	196,766	225,038
John Tiner	216,645	140,910
Alexandre Zeller	6,208	–
Total	**1,265,176**	**1,028,437** [2]

1 Includes Group shares that are subject to a blocking period of up to four years; includes shareholdings of immediate family members.
2 Excludes 35,809 shares held by Jassim Bin Hadam J.J. Al Thani, 70,883 shares held by Noreen Doyle and 96,318 shares held by Jean Lanier as of December 31, 2016, who did not stand for re-election to the Board as of April 28, 2017.

Board loans

The majority of loans outstanding to members of the Board are mortgages or loans against securities. Such loans are made to Board members on the same terms available to third-party clients. Pursuant to the AoA, each member of the Board may be granted individual credit facilities or loans up to a maximum of CHF 20 million at market conditions. As of December 31, 2017, 2016 and 2015, outstanding loans to Board members amounted to CHF 11 million, CHF 10 million, and CHF 8 million respectively.

Board members with loans, including the Chairman, do not benefit from employee conditions, but are subject to conditions applied to clients with a comparable credit standing. Unless otherwise noted, all loans to Board members are made in the ordinary course of business and substantially on the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons. Such loans do not involve more than the normal risk of collectability or present other unfavorable features. In addition to the loans listed below, the Group or any of its banking subsidiaries may enter into financing and other banking agreements with companies in which current Board members have a significant influence as defined by the SEC. Examples include holding executive and/or board level roles in these companies. Unless otherwise noted, loans extended by the Group to such companies are also made in the ordinary course of business and at prevailing market conditions. As of December 31, 2017, 2016 and 2015, there was no loan exposure to such related party companies that was not made in the ordinary course of business and at prevailing market conditions.

▸ Refer to "Banking relationships with Board and Executive Board members and related party transactions" in IV – Corporate Governance – Additional information for further information.

Board loans by individual (audited)

end of	**2017**	2016
December 31 (CHF)		
Urs Rohner	4,745,000	4,830,000
Alexander Gut	30,000	30,000
Andreas N. Koopmann	5,197,600	4,195,000
Seraina Macia	968,000	976,000
Total	**10,940,600**	**10,031,000**

Includes loans to immediate family members and companies, in which the respective Board member has an ownership stake of 50% or higher.

Former members of the Board

Two former members of the Board are eligible to receive office infrastructure and secretarial support. These services are based on existing resources and are not used on a regular basis. No additional fees, severance payments or other forms of compensation were paid to former members of the Board or related parties during 2017 and 2016.

Group compensation

COMPENSATION FRAMEWORK

The key elements of our current Group employees' compensation framework and how they applied to various employee categories are shown below.

Base salaries

All employees are paid a base salary. Salary levels are based on the skills, qualifications and relevant experience of the individual, the responsibilities required by the role and external market factors.

Role-based allowances

Role-based allowances are a component of fixed compensation awarded to certain employees identified as PRA Code Staff under UK regulatory requirements or material risk-takers under other EU regulatory requirements. These role-based allowances are determined based on the role and organizational responsibility of the individuals. Role-based allowances are deemed to be fixed compensation for the purposes of calculating the cap of variable incentive compensation as required by the Capital Requirements Directive IV (CRD IV) and Capital Requirements Regulation (CRR). Role-based allowances for 2017 were paid entirely in cash on a non-deferred basis.

Variable incentive compensation

For 2017, variable incentive compensation was paid in cash unless the total compensation awarded to an employee for 2017 was greater than or equal to CHF 250,000 or the local currency equivalent or USD 250,000 for employees whose total compensation is denominated in US dollars. In these cases a portion was paid in cash and the balance was deferred, vesting at a later date.

Generally, employees receive the cash portion of their variable incentive compensation at a regular payroll settlement date close to the grant date. To comply with CRD IV requirements, employees who hold material risk-taker roles in respect of certain Group subsidiaries in the EU receive shares for 50% of the non-deferred portion of variable incentive compensation that would have been paid to them as cash. These shares are vested at the time of grant but remain blocked, that is, subject to transfer restrictions, for a period of 12 months.

To enable closer alignment with market practice and local variations, two deferral tables have been applied since 2015: one for the Americas and another for the rest of the world. For 2017, the deferral rates ranged from 17.5% to 60% of variable incentive compensation for employees located in the Americas, and 17.5% to 85% of variable incentive compensation for employees located elsewhere. The amount of variable incentive compensation paid in cash for 2017 was capped at CHF 2 million or the local currency equivalent (or USD 2 million for employees whose total compensation is denominated in US dollars) per employee.

Compensation components by employee category

	Total compensation					
	Fixed compensation	Variable compensation				
			Deferred compensation[1]			
Employee category	Base salary	Cash	Share awards	Performance share awards	Contingent Capital Awards
Managing directors and directors who are MRTC			30%	50%	20%
Other directors			80%		20%
Other MRTC			50%	50%	
Other employees with total compensation of CHF/USD 250,000 or higher			100%		
Employees with total compensation below CHF/USD 250,000					

[1] Deferred compensation is applicable to employees with total compensation of CHF/USD 250,000 or higher.

Deferred compensation: key features

Award	Delivery[1]	Vesting period[1]	Performance conditions
Share awards	■ One registered share per award ■ Dividend equivalents (payable upon delivery)	■ 3 years (ratable vesting) ■ 5 years (ratable vesting) for risk managers[2] ■ 7 years (ratable vesting over five years, starting on the third anniversary) for senior managers[3]	■ No additional performance conditions
Performance share awards	■ One registered share per award ■ Dividend equivalents (payable upon delivery)	■ 3 years (ratable vesting) ■ 5 years (ratable vesting) for risk managers[2] ■ 7 years (ratable vesting over five years, starting on the third anniversary) for senior managers[3]	■ Performance conditions apply to full balance of outstanding awards ■ Negative adjustment applies in event of divisional loss[4] by the division in which the employee worked as of December 31, 2017, or a negative return on equity (RoE) of the Group, whichever results in a larger adjustment ■ For employees in the corporate functions and the Strategic Resolution Unit, the negative adjustment only applies in the event of a negative RoE of the Group
Contingent Capital Awards (CCA)	■ At settlement, contingent capital instrument or cash payment based on the fair value of the CCA ■ Prior to settlement, conditional right to receive semi-annual cash payments of interest equivalents ■ Timing and form of distribution upon settlement is subject to approval by FINMA	■ 3 years (cliff vesting) ■ 5 years (cliff vesting) for risk managers[2] ■ 7 years (cliff vesting) for senior managers[3]	Prior to settlement, the principal amount would be written down to zero and forfeited if: ■ The Group's reported CET1 ratio falls below 7%; or ■ FINMA determines that cancellation of the CCA 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

[1] Individuals in certain jurisdictions may be subject to conditions other than those outlined here in order to comply with local legal or regulatory requirements.
[2] Risk managers are a subset of the UK PRA Code Staff population, defined as individuals identified as having responsibility for managing or supervising risk-taking or significant risk functions for the Group's UK entities.
[3] Senior managers are a subset of the UK PRA Code Staff population, defined as individuals who retain the greatest influence over the strategic direction of the Group's UK business, and who also perform one or more of the PRA and UK Financial Conduct Authority's designated senior management functions and "prescribed responsibilities" for the relevant UK entities.
[4] Refer to table "Potential downward adjustments of performance share awards".

Potential downward adjustments of performance share awards

As described in the above table, performance share awards may be subject to negative adjustments in the event of a divisional loss. The amount of potential negative adjustment is shown in the table below.

Downward adjustment if division incurs a loss

Division pre-tax loss (in CHF billion)	Adjustment on award balance (in %)
(1.00)	(15)
(2.00)	(30)
(3.00)	(45)
(4.00)	(60)
(5.00)	(75)
(6.00)	(90)
(6.67)	(100)

Determination of the variable incentive compensation pools

In determining the pools, the Compensation Committee aims to balance the distribution of the Group's profits between shareholders and employees. The primary driver of the pool amounts is the Group's financial performance in terms of economic contribution, measured as adjusted income before taxes excluding variable incentive compensation expenses, after deducting a capital usage charge. Non-financial factors are also considered in the determination of the pool amounts, including progress on the achievement of strategic objectives, market position and trend, risk-related issues, relative performance compared to peers, and any extraordinary events, such as, but not limited to, company reorganizations, major legacy settlements or any other exceptional circumstances. In this regard, the Compensation Committee can apply discretion to make adjustments (including negative adjustments) to the variable incentive compensation pools.

Determination of variable incentive compensation pools

Governance	■ Compensation Committee review	■ Board approval	■ Control functions provide feedback which may result in adjustments to divisional pools or individual allocations ■ Conduct and Ethics Boards (or the Compensation Committee in the case of MD) apply malus to deferred compensation and/or variable compensation based on disciplinary review in cases of misconduct			
Process	Quarterly accruals	Final Group pool	Divisional and Corporate Function pools	Allocation to business areas	Allocation to line managers	Allocation to employees
Factors	■ Economic contribution ■ Risk and control, compliance, ethical ■ Relative performance vs peers		■ Market positioning ■ Regulatory environment		■ Capital usage ■ Risk	■ Individual and business performance

For 2017, the Compensation Committee noted the 349% increase in Group adjusted income before taxes, from CHF 0.6 billion in 2016 to CHF 2.8 billion in 2017, and acknowledged that the Group had made strong progress in delivering against its strategic priorities of profitable growth and positive operative leverage through both higher revenues and lower operating expenses. Further, the wind-down of the Strategic Resolution Unit is on track for completion one year ahead of schedule by the end of 2018, which should, from 2019 onwards significantly reduce the drag on the Group's operating profits from legacy positions compared with prior years. The Compensation Committee also considered a range of other factors such as relative performance versus peers, market position and market trends, as well as control, risk and ethical considerations. In addition, the Compensation Committee took into account the impact of the reduction in DTAs due to the enactment of the US Tax Cuts and Jobs Act, which resulted in a non-cash tax charge of CHF 2.3 billion to net income in the fourth quarter of 2017, primarily related to our US DTAs. Although this event was outside of the control of management, and had minimal impact on capital, liquidity, our ability to pay dividends or the Group's underlying results, the Compensation Committee applied a downward adjustment of approximately CHF 100 million to the total Group variable incentive compensation pool to reflect the impact of the tax charge on net income. As such, after the downward adjustment, the Compensation Committee proposed an overall Group pool of CHF 3,190 million, 3% higher than 2016, which was approved by the Board.

▸ Adjusted results are non-GAAP financial measures that exclude goodwill impairment, real estate transactions, business sales, restructuring expenses and major litigation provisions. Refer to "Reconciliation of adjusted results" in II – Operating and financial review – Credit Suisse for further information.

Competitive benchmarking

The assessment of the economic and competitive environment is an important element of the compensation process as the Group strives for market-informed, competitive compensation levels. Internal expertise and the services of compensation consulting firms are used to benchmark compensation levels against relevant peers, taking into account geographical variations. The Compensation Committee is provided with regular reports from an independent compensation adviser on industry and market trends, including competitor performance and pay trends. The peers considered for the purposes of Group peer benchmarking are Bank of America, Barclays, Citigroup, Deutsche Bank, Goldman Sachs, JPMorgan Chase, Morgan Stanley and UBS. Specific benchmarking may include other peers, depending on the business area or geographic location, as appropriate.

FOCUS ON RISK AND CONTROL

Risk and control considerations are an integral part of the performance assessment and compensation processes. This ensures that the Group's approach to compensation includes a focus on risk and internal control matters and discourages excessive risk taking. Senior management from the Group's corporate functions, including Compliance and Regulatory Affairs, General Counsel, Human Resources, Internal Audit, Product Control and Risk Management, provide the Compensation Committee with comprehensive feedback on regulatory, audit, disciplinary and risk-related issues or trends across the Group, relevant to the assessment of the Group's risk and control culture. Divisions are assessed against risk and conduct measures for the year, and the consolidated findings are presented to the Compensation Committee and the CEO. Based on these assessments, the Compensation Committee may approve adjustments to the divisional pool levels as proposed by the CEO.

Aside from risk considerations, disciplinary events may also impact compensation decisions. Conduct and Ethics Boards (CEBs) review all disciplinary events and decide on disciplinary sanctions proposed by the recommendation teams, which include representatives from the control functions. CEBs have been established at the Group-wide level, as well as for each business division and the corporate functions overall. The Group CEB meets on a quarterly basis to ensure that sanctions applied are in line with the Group's risk appetite, market practice and regulatory requirements.

MALUS AND CLAWBACK PROVISIONS

All deferred compensation awards granted contain malus provisions that enable the Group to reduce or cancel the awards prior to settlement if the participant engages in certain detrimental conduct. Malus provisions were enforced during the course of 2017.

All variable incentive compensation granted to UK PRA Code Staff and employees regulated by the Bank of Italy are subject to clawback. Other EU-regulated employees are also subject to clawback provisions as required by applicable legal or regulatory requirements.

	Application	Scope/Criteria
Malus	▪ Reduction or cancellation of outstanding deferred awards prior to settlement ▪ Applies to all outstanding deferred awards granted	▪ Impermissible disclosure or misuse of Group information, or willful engagement in conduct that is materially detrimental to an interest of the Group; ▪ Conduct that evidences serious misbehavior or serious error; ▪ Conduct that causes, could cause or could have caused the Group or any division or region to suffer a significant downturn in financial performance or regulatory capital base; ▪ Significant failure of risk management; or ▪ Conduct that is reviewed by the Group's disciplinary conduct, ethics or similar committee
Clawback	▪ Claim back of deferred and non-deferred variable compensation after vesting and settlement ▪ For UK PRA Code Staff, clawback may be applied up to seven years from grant date (or such longer period as may be required) ▪ The Group will apply clawback provisions to the extent permitted under local laws, as required	For UK PRA Code Staff, clawback may be applied in certain situations, including: ▪ Conduct which resulted in significant losses to the Group; ▪ Failure to meet appropriate standards of fitness and propriety; ▪ Reasonable evidence of misbehavior or material error; ▪ The Group or relevant business unit suffers a material failure of risk management; ▪ A regulator mandates a significant increase in regulatory capital for the Group or any division or region; or ▪ The individual has contributed to any regulatory sanctions imposed on the Group or division or region Similar clawback provisions apply for employees regulated by the Bank of Italy and other EU-regulated employees who are subject to a clawback requirement.

Covered Employees (including Material Risk Takers and Controllers)

Covered employees are subject to a heightened level of scrutiny over the alignment of their compensation with performance and risk considerations.

Employee categories		Compensation process
Covered Employees	▪ MRTC ▪ US-based revenue producers in Global Markets and Investment Banking & Capital Markets divisions	**Focus on risk assessment** ▪ Covered employees and their managers are required to define role-specific risk objectives and to incorporate risk considerations in their performance evaluations and when setting variable incentive compensation ▪ Types of risks considered vary by role (e.g., reputational, credit, market, operational, liquidity, legal and compliance) ▪ Both realized and potential risk outcomes are assessed
MRTC	▪ Members of the Executive Board ▪ Employees who report directly to a member of the Executive Board ▪ Employees, individually or as part of a group, with the ability to put material amounts of the Group's capital at risk ▪ Top 150 paid employees across the Group based on total compensation ▪ Any employee identified as taking or controlling material risks on behalf of the Group, as prescribed by EU/UK regulators ▪ Other individuals whose roles have been identified as having a potential impact on the market, reputational and operational risk of the Group	

COMPENSATION OUTCOMES FOR 2017

Of the total variable incentive compensation awarded across the Group for 2017, 45% was deferred, compared with 43% in 2016, and subject to certain conditions including future service, performance, market and malus criteria.

Total compensation awarded

For			2017			2016
	Unrestricted	Deferred	**Total**	Unrestricted	Deferred	**Total**
Fixed compensation (CHF million)						
Salaries	5,504	90	5,594	5,728	–	**5,728**
Social security	671	–	671	697	–	**697**
Other	600 [1]	–	600	710 [1]	–	**710**
Total fixed compensation	**6,775**	**90**	**6,865**	**7,135**	**–**	**7,135**
Variable incentive compensation (CHF million)						
Cash	1,708	–	1,708	1,706	–	**1,706**
Share awards	38	613	651	37	566	**603**
Performance share awards	–	478	478	–	451	**451**
Contingent Capital Awards	–	241	241	–	229	**229**
Other cash awards	–	112	112	–	95 [2]	**95** [2]
Total variable incentive compensation	**1,746**	**1,444**	**3,190**	**1,743**	**1,341**	**3,084**
Other variable compensation (CHF million)						
Severance awards	1	–	1	8	–	**8**
Cash-based commissions	–	–	–	20	–	**20**
Other [3]	26	244	270 [4]	47	350	**397** [5]
Total other variable compensation	**27**	**244**	**271**	**75**	**350**	**425**
Total compensation awarded (CHF million)						
Total compensation awarded	**8,548**	**1,778**	**10,326**	**8,953**	**1,691**	**10,644**
of which guaranteed bonuses	49	72	121	27	35	**62**

[1] Includes pension and other post-retirement expense of CHF 242 million and CHF 384 million in 2017 and 2016, respectively.
[2] Restated to reflect the revised 2016 STI award proposal of the Executive Board, which was approved by shareholders at the 2017 AGM.
[3] Includes replacement awards to compensate employees for the equivalent fair value of deferred awards cancelled by previous employers, as well as retention awards and sign-on payments.
[4] Includes CHF 65 million of cash retention awards in Asia Pacific.
[5] Includes CHF 249 million of deferred share and cash retention awards relating to the reorganization of the Global Markets and Investment Banking & Capital Markets businesses.

Number of employees awarded variable incentive and other compensation

			2017			2016
	MRTC [1]	Other employees	**Total**	MRTC [1]	Other employees	Total
Number of employees awarded variable incentive compensation						
Variable incentive compensation	**1,070**	**41,614**	**42,684**	939	42,473	43,412
of which cash	1,070	41,614	42,684	939	42,473	43,412
of which share awards	983	6,011	6,994	897	6,145	7,042
of which performance share awards	990	859	1,849	890	905	1,795
of which Contingent Capital Awards	963	4,833	5,796	869	4,910	5,779
of which other cash awards	41	240	281	49	176	225
Number of employees awarded other variable compensation						
Severance awards	2	181	183	1	195	196
Cash-based commissions	–	–	–	–	220	220
Guaranteed bonuses	16	162	178	11	151	162
Other [2]	44 [3]	821	865	148 [3]	690	838

[1] Excludes individuals who may have been classified as MRTC according to regulatory requirements of jurisdictions outside of Switzerland, particularly US-based revenue producers in Global Markets and Investment Banking & Capital Markets, who were classified as Covered Employees by the US Federal Reserve.
[2] Includes replacement awards to compensate employees for the equivalent fair value of deferred awards cancelled by previous employers, as well as retention awards and sign-on payments.
[3] For 2017 and 2016, sign-on payments were paid to 3 and 12 MRTC, respectively.

Compensation awarded to Material Risk Takers and Controllers

For			2017			2016
	Unrestricted	Deferred	**Total**	Unrestricted	Deferred	Total
Fixed compensation (CHF million)						
Total fixed compensation	**536**	**59**	**595**	**510**	**–**	**510**
Variable incentive compensation (CHF million)						
Cash	298	–	298	285	–	285
Share awards	38	177	215	36 [1]	163 [1]	199
Performance share awards	–	299	299	–	279	279
Contingent Capital Awards	–	116	116	–	108	108
Other cash awards	–	35	35	–	28	28
Total variable incentive compensation	**336**	**627**	**963**	**321**	**578**	**899**
Other variable compensation (CHF million)						
Severance awards	1	–	1	1	–	1
Other [2]	8 [3]	88	96	17 [3]	215	232
Total other variable compensation	**9**	**88**	**97**	**18**	**215**	**233**
Total compensation (CHF million)						
Total compensation	**881**	**774**	**1,655**	**849**	**793**	**1,642**
of which guaranteed bonuses	10	25	35	3	9	12

Excluding Executive Board members who were in office on December 31, 2017. Of the total compensation awarded to MRTC for 2017 and 2016, 47% and 48%, respectively, was deferred. Of the total variable incentive compensation awarded to MRTC for 2017 and 2016, 65% and 64%, respectively, was deferred.
[1] Prior period has been corrected.
[2] Includes replacement awards to compensate employees for the equivalent fair value of deferred awards cancelled by previous employers, as well as retention awards and sign-on payments.
[3] For 2017 and 2016, sign-on payments paid to MRTC amounted to CHF 5 million and CHF 12 million, respectively.

Group compensation and benefits expense

Compensation and benefits expenses recognized in the current year income statement include salaries, role-based allowances, variable compensation, benefits and employer taxes on compensation. Variable compensation expense generally reflects the variable incentive cash compensation for the current year, amortization of deferred compensation awards granted in prior years, as well as severance payments, commission payments, replacement awards, retention awards, and sign-on payments. Deferred variable incentive compensation granted for the current year is expensed in future periods during which it is subject to future service, performance and malus criteria and other restrictive covenants.

Group compensation and benefits expense

in	2017 Current compensation	2017 Deferred compensation	2017 Total	2016 Current compensation	2016 Deferred compensation	2016 Total
Fixed compensation expense (CHF million)						
Salaries	5,504	52 [1]	5,556	5,728	25	**5,753**
Social security [2]	671	–	671	697	–	**697**
Other [3]	600	–	600	710	–	**710**
Total fixed compensation expense	**6,775**	**52**	**6,827**	**7,135**	**25**	**7,160**
Variable incentive compensation expense (CHF million)						
Cash	1,708	–	1,708	1,706	–	**1,706**
Share awards	38	525 [4]	563	37	603 [4]	**640**
Performance share awards	–	348	348	–	370	**370**
Contingent Capital Awards	–	280	280	–	235	**235**
Contingent Capital share awards	–	18	18	–	30	**30**
Capital Opportunity Facility awards	–	14	14	–	13	**13**
Plus Bond awards	–	–	–	–	5	**5**
2008 Partner Asset Facility awards [5]	–	7	7	–	13	**13**
Other cash awards	–	392	392	–	335	**335**
Total variable incentive compensation expense	**1,746**	**1,584**	**3,330**	**1,743**	**1,604**	**3,347**
Other variable compensation expense (CHF million)						
Severance payments	1	–	1	8	–	**8**
Commissions	–	–	–	20	–	**20**
Other [6]	19	–	19	37	–	**37**
Total other variable compensation expense	**20**	**–**	**20**	**65**	**–**	**65**
Total compensation expense (CHF million)						
Total compensation expense	**8,541**	**1,636**	**10,177**	**8,943**	**1,629**	**10,572**

Restructuring expenses in connection with the strategic review of the Group are disclosed separately and are not part of the total compensation expenses. These restructuring expenses included cash severance expenses of CHF 192 million and CHF 218 million relating to 1,774 and 1,796 employees in 2017 and 2016, respectively.

[1] Includes fixed deferred expense of CHF 4 million for share awards and CHF 48 million for other cash awards.

[2] Represents the Group's portion of employees' mandatory social security.

[3] Includes pension and other post-retirement expense of CHF 242 million and CHF 384 million in 2017 and 2016, respectively.

[4] Includes CHF 34 million and CHF 46 million of compensation expense associated with replacement share awards granted in 2017 and 2016, respectively.

[5] Includes the change in the underlying fair value of the indexed assets during the period.

[6] Includes replacement awards to compensate employees for the equivalent fair value of deferred awards cancelled by previous employers, as well as retention awards and sign-on payments.

SUPPLEMENTARY INFORMATION

Group estimated unrecognized compensation expense

The following table shows the estimated compensation expense that has not yet been recognized through the income statement for deferred compensation awards granted for 2017 and prior years that were outstanding as of December 31, 2017, with comparative information for 2016. These estimates were based on the fair value of each award on the grant date, taking into account the current estimated outcome of relevant performance criteria and estimated future forfeitures. No estimate has been included for future mark-to-market adjustments.

Group estimated unrecognized compensation expense

end of	2017 Deferred compensation For 2017	2017 Deferred compensation For prior-year awards	2017 Total	2016 Deferred compensation For 2016	2016 Deferred compensation For prior-year awards	2016 Total
Estimated unrecognized compensation expense (CHF million)						
Share awards	569	472 [1]	1,041	565	445 [1]	**1,010**
Performance share awards	445	158	603	446	119	**565**
Contingent Capital Awards	229	119	348	218	109	**327**
Contingent Capital share awards	–	3	3	–	24	**24**
Other cash awards	112	194	306	95 [2]	181	**276** [2]
Total estimated unrecognized compensation expense	**1,355**	**946**	**2,301**	**1,324**	**878**	**2,202**

[1] Includes CHF 71 million and CHF 43 million of estimated unrecognized compensation expense associated with replacement share awards granted to new employees in 2017 and 2016, respectively, not related to prior years.

[2] Restated to reflect the revised 2016 STI award proposal of the Executive Board, which was approved by shareholders at the 2017 AGM.

Limitations on share-based awards

The Group prohibits employees from entering into transactions to hedge the value of outstanding share-based awards but allows employees to hedge awards that have already vested. Employee pledging of unvested, or vested and undistributed share-based awards is also prohibited, except with the approval of the Compensation Committee. These provisions also apply to Executive Board members.

Impact of share-based compensation on shareholders' equity

In general, the income statement expense recognition of share-based awards on a pre-tax basis has a neutral impact on shareholders' equity because the reduction to shareholders' equity from the expense recognition is offset by the obligation to deliver shares, which is recognized as an increase to equity by a corresponding amount. Shareholders' equity includes, as additional paid-in capital, the tax benefits associated with the expensing and subsequent settlement of share-based awards.

In 2017, the Group's share delivery obligations were covered by shares purchased in the market. The Group intends to continue to cover its future share delivery obligations through market purchases.

Share-based awards outstanding

At the end of 2017, there were 147.5 million share-based awards outstanding, of which 84.9 million were share awards, 54.2 million were performance share awards and 8.4 million were CCA share awards.

▸ Refer to "Note 28 – Employee deferred compensation" in VI – Consolidated financial statements – Credit Suisse Group for further information.

Subsequent activity

In early 2018, the Group granted approximately 34.1 million new share awards and 26.5 million new performance share awards with respect to performance in 2017. Further, the Group awarded CHF 241 million of deferred variable incentive compensation in the form of CCA pursuant to the Group's compensation policy.

In the first half of 2018, the Group plans to settle 68.1 million deferred awards from prior years, including 40.2 million share awards and 25.3 million performance share awards. The Group plans to meet this delivery obligation through market purchases.

▸ Refer to "Capital management" in III – Treasury, Risk, Balance sheet and Off-balance sheet for more information.

Changes to the value of outstanding deferred awards

Employees experience changes to the value of their deferred compensation awards during the vesting period due to both implicit and explicit value changes. Implicit value changes primarily reflect market-driven effects, such as changes in the Group share price, changes in the value of the COF, CCA and FX rate movements. Explicit value changes reflect risk adjustments triggered by conditions related to negative performance in the performance share awards, forfeiture, or the malus provisions in all deferred awards. The final value of an award will only be determined at settlement.

▸ Refer to "Note 28 – Employee deferred compensation" in VI – Consolidated financial statements – Credit Suisse Group for further information on COF.

The following table provides a comparison of the outstanding deferred compensation awards at the end of 2016 and 2017, indicating the value of changes due to ex post implicit and ex post explicit adjustments. For 2017, the change in value for the outstanding deferred compensation awards was mainly due to implicit adjustments driven primarily by changes in the Group share price, FX rate movements and changes in the value of CCA.

Outstanding deferred compensation awards

in / end	Total outstanding end of 2016	Granted in 2017	Vested/ settled in 2017	Ex post explicit adjustments	Ex post implicit adjustments	**Total outstanding end of 2017**	% of which exposed to ex post explicit adjustments
Cash-based awards (CHF million)							
CCAs	806	224	(306)	(29)	50	**745**	100%
Other cash awards	461	199	(240)	(14)	(4)	**402**	100%
Share-based awards (CHF million)							
Share awards	1,069	789	(581)	(69)	269	**1,477**	100%
Performance share awards	707	458	(364)	(32)	174	**943**	100%
CCA share awards	197	–	(77)	(6)	32	**146**	100%
Total	**3,240**	**1,670**	**(1,568)**	**(150)**	**521**	**3,713**	

Report of the Statutory Auditor

To the General Meeting of Shareholders of Credit Suisse Group AG, Zurich

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We have audited the accompanying compensation report dated March 23, 2018 of Credit Suisse Group AG (the "Group") for the year ended December 31, 2017. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (the "Ordinance") contained in the sections marked with (audited) on pages 230 to 241 of the compensation report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of compensation, as well as assessing the overall presentation of the compensation report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the compensation report for the year ended December 31, 2017 of the Group complies with Swiss law and articles 14 – 16 of the Ordinance.

KPMG AG

Nicholas Edmonds
Licensed Audit Expert
Auditor in Charge

Ralph Dicht
Licensed Audit Expert

Zurich, Switzerland
March 23, 2018

KPMG AG, Badenerstrasse 172, PO Box, CH-8036 Zurich