CREDIT SUISSE

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Annual General Meeting of CREDIT SUISSE GROUP AG
Zurich, April 24, 2015

Remarks by Urs Rohner
Chairman of the Board of Directors

I am delighted that so many of you are taking part in our Annual General Meeting again this year. At a time when people are increasingly connecting and engaging with one another in the virtual world, I have pleasure in welcoming you to the Hallenstadion here in Zurich. In addition to informing you about the most important topics that our company has addressed since last year's Annual General Meeting, I am certain that today's event will provide an opportunity for face-to-face dialogue.

Since you confirmed your trust in me and my fellow members of the Board of Directors one year ago by electing us for a further term in office, Credit Suisse Group has not only continued to systemically deliver on its strategic objectives but has also taken important steps to set the future course of its business. I would like to begin by taking a look at the last financial year, which, as you all know, was shaped by a number of important topics and events.

I will then talk to you about current challenges as well as the outlook for Credit Suisse and its future direction.

Settlement of US tax matter

The conclusion of a comprehensive and final settlement regarding all outstanding US cross-border matters was undoubtedly one of the most important events at Credit Suisse last year. We announced the settlement in May 2014 after long and intensive negotiations.

Under the terms of the settlement, we agreed to pay CHF 2.5 billion. This had a significant impact on net income and on our capital base both in the second quarter of 2014 and for the full year.

I wish to emphasize at this point that we deeply regret the past misconduct in our former US cross-border business that led to what was the most significant and longstanding litigation issue in the history of our company.

Strict compliance with applicable laws and internal rules and regulations is an absolute priority for Credit Suisse. We have a zero tolerance approach to misconduct. Our reputation is a key factor determining the long-term success of our company and anyone who does not understand and accept this has no place at Credit Suisse.

Having resolved the US tax matter, we can now focus on the future and devote our full attention to driving our strategy forward and to building the future success of our company. I wish to point out that we were able to mitigate the negative impacts of the US tax matter on our current business activities thanks, in particular, to the continued trust of our clients and the professionalism of our employees.

The settlement was, however, achieved first and foremost thanks to the efforts of the management team led by Brady Dougan.

In consultation with the Board of Directors – and under the most challenging of conditions – they delivered impressive results and were able to successfully bring this legacy litigation issue to a close. For this, the bank's employees and shareholders owe Brady Dougan considerable thanks.

2014 and 1Q15 results

Having described the various challenges that Credit Suisse faced, I would now like to look at key figures from our 2014 results and our financial results for the first quarter of 2015 that we have just announced.

Despite challenging economic and political developments, the volatile market environment and increasing regulatory requirements in 2014, we made further progress toward the achievement of our strategic goals during the year. When executing our strategy, we benefited from the fact that we realigned our activities at an early stage, continuously evolved our business model and today have a stable core business – as is positively reflected by our results for the full year 2014.

In spite of the impacts of the settlement of the US tax matter that I mentioned earlier, we generated pre-tax income of CHF 3.2 billion for the full year 2014. Net income attributable to shareholders totaled CHF 1.9 billion.

In the strategic business – i.e. those areas that we want to focus on in future – we generated pre-tax income of CHF 6.8 billion and net income attributable to shareholders of CHF 5.0 billion.

In our Private Banking & Wealth Management division, we reported pre-tax income of CHF 3.7 billion from our strategic businesses in 2014, an increase of 3% compared to 2013. At the same time, the cost/income ratio improved by 2 percentage points to 68% due to a lower cost base.

The trust that clients place in Credit Suisse and the efforts and commitment of our employees were reflected by our net new assets of CHF 28.2 billion, representing a further increase from 2013. We saw a significant contribution of CHF 20.9 billion from the ultra-high-net-worth individuals segment, which is of key importance for Credit Suisse. Meanwhile, with net new asset growth of 15%, the Asia Pacific region displayed continued robust momentum.

In the Investment Banking division, pre-tax income in our strategic businesses was stable at CHF 3.7 billion. Strategic net revenues were also stable and Investment Banking generated a return on regulatory capital of 17% – one of the highest in our industry. Additionally, we achieved a reduction in Basel III risk-weighted assets in Investment Banking of USD 13 billion or 7% compared to the end of 2013 and we reduced our Swiss leverage exposure by USD 42 billion or 5% compared to the previous year.

We also made progress in the non-strategic units of both divisions. Compared to 2013, risk-weighted assets decreased by 35% to CHF 15.8 billion and leverage exposure was reduced by 25% to CHF 75.0 billion.

In terms of capital, our CET1 ratio on a look-through basis – i.e. assuming that the 2019 rules are applied fully today – stood at 10.1% at the end of 2014, exceeding our 10% year-end target. The successful execution of the capital actions that we announced in May 2014 helped us to offset the impact of the US cross-border settlement on our capital position.

Our result for the first quarter of this year demonstrates that our business is well on track. The Swiss National Bank's decision to discontinue the minimum exchange rate of the Swiss franc against the euro and to further lower interest rates had a major impact on the operating environment in the first quarter. These actions dramatically altered market conditions for many Swiss companies. Credit Suisse responded with a series of cost measures and revenue growth initiatives which, combined with an improvement in market activity, successfully mitigated the impact of the Swiss National Bank's decision on our results.

Against this backdrop, we increased net income attributable to shareholders by 23% to CHF 1.1 billion.

This good performance was driven by both divisions: In Private Banking & Wealth Management, our Wealth Management Clients business in particular benefited from improved margins and profits and contributed CHF 7.0 billion to strong total net new assets of CHF 18.4 billion. Investment Banking results mainly reflected increased trading revenues, while further progress was achieved in reducing leverage exposure.

In the first quarter, we benefited once again from our strong position in the Swiss market and in our growth markets. The Asia Pacific region continues to be a strong driver of revenue growth in both Private Banking & Wealth Management and Investment Banking.

Our results for the full year 2014 and for the first quarter of 2015 underscore the success of our integrated business model, which we have aligned to changed market and regulatory developments over the years and will continue to evolve going forward. This business model enables us to offer clients decades of experience in wealth management, combined with global capital markets access and our expertise in Investment Banking. As a result of the close collaboration between our two divisions – Private Banking & Wealth Management, including our Asset Management business, and Investment Banking – we are able to generate significant competitive advantages, resulting in CHF 4.3 billion of revenues from cross-divisional collaboration in 2014.

I would like to mention two examples from 2014 that illustrate perfectly the success of our integrated approach. The first is the IPO of the Chinese online commerce company Alibaba, where Credit Suisse was one of the lead banks in the syndicate. The second is the acquisition of Forbes Media Group by an Asian investor from the ultra-high-net-worth individuals segment.

Our Swiss business also makes a very important contribution to Credit Suisse's overall result. Consequently, our home market is and will remain one of our main strategic areas of focus. We have a strong market position here and serve clients in segments ranging from retail banking to ultra-high-net-worth individuals. Our clients in Switzerland benefit from our integrated business model, our international footprint, our comprehensive expertise and our strong local presence.

By helping companies to fund their growth plans and by supporting their leaders in areas such as the management of investments, liquidity and risk, we contribute to the creation and preservation of jobs in Switzerland – even in a challenging environment. Ever since it was established in 1856, Credit Suisse has thus made an important contribution to the prosperity of our country, to the creation of a strong financial center and a thriving economy, and to Switzerland's success – including in periods of increased regulation. Switzerland will remain of key importance for us going forward and we hope and assume that the country's political and regulatory framework will allow us to continue to operate successfully in our home market.

CEO succession

We announced on March 10 that **Brady Dougan** will step down from his post as Chief Executive Officer of Credit Suisse Group in mid-2015 after eight years in office and will be succeeded by Tidjane Thiam. This is Brady's last Annual General Meeting as CEO and I would therefore like to take this opportunity to acknowledge his exceptional services to the company.

Brady has worked for Credit Suisse and served its shareholders for 25 years. He can thus look back on an extremely long and distinguished career at the bank. He joined Credit Suisse First Boston in 1990, where, among other things, he headed the Equities business for five years before being named Global Head of the Securities business in 2001. In 2003, he was appointed a member of the Executive Board of Credit Suisse Group and, from 2004 to 2005, served as CEO of Credit Suisse First Boston. In May 2005, after the merger of Credit Suisse First Boston with Credit Suisse, he became CEO of the Investment Banking division.

In 2007, Brady was appointed CEO of Credit Suisse Group and he is currently one of the longest serving CEOs of any major global bank.

Throughout his time at Credit Suisse, Brady has been totally committed to our bank. He has made an outstanding personal contribution and displayed exceptional loyalty, even in the most challenging situations. With his professionalism and leadership, Brady has had a significant impact on our company. He was the polar opposite of those much criticized bankers who move from one financial institution to the next in order to further their own careers.

You all know about the complex conditions in the financial services industry and the continuously and rapidly evolving industry landscape. With his experience and profound knowledge of the markets, businesses and products, Brady was instrumental in ensuring that Credit Suisse navigated the financial crisis much more effectively than many of our competitors, who – unlike us – had to turn to the government for support. He aligned our business to the new operating environment, enabling us to promptly respond to changed market conditions and new regulatory requirements. In particular, he proactively adapted our strategy and business model in view of stricter capital and liquidity requirements. Brady assigned priority at an early stage to building a strong capital base through ground-breaking capital transactions. This capital position is especially important for the Private Banking & Wealth Management business.

As a staunch advocate of the need to rigorously comply with due diligence requirements, he also assigned the utmost importance to ensuring Credit Suisse systemically proceeded with the regularization of undeclared client assets from 2008.

As CEO of our bank, Brady kept Credit Suisse on course during challenging periods and, together with his management team, successfully mastered the main challenges facing the bank. Our financial results for the full year 2014 and the first quarter of 2015 are a testimony to Brady Dougan's enormous contribution to Credit Suisse, which we will continue to benefit from until he hands over responsibility to his successor at the end of June.
Brady deserves the utmost respect and recognition from us all for his enormous achievements and his exceptional loyalty to Credit Suisse. I also wish to express my personal gratitude to him.

At the beginning of my presentation, I mentioned that we have taken important decisions to set the future course of our business. I would now like to look at another important development: the succession process that preceded the operational leadership change at Credit Suisse. Over the last two years, the Board of

Directors, Brady Dougan and I have regularly discussed the future operational leadership of Credit Suisse. The interests of the company and its shareholders were always at the forefront of these discussions.

A thorough process was conducted based on the discussions we held last year and we prepared for the transition at the head of our company.
The candidates were evaluated very carefully and we decided last fall – in view of the positive momentum in our business – that mid-2015 would be the right time for the CEO succession.

It was finally decided by the Board of Directors to appoint **Tidjane Thiam** as Brady's successor. Tidjane is an experienced leader with an impressive track record – particularly in the areas of wealth management and growth markets. He is currently Group Chief Executive of Prudential plc, a British financial services group with large-scale operations in Asia, the US and the UK in particular. Tidjane was born in Côte d'Ivoire in 1962 and was raised and educated in France.

Tidjane Thiam studied at the renowned Ecole Polytechnique and Ecole Nationale Supérieure des Mines in Paris and also holds an MBA from INSEAD. After several years at McKinsey in Paris and New York, he worked for the government of Côte d'Ivoire as Minister of Planning and Development. From 2002 until 2008, Tidjane Thiam held leading roles at Aviva, a large multinational insurance company headquartered in the UK, before joining Prudential as CFO. In 2009, he was appointed Group Chief Executive Officer of Prudential. Tidjane Thiam is married and has two grown-up sons. He is a dual citizen of France and Côte d'Ivoire and speaks English, French and German.

Tidjane will relocate to Switzerland after taking office. He will succeed Brady as CEO of Credit Suisse Group on July 1, 2015.

Proposals to the Annual General Meeting

You have already heard how the strategy of the integrated bank, which combines Private Banking & Wealth Management with our Investment Banking business, enabled us to successfully navigate an uncertain and volatile economic, political and market environment.

Against this backdrop, I would now like to talk to you about the proposed distribution to shareholders and the proposal for the approval of the compensation of the Board of Directors and the Executive Board that are being put forward today.

Distribution of CHF 0.70 per registered share in the form of shares, a cash distribution or a combination thereof

The Board of Directors is proposing the distribution of CHF 0.70 per registered share, in line with the previous year, which you can elect to receive either in the form of shares of Credit Suisse Group (scrip dividend) or in cash.

In the case of an election for shares, this allows Credit Suisse to retain regulatory capital in view of increased regulatory capital requirements. It is planned that the new shares will be issued out of the increased authorized capital. I will provide you with further details on this topic when we come to the relevant item on the agenda.

Going forward, we remain committed to returning half of our earnings to you, our shareholders, provided our Look-through CET1 capital ratio exceeds 10% and we meet our leverage ratio targets.

Compensation Report and Compensation

I would now like to turn briefly to the Compensation Report. This report is intended to meet regulatory requirements while, at the same time, providing you, our shareholders, with the greatest possible transparency about our compensation policy, the work of the Compensation Committee and the compensation decisions reached by the Group in respect of the last financial year.

As indicated in the report, the economic value of variable incentive compensation awarded for 2014 for the Group was 9% lower than in 2013. This reflects the impact on reported pre-tax income of the final settlement regarding all outstanding US cross-border matters. Excluding this specific litigation issue, the improvement in the Group’s result that was achieved in a difficult market environment would have justified an increase in variable incentive compensation.

To calculate variable incentive compensation, the Compensation Committee takes account of economic contribution, i.e. income before taxes and variable compensation expense, after deducting the capital usage charge based on regulatory capital. In 2014, we were able to further reduce the percentage amount of economic contribution allocated to variable incentive compensation. In our strategic businesses, the percentage amount is already well below the 50% mark that we generally use as a guide to achieve an appropriate distribution between the Group's shareholders and employees.

We also reviewed and further evolved our compensation practices in 2014 in response to regulatory developments:

In the case of employees in our offices in Europe who are subject to European regulations, we made the necessary changes to our compensation structure in 2014.

For some groups of employees, compensation instruments were modified in accordance with the requirements set out by the UK's Prudential Regulation Authority (PRA) to allow the Group to claw back compensation components for a period of up to seven years from the grant date.

In view of ongoing regulatory trends, the Compensation Committee will continue to focus on the question of the effectiveness of malus and clawback provisions in our compensation plans in combination with our risk management and internal compliance and control processes in 2015.

The Compensation Committee has confirmed that it is satisfied that the Compensation Report reflects the review process and determination of compensation for 2014. Furthermore, the Compensation Report is in line with the specific compensation requirements issued by the Swiss Financial Market Supervisory Authority (FINMA) and the relevant provisions of the Compensation Ordinance.

You can also see from the 2014 Compensation Report that due to the previously mentioned impact of the US cross-border settlement, the members of the Board of Directors and the Executive Board agreed to a voluntary reduction of the amounts of compensation that would otherwise have been awarded for 2014. The total compensation for the Board was reduced by 25% and the variable compensation for the Executive Board was reduced by the equivalent of 20% of the amount that would have otherwise been granted.

The Board of Directors and the Executive Board have thus accepted the collective institutional responsibility they bear as the Group's supervisory and management bodies for safeguarding the reputation and professional integrity of the Group's entire business.

When we come to the relevant item on the agenda, you will have an opportunity to express your view on the Compensation Report, which is being presented to you in a consultative vote again this year. I will provide you with further explanations about the compensation of the Board of Directors and the Executive Board later in the meeting. However, I would, at this point, like to refer you to the detailed explanations provided by Jean Lanier, Chairman of the Compensation Committee, at the beginning of the Compensation Report.

The 2014 Compensation Report contains details of the determination of compensation for the financial year 2014. Information on the actual amount of compensation awarded to the individual members of the Board of Directors in the coming year, as well as the aggregate compensation awarded to the Executive Board, will be provided in the 2015 Compensation Report that will be submitted to you in a consultative vote at next year's Annual General Meeting. This means that you will have access to detailed information each year and will be able to reassure yourselves that the compensation that is actually awarded is in line with the decisions that were reached.

Innovation and digitalization

I would now like to turn to a topic that is of the utmost importance for the future of the finance industry and our bank.

As Chairman of Credit Suisse, I have been focusing intensively on questions related to innovation and digitalization for a number of years.
In 2013, Credit Suisse's Digital Private Banking – the product of our internal think tank 'Future Lab' – was established and is now a separate department within our Private Banking & Wealth Management division, with hundreds of employees worldwide. The team has developed impressive initiatives and has consolidated our digital expertise.

I have regularly observed the testing of new functionalities in the area of digital banking. Please forgive me if I seem a little overenthusiastic – but all that I have witnessed so far when engaging with our experts in this field and everything that I have tested makes me very optimistic about the future of our bank.

We announced in the past that we are making significant investments in the expansion of our digital capabilities and were this year able to unveil the results of our work. In this context, it is important to understand that change has now become the only constant factor in our industry and that even the best digital solutions need to evolve and be improved continuously. Our clients and investors expect this.

Credit Suisse's Digital Private Banking made its debut in March 2015 with the launch of an innovative new digital offering for our wealthiest clients in Asia Pacific. The most important components of this offering are sophisticated portfolio analysis, comprehensive and yet personalized research and market data tools, and services enabling clients to interact with the bank and to execute transactions – all of which are presented in a client-friendly interface.

Digital Private Banking is gradually being rolled out in Switzerland. Our relationship managers in the Swiss market have had access to iPads with advanced portfolio review functions since 2014, and this month, we successfully launched the 'Private Banking Switzerland' app for the iPad, iPhone and Android tablets and smartphones. In addition to an enhanced payment function, our clients now have access to optimized securities trading and comprehensive mobile portfolio management functionalities.

As you can see, we are currently in the process of fully digitalizing our business and service model. It is not just a case of improving the status quo: we are talking about a radical transformation of our bank. We are doing so based on the view that the first bank to master the complexity of digital cross-border wealth management will gain a significant competitive advantage. And I believe that this is another point on which we all agree: Credit Suisse should be that bank.

There is one more point I would like to make: security is our primary consideration across all our digital solutions. People need to know that not only their assets but also their data are secure.
We are investing intensively in this area and are using the most advanced technologies available. At the same time, the human resources and expertise that we have built up in the area of digitalization have broadened our strategic options and make an important contribution toward the expansion of our market presence in growth regions.

Summary and thanks

2014 was a challenging and eventful year for Credit Suisse but it was also a period of progress. We were able to take important steps determining the future of our business and we laid the foundations for future-oriented initiatives, including Digital Private Banking, which I just described to you.

Credit Suisse employees around the globe have once again demonstrated enormous commitment in order to maintain the trust of our clients and shareholders. They worked hard to achieve our business goals.

In doing so, they systemically contributed to the improvement of Credit Suisse's operating efficiency through infrastructure savings and various efficiency measures in our divisions, which led to massive cost savings in 2014. This was not easy and placed considerable demands on our employees.

It is therefore very important to me personally – and I assume that I am also speaking on behalf of you, our shareholders – to thank all our employees worldwide for their hard work and commitment in this challenging environment.

It is our employees who, through their expertise, create value for clients. And it is our employees who, through their integrity and professionalism, are able to safeguard the reputation of our bank. This is true today and will remain so going forward, even in an increasingly digitalized world. Our clients will stay with Credit Suisse because we are a professional financial partner to them and because they understand that we are capable of meeting their specific needs. This earns and inspires trust – and trust is at the core of every successful long-term client relationship in banking.

That brings me to the end of my review of 2014. I very much look forward to working with our new CEO, our management team and all of the bank's employees in order to serve the interests of Credit Suisse and you, our shareholders, in the coming years.

Thank you!

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