

**Extraordinary General Meeting of CREDIT SUISSE GROUP AG
Zurich, May 18, 2017**

**Speech by Tidjane Thiam
Chief Executive Officer**

Thank you, Mr. Chairman.

Dear shareholders

Thank you for joining us this morning.

Following the Chairman's speech, I would like to focus on three topics during my address to you, our shareholders.

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I would like to:

- First, say a few words about our **strategy**;
 - Second, talk about our **performance** and the progress we have been and are making in implementing this strategy; and
 - Finally, comment on our capital plan and discuss the proposed rights issue.
- So please allow me to say a few words first about **our strategy**.

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Our strategy is simple: we want to be a leading wealth manager with strong investment banking capabilities, supported by solid risk management and strict controls.

In our wealth management activities, we offer distinctive services and support to our ultra-high-net-worth clients. Both in developed and emerging economies, entrepreneurs create wealth every day.

We have a long tradition of helping them both develop their businesses and manage their wealth. We are the "Bank for Entrepreneurs". This is key to our strategy and is generating strong results, as I will show you in a few minutes.

There are a few aspects of this strategy I want to emphasize:

We want to achieve profitable and **compliant growth** across our Wealth Management businesses in the Swiss Universal Bank, International Wealth Management and Asia Pacific;

We want to make Credit Suisse more **resilient** by significantly reducing our fixed costs so that we can better cope with the unavoidable volatility that we see from time to time in the global economy and markets;

We are resolving a number of significant **legacy issues** which have acted as a drag on our development; and

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, and to cope with an uncertain and sometimes volatile world.

Looking at our **progress**, I suggest that we start by focusing on our growth in 2016.

We have been delivering **profitable growth**:

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Our Wealth Management businesses in the Swiss Universal Bank, International Wealth Management and Asia Pacific generated industry-leading net new assets of **29.3 billion¹ Swiss francs in 2016**.

And these strong asset inflows, a key measure of performance for a wealth manager, have continued into the first quarter of 2017.

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Net new assets in our Wealth Management businesses reached 12.0 billion¹ Swiss francs at the end of the first quarter 2017.

In addition to growing, as we just saw, I have also said that we want to make the bank more **resilient** through the cycle by reducing our fixed cost base.

Focusing on costs then, we started implementing in 2016 a major cost reduction program and have been making significant progress.

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¹ Figures listed for Wealth Management net new assets are derived by combining the respective net new assets amounts for 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.

In 2016, we were able to lower our fixed cost base by 1.9 billion² Swiss francs. This led to a reduction of our adjusted* total operating expense base to 19.4 billion³ Swiss francs from 21.2 billion Swiss francs as at the end of 2015.

We achieved this significant reduction while investing in growth businesses and improving our control framework across the Group.

Looking at 2017, we have continued to move at pace.

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In the first quarter of 2017, our adjusted* total operating expenses were 4.6 billion Swiss francs, the lowest level in any quarter in the last four years.

Beyond the reduction in our total costs, which I have just described, we believe that the evolution of our adjusted* non-compensation operating expenses i.e. our costs excluding personnel⁴, is a good measure of the progress we are making to reduce our fixed cost base.

These expenses were down 15% year-on-year and 13% sequentially, at constant FX rates.

Higher revenues combined with these lower costs demonstrate that we are increasing our operating leverage. This disciplined execution we believe underpins our restructuring story.

For the progress we are making on revenues, on costs to fully bear fruit, it is important for us to address effectively legacy issues which in our case have been significant and placed a drag on our performance.

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There are two main areas where this is most relevant:

- (i) activities that we have discontinued, gathered in a non-core unit, and
- (ii) litigation resulting from activities conducted in the past.

² Refers to adjusted* net cost savings at constant FX rates.

³ At constant FX rates.

⁴ Refers to compensation and benefits.

To drive this restructuring, we decided to create an autonomous, separate non-core division which we call the SRU or Strategic Resolution Unit. Its establishment as a separate unit has proven to be a very effective way to drive the deleveraging and de-risking of our legacy businesses across the Group.

At the end-2015, the SRU contained more than 70 billion US dollars of risk-weighted assets or RWA. Since then, we have been able to reduce RWA⁵ by more than 50%. We have also been able to reduce leverage exposure, another measure of risk, by over 50%. And in the first quarter of 2017, adjusted* total operating expenses were down by 55% year-on-year.

Fundamentally, we have been able to reduce the size of our restructuring unit by half in 12 months.

Due to the progress made, we announced on April 26 that we will be able to wind-down our restructuring unit by the end of 2018 - 12 months ahead of schedule.

This represents a crucial step in the restructuring of Credit Suisse: when we close down the SRU, we will be basically done with the restructuring, and will be able to focus on growing our great franchises across geographies, generating significant returns over time.

The other significant area of legacy is **litigation** resulting from our past activities. As you know, we reached a settlement with the US Department of Justice regarding our legacy residential mortgage backed securities or RMBS business at the start of 2017. This issue is about business mostly conducted in 2005, 2006 and 2007.

Resolving this issue was crucial for us as it removed a major source of uncertainty, which had been hampering forward looking capital planning in particular.

We made significant efforts last year to drive our capital ratios up so that, even after absorbing the significant fine, our capital ratios would be in a reasonable range. We closed 2016 with a look-through common equity tier 1 or CET1 ratio of 11.5% and a look-through CET1 leverage ratio of 3.2%, post the US Department of Justice settlement.

The progress we have been able to make both in improving the operating performance of the bank and closing legacy issues gives us now better visibility on our future, putting us in a good position to move to the next phase of our capital plan.

We said when presenting our strategy in 2015 that we would need to raise between 9 and 11 billion Swiss francs of capital over the period 2015 to 2017 in order to carry out the restructuring of Credit Suisse.

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⁵ RWA excluding operational risk.

Thanks to your support, we successfully completed a capital raise of 6 billion Swiss francs by the end of 2015, thus significantly strengthening our capital position.

Importantly, this allowed us to start promptly in 2016 the necessary restructuring the bank needed to improve its long-term prospects. This led to the 1.9 billion² Swiss francs of cost savings in 2016 as I underlined earlier in my presentation.

In addition, we were able to execute in 2016 approximately 1 billion Swiss francs of asset disposals, real estate sales and other management actions. Last year, we also successfully generated capital internally through:

- (i) the right-sizing of our trading and markets activities within the Global Markets division; and
- (ii) the sale of non-core assets and closures in the SRU.

We knew from the start that the potential for further reductions in Global Markets or the SRU would be significantly lower after 2016 and that we had therefore planned to **raise capital externally** to the tune of 2 to 4 billion Swiss francs in the second half of 2017.

One option to raise this capital was a partial IPO (of between 20-30%) of our Swiss legal entity, Credit Suisse (Schweiz) AG, which was included in our initial capital plan.

Following the settlement we achieved with the US Department of Justice at the beginning of the year, we said that we would examine a broad range of options to determine, now that we had removed a major source of uncertainty, the best option to achieve an attractive risk reward outcome for our shareholders.

After full and detailed analysis, the Executive Board recommended to the Group's Board of Directors that a capital raise through a fully underwritten rights offering of approximately 4 billion⁶ Swiss francs would be the best course of action for Credit Suisse.

The Board of Directors decided to pursue this option and in doing so we decided to retain full ownership of our valuable Swiss bank.

I would like to spend a few minutes explaining to you now how we intend to use the proceeds from the proposed rights offering.

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Today, we are asking for your support to ensure that this bank remains a solid, well-capitalized bank.

With your support, we intend to continue to invest in the growth of our high-returning franchises in the Swiss Universal Bank, International Wealth Management, our Wealth Management &

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.

Connected business in Asia Pacific, as well as in our Investment Banking & Capital Markets activities.

In the first quarter of 2017, we delivered returns that were significantly above the cost of capital across these businesses.

- We achieved our fifth consecutive quarter of year-on-year adjusted* pre-tax income growth for the Swiss Universal Bank, and we delivered a return on capital⁷ of 15%;
- In International Wealth Management, we increased the return on capital⁷ to 26%, from 23% at the end of 2016;
- In our Wealth Management & Connected business in Asia Pacific, we delivered a 67% year-on-year growth in adjusted* pre-tax income. The return on capital⁷ reached 31%;
- We generated a 60% year-on-year increase in revenues in our Global Advisory and Underwriting franchise⁸. Investment Banking & Capital Markets achieved its strongest first quarter profit since 2013, and the return on capital⁷ reached 23%; and
- In parallel, we have continued to invest in strengthening our risk management and compliance capabilities to ensure we generate quality, compliant growth. For instance, we have increased our compliance spend from 64 million Swiss francs in the first quarter of 2015 to 118 million Swiss francs in the first quarter of 2017, an 84% increase in two years.

We intend to continue to allocate capital to these businesses going forward to generate attractive, sustainable and quality returns over time.

Looking at our Global Markets division, we achieved a return on capital⁷ of 10% in the first quarter of 2017. And over time, we expect to deliver a return on capital⁷ of between 10% and 15%.

We are pleased with the performance of Global Markets, and we remain committed to our RWA ceiling of 60 billion US dollars and our leverage ceiling of 290 billion US dollars - we do not intend to exceed these parameters for the division.

In addition to investing in growth, we will use the proceeds of this second capital raise to complete the restructuring of the Group.

We expect the capital increase to strengthen the resilience of our balance sheet for the benefit of our clients and other stakeholders.

⁷ Refers to adjusted* return on regulatory capital. Regulatory capital is calculated as the worst of 10% of RWA and 3.5% of leverage exposure. Return on regulatory capital is calculated using (adjusted) income after tax assuming a tax rate of 30% and capital allocated based on the worst of 10% of average RWA and 3.5% of average leverage exposure. For the Markets business within the APAC division and for the Global Markets and Investment Banking & Capital Markets divisions, return on regulatory capital is based on US dollar denominated numbers.

⁸ Gross global revenues from advisory, debt and equity underwriting generated across all divisions before cross-divisional revenue sharing agreements.

We believe our improved capital ratios will place Credit Suisse among the best capitalized banks in its European peer group and allow us to be fully compliant with the Swiss Too Big to Fail regulatory requirement, which becomes fully effective by 2020.

We are 18 months into the implementation of our three-year plan - our recent financial results demonstrate the significant progress we have made.

The capital raise we propose today represents a major opportunity for the Group. The capital raise of 4 billion⁶ Swiss francs will allow us to meet our regulatory commitments and requirements. It will strengthen our balance sheet, allow us to continue our ongoing restructuring and, importantly, to implement successfully our growth plans.

Ultimately, we believe this will lead to the creation of long-term value for you, our shareholders.

Thank you for your attention, Ladies and Gentlemen.

Important Information

* 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 adjustment items" below.

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.

In preparing this document, management has made estimates and assumptions that affect the numbers presented. Actual results may differ. Annualized numbers do not take account variations in operating results, seasonality and other factors and may not be indicative of actual, full-year results. Figures throughout this document may also be subject to rounding adjustments.

As of January 1, 2013, Basel 3 was implemented in Switzerland along with the Swiss "Too Big to Fail" legislation and regulations thereunder (in each case, subject to certain phase-in periods). As of January 1, 2015, the Bank for International Settlements (BIS) leverage ratio framework, as issued by the Basel Committee on Banking Supervision (BCBS), was implemented in Switzerland by FINMA. Our related disclosures are in accordance with our interpretation of such requirements, including relevant assumptions. Changes in the interpretation of these requirements in Switzerland or in any of our assumptions or estimates could result in different numbers from those shown in this media release.

Unless otherwise noted, leverage exposure is based on the BIS leverage ratio framework and consists of period-end balance sheet assets and prescribed regulatory adjustments. Beginning in 2015, the Swiss leverage ratio is calculated as Swiss total capital, divided by period-end leverage exposure. The look-through BIS tier 1 leverage ratio and CET1 leverage ratio are calculated as look-through BIS tier 1 capital and CET1 capital, respectively, divided by end-period leverage exposure.

When we refer to Wealth Management focused divisions in this document, we mean Swiss Universal Bank, International Wealth Management and Asia Pacific. References to the Wealth Management businesses within these divisions 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.

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 2017 Financial Report 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. Provided below is a reconciliation of our adjusted results to the most directly comparable US GAAP measures.

| | CS Group in CHF mn. | | | | | SUB in CHF mn. | IWM in CHF mn. | APAC Mkts in USD mn. | APAC WM&C in CHF mn. | IBCM in USD mn. | GM in USD mn. |
|--|------------------------|----------------|--------------|----------------|----------------|-------------------|-------------------|----------------------------|----------------------------|--------------------|------------------|
| | 1Q17 | 4Q16 | 1Q16 | 2016 | 2015 | | | | | | |
| Net revenues reported | 5,534 | 5,181 | 4,638 | 20,323 | 23,797 | 1,354 | 1,221 | 293 | 589 | 608 | 1,615 |
| Fair value on own debt | - | - | - | - | (298) | - | - | - | - | - | - |
| Real estate gains | - | (78) | - | (424) | (95) | - | - | - | - | - | - |
| (Gains)/losses on business sales | (15) | 2 | 56 | 58 | (34) | - | - | - | - | - | - |
| Net revenues adjusted | 5,519 | 5,105 | 4,694 | 19,957 | 23,370 | 1,354 | 1,221 | 293 | 589 | 608 | 1,615 |
| Provision for credit losses | 53 | 75 | 150 | 252 | 324 | 10 | 2 | - | 4 | 6 | 5 |
| Total operating expenses reported | 4,811 | 7,309 | 4,972 | 22,337 | 25,895 | 940 | 928 | 347 | 384 | 453 | 1,292 |
| Goodwill impairment | - | - | - | - | (3,797) | - | - | - | - | - | - |
| Restructuring expenses | (137) | (49) | (255) | (540) | (355) | (52) | (36) | (15) | (4) | (2) | (20) |
| Major litigation provisions | (97) | (2,401) | - | (2,707) | (820) | (27) | - | - | - | - | - |
| Total operating expenses adjusted | 4,577 | 4,859 | 4,717 | 19,090 | 20,923 | 861 | 892 | 332 | 380 | 451 | 1,272 |
| Pre-tax income/(loss) reported | 670 | (2,203) | (484) | (2,266) | (2,422) | 404 | 291 | (54) | 201 | 149 | 318 |
| Total adjustments | 219 | 2,374 | 311 | 2,881 | 4,545 | 79 | 36 | 15 | 4 | 2 | 20 |
| Pre-tax income/(loss) adjusted | 889 | 171 | (173) | 615 | 2,123 | 483 | 327 | (39) | 205 | 151 | 338 |

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

APAC – Asia Pacific; DOJ – US Department of Justice; FX – foreign exchange; IBCM – Investment Banking & Capital Markets; Initial Public Offering – IPO; IWM – International Wealth Management; RoRC – return on regulatory capital; RMBS – residential mortgage-backed securities; RWA – risk-weighted assets; SRU – Strategic Resolution Unit; SUB – Swiss Universal Bank; WM&C – Wealth Management & Connected

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