CREDIT SUISSE

Annual General Meeting of CREDIT SUISSE GROUP AG
Zurich, April 28, 2017

Speech by Tidjane Thiam
Chief Executive Officer

Check against delivery

Dear shareholders

I would like to thank you for attending our Annual General Meeting.

I value this opportunity to speak to you today and to update you on developments at Credit Suisse in 2016 and more recently.

In his speech a few minutes ago, our Chairman Urs Rohner described for you the most important strategic developments for the Group in the course of the past year. I would like to expand on his comments and provide you, during the time I have been allotted this morning, with more details on Credit Suisse's strategy and the progress we have achieved over the last 18 months.

I will first update you on our financial performance in 2016 and in the first quarter of 2017. I will and then turn to our priorities for the current year.

Ladies and Gentlemen, let me address my first point: Credit Suisse's strategy and the progress that we have been making. I will continue my presentation in English from here.

Credit Suisse strategy and progress achieved

As you know, in October 2015 we presented Credit Suisse's strategy to be a leading wealth manager with strong investment banking capabilities. To ensure the successful implementation of this strategy, we have adopted an entirely new organizational structure.

At our Investor Day in London on December 7, 2016, we reconfirmed this strategy.

What does this mean? Our strategy is designed to capitalize on the vast pools of wealth in mature markets as well as the significant growth in wealth and assets we are observing in emerging economies. We aim to make our strong investment banking capabilities available to our clients to meet their needs in those markets.

We have several key elements that distinguish us from our competition. With this strategy, we are building on the traditional strengths of Credit Suisse and are bringing our Wealth Management capabilities together with our investment banking capabilities. Our ability to serve our clients with an integrated approach that addresses both their personal and business needs. Our deep and longstanding relationships with private and entrepreneur clients – both in Switzerland and internationally. And our access to and understanding of capital markets in mature and emerging economies.

Our strategy builds on these strengths and we are focusing on a number of key strategic objectives to further strengthen our position.

First, we want to deliver profitable and compliant growth in our Wealth Management businesses, starting here in Switzerland. Profitable growth is a key objective for us but we are determined in our pursuit of growth never to compromise on our commitment to the highest standards of ethical business conduct, here and abroad;

Second, we decided to right-size our trading and markets activities in order to reduce the proportion of capital allocated to those activities, to significantly reduce the risks incurred as well as the volatility of our earnings and ultimately to generate more stable earnings. We also want to reiterate that although we have reduced the scale of these activities, they remain key to our success;

Third, we are determined to make our bank more resilient by reducing significantly our fixed costs so that we can cope with the unavoidable volatility that we see from time to time in the global economy and markets. By meaningfully lowering our costs, we are becoming more resilient when markets are challenging and can still benefit from the upside when market conditions improve;

Our *fourth* key strategic objective is the resolution of a number of legacy issues;

Fifth, we want to ensure that Credit Suisse always has a strong capital position in order to preserve the trust of our shareholders, clients and stakeholders.

1) Progress achieved in 2016

Looking back, 2016 was the first full year of the restructuring of Credit Suisse and was, as such, a critical year. We were able to achieve significant progress during those first 12 months.

First, we moved swiftly to restore core profitability and are now delivering profitable growth across all our core Wealth Management and investment banking businesses.

Thanks to our focus on ultra-high-net-worth individuals and entrepreneur clients, we generated industry-leading net new assets at 27.5 billion Swiss francs in 2016. We were able to successfully grow our total asset base, across all of our Wealth Management businesses.

Second, we substantially completed the right-sizing of our Global Markets division. We did this by lowering risk and reducing capital consumption while preserving our key client franchises. After significant losses in the first quarter of 2016, we returned to profitability in the second quarter, and we continued to be profitable in the third and fourth quarters.

At the same time, in Investment Banking & Capital Markets – our advisory and underwriting business in the US and Europe – we rebalanced our product mix and improved our position across all key products and client segments. Last year, we led six of the ten largest announced global mergers and acquisitions transactions and we outperformed the Street in our Debt and Equity Capital Markets businesses.

Third, following a disciplined and prudent approach to managing operating expenses, we were able to significantly reduce fixed costs while investing in growth businesses. In parallel, we continued to invest to improve our control framework. We generated 1.9 billion Swiss francs of adjusted* net cost savings in 2016, exceeding our year-end target of 1.4 billion Swiss francs. That is a strong performance compared to any of our peers engaged in comparable programs. As a result, we are better positioned than ever to capture future growth as markets improve, as we ended 2016 with an adjusted* cost base of 19.4 billion Swiss francs measured at constant foreign exchange rates compared to 21.2 billion Swiss francs at the end of 2015.

Fourth, we made significant progress in resolving legacy issues. In our non-core unit, the Strategic Resolution Unit or the SRU, we reduced risk-weighted assets or RWA and leverage exposure by about 40%. Setting up the SRU as a separate unit with its own resources has proven to be a successful and an economical way to drive the deleveraging and derisking of the Group.

Still on legacy issues, we worked hard throughout 2016 in order to reach a settlement with the US Department of Justice regarding our legacy residential mortgage-backed securities or RMBS business which was conducted through 2007. Settling this matter was a key objective for us and we have therefore removed a major source of uncertainty for our bank – and, importantly, we created optionality in terms of how we approach the strengthening of our capital base going forward.

And *fifth*, we strengthened our capital position.

From the start we said that we would focus on internal capital generation and we would also have to raise capital externally. In terms of internal capital generation, we set out four priorities:

- Right-sizing the investment bank, with significant reduction where returns did not exceed cost of capital;
- A disciplined capital allocation that combines stable capital consumption and improved business unit profitability;
- A reduction in our fixed costs; and
- Transitioning non-core assets and implementing closures.

We delivered on these priorities in 2016:

- We have allocated capital to our businesses with the highest and most stable returns as well as improved the profitability of each of these businesses.
- We have substantially right sized our investment bank, reducing risk-weighted assets by 12 billion Swiss francs.
- We have exceeded our cost target of 1.4 billion Swiss francs, lowering our adjusted* cost base by 1.9 billion Swiss francs. As you know, this is net of substantial investment spend in the bank during 2016.
- Finally, we have reduced RWA in the SRU by 29 billion, or 39% in one year, in USD dollars.

As a result, in 2016, through internal capital generation, we were able to generate significant amounts of capital to invest in our growth business.

All the progress we made in 2016 was achieved thanks to our strong client franchise and, of course to the dedication of our team of over 47,000 employees worldwide.

We ended 2016 as a stronger and more efficient bank. We are focused on serving our clients – both in Switzerland and internationally – and on creating long-term value for you, our shareholders.

We still have a lot of work ahead of us to reach our strategic objectives. However, there is a lot of evidence now that our strategy is working, as shown in our financial performance for the first quarter of 2017. Before I discuss this I would like to comment on the tax probe and executive compensation.

2) Comments on the tax probe

I would like to touch briefly on a topic that has attracted a lot of media coverage in recent weeks. You will no doubt have seen the headlines concerning the recent probe into alleged tax evasion launched by authorities in various locations.

In this context, I wish to emphasize that Credit Suisse complies with all applicable laws and regulations in all the markets in which we operate.

Credit Suisse has, over the last several years, carried out comprehensive client tax programs and reviews in Europe and other markets. As a result of these reviews, clients who did not provide evidence that they declared their assets to the tax authorities and paid their taxes, had their relationships with the bank terminated.

Credit Suisse only wants to manage declared assets. We also make it clear to our employees and clients that we have a zero tolerance policy on tax evasion. Since the beginning of 2015, we have increased our spending in our risk and compliance functions across the Group by more than 84% to a total of 118 million Swiss francs.

3) Remarks on executive compensation

There is, of course, another subject that has attracted a high level of attention and commentary in the run-up to this year's Annual General Meeting. I am referring to the topic of compensation. Our Chairman, Urs Rohner, elaborated on this earlier.

My highest priority – and that of my management team – is to successfully conduct the turnaround of Credit Suisse for the benefit of you, our shareholders.

We have received a lot of support for our strategy. However, some concerns were expressed by certain shareholders. The dialogue we have with you, as shareholders, is very important to us and we are listening to what you are saying.

Based on this dialogue, I proposed that the total variable compensation[1] granted to me be reduced by 40%.

The members of the Executive Board also unanimously decided to propose a reduction of 40% of the total variable compensation[1] awarded to them.

We hope that this decision on compensation will alleviate some of the concerns that have been expressed and will allow us to continue to focus our full attention on the task at hand: delivering on our strategy which, as the first quarter results show, is going well.

Importantly, our decision underscores the confidence we have in the progress we are making.

We are confident that our strategy and our disciplined execution will continue to create value for you, our shareholders, going forward.

With that, I would like to turn to our performance in the first quarter of 2017.

4) Our performance in 1Q17

We had a strong start to 2017, continuing the positive profit momentum seen in our 2016 results. We were profitable on both a reported and an adjusted* basis – marking an important step forward in our strategy.

Highlights for the quarter include:

- A 1 billion Swiss francs increase in the bank's profits[2] on an adjusted* basis;
- Record assets under management of 547 billion Swiss francs in Swiss Universal Bank and of 177 billion Swiss francs in APAC; and
- Net new assets at 24.4 billion Swiss francs, with strong performance across all divisions – this is the highest level we have generated in the last seven years.

These results show that our strategy is working and that our leading franchises across Wealth Management and investment banking are in excellent health.

We continue to reduce our fixed cost base after the good progress made in 2016.

At constant foreign exchange rates, we reduced our adjusted* total operating expenses to 4.6 billion Swiss francs – our lowest quarterly level of adjusted* operating expenses in the last four years.

In our non-core unit, the SRU, leverage was down 21 billion US dollars compared to the fourth quarter of 2016. We have also reduced adjusted* total operating expenses in the SRU by 19% quarter on quarter, in US dollars.

For the Group, we achieved 5.5 billion Swiss francs of net revenues, an 19% increase from the same period last year, reflecting constructive markets and stronger levels of client activity.

We have delivered this growth while making continued progress in reducing our cost base.

In the first quarter of 2017, we had adjusted* operating expenses of 4.6 billion Swiss francs - the lowest level in any quarter in the last four years.

Non-compensation expenses are a good indicator of the progress we are making: our adjusted* non-compensation expenses were down 15% year on year at constant foreign exchange rates and 13% quarter on quarter.

In the first quarter of 2017, we delivered adjusted* pre-tax income of 889 million Swiss francs at the Group level. That is a 1.1 billion Swiss francs improvement year on year on an adjusted* basis.

In our Wealth Management businesses across the Swiss Universal Bank, International Wealth Management and APAC, we attracted 12 billion[3] Swiss francs of net new assets, an increase of 24% year on year.

Total assets under management in our Wealth Management businesses were record at 712 billion[3] Swiss francs at the end of the first quarter 2017. Combined adjusted* pre-tax income was 1 billion[4] Swiss francs for the first quarter of 2017, an increase of 13% year on year.

Overall, our five divisions delivered adjusted* pre-tax income of 1.4 billion Swiss francs for the first quarter of 2017. This strong result was partially offset by an adjusted* pre-tax loss of 500 million US dollars in the SRU.

At this point, I would especially like to highlight the performance of our Swiss Universal Bank, which is, of course, core to our strategy. The Swiss Universal Bank contributed 54.3% of our Group adjusted* pre-tax income for the first three months of this year. The division reported its fifth consecutive quarter of adjusted* year-on-year pre-tax income growth. At the same time, the Swiss Universal Bank attracted more than 2 billion Swiss francs of new assets during the quarter. This represents its highest quarterly net new asset inflows since the second quarter of 2014. We also achieved a record level of assets under management at 547 billion Swiss francs at the end of March. This demonstrates the trust that clients have in Credit Suisse and underscores the great importance of the Swiss Universal Bank for the success of the whole bank.

Turning to our trading activities, Global Markets had a strong and profitable quarter. We are clearly seeing the positive impacts of the accelerated restructuring that I talked about at last year's Annual General Meeting. Our award-winning Credit franchise has continued to deliver an excellent performance over the past 12 months and revenues were up 133% year on year in the first quarter.

Investment Banking & Capital Markets continued to enjoy strong momentum and delivered its best first quarter result since 2013 with adjusted* pre-tax income of 151 million in US dollars. We had a particularly strong quarter in Equity and Debt Underwriting. We are among the top five banks globally when it comes to advising on mergers and acquisitions as well as in financing. [5] We are proud to be a strong partner to our corporate clients in Switzerland and globally.

Both for Global Markets and Investment Banking & Capital Markets, we achieved a strong increase in profits compared to the first quarter of 2016 while maintaining our leading franchises across our key product lines.

Additionally, we made substantial progress in reducing capital consumption and costs in our SRU. An efficient wind-down of the SRU is critical as it reduces the overall drag on the Group's profitability, frees up resources and allows us to allocate capital to our key businesses, where we expect to generate higher returns over time.

As a consequence of our consistent delivery in reducing the size and capital consumption of the SRU, we have taken the decision to wind down the unit by the end of 2018. This will be twelve months ahead of schedule.

I would now like to turn to the progress we have made on our capital plan.

Regarding our capital position, we were clear and transparent when we presented our strategy in October 2015 that we would need 9 to11 billion Swiss francs of capital between 2015 and 2017.

As you know, our capital plan involved raising 6 billion Swiss francs by way of a capital raise in the final quarter of 2015, followed by at least 1 billion Swiss francs of asset disposals and other management actions in 2016.

Furthermore, we said we would raise an additional 2 to 4 billion Swiss francs for the Group by executing a partial IPO (of between 20-30%) of Credit Suisse (Schweiz) AG during the second half of 2017.

When we announced our fourth quarter 2016 results, following the RMBS settlement with the US Department of Justice, we said that we would start examining a broad range of options to determine which option would lead to the best risk reward outcome for you, our shareholders.

As announced two days ago, after a detailed analysis, management has suggested to the Group's Board of Directors to consider a capital raise through a fully underwritten rights offering of approximately 4 billion[6] Swiss francs and the Board has decided to pursue this option. The Board has also decided to retain full ownership of our Swiss bank.

This capital raise should allow us to continue to invest in growth opportunities at attractive returns, both in Switzerland and abroad, to significantly strengthen our balance sheet, and to improve our capital ratios. It will also allow us to complete the restructuring of the Group.

Our strong start to the year confirms that we are on the right path with the strategy we are pursuing.

We still have a lot of work ahead of us but we have achieved a lot in the first full year under the new strategy. The strategy is working and we are going to continue to implement it at pace.

5) Switzerland

There is one topic that is important to me personally and that I wish to emphasize today.

When we developed the new strategy in 2015, I was very clear that our Swiss roots would be key to our success and that we were fully committed to our home market. At the time, I used a sports analogy and said that *it was vital to win on our home turf* if we wanted to be a winner globally.

I'd like to outline a few facts and figures to place this in context:

- **One in five people** and **over 100,000 businesses** here in Switzerland bank with Credit Suisse;
- Each day, around **30,000 clients** visit one of our **170 branches** in our home market;
- We had around **159 billion Swiss francs of loans outstanding** to Swiss private and corporate clients at the end of 2016;
- With over **17,000 employees**, we are one of the country's largest providers of jobs and training;
- We are also a key purchaser of goods, services and licenses and spent more than **2.2 billion Swiss francs** here in Switzerland in 2016;
- Last year, our employees in our Swiss market performed **almost 50,000 hours of charitable work** for our partner organizations, including the Swiss Red Cross;
- The Credit Suisse Foundation donated **1.8 million Swiss francs** to non-profit organizations in Switzerland in 2016.

There are countless other examples I could mention – but these figures alone highlight the close ties between Credit Suisse and the Swiss economy and society. This is a relationship that dates back more than 160 years to when Alfred Escher established this great organization.
Our strategy and our ambitions for our Swiss home market remain unchanged.

6) Priorities and outlook

That brings me to our priorities for 2017.

As I have outlined, we are continuing to make strong progress in the execution of our strategic plan. We believe that 2017 will be a positive year for Credit Suisse.

At the same time, significant geopolitical uncertainties remain. The French elections are now less uncertain but we still have the UK and German elections on the horizon. These factors have an impact on markets and on our clients.

It is therefore important that we maintain a prudent and cautious approach to ensure we can accommodate anticipated financial reforms and withstand any volatility in the markets.

As I mentioned earlier, we are today in a position where we have optionality in terms of how we execute, and we expect that the capital build-up will shift more and more to capital accretion out of our businesses.

7. Closing remarks

We are now 18 months into the implementation of our 3-year plan – so you could say that we have reached the halfway point in the implementation of our strategy.

Our results are showing signs that we have made significant progress.

- We are delivering profitable growth.
- We have significantly reduced our costs beyond our cost reduction targets.
- We increased our operating leverage so that we are well positioned to benefit from the upside when market conditions improve;
- We have significantly reduced risks in our markets activities, disposed of non-core businesses and allocated freed-up capital resources to our growth businesses.
- We have made progress in resolving legacy issues and have further strengthened our capital position.
- Finally, we have strengthened our capital and balance sheet.

The Chairman, the Board of Directors, our Executive management team and I have jointly developed this strategy, which is now delivering. Thanks to our efforts and the progress we have made in the last 18 months, we are in a solid position as demonstrated by our results for the first quarter. We are convinced that the delivery of our strategy will create value for you our shareholders over time.

To close these remarks, I would like to express again my sincere thanks to our employees around the world for their tireless efforts and commitment.
I would also like to thank our clients and you, our shareholders, for your continued trust in Credit Suisse.

Thank you.

Ladies and gentlemen, I would like to thank you once again for your valuable time and attention.

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Footnotes

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

[1] The CEO and Executive Board proposed to the Board of Directors that both the 2016 Short-Term Incentive awards as well as the 2017 Long-Term Incentive opportunities, be reduced by 40%.

[2] Refers to Group adjusted* pre-tax income.

[3] Figures listed for Wealth Management NNA and AuM are derived by combining the respective NNA and AuM amounts for the SUB Private Clients business, the IWM Private Banking business and the APAC Private Banking business within WM&C.

[4] Adjusted* pre-tax income figure listed for Wealth Management is derived by combining the respective adjusted* pre-tax income figures for the SUB Private Clients and Corporate & Institutional Clients businesses, the IWM Private Banking business and the APAC WM&C business.

[5] Source: Dealogic as of March 31, 2017.

[6] Reflects approximate proceeds net of fees, expenses and taxes. Excluding the issuance of any new shares resulting from the exercise of rights allotted on shares received as scrip dividend.

Important Information

The Group has not finalized its 1Q17 Financial Report and the Group's independent registered public accounting firm has not completed its review of the condensed consolidated financial statements (unaudited) for the period.

In preparing this document, management has made estimates and assumptions that affect the numbers presented. Actual results may differ. Figures throughout this document may also be subject to rounding adjustments.

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

In particular, "illustrative", "ambition", "outlook" and "goal" or similar terms are not intended to be viewed as targets or projections, nor are they considered to be Key Performance Indicators. All such illustrations, ambitions and goals are subject to a large number of inherent risks, assumptions and uncertainties, many of which are completely outside of our control. Accordingly, this information should not be relied on for any purpose. We do not intend to update these illustrations, ambitions or goals.

Cautionary statement regarding forward-looking statements

This document contains forward-looking statements that involve inherent risks and uncertainties, and we might not be able to achieve the predictions, forecasts, projections and other outcomes we describe or imply in forward-looking statements. A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions we express in these forward-looking statements, including those we identify in "Risk factors" in our Annual Report on Form 20-F for the fiscal year ended December 31, 2016 and in "Cautionary statement regarding forward-looking information" in our first quarter earnings release 2017 filed with the US Securities and Exchange Commission, and in other public filings and press releases. We do not intend to update these forward-looking statements except as may be required by applicable law.

Reconciliation of adjustment items

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

	Group in CHF mn			SRU in USD mn			Corp. Ctr. in CHF mn		
	1Q17	4Q16	1Q16	1Q17	4Q16	1Q16	1Q17	4Q16	1Q16
Net revenues reported	**5,534**	**5,181**	**4,638**	**(207)**	**(198)**	**(545)**	**69**	**(16)**	**110**
Fair value on own debt	-	-	-	-	-	-	-	-	-
Real estate gains	-	(78)	-	-	(4)	-	-	-	-
(Gains)/losses on business sales	(15)	2	56	(39)	1	5	23	-	52
Net revenues adjusted	**5,519**	**5,105**	**4,694**	**(246)**	**(201)**	**(540)**	**92**	**(16)**	**162**
Provision for credit losses	**53**	**75**	**150**	**23**	**28**	**119**	**2**	**-**	**1**
Total operating expenses reported	**4,811**	**7,309**	**4,972**	**310**	**2,610**	**602**	**166**	**262**	**76**
Goodwill impairment	-	-	-	-	-	-	-	-	-
Restructuring expenses	(137)	(49)	(255)	(7)	(1)	(80)	(1)	(7)	-
Major litigation provisions	(97)	(2,401)	-	(70)	(2,322)	-	-	-	-
Total operating expenses adjusted	**4,577**	**4,859**	**4,717**	**233**	**287**	**522**	**165**	**255**	**76**
Pre-tax income/(loss) reported	**670**	**(2,203)**	**(484)**	**(540)**	**(2,836)**	**(1,266)**	**(99)**	**(278)**	**33**
Total adjustments	219	2,374	311	38	2,320	85	24	7	52
Pre-tax income/(loss) adjusted	**889**	**171**	**(173)**	**(502)**	**(516)**	**(1,181)**	**(75)**	**(271)**	**85**

	IWM AM in CHF mn			IBCM in USD mn			GM in USD mn		
	1Q17	4Q16	1Q16	1Q17	4Q16	1Q16	1Q17	4Q16	1Q16
Net revenues reported	**338**	**381**	**320**	**608**	**569**	**395**	**1,615**	**1,256**	**1,252**
Fair value on own debt	-	-	-	-	-	-	-	-	-
Real estate gains	-	-	-	-	-	-	-	-	-
(Gains)/losses on business sales	-	-	-	-	-	-	-	-	-
Net revenues adjusted	**338**	**381**	**320**	**608**	**569**	**395**	**1,615**	**1,256**	**1,252**
Provision for credit losses	**-**	**-**	**-**	**6**	**(1)**	**30**	**5**	**(3)**	**22**
Total operating expenses reported	**286**	**278**	**253**	**453**	**422**	**425**	**1,292**	**1,250**	**1,430**
Goodwill impairment	-	-	-	-	-	-	-	-	-
Restructuring expenses	(13)	(5)	2	(2)	6	(28)	(20)	(14)	(102)
Major litigation provisions	-	-	-	-	-	-	-	-	-
Total operating expenses adjusted	**273**	**273**	**255**	**451**	**428**	**397**	**1,272**	**1,236**	**1,328**
Pre-tax income/(loss) reported	**52**	**103**	**67**	**149**	**148**	**(60)**	**318**	**9**	**(200)**
Total adjustments	13	5	(2)	2	(6)	28	20	14	102
Pre-tax income/(loss) adjusted	**65**	**108**	**65**	**151**	**142**	**(32)**	**338**	**23**	**(98)**

	SUB PC in CHF mn			IWM PB in CHF mn			APAC WM&C in CHF mn			APAC PB[1] in CHF mn		
	1Q17	4Q16	1Q16	1Q17	4Q16	1Q16	1Q17	4Q16	1Q16	1Q17	4Q16	1Q16
Net revenues reported	**711**	**749**	**728**	**883**	**918**	**853**	**589**	**560**	**408**	**411**	**372**	**319**
Fair value on own debt	-	-	-	-	-	-	-	-	-	-	-	-
Real estate gains	-	(20)	-	-	(54)	-	-	-	-	-	-	-
(Gains)/losses on business sales	-	-	-	-	-	-	-	-	-	-	-	-
Net revenues adjusted	**711**	**729**	**728**	**883**	**864**	**853**	**589**	**560**	**408**	**411**	**372**	**319**
Provision for credit losses	**12**	**10**	**9**	**2**	**6**	**(2)**	**4**	**11**	**(19)**	**4**	**9**	**(17)**
Total operating expenses reported	**538**	**566**	**549**	**642**	**684**	**622**	**384**	**387**	**305**	**268**	**269**	**217**
Goodwill impairment	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring expenses	(47)	3	(35)	(23)	(11)	(10)	(4)	(5)	(1)	(1)	(1)	-
Major litigation provisions	-	-	-	-	(7)	-	-	-	-	-	-	-
Total operating expenses adjusted	**491**	**569**	**514**	**619**	**666**	**612**	**380**	**382**	**304**	**267**	**268**	**217**
Pre-tax income/(loss) reported	**161**	**173**	**170**	**239**	**228**	**233**	**201**	**162**	**122**	**139**	**94**	**119**
Total adjustments	47	(23)	35	23	(36)	10	4	5	1	1	1	-
Pre-tax income/(loss) adjusted	**208**	**150**	**205**	**262**	**192**	**243**	**205**	**167**	**123**	**140**	**95**	**119**

1 APAC PB is part of APAC WM&C

	SUB CIC in CHF mn			APAC Mkts in CHF mn			APAC Mkts in USD mn		
	1Q17	4Q16	1Q16	1Q17	4Q16	1Q16	1Q17	4Q16	1Q16
Net revenues reported	**643**	**650**	**628**	**292**	**302**	**499**	**293**	**300**	**504**
Fair value on own debt	-	-	-	-	-	-	-	-	-
Real estate gains	-	-	-	-	-	-	-	-	-
(Gains)/losses on business sales	-	-	-	-	-	-	-	-	-
Net revenues adjusted	**643**	**650**	**628**	**292**	**302**	**499**	**293**	**300**	**504**
Provision for credit losses	**(2)**	**24**	**(3)**	**-**	**-**	**(3)**	**-**	**-**	**(3)**
Total operating expenses reported	**402**	**417**	**369**	**346**	**361**	**360**	**347**	**358**	**362**
Goodwill impairment	-	-	-	-	-	-	-	-	-
Restructuring expenses	(5)	-	(5)	(15)	(14)	-	(15)	(14)	-
Major litigation provisions	(27)	(19)	-	-	-	-	-	-	-
Total operating expenses adjusted	**370**	**398**	**364**	**331**	**347**	**360**	**332**	**344**	**362**
Pre-tax income/(loss) reported	**243**	**209**	**262**	**(54)**	**(59)**	**142**	**(54)**	**(58)**	**145**
Total adjustments	32	19	5	15	14	-	15	14	-
Pre-tax income/(loss) adjusted	**275**	**228**	**267**	**(39)**	**(45)**	**142**	**(39)**	**(44)**	**145**

	CS Group in CHF mn					**SRU** in USD mn					**Corp. Ctr.** in CHF mn				
	4Q16	3Q16	4Q15	2016	2015	4Q16	3Q16	4Q15	2016	2015	4Q16	3Q16	4Q15	2016	2015
Net revenues reported	**5,181**	**5,396**	**4,210**	**20,323**	**23,797**	**(198)**	**(170)**	**(125)**	**(1,285)**	**557**	**(16)**	**72**	**(748)**	**71**	**561**
Fair value on own debt	-	-	697	-	(298)	-	-	-	-	-	-	-	697	-	(298)
Real estate gains	(78)	(346)	(72)	(424)	(95)	(4)	-	-	(4)	-	-	-	-	-	-
(Gains)/losses on business sales	2	-	(34)	58	(34)	1	-	-	6	-	-	-	-	52	-
Net revenues adjusted	**5,105**	**5,050**	**4,801**	**19,957**	**23,370**	**(201)**	**(170)**	**(125)**	**(1,283)**	**557**	**(16)**	**72**	**(51)**	**123**	**263**
Provision for credit losses	**75**	**55**	**133**	**252**	**324**	**28**	**6**	**99**	**115**	**138**	**-**	**-**	**(2)**	**(1)**	**(1)**
Total operating expenses reported	**7,009**	**5,119**	**10,518**	**22,037**	**25,895**	**2,317**	**698**	**1,104**	**4,060**	**3,130**	**262**	**279**	**307**	**759**	**862**
Goodwill impairment	-	-	(3,797)	-	(3,797)	-	-	-	-	-	-	-	-	-	-
Restructuring expenses	(49)	(145)	(355)	(540)	(355)	(1)	(23)	(158)	(123)	(158)	(7)	-	-	(7)	-
Major litigation provisions	(2,101)	(306)	(564)	(2,407)	(820)	(2,029)	(324)	(258)	(2,353)	(295)	-	-	-	-	-
Total operating expenses adjusted	**4,859**	**4,668**	**5,802**	**19,090**	**20,923**	**287**	**351**	**688**	**1,584**	**2,677**	**255**	**279**	**307**	**752**	**862**
Pre-tax income/(loss) reported	**(1,903)**	**222**	**(6,441)**	**(1,966)**	**(2,422)**	**(2,543)**	**(874)**	**(1,328)**	**(5,460)**	**(2,711)**	**(278)**	**(207)**	**(1,053)**	**(687)**	**(300)**
Total adjustments	2,074	105	5,307	2,581	4,545	2,027	347	416	2,478	453	7	-	697	59	(298)
Pre-tax income/(loss) adjusted	**171**	**327**	**(1,134)**	**615**	**2,123**	**(516)**	**(527)**	**(912)**	**(2,982)**	**(2,258)**	**(271)**	**(207)**	**(356)**	**(628)**	**(598)**

	IWM AM in CHF mn					**GM** in USD mn					**IBCM** in USD mn				
	4Q16	3Q16	4Q15	2016	2015	4Q16	3Q16	4Q15	2016	2015	4Q16	3Q16	4Q15	2016	2015
Net revenues reported	**381**	**292**	**365**	**1,327**	**1,328**	**1,256**	**1,396**	**1,168**	**5,575**	**7,124**	**569**	**479**	**418**	**2,001**	**1,857**
Fair value on own debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real estate gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Gains)/losses on business sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net revenues adjusted	**381**	**292**	**365**	**1,327**	**1,328**	**1,256**	**1,396**	**1,168**	**5,575**	**7,124**	**569**	**479**	**418**	**2,001**	**1,857**
Provision for credit losses	**-**	**-**	**-**	**-**	**-**	**(3)**	**(6)**	**(4)**	**(4)**	**11**	**(1)**	**(9)**	**-**	**20**	**-**
Total operating expenses reported	**278**	**243**	**330**	**1,047**	**1,146**	**1,250**	**1,310**	**4,517**	**5,522**	**9,004**	**422**	**449**	**902**	**1,713**	**2,170**
Goodwill impairment	-	-	-	-	-	-	-	(2,690)	-	(2,690)	-	-	(384)	-	(384)
Restructuring expenses	(5)	(2)	(4)	(7)	(4)	(14)	(52)	(97)	(220)	(97)	6	(16)	(22)	(29)	(22)
Major litigation provisions	-	-	-	-	-	-	(7)	(51)	(7)	(240)	-	-	-	-	-
Total operating expenses adjusted	**273**	**241**	**326**	**1,040**	**1,142**	**1,236**	**1,251**	**1,679**	**5,295**	**5,977**	**428**	**433**	**496**	**1,684**	**1,764**
Pre-tax income/(loss) reported	**103**	**49**	**35**	**280**	**182**	**9**	**92**	**(3,345)**	**57**	**(1,891)**	**148**	**39**	**(484)**	**268**	**(313)**
Total adjustments	5	2	4	7	4	14	59	2,838	227	3,027	(6)	16	406	29	406
Pre-tax income/(loss) adjusted	**108**	**51**	**39**	**287**	**186**	**23**	**151**	**(507)**	**284**	**1,136**	**142**	**55**	**(78)**	**297**	**93**

	SUB PB in CHF mn					**IWM PB** in CHF mn					**APAC PB** in CHF mn				
	4Q16	3Q16	4Q15	2016	2015	4Q16	3Q16	4Q15	2016	2015	4Q16	3Q16	4Q15	2016	2015
Net revenues reported	**858**	**1,160**	**963**	**3,704**	**3,696**	**918**	**789**	**808**	**3,371**	**3,224**	**372**	**346**	**271**	**1,374**	**1,178**
Fair value on own debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real estate gains	(20)	(346)	(72)	(366)	(95)	(54)	-	-	(54)	-	-	-	-	-	-
(Gains)/losses on business sales	-	-	(10)	-	(10)	-	-	(11)	-	(11)	-	-	-	-	-
Net revenues adjusted	**838**	**814**	**881**	**3,338**	**3,591**	**864**	**789**	**797**	**3,317**	**3,213**	**372**	**346**	**271**	**1,374**	**1,178**
Provision for credit losses	**10**	**13**	**14**	**39**	**49**	**6**	**-**	**(7)**	**20**	**5**	**9**	**38**	**(5)**	**32**	**18**
Total operating expenses reported	**654**	**603**	**784**	**2,471**	**2,772**	**684**	**593**	**874**	**2,510**	**2,678**	**267**	**242**	**228**	**970**	**816**
Goodwill impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring expenses	3	(16)	(33)	(51)	(33)	(11)	(13)	(32)	(47)	(32)	(1)	(3)	(1)	(4)	(1)
Major litigation provisions	-	-	(25)	-	(25)	(7)	19	(228)	12	(268)	-	-	(6)	-	(6)
Total operating expenses adjusted	**657**	**587**	**726**	**2,420**	**2,714**	**666**	**599**	**614**	**2,475**	**2,378**	**266**	**239**	**221**	**966**	**809**
Pre-tax income/(loss) reported	**194**	**544**	**165**	**1,194**	**875**	**228**	**196**	**(59)**	**841**	**541**	**96**	**66**	**48**	**372**	**344**
Total adjustments	(23)	(330)	(24)	(315)	(47)	(36)	(6)	249	(19)	289	1	3	7	4	7
Pre-tax income/(loss) adjusted	**171**	**214**	**141**	**879**	**828**	**192**	**190**	**190**	**822**	**830**	**97**	**69**	**55**	**376**	**351**

	SUB C&IB in CHF mn					**APAC IB** in CHF mn					**APAC IB** in USD mn				
	4Q16	3Q16	4Q15	2016	2015	4Q16	3Q16	4Q15	2016	2015	4Q16	3Q16	4Q15	2016	2015
Net revenues reported	**541**	**507**	**532**	**2,055**	**2,025**	**490**	**571**	**555**	**2,223**	**2,661**	**487**	**587**	**552**	**2,259**	**2,773**
Fair value on own debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real estate gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Gains)/losses on business sales	-	-	(13)	-	(13)	-	-	-	-	-	-	-	-	-	-
Net revenues adjusted	**541**	**507**	**519**	**2,055**	**2,012**	**490**	**571**	**555**	**2,223**	**2,661**	**487**	**587**	**552**	**2,259**	**2,773**
Provision for credit losses	**24**	**17**	**29**	**40**	**89**	**2**	**(4)**	**8**	**(6)**	**17**	**2**	**(5)**	**8**	**(7)**	**17**
Total operating expenses reported	**329**	**276**	**304**	**1,184**	**1,136**	**481**	**489**	**1,212**	**1,876**	**2,611**	**477**	**504**	**1,221**	**1,901**	**2,691**
Goodwill impairment	-	-	-	-	-	-	-	(756)	-	(756)	-	-	(765)	-	(765)
Restructuring expenses	-	(3)	(9)	(9)	(9)	(18)	(20)	(2)	(49)	(2)	(18)	(21)	(2)	(50)	(2)
Major litigation provisions	(19)	-	-	(19)	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses adjusted	**310**	**273**	**295**	**1,156**	**1,127**	**463**	**469**	**454**	**1,827**	**1,853**	**459**	**483**	**454**	**1,851**	**1,924**
Pre-tax income/(loss) reported	**188**	**214**	**199**	**831**	**800**	**7**	**86**	**(665)**	**353**	**33**	**8**	**88**	**(677)**	**365**	**65**
Total adjustments	19	3	(4)	28	(4)	18	20	758	49	758	18	21	767	50	767
Pre-tax income/(loss) adjusted	**207**	**217**	**195**	**859**	**796**	**25**	**106**	**93**	**402**	**791**	**26**	**109**	**90**	**415**	**832**

Our cost savings program is measured using adjusted operating expenses at constant FX rates. "Adjusted operating expenses at constant FX rates" and "adjusted non-compensation operating expenses at constant FX rates" include adjustments as made in all our disclosures for restructuring expenses, major litigation expenses and a goodwill impairment taken in 4Q15 as well as adjustments for certain accounting changes (which had not been in place at the launch of the cost savings program), debit valuation adjustments (DVA) related volatility and for FX, applying the following main currency exchange rates for 1Q15: USD/CHF 0.9465, EUR/CHF 1.0482, GBP/CHF 1.4296, 2Q15: USD/ CHF 0.9383, EUR/CHF 1.0418, GBP/CHF 1.4497, 3Q15: USD/CHF 0.9684, EUR/CHF 1.0787, GBP/CHF 1.4891, 4Q15: USD/CHF 1.0010, EUR/CHF 1.0851, GBP/CHF 1.5123, 1Q16: USD/CHF 0.9928, EUR/CHF 1.0941, GBP/CHF 1.4060, 2Q16: USD/CHF 0.9756, EUR/CHF 1.0956, GBP/CHF 1.3845, 3Q16: USD/CHF 0.9728, EUR/CHF 1.0882, GBP/CHF 1.2764, 4Q16: USD/CHF 1.0101, EUR/CHF 1.0798, GBP/

CHF 1.2451, 1Q17: USD/CHF 0.9963, EUR/CHF 1.0670, GBP/CHF 1.2464. These currency exchange rates are unweighted, i.e. a straight line average of monthly rates. We apply this calculation consistently for the periods under review. Adjusted non-compensation expenses are adjusted operating expenses excluding compensation and benefits. To calculate adjusted non-compensation expenses at constant FX rates, we subtract compensation and benefits (adjusted at constant FX rates in the manner described above) from adjusted operating expenses at constant FX rates.

Abbreviations
Asia Pacific – APAC; Risk weighted assets – RWA; Strategic Resolution Unit – SRU

References to the Wealth Management businesses capabilities or businesses refer to the Swiss Universal Bank Private Clients business, the International Wealth Management Private Banking business and the Asia Pacific Private Banking business within Wealth Management & Connected.

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