Credit Suisse

To the Shareholders of Credit Suisse Group AG

Letter from the Chairman of the Board of Directors

Zurich, March 23, 2018

Dear Shareholders

Over the last two years, Credit Suisse has made significant progress in the execution of our restructuring plan. We have made significant achievements in growing our wealth management and further strengthening our investment banking capabilities, as well as with regard to Group profitability, reduction of fixed costs, strengthening of our capital position, lowering risk and addressing major legacy issues. We believe that our strategy will place us in a strong position to sustainably and cost-effectively generate long-term value for both our clients and our shareholders going forward.

Last year, I reported about the progress we achieved in the first full year of the delivery of our three-year strategic plan, announced in late 2015. Most importantly, I emphasized our confidence that Credit Suisse would continue to successfully execute our strategy and capture the opportunities for sustainable, profitable growth across our franchises and geographies. Building on the progress we achieved, we believe our results in 2017 clearly show that our strategy is working.

Against the backdrop of a challenging market environment and ongoing regulatory developments, we have accelerated our positive operating leverage compared to the previous year and operated profitably on a reported and adjusted* pre-tax basis throughout 2017. Moreover, we have reduced our fixed costs while continuing to invest in measures to grow and strengthen our businesses across the Group, thus reinforcing our position as a leading wealth manager with strong investment banking capabilities. For the full year 2017, Credit Suisse increased its reported pre-tax income to CHF 1.8 billion and its adjusted* pre-tax income to CHF 2.8 billion. In the fourth quarter of 2017, like many of our peers, we reassessed our deferred tax assets and recognized an associated tax charge of CHF 2.3 billion, primarily resulting from the US tax reform. This led to a net loss attributable to shareholders of CHF 983 million for the year. However, this non-cash adjustment had a negligible impact on Credit Suisse's capital position, which remains strong with a look-through CET1 ratio of 12.8% at the end of 2017. Equally, it did not affect the dividend policy we announced a year ago.

In line with this revised dividend policy, we will discontinue the proposal of a scrip alternative for the financial year 2017 and instead will propose an all-cash dividend at a level similar to the cash component per share of the total dividend that our shareholders elected in recent years. Accordingly, at the upcoming Annual General Meeting on April 27, 2018, we will propose a cash distribution against reserves from capital contributions of CHF 0.25 per registered share for the financial year 2017.

Furthermore, we will propose Michael Klein and Ana Paula Pessoa for election as new non-executive members of the Board of Directors for a term until the end of the next Annual General Meeting. Michael Klein, former Chairman and Co-CEO Markets & Banking at Citigroup, is an internationally recognized professional with over 30 years of experience in banking and financial services. Ana Paula Pessoa has a wide-ranging track-record in finance and strategy spanning more than two decades. She currently serves as an independent board member of News Corporation and Vinci Group. With their enormous expertise and long-term experience in their respective areas, we believe that Michael Klein and Ana Paula Pessoa will both ideally complement the strengths of our Board of Directors.

As previously announced, Richard E. Thornburgh, upon reaching the relevant tenure limit, will not stand for re-election. He joined the Board of Directors in 2006 and we are very grateful for his exceptional leadership and longstanding contribution to Credit Suisse over four decades, notably as Vice-Chair of the Board of Directors and Chair of the Board's Risk Committee. All other Board members will stand for re-election for a term until the end of the next Annual General Meeting.

As in prior years, we will submit our 2017 Compensation Report for a consultative vote and compensation proposals of the Board of Directors and the Executive Board for approval by shareholders at the Annual General Meeting. Under the leadership of the new Chair of the Compensation Committee, Kai Nargolwala, extensive efforts were made to engage with shareholders during the past year about our compensation framework, the feedback from which has been key for the Board of Directors in determining certain changes to compensation. Details are described comprehensively in our 2017 Compensation Report.

You can find further information about the individual proposals in the invitation and the additional documentation on the Annual General Meeting, which accompany this letter.

On behalf of the entire Board of Directors, I would like to take this opportunity to express our sincere gratitude to you for your valued support and continuing trust in Credit Suisse.

I look forward to welcoming you to the Hallenstadion in Zurich on April 27, 2018.

Yours sincerely

Urs Rohner
Chairman of the Board of Directors

* Adjusted results are non-GAAP financial measures. Management believes that adjusted results provide a useful presentation of our operating results for purposes of assessing our Group and divisional performance consistently over time, on a basis that excludes items that management does not consider representative of our underlying performance. Adjusted pre-tax income for the full year 2017 is calculated using adjusted net revenues, which excludes losses on business sales of CHF 13 million, and adjusted operating expenses, which excludes restructuring expenses of CHF 455 million, major litigation provisions of CHF 493 million and expenses related to business sales of CHF 8 million.

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