CREDIT SUISSE

Annual General Meeting of CREDIT SUISSE GROUP AG
Zurich, April 27, 2018

Speech by Urs Rohner
Chairman of the Board of Directors

Check against delivery

Dear shareholders

As the famous novelist and literary scholar Giuseppe Tomasi di Lampedusa so aptly said: "*If we want things to stay as they are, things will have to change.*"

For a company like Credit Suisse, this means that we can only achieve sustained success in a complex world through a process of consistent, continued and targeted evolution.

In October 2015, guided by this principle, we announced a comprehensive strategic reorientation of Credit Suisse under a new executive management team led by Tidjane Thiam as CEO. This opened a new chapter in the history of our bank, which dates back more than 160 years.

In doing so, we were fully aware that comprehensively changing the structures and activities of a globally active bank with around 46,000 employees and operations in some 50 countries was necessary but would also be an extremely complex undertaking.

This was all the more true in view of Credit Suisse's very distinct business, which has grown historically. Changing an organization such as ours comprehensively and sustainably, while, at the same time, aligning the interests of shareholders, investors, clients, employees, and other stakeholders as effectively as possible, requires the utmost care.

Accordingly, the Board of Directors and the Executive Board closely coordinated their approaches and rigorously monitored the implementation process. In doing so, we adhered to the following principles in particular: Working with a new organizational structure, we wanted, on the one hand, to strengthen our capital base over a period of three years and generate profitable growth.

On the other hand, we wanted to massively reduce our fixed costs and substantially right-size our Markets business, as well as reducing the associated risks.

And finally, we wanted to drive forward – and conclude as far as possible – the process of resolving our legacy positions.

Our result for the last financial year shows that we have made good progress towards attaining these objectives. But quite clearly, we still have plenty of work to do.

It gives me great pleasure today to be able to report that Credit Suisse was profitable in the past financial year, both on a reported and an adjusted* pre-tax basis. We grew our reported pre-tax income by 4 billion Swiss francs year on year, while at the same time increasing our adjusted* pre-tax income to 2.8 billion Swiss francs.

Largely as a result of the US tax reform, we recognized a tax charge of 2.3 billion Swiss francs in the fourth quarter of 2017, primarily due to the re-assessment of our US deferred taxes assets. As a result of this non-cash adjustment, we reported a net loss attributable to shareholders for the financial year 2017. However, this does not detract from our solid operating performance, and the impact on our capital position was minimal.

But the fact remains, Ladies and Gentlemen, that we are well on track to achieve the goals we have set ourselves, even if some people originally expressed doubts about this.

We have significantly strengthened our capital base: Between the third quarter of 2015 and the end of the fourth quarter of 2017, we increased our CET1 ratio by 2.6 percentage points to 12.8%.

Furthermore, we have generated quality profitable growth and in 2017 increased our Wealth Management net new assets[1] by 106% to 37.2 billion Swiss francs compared to 2015. This performance demonstrates that our clients view us as a strong, well-capitalized financial institution.

The strengthening of our capital position is a key pillar of our strategy. Profitable growth is another. The strategic decision to focus on the opportunities in global wealth management has paid off. We have therefore allocated more capital to our higher-returning Wealth Management business and related areas[2].

Global growth and the parallel increase in wealth have given further impetus to our business since the third quarter of 2015. Assets under management[1] reached a record 772 billion Swiss francs at the end of the fourth quarter of 2017, an increase of 23% since the end of 2015. Our net margin for 2017 has also improved dramatically, increasing by 24% to 35 basis points[1] compared to 2015.

Thanks to our strategic approach to increasing productivity, as well as our rigorous cost discipline, we achieved our end-2017 cost target, with an adjusted* operating cost base of 18 billion Swiss francs3. In other words, in the two years since the start of our cost-reduction program, we have achieved total net cost savings of 3.2 billion Swiss francs.

A significant proportion of our sustainable cost savings was achieved by critically reviewing our business portfolio and exiting or significantly right-sizing certain areas.

In addition to efficiency gains and cost savings, we have, in particular, also made strategic investments: Specifically, in the further development of our offering for high-net-worth clients, in hiring talents, and in aligning our technology with the challenge of digitalization – especially robotics and automation.

With the measures we have taken, we are well on track to achieve our cost target[3] for 2018 of less than 17 billion Swiss francs. For both 2019 and 2020, we aim to work with a cost base[3] of 16.5 to 17 billion Swiss francs. However, the achievement of this objective will depend on prevailing market conditions and investment opportunities.

As planned, we have also adapted our Global Markets business to our strategic needs and reduced risk. Not only have we successfully realigned the business portfolio of the Global Markets division but we have also increased its profitability and, at the same time, preserved the strengths of the core business.

At the same time, we have made significant progress in resolving legacy issues. In 2017, we announced further significant progress in reducing risks and disposing of legacy positions in our Strategic Resolution Unit. We succeeded in reducing risk-weighted assets in our Strategic Resolution Unit by 74%[4]. We are planning to conclude the wind-down of the Strategic Resolution Unit in 2018. This, Ladies and Gentlemen, will be a crucial milestone in the final resolution of our legacy issues.

2019 will therefore be the first year in which the drag on earnings from legacy issues will be significantly reduced. By then, we target to have reduced the adjusted* pre-tax loss in the Strategic Resolution Unit by around 2.5 billion US dollars compared to 2016. As a result, we will be even better positioned to deliver profitable growth and create value for you, our shareholders.

However, the successes we have had in our restructuring to date, Ladies and Gentlemen, would have been inconceivable without a clear commitment on the part of the Board of Directors and management to running our business responsibly. Only by ensuring this can we be confident of creating lasting value for our clients and shareholders. Key aspects here include the impeccable conduct of employees as well as our system of structures and controls to support compliance with all relevant regulations and provisions.

Accordingly, in the implementation of our strategic targets, we expect all our employees to adhere to clear rules of conduct and fundamental ethical principles – as set out in our Code of Conduct.

In this context, our six Conduct and Ethics standards are core components of our catalog of values. These include transparency, accountability, and client focus, and naturally also honesty and trust. They therefore also play a key role in our business strategy.

Against this backdrop, we created a strong and independent Compliance and Regulatory Affairs function at the Executive Board level two-and-a-half years ago. It oversees all compliance and regulatory matters for Credit Suisse.

In 2017, we were able to make significant improvements in the speed and efficiency of our controls. We owe this success to a data and technology platform with state-of-the-art analytics capabilities that became operational last year.

But our improvements are not just limited to business controls. With the assistance of innovative technologies, we have also further expanded our service capabilities, enhanced our products with innovative features, and facilitated global access to our services for our clients via their preferred channels.

At the same time, we are using the potential of digitalization to drive cost efficiencies across our entire organization and support labor-intensive processes.

In the future, we intend to use the latest technologies to further reduce compliance costs, lower operating expenses and, at the same time, increase our ability to identify compliance risk factors.

Ladies and Gentlemen
Much of what has occurred over the past decade in the area of innovation has been described using the simple term "disruptive change." My view of this is clear:

Even if innovation has significantly impacted on our industry and will continue to do so, the attempts by fintech start-ups to compete need to be interpreted in the right way. The current transformation is, without doubt, far-reaching but we have yet to see genuine disruption.

That said, we need to keep improving on a daily basis. The number of internal projects as well as joint ventures and partnerships between established institutions and newcomers shows that we take this challenge seriously. And we are already starting to see the positive effects of new technologies and ideas.

We have already improved our client offering considerably – and have made our services more accessible, more client-friendly, more client-specific, and increasingly self-managed.

We are also adapting our mid- and back-office operations and, by doing so, are substantially improving the cost efficiency of our business.

I am convinced that the next few years will bring a further improvement in the profitability of the financial sector. At the same time, we cannot – as I said earlier – close our eyes to digital innovation. Who can really say today what a bank will look like in ten years' time, what businesses it will pursue, and in what form?

Some client segments will no doubt be virtually unrecognizable just a few years from now. Retail banking is a good example of how a service can be standardized with the use of innovative technologies. In my view, institutions active in the retail segment that cannot keep pace with the speed of innovation risk being forced out of the market in the not too distant future. This must not – and will not – happen to us.

In other segments, particularly the ultra-high-net-worth client segment, new technologies will allow us to develop even better services and to enhance our capabilities accordingly – but without replacing us.

In summary, the challenge for our industry and for the Swiss financial center is as follows: On the one hand, we must be innovative, because the pressure of competition is truly fierce, and new ideas are being developed every day.

On the other hand, we are determined to be innovative ourselves because the advantages offered by innovative technologies are huge. That is true when it comes to developing customized solutions with the help of big data, the further improvement of our client service, or indeed the improvement of our operating efficiency.

At Credit Suisse, we are very aware of this. This is why we are streamlining our operating activities, improving our compliance processes, and making substantial investments in new technologies. At the same time, we have hired a group of creative minds in Silicon Valley, whose task it is to develop ideas with the potential to transform banking in the future. Only organizations that are prepared to combine efficiency improvements with innovative business models can hope to run a successful and sustainable business within our industry.

Dear Shareholders
In my remarks today, I have endeavored to show that we have made good progress on the journey we embarked upon at the end of 2015.

We now have a resilient business model and a strong capital base, which allows us to invest in our core business and thus support our longer-term growth.

But we also have a strong corporate culture – one that has been significantly shaped by the changes I have described. This forms the basis for our thoughts and actions, and is therefore of key importance for the sustained success of our business.

The fact that we have advanced so far with our strategy, Ladies and Gentlemen – and made significant progress again last year – is very much thanks to our CEO Tidjane Thiam, his management team, and Credit Suisse employees around the globe. They have all delivered a remarkable performance in the face of challenging conditions.

However, my thanks for this achievement go not only to the management and employees of Credit Suisse but also to you, our valued shareholders.

Your continued interest in our company is an incentive for us all to perform to the best of our abilities, each and every day. We all enjoy working for Credit Suisse – and do so with passion.

On behalf of the entire Board of Directors, I would like to thank you for your past loyalty and your vital support – not just in the past but also in the future.

And I look forward to reporting on the further progress of our strategy once again in a year's time, when I will also show the way ahead for Credit Suisse Group.

Thank you very much for your attention.

I would now like to hand over to our CEO, Tidjane Thiam.

Important Information

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, 2017 and in “Cautionary statement regarding forward-looking information" in our first quarter earnings release 2018 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.

In particular, the terms “estimate”, “illustrative”, “ambition”, “objective”, “outlook” and “goal” are not intended to be viewed as targets or projections, nor are they considered to be Key Performance Indicators. All such estimates, illustrations, ambitions, objectives, outlooks and goals are subject to a large number of inherent risks, assumptions and uncertainties, many of which are completely outside of our control. These risks, assumptions and uncertainties include, but are not limited to, general market conditions, market volatility, interest rate volatility and levels, global and regional economic conditions, political uncertainty, changes in tax policies, regulatory changes, changes in levels of client activity as a result of any of the foregoing and other factors. Accordingly, this information should not be relied on for any purpose. We do not intend to update these estimates, illustrations, ambitions, objectives, outlooks or goals.

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 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. All opinions and views constitute judgments as of the date of writing without regard to the date on which the reader may receive or access the information. This information is subject to change at any time without notice and we do not intend to update this information.

Our cost savings program is measured using adjusted operating cost base at constant foreign exchange rates. “Adjusted operating cost base at constant foreign exchange rates” includes 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 debit valuation adjustments (DVA) related volatility, foreign exchange and for certain accounting changes (which had not been in place at the launch of the cost savings program). Adjustments for certain accounting changes have been restated to reflect grossed up expenses in the Corporate Center and, starting in 1Q18, also include adjustments for changes from ASU 2014-09 “Revenue from Contracts with Customers”, which is described further in our 1Q18 Earnings Release. Adjustments for foreign exchange apply unweighted currency exchange rates, i.e., a straight line average of monthly rates, consistently for the periods under review.

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/(loss) after tax and assumes 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. Adjusted return on regulatory capital is calculated using adjusted results, applying the same methodology to calculate return on regulatory capital.

As of January 1, 2013, Basel III 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. The look-through tier 1 leverage ratio and CET1 leverage ratio are calculated as look-through BIS tier 1 capital and CET1 capital, respectively, divided by period end leverage exposure. Swiss leverage ratios are measured on the same period-end basis as the leverage exposure for the BIS leverage ratio.

Unless otherwise noted, all CET1 ratio, Tier-1 leverage ratio, risk-weighted assets and leverage exposure figures in this document are as of the end of the respective period and on a "look-through" basis.

Margin calculations for APAC are aligned with the performance metrics of the Private Banking business and its related assets under management within the Wealth Management & Connected business in APAC. Assets under management and net new assets for APAC relate to the Private Banking business within the Wealth Management & Connected business.

Net margin is calculated by dividing income before taxes by average assets under management. Adjusted net margins is calculated using adjusted results, applying the same methodology to calculate net margin.

In various tables, use of "–" indicates not meaningful or not applicable.

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 Speech.

[1] Relating to combined adjusted* net margins, net new assets or assets under management for SUB PC, IWM PB and APAC PB within WM&C as the context may require.

[2] Referring to SUB, IWM, APAC WM&C and IBCM.

[3] Referring to Group adjusted* operating cost base at constant foreign exchange rates

[4] Decline measured in USD; excludes operational risk RWA of USD 20 billion as of the end of 3Q15 and USD 20 billion as of the end of 4Q17.

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.

	Core Results		Strategic Resolution Unit		Credit Suisse	
in	**2017**	2016	**2017**	2016	**2017**	2016
Reconciliation of adjusted results (CHF million)						
Net revenues	**21,786**	**21,594**	**(886)**	**(1,271)**	**20,900**	**20,323**
Real estate gains	0	(420)	0	(4)	0	(424)
(Gains)/losses on business sales	51	52	(38)	6	13	58
Adjusted net revenues	**21,837**	**21,226**	**(924)**	**(1,269)**	**20,913**	**19,957**
Provision for credit losses	**178**	**141**	**32**	**111**	**210**	**252**
Total operating expenses	**17,680**	**17,960**	**1,217**	**4,377**	**18,897**	**22,337**
Restructuring expenses	(398)	(419)	(57)	(121)	(455)	(540)
Major litigation provisions	(224)	(14)	(269)	(2,693)	(493)	(2,707)
Expenses related to business sales	(8)	0	0	0	(8)	0
Adjusted total operating expenses	**17,050**	**17,527**	**891**	**1,563**	**17,941**	**19,090**
Income/(loss) before taxes	**3,928**	**3,493**	**(2,135)**	**(5,759)**	**1,793**	**(2,266)**
Total adjustments	681	65	288	2,816	969	2,881
Adjusted income/(loss) before taxes	**4,609**	**3,558**	**(1,847)**	**(2,943)**	**2,762**	**615**
Adjusted return on regulatory capital (%)	10.9	8.6	–	–	6.0	1.3

Adjusted return on regulatory capital is calculated using adjusted results, applying the same methodology used to calculate return on regulatory capital.

Reconciliation of adjustment items

					Group
in	4Q17	4Q16	2017	2016	2015
Adjusted results (CHF million)					
Total operating expenses	**5,005**	**7,309**	**18,897**	**22,337**	**25,895**
Goodwill impairment	0	0	0	0	(3,797)
Restructuring expenses	(137)	(49)	(455)	(540)	(355)
Major litigation provisions	(255)	(2,401)	(493)	(2,707)	(820)
Expenses related to business sales	(8)	0	(8)	0	0
Debit valuation adjustments (DVA)	(20)	0	(83)	0	0
Certain accounting changes	(45)	0	(170)	0	0
Adjusted operating cost base	**4,540**	**4,859**	**17,688**	**19,090**	**20,923**
FX adjustment	49	70	326	293	319
Adjusted FX-neutral operating cost base	**4,589**	**4,929**	**18,014**	**19,383**	**21,242**

	Corp. Ctr. in CHF mn						**SRU** in USD mn					
	4Q17	3Q17	4Q16	2017	2016	2015	4Q17	3Q17	4Q16	2017	2016	2015
Net revenues reported	**45**	**37**	**(16)**	**85**	**71**	**561**	**(153)**	**(265)**	**(198)**	**(905)**	**(1,285)**	**557**
Fair value on own debt	-	-	-	-	-	(298)	-	-	-	-	-	-
Real estate gains	-	-	-	-	-	-	-	-	(4)	-	(4)	-
(Gains)/losses on business sales	-	-	-	23	52	-	-	-	1	(39)	6	-
Net revenues adjusted	**45**	**37**	**(16)**	**108**	**123**	**263**	**(153)**	**(265)**	**(201)**	**(944)**	**(1,283)**	**557**
Provision for credit losses	**(3)**	-	-	-	**(1)**	**(1)**	**3**	**(9)**	**28**	**31**	**115**	**138**
Total operating expenses reported	**313**	**164**	**262**	**821**	**759**	**862**	**306**	**343**	**2,610**	**1,243**	**4,353**	**3,130**
Goodwill impairment	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring expenses	(2)	(9)	(7)	(14)	(7)	-	(19)	(21)	(1)	(59)	(123)	(158)
Major litigation provisions	(127)	-	-	(127)	-	-	(91)	(94)	(2,322)	(275)	(2,646)	(295)
Total operating expenses adjusted	**184**	**155**	**255**	**680**	**752**	**862**	**196**	**228**	**287**	**909**	**1,584**	**2,677**
Pre-tax income/(loss) reported	**(265)**	**(127)**	**(278)**	**(736)**	**(687)**	**(300)**	**(462)**	**(599)**	**(2,836)**	**(2,179)**	**(5,753)**	**(2,711)**
Total adjustments	129	9	7	164	59	(298)	110	115	2,320	295	2,771	453
Pre-tax income/(loss) adjusted	**(136)**	**(118)**	**(271)**	**(572)**	**(628)**	**(598)**	**(352)**	**(484)**	**(516)**	**(1,884)**	**(2,982)**	**(2,258)**

	Wealth Management[1] in CHF mn			**SUB, IWM and APAC WM&C** in CHF mn						
	2017	2016	2015[2]	4Q17	4Q16	4Q15	2017	2016	2015[2]	3Q15
Net revenues reported	**8,107**	**8,003**	**7,459**	**3,308**	**3,258**	**3,035**	**12,829**	**12,361**	**11,631**	**2,807**
Fair value on own debt	-	-	-	-	-	-	-	-	-	-
Real estate gains	-	(420)	(95)	-	(74)	(72)	-	(420)	(95)	-
(Gains)/losses on business sales	-	-	(21)	28	-	(34)	28	-	(34)	-
Net revenues adjusted	**8,107**	**7,583**	**7,343**	**3,336**	**3,184**	**2,929**	**12,857**	**11,941**	**11,502**	**2,807**
Provision for credit losses	**73**	**91**	**72**	**36**	**51**	**35**	**117**	**128**	**174**	**74**
Total operating expenses reported	**5,668**	**5,615**	**5,828**	**2,270**	**2,332**	**3,059**	**8,797**	**8,598**	**9,252**	**2,110**
Goodwill impairment	-	-	-	-	-	(446)	-	-	(446)	-
Restructuring expenses	(104)	(102)	(66)	(19)	(18)	(79)	(150)	(128)	(79)	-
Major litigation provisions	(54)	12	(299)	(38)	(26)	(259)	(97)	(7)	(299)	(50)
Expenses related to business sales	-	-	-	-	-	-	-	-	-	-
Total operating expenses adjusted	**5,510**	**5,525**	**5,463**	**2,213**	**2,288**	**2,275**	**8,550**	**8,463**	**8,428**	**2,060**
Pre-tax income/(loss) reported	**2,366**	**2,297**	**1,559**	**1,002**	**875**	**(59)**	**3,915**	**3,635**	**2,205**	**623**
Total adjustments	158	(330)	249	85	(30)	678	275	(285)	695	50
Pre-tax income/(loss) adjusted	**2,524**	**1,967**	**1,808**	**1,087**	**845**	**619**	**4,190**	**3,350**	**2,900**	**673**

1 Relating to SUB PC, IWM PB and APAC PB within WM&C 2 Excludes net revenues and total operating expenses for Swisscard of CHF 148 million and CHF 123 million, respectively