

CREDIT SUISSE GROUP AG

Form 20-F

March 24, 2016

**As filed with the Securities and Exchange Commission on March 24, 2016**

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

Form 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015.

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-15244

Credit Suisse Group AG

(Exact name of Registrant as specified in its charter)

**Canton of Zurich, Switzerland**

(Jurisdiction of incorporation or organization)

**Paradeplatz 8, CH 8001 Zurich, Switzerland**

(Address of principal executive offices)

David R. Mathers

Chief Financial Officer

Paradeplatz 8, CH 8001 Zurich, Switzerland

david.mathers@credit-suisse.com

Telephone: +41 44 333 6607

Fax: +41 44 333 1790

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Commission file number: 001-33434

Credit Suisse AG

(Exact name of Registrant as specified in its charter)

**Canton of Zurich, Switzerland**

(Jurisdiction of incorporation or organization)

**Paradeplatz 8, CH 8001 Zurich, Switzerland**

(Address of principal executive offices)

David R. Mathers

Chief Financial Officer

Paradeplatz 8, CH 8001 Zurich, Switzerland

david.mathers@credit-suisse.com

Telephone: +41 44 333 6607

Fax: +41 44 333 1790

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

[THIS PAGE INTENTIONALLY LEFT BLANK]

---

Edgar Filing: CREDIT SUISSE GROUP AG - Form 20-F

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class of securities	Name of each exchange on which registered
Credit Suisse Group AG American Depositary Shares each representing one Share  Shares par value CHF 0.04*	New York Stock Exchange New York Stock Exchange*
Credit Suisse AG Fixed to Floating Rate Tier 1 Capital Notes Floating Rate Tier 1 Capital Notes	New York Stock Exchange New York Stock Exchange
Credit Suisse X-Links Long/Short Equity ETNs due February 19, 2020 Credit Suisse X-Links Cushing® MLP Infrastructure ETNs due April 20, 2020	NYSE Arca NYSE Arca
Credit Suisse X-Links Merger Arbitrage ETNs due October 6, 2020	NYSE Arca
VelocityShares™ Daily Inverse VIX Short Term ETN Linked to the S&P 500 VIX Short-Term Futures™ Index due December 4, 2030	The Nasdaq Stock Market
VelocityShares™ Daily Inverse VIX Medium Term ETN Linked to the S&P 500 VIX Mid-Term Futures™ Index due December 4, 2030	The Nasdaq Stock Market
VelocityShares™ VIX Short Term ETN Linked to the S&P 500 VIX Short-Term Futures™ Index due December 4, 2030	The Nasdaq Stock Market
VelocityShares™ VIX Medium Term ETN Linked to the S&P 500 VIX Mid-Term Futures™ Index due December 4, 2030	The Nasdaq Stock Market
VelocityShares™ Daily 2x VIX Short Term ETN Linked to the S&P 500 VIX Short-Term Futures™ Index due December 4, 2030	The Nasdaq Stock Market
VelocityShares™ Daily 2x VIX Medium Term ETN Linked to the S&P 500 VIX Mid-Term Futures™ Index due December 4, 2030	The Nasdaq Stock Market
VelocityShares™ 3x Long Gold ETN Linked to the S&P GSCI® Gold Index ER due October 14, 2031	The Nasdaq Stock Market
VelocityShares™ 3x Long Silver ETN Linked to the S&P GSCI® Silver Index ER due October 14, 2031	The Nasdaq Stock Market
VelocityShares™ 3x Inverse Gold ETN Linked to the S&P GSCI® Gold Index ER due October 14, 2031	The Nasdaq Stock Market
VelocityShares™ 3x Inverse Silver ETN Linked to the S&P GSCI® Silver Index ER due October 14, 2031	The Nasdaq Stock Market
VelocityShares™ 3x Long Crude Oil ETN Linked to the S&P GSCI® Crude Oil Index ER due February 9, 2032	NYSE Arca
VelocityShares™ 3x Long Natural Gas ETN Linked to the S&P GSCI® Natural Gas Index ER due February 9, 2032	NYSE Arca
VelocityShares™ 3x Inverse Crude Oil ETN Linked to the S&P GSCI® Crude Oil Index ER due February 9, 2032	NYSE Arca
VelocityShares™ 3x Inverse Natural Gas ETN Linked to the S&P GSCI® Natural Gas Index ER due February 9, 2032	NYSE Arca
Credit Suisse X-Links Gold Shares Covered Call ETNs due February 2, 2033	The Nasdaq Stock Market
Credit Suisse X-Links Silver Shares Covered Call ETNs due April 21, 2033	The Nasdaq Stock Market
Credit Suisse X-Links Commodity Rotation ETNs due June 15, 2033	NYSE Arca
Credit Suisse FI Enhanced Europe 50 Exchange Traded Notes (ETNs) due September 10, 2018 Linked to the STOXX Europe 50® USD (Gross Return) Index	NYSE Arca
Credit Suisse FI Enhanced Big Cap Growth Exchange Traded Notes (ETNs) due October 22, 2018	NYSE Arca

Edgar Filing: CREDIT SUISSE GROUP AG - Form 20-F

Linked to the Russell 1000® Growth Index Total Return	
Credit Suisse FI Large Cap Growth Enhanced Exchange Traded Notes (ETNs) due June 13, 2019	
Linked to the Russell 1000® Growth Index Total Return	NYSE Arca
Credit Suisse S&P MLP Index Exchange Traded Notes (ETNs) due December 4, 2034	
Linked to the S&P MLP Index	NYSE Arca
Credit Suisse X-Links Multi-Asset High Income Exchange Traded Notes (ETNs) due September 28, 2035	NYSE Arca
Credit Suisse X-Links WTI Crude Oil Index ETNs due February 8, 2036	NYSE Arca

\* Not for trading, but only in connection with the registration of the American Depositary Shares

---

Securities registered or to be registered pursuant to Section 12(g) of the Act:

**None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of December 31, 2015: 1,951,469,020 shares of Credit Suisse Group AG

Indicate by check mark if the Registrants are well-known seasoned issuers, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the Registrants are not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the Registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrants were required to file such reports) and (2) have been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether Registrants have submitted electronically and posted on their corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (paragraph 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the Registrants are large accelerated filers, accelerated filers, or non-accelerated filers. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filers Accelerated filers Non-accelerated filers

Indicate by check mark which basis of accounting the Registrants have used to prepare the financial statements included in this filing:

U.S. GAAP International Other

Financial Reporting Standards

as issued by the

International Accounting Standards Board

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the Registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act)

Yes No

---

Definitions

Sources

Cautionary statement regarding forward-looking information

Explanatory note

Part I

Item 1. Identity of directors, senior management and advisers.

Item 2. Offer statistics and expected timetable.

Item 3. Key information.

Item 4. Information on the company.

Item 4A. Unresolved staff comments.

Item 5. Operating and financial review and prospects.

Item 6. Directors, senior management and employees.

Item 7. Major shareholders and related party transactions.

Item 8. Financial information.

Item 9. The offer and listing.

Item 10. Additional information.

Item 11. Quantitative and qualitative disclosures about market risk.

Item 12. Description of securities other than equity securities.

Part II

Item 13. Defaults, dividend arrearages and delinquencies.

Item 14. Material modifications to the rights of security holders and use of proceeds.

Item 15. Controls and procedures.

Item 16A. Audit committee financial expert.

Item 16B. Code of ethics.

Item 16C. Principal accountant fees and services.

Item 16D. Exemptions from the listing standards for audit committee.

Item 16E. Purchases of equity securities by the issuer and affiliated purchasers.

Item 16F. Change in registrants' certifying accountant.

Item 16G. Corporate governance.

Item 16H. Mine Safety Disclosure.

Part III

Item 17. Financial statements.

Item 18. Financial statements.

Item 19. Exhibits.

SIGNATURES

20-F/5

---

#### Definitions

For the purposes of this Form 20-F and the attached Annual Report 2015, unless the context otherwise requires, the terms “Credit Suisse Group,” “Credit Suisse,” “the Group,” “we,” “us” and “our” mean Credit Suisse Group AG and its consolidated subsidiaries. The business of Credit Suisse AG, the Swiss bank subsidiary of the Group, is substantially similar to the Group and, we use these terms to refer to both when the subject is the same or substantially similar. We use the term “the Bank” when we are referring only to Credit Suisse AG, the Swiss bank subsidiary of the Group, and its consolidated subsidiaries.

Abbreviations and selected terms are explained in the List of abbreviations and the Glossary in the back of the Annual Report 2015.

#### Sources

Throughout this Form 20-F and the attached Annual Report 2015, we describe the position and ranking of our various businesses in certain industry and geographic markets. The sources for such descriptions come from a variety of conventional publications generally accepted as relevant business indicators by members of the financial services industry. These sources include: Standard & Poor’s, Dealogic, Institutional Investor, Lipper, Moody’s Investors Service and Fitch Ratings.

#### Cautionary statement regarding forward-looking information

For Credit Suisse and the Bank, please see Cautionary statement regarding forward-looking information on the inside page of the back cover of the attached Annual Report 2015.

#### Explanatory note

For the avoidance of doubt, the information appearing on pages 4 to 10 and A-4 to A-12 of the attached Annual Report 2015 is not included in Credit Suisse and the Bank’s Form 20-F for the fiscal year ended December 31, 2015.

20-F/6

---

Part I

Item 1. Identity of directors, senior management and advisers.

Not required because this Form 20-F is filed as an annual report.

Item 2. Offer statistics and expected timetable.

Not required because this Form 20-F is filed as an annual report.

Item 3. Key information.

A – Selected financial data.

For Credit Suisse and the Bank, please see Appendix – Selected five-year information – Group on pages A-2 to A-3 and – Bank on page A-3 of the attached Annual Report 2015. In addition, please see IX – Additional information – Other information – Foreign currency translation rates on page 570 of the attached Annual Report 2015.

B – Capitalization and indebtedness.

Not required because this Form 20-F is filed as an annual report.

C – Reasons for the offer and use of proceeds.

Not required because this Form 20-F is filed as an annual report.

D – Risk factors.

For Credit Suisse and the Bank, please see I – Information on the company – Risk factors on pages 40 to 48 of the attached Annual Report 2015.

Item 4. Information on the company.

A – History and development of the company.

For Credit Suisse and the Bank, please see I – Information on the company – Credit Suisse at a glance on page 12 and – Strategy on pages 13 to 17, IV – Corporate Governance and Compensation – Corporate Governance – Overview – Company details on page 186 and Appendix – Financial calendar and contacts on page A-12 of the attached Annual Report 2015. In addition, for Credit Suisse, please see Note 3 – Business developments, significant shareholders and subsequent events, Note 4 – Discontinued operations and Note 5 – Segment information in V – Consolidated financial statements – Credit Suisse Group on pages 270 to 275 of the attached Annual Report 2015 and, for the Bank, please see Note 3 – Business developments and subsequent events, Note 4 – Discontinued operations and Note 5 – Segment information in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 429 to 432 of the attached Annual Report 2015.

B – Business overview.

For Credit Suisse and the Bank, please see I – Information on the company – Divisions on pages 18 to 24 of the attached Annual Report 2015. In addition, for Credit Suisse, please see Note 5 – Segment information in V – Consolidated financial statements – Credit Suisse Group on pages 273 to 275 of the attached Annual Report 2015 and, for the Bank, please see Note 5 – Segment information in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 431 to 432 of the attached Annual Report 2015.

C – Organizational structure.

For Credit Suisse and the Bank, please see I – Information on the company – Credit Suisse at a glance on page 12, – Strategy on pages 13 to 17 and II – Operating and financial review – Credit Suisse – Differences between Group and Bank on pages 62 to 63 of the attached Annual Report 2015. For a list of Credit Suisse's significant subsidiaries, please see Note 40 – Significant subsidiaries and equity method investments in V – Consolidated financial statements – Credit Suisse Group on pages 383 to 385 of the attached Annual Report 2015 and, for a list of the Bank's significant subsidiaries, please see Note 39 – Significant subsidiaries and equity method investments in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 502 to 504 of the attached Annual Report 2015.

20-F/7

---



D – Property, plant and equipment.

For Credit Suisse and the Bank, please see IX – Additional information – Other information – Property and equipment on page 570 of the attached Annual Report 2015.

Information Required by Industry Guide 3.

For Credit Suisse and the Bank, please see IX – Additional information – Statistical information on pages 548 to 564 of the attached Annual Report 2015. In addition, for both Credit Suisse and the Bank, please see III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management – Risk review and results – Credit risk review – Loans and irrevocable loan commitments on page 169 of the attached Annual Report 2015. For Credit Suisse, please see Appendix – Selected five-year information – Group on page A-2 of the attached Annual Report 2015.

Disclosure pursuant to Section 13(r) of the Securities Exchange Act of 1934

As stated in our Form 20-F for the year ended December 31, 2014, in 2005 and earlier, Credit Suisse AG, through a business line operating in Switzerland, entered into export finance credit facilities involving Iranian parties, through bilateral contracts and as a member of lending syndicates. Credit Suisse AG loaned funds under these credit facilities for project finance activities in Iran that did not support or facilitate Iran's nuclear weapons proliferation efforts, its acquisition of other military items, or its support of terrorism. Our participation in these credit facilities was legal under applicable law. The Iranian parties involved in certain of these credit facilities entered into between 2001 and 2005 subsequently were designated Specially Designated Nationals or Blocked Persons pursuant to an Executive Order of the President of the United States, or fall within the US government's definition of the government of Iran (which includes government-controlled entities). These credit facilities are supported by a guarantee of the Iranian Ministry of Economic Affairs and Finance and export financing insurance provided by European export credit agencies.

Credit Suisse AG does not generally calculate gross revenues or net profits from individual export finance credit facilities of this type; however, Credit Suisse AG estimates that it recognized approximately CHF 1.1 million in interest income in 2015 on these credit facilities and believes that it has not earned any related net profit over the life of these credit facilities. While Credit Suisse AG ceased providing funds to any Iranian parties pursuant to any of these credit facilities several years ago, it has continued, where possible, to receive repayment of funds owed to it. In 2015, Credit Suisse AG received insurance payments totaling CHF 2.4 million from the Swiss governmental export credit agency and payments totaling CHF 5.4 million from financial institutions acting as agents of lending syndicates, both in partial payment under certain of these credit facilities. As of December 31, 2015, approximately CHF 2.1 million was owed to Credit Suisse AG under these credit facilities which is not covered by the European export credit agency guarantees, out of a total amount of approximately CHF 36.4 million outstanding. Credit Suisse AG will continue to seek repayment of funds it is owed under these credit facilities pursuant to its contractual rights and applicable law, and will continue to cooperate with the European export credit agencies.

During 2015, Credit Suisse AG processed a small number of de minimis payments related to the operation of Iranian diplomatic missions in Switzerland and to fees for ministerial government functions such as issuing passports and visas. Processing these payments is permitted under Swiss law and is performed with the consent of Swiss authorities, and Credit Suisse AG intends to continue processing such payments. Revenues and profits from these activities are not calculated but would be negligible.

Credit Suisse AG also continues to hold funds from two wire transfers to non-Iranian customers which were blocked pursuant to Swiss sanctions because Iranian government-owned entities have an interest in such transfers. Such funds are maintained in blocked accounts opened in accordance with Swiss sanctions requirements. Credit Suisse AG derives no revenues or profits from maintenance of these blocked accounts.

Item 4A. Unresolved staff comments.

None.

Item 5. Operating and financial review and prospects.

A – Operating results.

For Credit Suisse and the Bank, please see II – Operating and financial review on pages 49 to 104 of the attached Annual Report 2015. In addition, for both Credit Suisse and the Bank, please see I – Information on the company – Regulation and supervision on pages 25 to 39 of the attached Annual Report 2015 and III – Treasury, Risk, Balance sheet and Off-balance sheet – Capital management – Shareholders' equity and share metrics – Foreign exchange exposure and interest rate management on page 135 of the attached Annual Report 2015.



B – Liquidity and capital resources.

For Credit Suisse and the Bank, please see III – Treasury, Risk, Balance sheet and Off-balance sheet – Liquidity and funding management and – Capital management on pages 106 to 135 of the attached Annual Report 2015. In addition, for Credit Suisse, please see Note 25 – Long-term debt in V – Consolidated financial statements – Credit Suisse Group on pages 296 to 297 and Note 37 – Capital adequacy in V – Consolidated financial statements – Credit Suisse Group on page 372 of the attached Annual Report 2015 and, for the Bank, please see Note 24 – Long-term debt in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 449 to 450 and Note 36 – Capital adequacy in VII – Consolidated financial statements – Credit Suisse (Bank) on page 500 of the attached Annual Report 2015.

C – Research and development, patents and licenses, etc.

Not applicable.

D – Trend information.

For Credit Suisse and the Bank, please see Item 5.A of this Form 20-F. In addition, for Credit Suisse and the Bank, please see I – Information on the company – Divisions on pages 18 to 24 of the attached Annual Report 2015.

E – Off-balance sheet arrangements.

For Credit Suisse and the Bank, please see III – Treasury, Risk, Balance sheet and Off-balance sheet – Balance sheet, off-balance sheet and other contractual obligations on pages 179 to 182 of the attached Annual Report 2015. In addition, for Credit Suisse, please see Note 32 – Derivatives and hedging activities, Note 33 – Guarantees and commitments and Note 34 – Transfers of financial assets and variable interest entities in V – Consolidated financial statements – Credit Suisse Group on pages 325 to 344 of the attached Annual Report 2015 and, for the Bank, please see Note 31 – Derivatives and hedging activities, Note 32 – Guarantees and commitments, Note 33 – Transfers of financial assets and variable interest entities in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 469 to 481, and Note 13 – Derivative financial instruments in VIII – Parent company financial statements – Credit Suisse (Bank) on pages 533 to 535 of the attached Annual Report 2015.

F – Tabular disclosure of contractual obligations.

For Credit Suisse and the Bank, please see III – Treasury, Risk, Balance sheet and Off-balance sheet – Balance sheet, off-balance sheet and other contractual obligations – Contractual obligations and other commercial commitments on page 182 of the attached Annual Report 2015.

Item 6. Directors, senior management and employees.

A – Directors and senior management.

For Credit Suisse and the Bank, please see IV – Corporate Governance and Compensation – Corporate Governance – Board of Directors, – Board Committees, – Biographies of the Board Members, – Executive Board and – Biographies of the Executive Board Members on pages 192 to 212 of the attached Annual Report 2015.

B – Compensation.

For Credit Suisse and the Bank, please see IV – Corporate Governance and Compensation – Compensation on pages 217 to 248 of the attached Annual Report 2015. In addition, for Credit Suisse, please see Note 11 – Compensation and benefits in V – Consolidated financial statements – Credit Suisse Group on page 278, Note 29 – Employee deferred compensation in V – Consolidated financial statements – Credit Suisse Group on pages 308 to 313, Note 31 – Pension and other post-retirement benefits in V – Consolidated financial statements – Credit Suisse Group on pages 316 to 324, Note 6 – Personnel expenses in VI – Parent company financial statements – Credit Suisse Group on page 406 and Note 23 – Shareholdings of the Board of Directors, Executive Board and employees in VI – Parent company financial statements – Credit Suisse Group on pages 413 to 414 of the attached Annual Report 2015. For the Bank, please see Note 11 – Compensation and benefits in VII – Consolidated financial statements – Credit Suisse (Bank) on page 434, Note 28 – Employee deferred compensation in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 458 to 460, Note 30 – Pension and other post-retirement benefits in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 462 to 468, Note 6 – Personnel expenses in VIII – Parent company financial statements – Credit Suisse (Bank) on page 527, Note 17 – Pension plans in VIII – Parent company financial statements – Credit Suisse (Bank) on page 537 and Note 23 – Shareholdings of the Board of Directors, Executive Board and employees and information on compensation plans in VIII – Parent company financial statements – Credit Suisse (Bank) on pages 541 to 542 of the attached Annual Report 2015.

20-F/9

C – Board practices.

For Credit Suisse and the Bank, please see IV – Corporate Governance and Compensation – Corporate Governance on pages 184 to 216 of the attached Annual Report 2015.

D – Employees.

For Credit Suisse and the Bank, please see IV – Corporate Governance and Compensation – Corporate Governance – Additional Information – Employee relations on page 216 of the attached Annual Report 2015. In addition, for both Credit Suisse and the Bank, please see II – Operating and financial review – Credit Suisse – Employees on page 55 of the attached Annual Report 2015.

E – Share ownership.

For Credit Suisse and the Bank, please see IV – Corporate Governance and Compensation – Compensation on pages 217 to 248 of the attached Annual Report 2015. In addition, for Credit Suisse, please see Note 29 – Employee deferred compensation in V – Consolidated financial statements – Credit Suisse Group on pages 308 to 313, and Note 23 – Shareholdings of the Board of Directors, Executive Board and employees in VI – Parent company financial statements – Credit Suisse Group on pages 413 to 414 of the attached Annual Report 2015. For the Bank, please see Note 28 – Employee deferred compensation in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 458 to 460, and Note 23 – Shareholdings of the Board of Directors, Executive Board and employees and information on compensation plans in VIII – Parent company financial statements – Credit Suisse (Bank) on pages 541 to 542 of the attached Annual Report 2015.

Item 7. Major shareholders and related party transactions.

A – Major shareholders.

For Credit Suisse, please see IV – Corporate Governance and Compensation – Corporate Governance – Shareholders on pages 187 to 191 of the attached Annual Report 2015. In addition, for Credit Suisse, please see Note 3 – Business developments, significant shareholders and subsequent events in V – Consolidated financial statements – Credit Suisse Group on pages 270 to 271, Note 17 – Credit Suisse Group shares held by subsidiaries in VI – Parent company financial statements – Credit Suisse Group on page 410, Note 18 – Purchases and sale of treasury shares held by Credit Suisse Group in VI – Parent company financial statements – Credit Suisse Group on page 411 and Note 19 – Significant shareholders in VI – Parent company financial statements – Credit Suisse Group on page 411 of the attached Annual Report 2015. Credit Suisse's major shareholders do not have different voting rights. The Bank has 4,399,680,200 shares outstanding and is a wholly-owned subsidiary of Credit Suisse. See Note 22 – Significant shareholders and groups of shareholders in VIII – Parent company financial statements – Credit Suisse (Bank) on page 540 of the attached Annual Report 2015.

B – Related party transactions.

For Credit Suisse and the Bank, please see IV – Corporate Governance and Compensation – Compensation on pages 217 to 248 and – Corporate Governance – Banking relationships with Board and Executive Board Members and related party transactions on page 213 of the attached Annual Report 2015. In addition, for Credit Suisse, please see Note 30 – Related parties in V – Consolidated financial statements – Credit Suisse Group on pages 314 to 315 and Note 21 – Related parties in VI – Parent company financial statements – Credit Suisse Group on page 412 of the attached Annual Report 2015. For the Bank, please see Note 29 – Related parties in VII – Consolidated financial statements – Credit Suisse (Bank) on page 461 and Note 24 – Amounts receivable from and amounts payable to related parties in VIII – Parent company financial statements – Credit Suisse (Bank) on page 543 of the attached Annual Report 2015.

C – Interests of experts and counsel.

Not applicable because this Form 20-F is filed as an annual report.

Item 8. Financial information.

A – Consolidated statements and other financial information.

Please see Item 18 of this Form 20-F.

For a description of Credit Suisse's legal and arbitration proceedings, please see Note 39 – Litigation in V – Consolidated financial statements – Credit Suisse Group on pages 375 to 382 of the attached Annual Report 2015. For a description of the Bank's legal and arbitration proceedings, please see Note 38 – Litigation in VII – Consolidated financial statements – Credit Suisse (Bank) on page 501 of the attached Annual Report 2015.

20-F/10

---

## Edgar Filing: CREDIT SUISSE GROUP AG - Form 20-F

For a description of Credit Suisse's policy on dividend distributions, please see III – Treasury, Risk, Balance sheet and Off-balance sheet – Capital management – Shareholders' Equity and Share Metrics – Dividends and dividend policy on page 135 of the attached Annual Report 2015.

B – Significant changes.

None.

Item 9. The offer and listing.

A – Offer and listing details, C – Markets.

For information regarding the price history of Credit Suisse Group shares and the stock exchanges and other regulated markets on which they are listed or traded, please see IX – Additional information – Other information – Listing details on page 569 of the attached Annual Report 2015. Shares of the Bank are not listed.

B – Plan of distribution, D – Selling shareholders, E – Dilution, F – Expenses of the issue.

Not required because this Form 20-F is filed as an annual report.

Item 10. Additional information.

A – Share capital.

Not required because this Form 20-F is filed as an annual report.

B – Memorandum and Articles of Association.

For Credit Suisse, please see IV – Corporate Governance and Compensation – Corporate Governance – Overview, – Shareholders and – Board of Directors on pages 184 to 196 of the attached Annual Report 2015. In addition, for Credit Suisse, please see IX – Additional information – Other information – Exchange controls and – American Depositary Shares on page 565 of the attached Annual Report 2015. Shares of the Bank are not listed.

C – Material contracts.

Neither Credit Suisse nor the Bank has any contract that would constitute a material contract for the two years immediately preceding this Form 20-F.

D – Exchange controls.

For Credit Suisse and the Bank, please see IX – Additional information – Other information – Exchange controls on page 565 of the attached Annual Report 2015.

E – Taxation.

For Credit Suisse, please see IX – Additional information – Other information – Taxation on pages 565 to 568 of the attached Annual Report 2015. The Bank does not have any public shareholders.

F – Dividends and paying agents.

Not required because this Form 20-F is filed as an annual report.

G – Statement by experts.

Not required because this Form 20-F is filed as an annual report.

H – Documents on display.

Credit Suisse and the Bank file annual reports on Form 20-F and furnish or file quarterly and other reports on Form 6-K and other information with the SEC pursuant to the requirements of the Securities Exchange Act of 1934, as amended. These materials are available to the public over the Internet at the SEC's website at [www.sec.gov](http://www.sec.gov) and from the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 (telephone 1-800-SEC-0330). SEC reports are also available for review at the offices of the New York Stock Exchange, 20 Broad Street, New York, NY 10005. Further, our reports on Form 20-F, Form 6-K and certain other materials are available on the Credit Suisse website at [www.credit-suisse.com](http://www.credit-suisse.com). Information contained on our website and apps are not incorporated by reference into this Form 20-F.

20-F/11

---

In addition, Credit Suisse's parent company financial statements, together with the notes thereto, are set forth on pages 399 to 416 of the attached Annual Report 2015 and incorporated by reference herein. The Bank's parent company financial statements, together with the notes thereto, are set forth on pages 507 to 546 of the attached Annual Report 2015 and incorporated by reference herein.

I – Subsidiary information.

Not applicable.

Item 11. Quantitative and qualitative disclosures about market risk.

For Credit Suisse and the Bank, please see I – Information on the company – Risk factors on pages 40 to 48 and III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management on pages 136 to 178 of the attached Annual Report 2015.

Item 12. Description of securities other than equity securities.

A – Debt Securities, B – Warrants and Rights, C – Other Securities.

Not required because this Form 20-F is filed as an annual report.

D – American Depositary Shares.

For Credit Suisse, please see IV – Corporate Governance and Compensation – Corporate Governance – Additional information – Fees and charges for holders of ADS on page 216 of the attached Annual Report 2015. Shares of the Bank are not listed.

Part II

Item 13. Defaults, dividend arrearages and delinquencies.

None.

Item 14. Material modifications to the rights of security holders and use of proceeds.

None.

Item 15. Controls and procedures.

For Credit Suisse's management report and the related report from the Group's independent auditors, please see Controls and procedures and Report of the Independent Registered Public Accounting Firm in V – Consolidated financial statements – Credit Suisse Group on pages 397 to 398 of the attached Annual Report 2015. For the Bank's management report and the related report from the Bank's independent auditors, please see Controls and procedures and Report of the Independent Registered Public Accounting Firm in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 505 to 506 of the attached Annual Report 2015.

Item 16A. Audit committee financial expert.

For Credit Suisse and the Bank, please see IV – Corporate Governance and Compensation – Corporate Governance – Board of Directors – Board committees – Audit Committee on pages 197 to 198 of the attached Annual Report 2015.

Item 16B. Code of ethics.

For Credit Suisse and the Bank, please see IV – Corporate Governance and Compensation – Corporate Governance – Overview – Corporate governance framework on pages 184 to 186 of the attached Annual Report 2015.

20-F/12

---

Item 16C. Principal accountant fees and services.

For Credit Suisse and the Bank, please see IV – Corporate Governance and Compensation – Corporate Governance – Audit on page 214 of the attached Annual Report 2015.

Item 16D. Exemptions from the listing standards for audit committee.

None.

Item 16E. Purchases of equity securities by the issuer and affiliated purchasers.

For Credit Suisse, please see III – Treasury, Risk, Balance sheet and Off-balance sheet – Capital management – Shareholders' Equity and Share Metrics – Share repurchases on page 134 of the attached Annual Report 2015. The Bank does not have any class of equity securities registered pursuant to Section 12 of the Exchange Act.

Item 16F. Change in registrants' certifying accountant.

None.

Item 16G. Corporate governance.

For Credit Suisse, please see IV – Corporate Governance and Compensation – Corporate Governance – Additional Information – Complying with rules and regulations on page 215 of the attached Annual Report 2015. Shares of the Bank are not listed.

Item 16H. Mine Safety Disclosure.

None.

Part III

Item 17. Financial statements.

Not applicable.

Item 18. Financial statements.

Credit Suisse's consolidated financial statements, together with the notes thereto and the Report of the Independent Registered Public Accounting Firm thereon, are set forth on pages 249 to 398 of the attached Annual Report 2015 and incorporated by reference herein. The Bank's consolidated financial statements, together with the notes thereto (and any notes or portions thereof in the consolidated financial statements of Credit Suisse Group referred to therein) and the Report of the Independent Registered Public Accounting Firm thereon, are set forth on pages 417 to 506 of the attached Annual Report 2015 and incorporated by reference herein.

20-F/13

---

Item 19. Exhibits.

1.1 Articles of association (Statuten) of Credit Suisse Group AG as of December 2, 2015.

1.2 Articles of association (Statuten) of Credit Suisse AG as of September 4, 2014 (incorporated by reference to Exhibit 1.2 of Credit Suisse Group AG's and Credit Suisse AG's annual report on Form 20-F for the year ended December 31, 2014 filed on March 20, 2015).

1.3 Organizational Guidelines and Regulations of Credit Suisse Group AG and Credit Suisse AG as of June 19, 2014 (incorporated by reference to Exhibit 1.3 of Credit Suisse Group AG's and Credit Suisse AG's annual report on Form 20-F for the year ended December 31, 2014 filed on March 20, 2015).

2.1 Pursuant to the requirement of this item, we agree to furnish to the SEC upon request a copy of any instrument defining the rights of holders of long-term debt of us or of our subsidiaries for which consolidated or unconsolidated financial statements are required to be filed.

4.1 Agreement, dated February 13, 2011, among Comp petrol Establishment, Credit Suisse Group (Guernsey) II Limited and Credit Suisse Group AG (incorporated by reference to Exhibit 99.1 of Credit Suisse Group AG's and Credit Suisse AG's current report on Form 6-K filed March 12, 2013).

4.2 Agreement, dated February 13, 2011, among Qatar Holding LLC, Credit Suisse Group (Guernsey) II Limited and Credit Suisse Group AG (incorporated by reference to Exhibit 99.2 of Credit Suisse Group AG's and Credit Suisse AG's current report on Form 6-K filed March 12, 2013).

4.3 Amendment Agreement, dated July 18, 2012, among Comp petrol Establishment, Credit Suisse Group (Guernsey) II Limited, Credit Suisse Group AG and Credit Suisse AG, acting through its Guernsey Branch (incorporated by reference to Exhibit 99.3 of Credit Suisse Group AG's and Credit Suisse AG's current report on Form 6-K filed March 12, 2013).

4.4 Purchase and Underwriting Agreement, dated as of July 17, 2012, between Credit Suisse AG and Comp petrol Establishment (incorporated by reference to Exhibit 4.4 of Credit Suisse Group AG's and Credit Suisse AG's annual report on Form 20-F for the year ended December 31, 2012 filed on March 22, 2013).

4.5 Purchase and Underwriting Agreement, dated as of July 18, 2012, between Credit Suisse AG and Qatar Holding LLC (incorporated by reference to Exhibit 4.5 of Credit Suisse Group AG's and Credit Suisse AG's annual report on Form 20-F for the year ended December 31, 2012 filed on March 22, 2013).

4.6 Agreement, dated October 10, 2013, among Qatar Holding LLC, Credit Suisse Group (Guernsey) II Limited, Credit Suisse Group AG and Credit Suisse AG, acting through its Guernsey Branch (incorporated by reference to Exhibit 4.6 of Credit Suisse Group AG's and Credit Suisse AG's annual report on Form 20-F for the year ended December 31, 2013 filed on April 3, 2014).

7.1 Computations of ratios of earnings to fixed charges of Credit Suisse and of the Bank are set forth under IX – Additional Information – Statistical information – Ratio of earnings to fixed charges – Group and – Ratio of earnings to fixed charges – Bank on page 564 of the attached Annual Report 2015 and incorporated by reference herein.

8.1 Significant subsidiaries of Credit Suisse are set forth in Note 40 – Significant subsidiaries and equity method investments in V – Consolidated financial statements – Credit Suisse Group on pages 383 to 385, and significant subsidiaries of the Bank are set forth in Note 39 – Significant subsidiaries and equity method investments in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 502 to 504 in the attached Annual Report 2015 and incorporated by reference herein.

9.1 Consent of KPMG AG, Zurich with respect to Credit Suisse Group AG consolidated financial statements.

9.2 Consent of KPMG AG, Zurich with respect to the Credit Suisse AG consolidated financial statements.

12.1 Rule 13a-14(a) certification of the Chief Executive Officer of Credit Suisse Group AG and Credit Suisse AG, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

12.2 Rule 13a-14(a) certification of the Chief Financial Officer of Credit Suisse Group AG and Credit Suisse AG, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

13.1 Certifications pursuant to 18 U.S.C. Section 1350, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Credit Suisse Group AG and Credit Suisse AG.

101.1 Interactive Data Files (XBRL-Related Documents).

20-F/14



**SIGNATURES**

Each of the registrants hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

**CREDIT SUISSE GROUP AG**

(Registrant)

Date: March 24, 2016

/s/ Tidjane Thiam

/s/ David R. Mathers

Name: Tidjane Thiam

Name: David R. Mathers

Title: Chief Executive Officer

Title: Chief Financial Officer

**CREDIT SUISSE AG**

(Registrant)

Date: March 24, 2016

/s/ Tidjane Thiam

/s/ David R. Mathers

Name: Tidjane Thiam

Name: David R. Mathers

Title: Chief Executive Officer

Title: Chief Financial Officer

20-F/15

---



Edgar Filing: CREDIT SUISSE GROUP AG - Form 20-F

Key metrics

	in / end of			% change	
	2015	2014	2013	15 / 14	14 / 13
Credit Suisse (CHF million, except where indicated)					
Net income/(loss) attributable to shareholders	(2,944)	1,875	2,326	–	(19)
of which from continuing operations	(2,944)	1,773	2,181	–	(19)
Basic earnings/(loss) per share from continuing operations (CHF)	(1.73)	0.99	1.10	–	(10)
Diluted earnings/(loss) per share from continuing operations (CHF)	(1.73)	0.98	1.10	–	(11)
Return on equity attributable to shareholders (%)	(6.8)	4.4	5.7	–	–
Effective tax rate (%)	(21.6)	38.7	31.2	–	–
Core Results (CHF million, except where indicated)					
Net revenues	23,384	25,074	24,226	(7)	4
Provision for credit losses	192	153	90	25	70
Total operating expenses	23,104	17,721	17,482	30	1
Income before taxes	88	7,200	6,654	(99)	8
Cost/income ratio (%)	98.8	70.7	72.2	–	–
Assets under management and net new assets (CHF billion)					
Assets under management from continuing operations	1,214.1	1,368.7	1,248.6	(11.3)	9.6
Net new assets from continuing operations	46.9	29.9	35.0	56.9	(14.6)
Balance sheet statistics (CHF million)					
Total assets	820,805	921,462	872,806	(11)	6
Net loans	272,995	272,551	247,054	0	10
Total shareholders' equity	44,382	43,959	42,164	1	4
Tangible shareholders' equity	39,378	35,066	33,955	12	3
Basel III regulatory capital and leverage statistics					
Risk-weighted assets (CHF million)	294,950	291,410	273,846	1	6
CET1 ratio (%)	14.3	14.9	15.7	–	–
Look-through CET1 ratio (%)	11.4	10.1	10.0	–	–
Look-through CET1 leverage ratio (%)	3.3	2.5	–	–	–
Look-through Tier 1 leverage ratio (%)	4.5	3.5	–	–	–
Share information					
Shares outstanding (million)	1,951.5	1,599.5	1,590.9	22	1
of which common shares issued	1,957.4	1,607.2	1,596.1	22	1
of which treasury shares	(5.9)	(7.7)	(5.2)	(23)	48
Book value per share (CHF)	22.74	27.48	26.50	(17)	4
Tangible book value per share (CHF)	20.18	21.92	21.34	(8)	3
Market capitalization (CHF million)	42,456	40,308	43,526	5	(7)
Dividend per share	0.70	0.70	0.70	–	–
Number of employees (full-time equivalents)					
Number of employees	48,200	45,800	46,000	5	0

See relevant tables for additional information on these metrics.







Annual Report 2015

Credit Suisse Group AG & Credit Suisse AG

---

For the purposes of this report, unless the context otherwise requires, the terms “Credit Suisse Group”, “Credit Suisse”, “the Group”, “we”, “us” and “our” mean Credit Suisse Group AG and its consolidated subsidiaries. The business of Credit Suisse AG, the Swiss bank subsidiary of the Group, is substantially similar to the Group, and we use these terms to refer to both when the subject is the same or substantially similar. We use the term “the Bank” when we are referring only to Credit Suisse AG, the Swiss bank subsidiary of the Group, and its consolidated subsidiaries. Abbreviations and selected >>>terms are explained in the List of abbreviations and the Glossary in the back of this report. Publications referenced in this report, whether via website links or otherwise, are not incorporated into this report. The English language version of this report is the controlling version. In various tables, use of “–” indicates not meaningful or not applicable.

---



[Annual Report 2015](#)

[Information on the company](#)

[Credit Suisse at a glance](#)

[Strategy](#)

[Divisions](#)

[Regulation and supervision](#)

[Risk factors](#)

[Operating and financial review](#)

[Operating environment](#)

[Credit Suisse](#)

[Swiss Universal Bank](#)

[International Wealth Management](#)

[Asia Pacific](#)

[Global Markets](#)

[Investment Banking & Capital Markets](#)

[Strategic Resolution Unit](#)

[Corporate Center](#)

[Assets under management](#)

[Critical accounting estimates](#)

[Treasury, Risk, Balance sheet and Off-balance sheet](#)

[Liquidity and funding management](#)

[Capital management](#)

[Risk management](#)

[Balance sheet, off-balance sheet and other contractual obligations](#)

[Corporate Governance and Compensation](#)

[Corporate Governance](#)

[Compensation](#)

[Report of the Independent Registered Public Accounting Firm](#)

[Consolidated financial statements – Credit Suisse Group](#)

[Report of the Independent Registered Public Accounting Firm](#)

[Consolidated financial statements](#)

[Notes to the consolidated financial statements](#)

[Controls and procedures](#)

[Report of the Independent Registered Public Accounting Firm](#)

[Parent company financial statements – Credit Suisse Group](#)

[Report of the Statutory Auditor](#)

[Parent company financial statements](#)

[Notes to the financial statements](#)

[Proposed appropriation of retained earnings and capital distribution](#)

[Consolidated financial statements – Credit Suisse \(Bank\)](#)

[Report of the Independent Registered Public Accounting Firm](#)

[Consolidated financial statements](#)

[Notes to the consolidated financial statements](#)

[Controls and procedures](#)

[Report of the Independent Registered Public Accounting Firm](#)

[Parent company financial statements – Credit Suisse \(Bank\)](#)

[Report of the Statutory Auditor](#)

[Parent company financial statements](#)

[Notes to the financial statements](#)

[Proposed appropriation of retained earnings](#)

[Additional information](#)

[Statistical information](#)

[Other information](#)

[Appendix](#)

[Selected five-year information](#)

[List of abbreviations](#)

[Glossary](#)

[Investor information](#)

[Financial calendar and contacts](#)

---

Interview with the Chairman and the Chief Executive Officer

In relation to the 2015 results, there have been several unfavorable reactions from the markets and analysts. What is your view of the current sentiment towards Credit Suisse and its annual results?

Tidjane Thiam: I believe one should not get sidetracked by immediate market reactions. There is no point denying it: the fourth quarter was a significant disappointment. Some of the losses incurred in our investment bank surprised investors as they came from activities that were not consistent with our new strategy. The losses and the impact on the capital position as well as the goodwill write-down in the fourth quarter made market participants nervous, especially in the context of a decline in the price of oil, worries about growth in China and the asynchronous nature of central bank policies. We have been explained on the difficulties encountered and what we are doing to address them and this is increasingly better understood by the market. Beyond these issues, it is important to measure the progress made by looking at our underlying business performance. Between now and 2018, the bank's restructuring will make the analysis of our performance more complex. We have therefore introduced a definition of adjusted results, which by correcting for the most visible impacts of the restructuring, will make it easier to monitor our progress on the implementation of our new strategy. Our adjusted results in the last quarter of 2015 contained some encouraging trends despite volatile market conditions. The performance of the Asia Pacific division in particular highlighted the growth potential in the region and our strong market position. In addition, net new asset generation was strong for both Asia Pacific and the Swiss Universal Bank, and we continued to increase our mandates penetration in all three geographical divisions. One of the direct outcomes of the changes we have made is the fact that Credit Suisse as of the end of 2015 has a stronger look-through CET1 capital position than before.

You mention the Group's capital level, which is deemed insufficient by some observers and thus remains a target for criticism. How strong is Credit Suisse's capital base?

Thiam: In fact, with 11.4% at the end of 2015, we now have the strongest look-through CET1 ratio that Credit Suisse has ever had. I feel that needs to be said again. We are also strong in terms of liquidity. While internationally we may not be on the absolute top of the rankings, we are without any doubt well capitalized. With a strengthened balance sheet, I am confident that we can deliver on our commitments. Our capital allocation process going forward will ensure that we focus on businesses that offer the best risk-adjusted returns, particularly in our three geographically focused divisions.

Urs Rohner: Moreover, we continue to further strengthen our capital base. We aim to operate the bank at a look-through CET1 capital ratio between 11-12% during 2016, while managing through the changes to our strategy. We are targeting a look-through CET1 capital ratio of approximately 13% and a Tier 1 leverage ratio between 5% and 6% with a look-through CET1 component of 3.5% to 4% by the end of 2018. Building up a strong capital base is the right choice from the business perspective. I also believe that capital will remain a key regulatory topic. Therefore, we will remain very much focused on growing in the right businesses, which are capital accretive and which generate the necessary returns under the ever stricter regulatory capital requirements.

The goodwill impairment of CHF 3.8 billion in the investment banking businesses was subject to significant attention. Notably, the decision was considered long overdue – would you agree?

Rohner: The goodwill impairment charge, mostly related to the acquisition of Donaldson, Lufkin & Jenrette (DLJ) in 2000, needed to be taken in the fourth quarter of 2015 as a direct consequence of the implementation of our new strategy and organizational structure. This resulted in changes to the former Investment Banking division, leading to a reassessment of certain assets and consequential goodwill impairment charge. Since the DLJ acquisition, the goodwill impairment test was conducted annually and verified by external experts. The rules are clear: as long as the goodwill is covered under the applicable methodology, no impairment charge is to be booked. Once this is no longer applicable, however, such charge must be booked, as was the case in 2015.

In October of last year, you have introduced the new strategy for the Group. Is the execution on schedule and can the ambitious timeline be met?

Thiam: We have made a good start in implementing the strategy we presented in October 2015. Before year-end, the important milestone of the capital raise was completed. Our capital ratios have been strengthened, allowing us to start implementing important restructuring measures, which consume capital. The new structure, which impacted all of our almost 50,000 staff, was fully in place by end-2015. In parallel, we have been strengthening the Group's control functions and making substantial investments in our risk management and control capabilities. The process of right-sizing our investment banking activities is well under way and have further been accelerated in Global Markets,

reflecting the persistently challenging market environment. We have already exited many activities. Our look-through CET1 capital position as of end-2015 is the strongest it has ever been and we are implementing the announced changes with determination. Once completed, this comprehensive change program will position us well to deliver profitable growth and returns for our shareholders in 2018 and beyond.

In this new strategy, is Credit Suisse predominantly implementing actions that other banks have taken already? How can Credit Suisse differentiate itself from its peers?

Rohner: The strategy is tailored to Credit Suisse and reflects three important elements: the Group's cultural and historical heritage, its strengths as an integrated bank and current external demands, such as key regulatory and market developments. In terms of regulation and markets, we face similar conditions as our peers but in other regards, our strategy is unique. Accordingly, our Swiss roots as a "Bank for Entrepreneurs" remain at the core of our strategy. That combines with our global presence and ultimately, our unique capability to provide both private banking and investment banking services to our clients. This offering is absolutely crucial for our differentiation in the highly competitive ultra-high-net-worth individual client segment.

In the course of this year, which are the most important steps in the execution of your new strategy?

Thiam: We will continue to restructure the bank to ensure that we can react to the changing market environment. In light of the challenging environment in the first few months of 2016, we have accelerated the right-sizing of our investment banking activities, particularly in the Global Markets

Urs Rohner, Chairman of the Board of Directors (left) and Tidjane Thiam, Chief Executive Officer.

division. These efforts aim at improving our ability to serve our clients and generate over time compliant, well controlled, profitable growth. We will continue to focus on growing our wealth management business and on the reduction of our investment banking activities so that they consume less capital, generate more stable earnings and better support the development of our wealth management offering. Our strategy is focused on deploying all of our capabilities and expertise to best service our clients. We will continue to implement it with determination.

You often mention innovation. Which areas does Credit Suisse prioritize in terms of innovation and how will your clients benefit from the innovative process?

Rohner: Credit Suisse was one of the first banks to introduce an innovation-focused think-tank as early as in 2012. We have launched Digital Private Banking in 2013 and now continue to roll out its various offerings to our clients across different markets. As in any innovation process, clients are the ultimate beneficiaries, as service quality improves and prices tend to decline. Particularly in banking, clients today receive a much broader online and mobile offering and a more powerful advisory support which uses intelligent computing and big data. Ultimately, digitization allows banks to deliver more tailored, better accessible and user-friendly service than ever before. In terms of next focus areas, innovation in compliance and risk management areas will be crucial – here as well, we are already actively engaged.

Thiam: Technology-driven innovation has disrupted several areas of banking, although the innovators have so far focused on the retail segment. With the fintech trend slowing down gradually, I think we will see more fintech exits – often as acquisitions by established banks – and we will also see business collaborations. I also believe the back office space offers a much greater disruption potential than has been captured so far. Ultimately, I am convinced that innovation will remain one of the key drivers of competitiveness in banking and our strategy will continue to consider that.

What role does compliance and risk culture play in the new strategy?

Rohner: To ensure the future success of our business, it is important that we place our clients at the center of all that we do. We have to encourage an entrepreneurial mindset and constantly ask ourselves whether we are doing the right thing. Openness, integrity and principled behavior are key in this context. We are committed to promoting a strong risk culture and to providing our businesses with sophisticated and independent risk management, compliance and control processes. The Board of Directors and the Executive Board expect all employees at all levels of our organization to adhere to the very highest compliance standards. We clearly communicate these expectations and have implemented appropriate internal regulations and training courses to support employees in this area. We do not tolerate any breaches of these rules, regulations or laws. To further strengthen our efforts to protect our reputation, we have created the new Compliance & Regulatory Affairs function, which oversees the bank's activities at all levels. The high level of professionalism and dedication demonstrated by our employees when implementing our strategy inspires me with confidence that we will also be able to meet our ambitious goals in this area.

Message from the Chairman and the Chief Executive Officer

Dear shareholders, clients and colleagues

2015 was a year of transition for Credit Suisse. Following the change in Chief Executive Officer in July 2015, we conducted an in-depth review of our businesses and long-term objectives and subsequently announced a new strategic direction for our Group on October 21, 2015. Our ambition is to be a leading private bank and wealth manager with distinctive investment banking capabilities that is able to grow profitably and generate capital through the economic cycle.

In line with our new strategy, we announced a simplified organizational structure with three geographically focused divisions – the Swiss Universal Bank (Swiss UB), Asia Pacific (APAC) and International Wealth Management (IWM). They are supported by two divisions focusing on our investment banking capabilities – Global Markets (GM) and Investment Banking & Capital Markets (IBCM). With this new structure, we can respond more flexibly to our clients' needs through enabling our geographical divisions to leverage our combined expertise and resources in wealth management and investment banking. This new organization also gives our business heads clearer accountability both in terms of managing client relationships and the resources they require to maximize value creation. In parallel, we have strengthened the Group's control and compliance functions with significant investments in our risk management, control and information capabilities. The refocusing of the Group necessitated changes to the leadership structure resulting in a new composition of the executive team to drive the new business units and the central functions forward. To ensure that Credit Suisse has a strong capital position to deliver on its strategy and capture attractive opportunities for growth, we announced a capital increase by way of a private placement and a rights offering in October 2015. The capital increase was approved by shareholders at our Extraordinary General Meeting in November and was concluded in December 2015. With this capital raise completed, our look-through CET1 capital ratio as of the end of 2015 has never been stronger, allowing us to implement important restructuring measures aimed at delivering profitable growth for our shareholders through the economic cycle. With the strengthened balance sheet, we are confident that we can deliver on our commitments and our capital allocation strategy is focused on businesses that offer returns in excess of their cost of capital. We believe that this will lead to increased investment in our three geographically focused divisions, notably our home market of Switzerland, where we have a strong franchise and capabilities, and to our growth markets in the emerging economies, particularly in the Asia Pacific region, where we also have a strong franchise. Our IWM division unifies the teams serving clients in other parts of the world.

In addition, we continue to reduce the size of our investment bank to ensure that it supports our wealth management activities, consumes less capital and generates less volatile earnings. In particular, we continue to right-size our operations in GM and are exiting or reducing selected activities consistent with the desire for higher return on capital and a lower risk profile. We have already substantially reduced risk-weighted assets and leverage exposure, exceeding our end-2015 targets, and are now targeting further significant reductions within the GM division until end-2016. In particular, we intend to reduce GM's risk-weighted assets target of USD 83-85 billion to approximately USD 60 billion, and lower the division's leverage exposure target from USD 380 billion to USD 290 billion by year-end. We are accelerating the right-sizing of our GM division and plan to further invest in our leading equities franchise and reduce our fixed income activities to operate on a substantially lower cost base and generate more stable earnings through the economic cycle. In our IBCM division, we are rebalancing our activities towards advisory and equity underwriting and towards investment grade corporates, which should help us to generate higher-quality earnings. Cost competitiveness and flexibility are imperatives for our bank in today's rapidly evolving operating environment. We are therefore applying a rigorous, disciplined approach to cost management across the Group to reduce our cost base and lower the bank's break-even point, thus enhancing our ability to generate capital through the economic cycle. In February 2016, we announced plans to accelerate our cost savings program and in March we announced further savings and increased our gross cost reduction target for end-2018 from CHF 3.0-3.5 to CHF 4.0 – 4.5 billion and announced an operating cost base target of CHF 19.5 – 20.0 billion by end-2016. The majority of these cost savings will largely be driven by the accelerated reduction of the GM division. Combined with the measures already implemented in 4Q15 (including the transfer of our US Private Banking operations), we have already made considerable progress on reducing our cost base and thanks to the better cross divisional collaboration, we are able to further accelerate the pace of targeted cost savings. We believe that this will provide us with the flexibility we need to successfully navigate periods of market uncertainty and to fund the investments we intend to make to deliver profitable growth through the economic cycle for our shareholders.

Economic and political trends that shaped the market

2015 was a challenging period for the entire industry. Central bank actions remained a prominent topic during the year, with interest rates at historically low levels. On January 15, 2015, the Swiss National Bank announced the discontinuation of the minimum exchange rate of CHF 1.20 per euro – a move that caused a sharp appreciation of the Swiss franc and had a significant impact on the Swiss economy and the domestic banking sector for the remainder of the year. Thanks to the mitigating actions that we implemented, we were able to limit the impact on Credit Suisse.

6

---

Also in January 2015, the European Central Bank announced its plans to begin purchasing eurozone government bonds as a means of lowering bond yields and pushing the rate of inflation back towards its medium-term target of 2%. While the conflicts in parts of the Middle East continued to intensify – heightening the global climate of uncertainty – the Greek debt crisis and discussions about a potential UK exit from the EU added to concerns about a destabilization of Europe’s monetary union. With worries about a growth slowdown in China and the emerging markets rising in the second half of 2015, the European Central Bank cut the deposit rate again in December 2015 and decided to extend its bond purchase program until at least the end of March 2017. At its meeting on March 10, 2016, the European Central Bank yet again cut all of its key interest rates in a further attempt to boost inflation and growth rates, given the persisting volatile market environment.

In contrast, the question about when the US Federal Reserve would tighten its own monetary policy remained a subject of intense public speculation during 2015. Following the decision by the People’s Bank of China to devalue the renminbi against the US dollar – partly to offset decelerating growth – the US Federal Reserve postponed its first interest rate increase in almost a decade at its September meeting. The increase that finally occurred in December 2015 was largely motivated by strong US employment data and robust economic growth. While financial markets barely reacted to the actual announcement, which had widely been expected, discussions since the beginning of 2016 have focused on the question of the pace at which the US Federal Reserve is likely to raise interest rates going forward, especially following its decision to hold off on a further rate rise at the March meeting. Moreover, the global effects of the divergent monetary policies of the US Federal Reserve and the European Central Bank remain a prominent topic of discussion.

The divergence in monetary policy, uncertainty about economic growth in China, the decline in oil prices, lower market liquidity, widening credit spreads and the renewed strength of the Swiss franc have all led to a challenging market environment for Credit Suisse, particularly during the fourth quarter of 2015. All of these factors have contributed to lower levels of client activity and issuances, and large fund redemptions by market participants affecting asset prices. Market conditions have also remained challenging during the initial months of 2016, however, it is too early to determine how these challenges will evolve over the remainder of 2016.

#### Regulatory Issues

Regulatory requirements continued to evolve throughout 2015. In February 2015, the Swiss Federal Council presented its evaluation report on Switzerland’s “Too Big to Fail” (TBTF) regime, which proposed the implementation of the new global standard for Total Loss-Absorbing Capacity (TLAC). The implementation of TLAC is largely seen as the last building block to end TBTF. The new Swiss capital rules are more strict than the TLAC standard issued by the Financial Stability Board. In fact, the Swiss requirements will be stronger than those of other financial centers. Based on the end 2015 balance sheet, Credit Suisse would be subject to a going and gone concern requirement of 28.6% of risk-weighted assets. Throughout 2015, Credit Suisse issued CHF 15 billion of senior bail-in instruments, which we expect to be TLAC eligible, marking an important step towards achieving our total requirement in accordance with the proposed amendments to the Swiss TBTF regime.

In addition to these new TLAC requirements, the new draft Swiss TBTF regime will increase the going concern capital and leverage requirements. Under these new going concern requirements, Credit Suisse would need to fulfill a 14.3% Tier 1 capital ratio with a minimum CET1 component of 10% and a minimum Swiss leverage ratio of 5%, of which the minimum CET1 component is 3.5%, by end-2019. The new requirements are expected to become effective on July 1, 2016, subject to phase-in.

The continued tightening of regulatory requirements for banks is likely to remain a dominant topic. Although the new rules announced by the Swiss Federal Council are yet to be finalized, we believe that the completion of our capital increase in December 2015 and our success in improving our leverage exposure will enable us to meet these requirements on a look-through basis ahead of the 2019 deadline. We also aim to further strengthen our capital base through operating profitably and focusing on maximizing the free capital generation. We aim at maintaining a CET1 capital ratio of between 11-12% during 2016 and are targeting a CET1 capital ratio of approximately 13% and a Tier 1 leverage ratio between 5-6% with a CET1 component of 3.5-4.0% by end-2018. Over the next three years, through a disciplined capital allocation process, we intend to release capital from those parts of the Group that are being wound down in the Strategic Resolution Unit (SRU) and to fund further growth in our APAC and IWM divisions.

#### 2015 Results



Against the challenging backdrop of 2015, we reported a net loss attributable to shareholders of CHF 2.9 billion and a pre-tax loss of CHF 2.4 billion. Our results for the full year 2015 were mainly affected by a significant goodwill impairment charge of CHF 3.8 billion that we recognized primarily in respect of the acquisition of Donaldson, Lufkin & Jenrette in 2000. In addition, restructuring costs of CHF 355 million were taken in 4Q15 across all the divisions in connection with the implementation of our new strategy and our results were further impacted by charges relating to significant litigation items and a pre-tax loss in the SRU as we wind down businesses that no longer fit with our strategic direction. The losses we incurred, especially during the fourth quarter, the impact of the losses on our capital position, as well as the goodwill write-down, in combination with the challenging market conditions, have led to negative reactions by market participants.

7

---

Beyond these issues, as we move ahead with the implementation of our strategy and work towards our 2018 targets, we consider it important to measure the progress made in terms of our underlying business performance. Between now and 2018, the bank's restructuring will make the analysis of our performance more complex. Hence, we are focusing on adjusted Core results, which are measured excluding SRU activities, goodwill impairment, restructuring expenses, real estate transactions, deconsolidation, business sales, significant litigation expenses and the impact from fair value of own debt. Until 2018, we plan to report on this same adjusted basis at Group, Core and business level, as we believe that this will allow investors to most effectively monitor our progress on the implementation of our new strategy, given the material restructuring charges and other one-off items we expect to be borne in the interim period. Our adjusted results reflect a positive start in the implementation of the new strategy and contained some encouraging trends despite volatile market conditions in 4Q15. The Group delivered adjusted\* Core pre-tax income of CHF 4.2 billion for 2015 and the underlying performance of our three newly created geographic divisions – Swiss UB, IWM and APAC – highlights the long-term attractiveness of the opportunities that exist for wealth managers.

The performance of the APAC division in particular highlighted the growth potential in the region and our strong market position: at over CHF 1.1 billion, APAC delivered the highest full-year adjusted\* pre-tax income in five years and generated CHF 17.8 billion of net new assets. The Swiss Universal Bank increased its 2015 adjusted\* pre-tax income by 4% to CHF 1.6 billion and is on track for a partial IPO (20-30%) planned by year-end 2017, market conditions permitting<sup>1</sup>. IWM's Private Banking business grew its 2015 adjusted\* pre-tax income by 6% to CHF 0.8 billion.

Net new asset generation was particularly strong in APAC and Swiss UB, which generated CHF 17.8 billion and CHF 13.8 billion of net new assets, respectively, in 2015. Additionally, we increased mandates penetration from 15% to 26% in Swiss UB and from 23% to 30% in IWM.

Our full year performance, particularly in the geographic divisions, was obscured to a degree by poorer results during the fourth quarter, particularly from our investment banking divisions. We have continued to rebalance our investment banking businesses and to rebuild our IBCM division through targeted investments and by shifting activity towards advisory, equity underwriting and investment grade corporates in order to reduce the volatility of our earnings in this attractive, capital-light activity. In the GM division, our full-year performance was additionally adversely impacted by certain legacy inventory positions, which had to be written down as a result of the low liquidity and poor market conditions in the fourth quarter of 2015. While these positions have already been reduced aggressively since we announced the new strategy, we believe that it will be essential for us to continue to restructure our GM activities to lower our risk profile. We will maintain our focus on lowering the fixed-cost base of all our businesses.

#### Changes to the Executive Board

The refocusing of the Group and its structural reorganization necessitated changes to the leadership structure, resulting in a new composition of the executive team, which was further enriched by six new members in order to drive forward the new business units and the central functions: Pierre-Olivier Bouée, Peter Goerke, Thomas Gottstein, Iqbal Khan, Helman Sitohang and Lara Warner. In October 2015, Gaël de Boissard, Hans-Ulrich Meister, Robert Shafir and Pamela Thomas-Graham stepped down from the Executive Board, and we thank them for their considerable contributions to our bank's progress over the years.

#### Positioned for Growth

Given the persisting challenges in the operating environment for banks, we have taken decisive measures to further accelerate the implementation of our strategy by increasing the pace with which our GM division will be right-sized in order to substantially lower our cost base and break-even point and thus decrease the volatility of our earnings going forward. With these changes in place, we are confident that with our strategy, our regionally and client-focused structure and our new management team, we are positioned to deliver over time compliant, well-controlled and profitable growth and returns for our shareholders. Thanks to our clients' and shareholders' continued trust in Credit Suisse, as well as our employees' dedication, we will continue to remain focused on deploying all our capabilities and expertise to best service our clients. We will implement our strategy with determination and are confident to deliver on the targets we have set for end-2018.

Best regards

Urs Rohner  
Chairman of the  
Board of Directors

Tidjane Thiam  
Chief Executive Officer

March 2016

\* Adjusted results are non-GAAP financial measures. For a reconciliation of the adjusted results to the most directly comparable US GAAP measures, see the “Reconciliation of adjusted results” part of this letter.

<sup>1</sup>Any such IPO would involve the sale of a minority stake and would be subject to, among other things, all necessary approvals and would be intended to generate / raise additional capital for Credit Suisse AG or Credit Suisse (Schweiz) AG.

8

---

## Reconciliation of adjusted results

Adjusted results are non-GAAP financial measures that exclude goodwill impairment and certain other items 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

		in
CHF million	2015	2014
<b>Income before taxes reported</b>	<b>88</b>	<b>7,200</b>
Fair value gains on own debt	(298)	(543)
Real estate gains	(95)	(414)
Gains on business sales	(34)	(101)
Adjustments to net revenues	(427)	(1,058)
Goodwill impairment	3,797	–
Restructuring expenses	202	–
Major litigation provisions	530	111
Adjustments to total operating expenses	4,529	111
Total adjustments	4,102	(947)
<b>Adjusted income before taxes</b>	<b>4,190</b>	<b>6,253</b>

		in
CHF million	2015	2014
<b>Income before taxes reported</b>	<b>1,659</b>	<b>1,976</b>
Real estate gains	(95)	(414)
Gains on business sales	(23)	(24)
Adjustments to net revenues	(118)	(438)
Restructuring expenses	39	–
Major litigation provisions	25	–
Adjustments to total operating expenses	64	–
Total adjustments	(54)	(438)
<b>Adjusted income before taxes</b>	<b>1,605</b>	<b>1,538</b>

		in
CHF million	2015	2014
<b>Income before taxes reported</b>	<b>709</b>	<b>1,212</b>
Gains on business sales	(11)	(77)
Adjustments to net revenues	(11)	(77)
Restructuring expenses	33	–
Major litigation provisions	268	51
Adjustments to total operating expenses	301	51
Total adjustments	290	(26)
<b>Adjusted income before taxes</b>	<b>999</b>	<b>1,186</b>

		in
CHF million	2015	2014
<b>Income before taxes reported</b>	<b>526</b>	<b>795</b>
Gains on business sales	(11)	(77)
Adjustments to net revenues	(11)	(77)
Restructuring expenses	30	–
Major litigation provisions	268	51

Edgar Filing: CREDIT SUISSE GROUP AG - Form 20-F

Adjustments to total operating expenses	298	51
Total adjustments	287	(26)
<b>Adjusted income before taxes</b>	<b>813</b>	<b>769</b>
Asia Pacific		in
CHF million	2015	2014
<b>Income before taxes reported</b>	<b>377</b>	<b>900</b>
Goodwill impairment	756	—
Restructuring expenses	3	—
Major litigation provisions	6	—
Adjustments to total operating expenses	765	—
Total adjustments	765	—
<b>Adjusted income before taxes</b>	<b>1,142</b>	<b>900</b>
Global Markets		in
CHF million	2015	2014
<b>Income/(loss) before taxes reported</b>	<b>(1,944)</b>	<b>2,657</b>
Goodwill impairment	2,661	—
Restructuring expenses	105	—
Major litigation provisions	231	60
Adjustments to total operating expenses	2,997	60
Total adjustments	2,997	60
<b>Adjusted income before taxes</b>	<b>1,053</b>	<b>2,717</b>
Investment Banking & Capital Markets		in
CHF million	2015	2014
<b>Income/(loss) before taxes reported</b>	<b>(353)</b>	<b>508</b>
Goodwill impairment	380	—
Restructuring expenses	22	—
Adjustments to total operating expenses	402	—
Total adjustments	402	—
<b>Adjusted income before taxes</b>	<b>49</b>	<b>508</b>

9

As of January 1, 2013, Basel III was implemented in Switzerland along with the Swiss “Too Big to Fail” legislation and regulations thereunder. As of January 1, 2015, the BIS leverage ratio framework, as issued by BCBS, was implemented in Switzerland by FINMA. The related disclosures are in accordance with Credit Suisse’s interpretation of such requirements, including relevant assumptions. Changes in the interpretation of these requirements in Switzerland or in any of Credit Suisse’s assumptions or estimates could result in different numbers from those shown herein.

References to phase-in and look-through included herein refer to Basel III requirements. Phase-in under the Basel III capital framework reflects that for the years 2014 – 2018, there will be a five-year (20% per annum) phase in of goodwill and other intangible assets and other capital deductions (e.g., certain deferred tax assets) and for the years 2013 – 2022, there will be a phase out of certain capital instruments. Look-through assumes the full phase-in of goodwill and other intangible assets and other regulatory adjustments and the full phase out of certain capital instruments.

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.

Cost reduction program measured on constant FX rates and based on expense run rate excluding major litigation expenses, restructuring costs and goodwill impairment taken in 4Q15, but including other costs to achieve savings. 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.

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, 2015, 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.

Mandates penetration means advisory and discretionary mandates in private banking businesses as a percentage of the related assets under management, excluding those from the external asset manager business.

Information on the company

Credit Suisse at a glance

Strategy

Divisions

Regulation and supervision

Risk factors

11

---

## Credit Suisse at a glance

### Credit Suisse

Our strategy builds on Credit Suisse's core strengths: its position as a leading global wealth manager, its specialist investment banking capabilities and its strong presence in our home market of Switzerland. We take a balanced approach to capture the wealth management opportunities in emerging markets, the largest of which is in the Asia Pacific region, while also serving key developed markets with an emphasis on Switzerland. Founded in 1856, we today have a global reach with operations in over 50 countries and 48,200 employees from over 150 different nations. Our broad footprint helps us to generate a geographically balanced stream of revenues and net new assets and allows us to capture growth opportunities around the world. We serve our clients through three regionally focused divisions: Swiss Universal Bank, International Wealth Management and Asia Pacific. These regional businesses are supported by two other divisions specializing in investment banking capabilities: Global Markets and Investment Banking & Capital Markets. The Strategic Resolution Unit consolidates the remaining portfolios from the former non-strategic units plus additional businesses and positions that do not fit with our strategic direction. Our business divisions cooperate closely to provide holistic financial solutions, including innovative products and specially tailored advice.

### Swiss Universal Bank

The Swiss Universal Bank division offers comprehensive advice and a wide range of financial solutions to private, corporate and institutional clients primarily domiciled in our home market of Switzerland, which offers attractive growth opportunities and where we can build on a strong market position across our key businesses. Our private banking business has a leading franchise in our Swiss home market and serves ultra-high-net-worth individuals, high-net-worth individuals and retail clients. Our corporate and institutional banking business serves large corporate clients, small and medium-sized enterprises, institutional clients and financial institutions.

### International Wealth Management

The International Wealth Management division offers tailored financial solutions to wealthy private clients and external asset managers in Europe, the Middle East, Africa and Latin America through its private banking business. The division's footprint spans emerging economies as well as mature European markets and it has access to the broad spectrum of Credit Suisse's global resources and capabilities. Our asset management business offers investment solutions and services globally to our private banking businesses and a wide range of other clients, including pension funds, governments, foundations and endowment funds, corporations and individuals.

### Asia Pacific

The Asia Pacific division offers integrated private banking and investment banking financial solutions to wealthy individuals, institutional investors and corporate clients in the Asia Pacific region, drawing on Credit Suisse's global resources. The division is well positioned to capture market opportunities in Asia Pacific, which is experiencing rapid wealth creation and where the number of ultra-high-net-worth individuals is growing. We offer institutional investors access to broader financial markets and differentiated product offerings.

### Global Markets

The Global Markets division offers a broad range of equities and fixed income products and services and focuses on client-driven businesses and on supporting Credit Suisse's private banking businesses and their clients. Our suite of products and services includes global securities sales, trading and execution services, prime brokerage, underwriting and comprehensive investment research. Our clients include financial institutions, corporations, governments, institutional investors – including pension funds and hedge funds – and private individuals around the world.

### Investment Banking & Capital Markets

The Investment Banking & Capital Markets division offers a broad range of investment banking services to corporations, financial institutions, financial sponsors and ultra-high-net-worth individuals and sovereign clients. Our range of products and services includes advisory services related to mergers and acquisitions, divestitures, takeover defense mandates, business restructurings and spin-offs. The division also engages in debt and equity underwriting of public securities offerings and private placements.

### Strategic Resolution Unit

The Strategic Resolution Unit was created to facilitate the immediate right-sizing of our business divisions from a capital perspective and includes remaining portfolios from former non-strategic units plus transfers of additional exposures from the business divisions. The unit's primary focus is on facilitating the rapid wind-down of capital usage and costs to reduce the negative impact on the Group's performance. Repositioned as a separate division, this provides



clearer accountability, governance and reporting.

12

---

## Strategy

A new strategy to reposition Credit Suisse for the future

In 2015, Credit Suisse embarked on a new chapter of its 160 year history. Under the leadership of our new CEO, Tidjane Thiam, and the Board of Directors, we conducted an in-depth strategy review that has resulted in a new strategic direction, structure and organization of the Group.

### Credit Suisse strategy

Our new strategy aims to strengthen our position as a leading private bank and wealth manager, with strong and distinctive investment banking capabilities, to achieve our goal of profitable growth while generating significant capital through the cycle. We are accelerating the rebalancing of capital towards our private banking businesses to optimize its allocation and focus on the highest-returning, most scalable opportunities.

We are focused on growing in Asia Pacific and other emerging markets in order to capture the significant wealth management prospects in those markets. We expect that emerging markets will account for approximately 60% of the growth in global wealth in the coming years, with first generation entrepreneurs driving much of the wealth opportunity. We believe that positioning ourselves as the “Bank for Entrepreneurs” by leveraging our strengths in wealth management and investment banking will provide us with key competitive advantages to succeed in these markets as we provide clients with a range of services to protect and grow their wealth.

Despite slower growth, mature markets are still expected to remain important and account for more than half of wealth distribution by 2019. As a result, we plan to take a balanced approach to resource allocation with the goal of capitalizing on opportunities in markets such as Western Europe and Japan. In Western Europe, we also plan to accelerate efficiencies by consolidating booking centers and developing a hub and spoke service model. In the US, we have exited private banking investment advisory but plan to continue to cover the corporate and complex personal wealth needs of >>>ultra-high-net-worth individuals (UHNWI) from our Investment Banking & Capital Markets business.

Switzerland, as our home market, provides compelling opportunities for Credit Suisse. To further expand our position with Swiss private, corporate and institutional clients and take advantage of consolidation opportunities, we have created a dedicated Swiss Universal Bank. Management focus and accountability will be enhanced, simplifying the prior structure and allowing the bank to build on its entrepreneurial heritage and further leveraging its brand. We provide a full range of services to private, corporate and institutional clients with a specific focus on becoming the “Bank for Entrepreneurs.” We intend to pursue an initial public offering (IPO) by the end of 2017, market conditions permitting, of between 20% and 30% of the legal entity Credit Suisse (Schweiz) AG. Any such IPO would be subject to, among other things, all necessary approvals and would be intended to generate/raise additional capital for Credit Suisse AG or Credit Suisse (Schweiz) AG.

Our intention is to focus on the investment banking businesses that support our wealth management clients, and businesses that deliver returns in excess of their cost of capital and have leading market positions. Within our Global Markets division, we continue to right-size our operations by exiting or downsizing selected businesses consistent with our lower risk profile and higher return on capital objectives. In Global Markets, we have reduced risk-weighted assets and leverage exposures to below the targets we had set for the end of 2015. We plan to further invest in our leading equities franchise and restructure our fixed income activities to generate more stable earnings through the cycle. In our Investment Banking & Capital Markets division, we are rebalancing our activities towards advisory and equity underwriting and towards investment grade corporates, which should help us to generate higher-quality earnings.

We have formed a new Strategic Resolution Unit intended to oversee the effective wind-down of businesses and positions that do not fit our strategic direction in the most efficient manner possible. The Strategic Resolution Unit consolidates the remaining portfolios from our former non-strategic units plus additional activities and businesses from the investment banking and private banking businesses that are no longer considered strategic. We aim to reduce the Strategic Resolution Unit’s risk-weighted assets and leverage exposure by approximately 80% by 2020, excluding operational risk.

We intend to rigorously execute a disciplined approach to cost management across the Group to reduce our fixed cost base and lower our break-even point. In February 2016, we announced plans to further accelerate our cost savings program and have identified and initiated measures, including an accelerated workforce reduction, that are expected to

result in cost savings of CHF 500 million per annum on a full-year run-rate basis. Combined with the measures already implemented in the fourth quarter of 2015 (including the transfer of our US Private Banking operations), the cost savings measures identified and initiated by end-January 2016 represent CHF 1.2 billion per annum, or 34%, of the CHF 3.5 billion of gross savings we are targeting by end-2018. Cost savings are expected to be achieved through a combination of simplifying mid- and back-office platforms, right-sizing the bank's footprint, substantial completion of several Corporate Center programs and making a number of disposals and closures, including in the run-down of the Strategic Resolution Unit. In parallel to these cost reductions, we plan to invest CHF 1.5 billion to support growth initiatives in Asia Pacific, Swiss Universal Bank and International Wealth Management. The cost reduction program is measured on constant foreign exchange rates and is based on expense run rate excluding major litigation expenses, restructuring costs and goodwill impairment taken in the fourth quarter of 2015, but including other costs to achieve savings.

13

---

To ensure that we have a strong capital position to implement our strategy, capture the most promising growth opportunities and be prepared for future regulatory changes, we have completed a capital increase by way of a private placement and a rights offering as approved by the shareholders at the Extraordinary General Meeting of November 19, 2015. The aggregate gross proceeds of the capital increases amounted to a total of CHF 6.0 billion, resulting in a look-through common equity tier 1 (CET1) ratio of 11.4% and look-through CET1 leverage ratio of 3.3% as of year-end 2015.

As our strategy is executed, we intend to generate approximately CHF 23–25 billion of operating free capital by 2020. Operating free capital focuses on those components of shareholders' equity that are regulatory capital relevant, specifically income before taxes (excluding fair value on own debt) net of cash taxes, as well as deferred tax asset threshold impacts, additional costs relating to share awards and net impact of defined benefit pension funds.

#### Organizational structure and management changes

To support the execution of the new strategy, we have simplified our organization and created three new, regionally focused divisions: Swiss Universal Bank, International Wealth Management and Asia Pacific serving Western Europe, Central and Eastern Europe, Latin America and Africa. These regional businesses are supported by two other divisions specialized in investment banking capabilities: Global Markets and Investment Banking & Capital Markets. Our new organization is designed to drive stronger client focus and provide better alignment with regulatory requirements. We believe that decentralization will increase the speed of decision making, accountability and cost competitiveness across the Group.

Our operating businesses are supported by focused corporate functions at the Group Executive Board level. Our newly established position of Chief Operating Officer focuses on driving the transformation of Credit Suisse and oversees, among other things, global operations, information technology and our centers of excellence. To further strengthen our focus on compliance and regulatory matters, we have created the position of Chief Compliance and Regulatory Affairs Officer that focuses on monitoring bank activities and coordinating regulatory interactions. The Chief Financial Officer manages the Group's capital, funding, liquidity and expenses to ensure we are well capitalized and have a strong balance sheet. The Chief Risk Officer governs the Group's risk management framework and provides independent risk oversight. Our General Counsel provides legal, policy and regulatory advice, especially in the context of potential or actual legal matters and investigations. It drives strategic legal risk management and manages our relationship with policymakers and other political stakeholders. Our Head of Human Resources, Communications & Branding is responsible for attracting, retaining and developing our employees, driving our global communications strategy and developing and strengthening the Credit Suisse brand.

As of October 21, 2015, the Board of Directors appointed six new members of the Executive Board of Credit Suisse – Pierre-Olivier Bouée, Peter Goerke, Thomas Gottstein, Iqbal Khan, Helman Sitohang and Lara Warner. In October 2015, Gaël de Boissard, Hans-Ulrich Meister, Robert Shafir and Pamela Thomas-Graham stepped down from the Executive Board.

The composition of the Executive Board is as follows:

Tidjane Thiam	Chief Executive Officer
Thomas Gottstein	Swiss Universal Bank
Iqbal Khan	International Wealth Management
Helman Sitohang	Asia Pacific
Timothy O'Hara	Global Markets
James L. Amine	Investment Banking & Capital Markets
David Mathers	Chief Financial Officer
Pierre-Olivier Bouée	Chief Operating Officer
Joachim Oechslin	Chief Risk Officer
Lara Warner	Chief Compliance and Regulatory Affairs Officer

Romeo Cerutti  
Peter Goerke

General Counsel  
Human Resources,  
Communications &  
Branding

#### Financial objectives

On October 21, 2015, we announced the following financial objectives and management actions in order to track progress in implementing our new strategy:

- increase income before taxes for Asia Pacific to CHF 2.1 billion in 2018;
- increase income before taxes in International Wealth Management to CHF 2.1 billion in 2018;
- grow income before taxes for the Swiss Universal Bank to CHF 2.3 billion in 2018;
- reduce our absolute cost base by CHF 2.0 billion to between approximately CHF 18.5–19.0 billion by year-end 2018. These cost savings are expected to be achieved through CHF 3.5 billion in gross cost savings by year-end 2018 through a combination of optimizations to make our business more efficient. In parallel to these cost reductions, CHF 1.5 billion will be invested to support growth initiatives in Asia Pacific, Swiss Universal Bank and International Wealth Management;
- achieve a look-through CET1 ratio of approximately 13% and a look-through CET1 leverage ratio of above 3.5% by year-end 2018 before future regulatory recalibration;
- maintain Global Markets risk-weighted assets stable at approximately USD 83–85 billion between year-end 2015 and year-end 2018;
- reduce Global Markets leverage exposure from approximately USD 380 billion at year-end 2015 to approximately USD 370 billion by year-end 2018;
- wind down the Strategic Resolution Unit risk-weighted assets (excluding operational risk) to CHF 12 billion by year-end 2018 and reduce leverage exposure to CHF 40 billion by year-end 2018 to support growth initiatives, mainly in Asia Pacific, Swiss Universal Bank and International Wealth Management;
- measure our performance by generating approximately CHF 23-25 billion of operating free capital by 2020; and

14

---

– plan to continue our existing policy of recommending a dividend of CHF 0.70 per share with a scrip alternative until we reach our 2015–2018 look-through CET1 and leverage ratio targets and have greater clarity on potential regulatory changes and litigation risks. However, our intention would be to end the scrip alternative and recommend a move to a full cash dividend no later than 2017. Furthermore, in the longer term, we would aim to distribute a minimum of 40% of our operating free capital. The Board of Directors will consider setting a higher payout ratio as appropriate in due course.

#### Acceleration of the announced strategy

On March 23, 2016, we announced a number of additional measures and adjusted financial objectives beyond those announced on October 21, 2015 to further lower our cost base, accelerate the risk-weighted assets and leverage reduction initiatives in the reshaping of our Global Markets business and further strengthen our capital position. The additional measures and new financial objectives include:

- increasing our gross savings target of CHF 3.5 billion by year-end 2018 to CHF 4.3 billion. The net cost savings target in the same time period has increased from CHF 2.0 billion to at least CHF 3.0 billion. These measures are expected to lead to an absolute cost base of CHF 18.0 billion or less by year-end 2018;
- setting a gross cost savings target for the Group of CHF 1.7 billion by year-end 2016;
- reducing the risk-weighted assets target in the Global Markets division from approximately USD 83 – 85 billion to USD 60 billion and the leverage exposure target from approximately USD 380 billion to USD 290 billion by year-end 2016;
- exiting the Distressed Credit, European Securitized Products trading and Long-Term Illiquid Financing businesses in Global Markets;
- the assets from businesses we are exiting and other business reductions in Global Markets will predominantly be transferred to the Strategic Resolution Unit over the course of 2016 and we are consolidating foreign exchange trading into our trading operations within Swiss Universal Bank; and
- disposals of real estate and non-core businesses and other actions to increase CET1 capital by at least CHF 1 billion during 2016.

The cost reduction program is based on the 2015 cost base and measured on constant foreign exchange rates and based on an expense run rate excluding major litigation expenses, goodwill impairment charges and estimated restructuring costs of CHF 2.0 billion (previously announced CHF 1.3 billion), but including other costs to achieve the savings, which do not meet the accounting definition of restructuring costs. Implementation of these strategy measures will lead to a recasting of prior period segment results, principally in respect of the Global Markets business and the Strategic Resolution Unit, and an assessment of certain balance sheet items.

#### Products and services

##### Private banking offerings and wealth management solutions

We offer a wide range of private banking and wealth management solutions tailored for our clients in our Swiss Universal Bank, International Wealth Management and Asia Pacific divisions.

##### Structured advisory process

We apply a structured approach based on a thorough understanding of our clients' needs, personal situation, product knowledge, investment objectives and a comprehensive analysis of their financial situation to define individual client risk profiles. On this basis we define together with our clients an individual investment strategy. This strategy is implemented ensuring that portfolio quality standards are adhered to and that all investment instruments are compliant with suitability and appropriateness standards. Responsible for the implementation are either the portfolio managers or our relationship managers working together with their advisory clients. Our UHNWI relationship managers are supported by dedicated portfolio managers.

##### Client segment specific value propositions

We offer a wide range of wealth management solutions tailored to specific client segments. The distinct value proposition of our integrated bank remains a key strength in our client offerings. Close collaboration with our investment banking businesses enables us to offer customized and innovative solutions to our clients, especially in the UHNWI segment, and we have specialized teams offering bespoke and complex solutions predominantly for our sophisticated clients. In addition, we offer solutions for a range of private and corporate wealth management needs, including succession planning, tax advisory and financial planning.

##### Comprehensive investment services

We offer a comprehensive range of investment advice and discretionary asset management services based on the outcome of our structured advisory process and the guidelines of the Investment Solutions & Products Group and the Credit Suisse Investment Committee. We base our advice and services on the analysis and recommendations of our research and investment strategy teams, which provide a wide range of investment expertise, including macroeconomic, equity, bond, commodity and foreign-exchange analysis, as well as research on the economy. Our investment advice covers a range of services from portfolio consulting to advising on individual investments. We offer our clients portfolio and risk management solutions, including managed investment products. These are products actively managed and structured by our specialists or third parties, providing private investors with access to investment opportunities that otherwise would not be available to them. For clients with more complex requirements, we offer investment portfolio structuring and the implementation of individual strategies, including a wide range of structured products and alternative investments. Discretionary asset management services are available to clients who wish to delegate the responsibility for

15

---

investment decisions to Credit Suisse. We are an industry leader in alternative investments and, in close collaboration with our asset management business and investment banking businesses, we offer innovative products with limited correlation to equities and bonds, such as hedge funds, private equity, commodities and real estate investments.

#### Multi-shore platform

With global operations comprising 14 international booking centers in addition to our operations in Switzerland, we are able to offer our clients booking capabilities locally as well as through our international hubs. Our multi-shore offering is designed to serve clients who are focused on geographical risk diversification, have multiple domiciles, seek access to global execution services or are interested in a wider range of products than is available to them locally.

#### Corporate client and institutional client offerings

In accordance with our ambition to position ourselves as the “Bank for Entrepreneurs,” we provide corporate and institutional clients, predominantly in Switzerland, with a broad range of financial solutions. To meet our clients’ evolving needs, we deliver our offering through an integrated franchise and international presence. Based on this model, we are able to assist our clients in virtually every stage of their business life cycle to cover their banking needs. For corporate clients, we provide a wide spectrum of banking products such as traditional and structured lending, payment services, foreign exchange, capital goods leasing and investment solutions. In addition, we apply our investment banking capabilities to supply customized services in the areas of mergers and acquisitions (M&A), syndications and structured finance. For corporations with specific needs for global finance and transaction banking, we provide services in commodity trade finance, trade finance, structured trade finance, export finance and factoring. For our Swiss institutional clients, including pension funds, insurances, public sector and UHNWI clients, we offer a wide range of fund solutions and fund-linked services, including fund management and administration, fund design and comprehensive global custody solutions. Our offering also includes ship and aviation finance and a competitive range of services and products for financial institutions such as securities, cash and treasury services.

#### Asset management offerings

Our traditional investment products include multi-asset class solutions, which provide clients with innovative strategies and comprehensive management across asset classes to optimize client portfolios with services that range from funds to fully customized solutions. Other core investment strategies include a suite of fixed income, equity and real estate funds, and our indexed solutions business which provides institutions and individual clients access to a wide variety of asset classes in a cost-effective manner. Stressing investment principles such as risk management and asset allocation, we take an active and disciplined approach to investing.

We also offer institutional and individual clients a range of alternative investment products, including hedge fund strategies, commodities and credit investments. We offer access to various asset classes and markets through strategic alliances and key joint ventures with external managers and have a strong footprint in emerging markets.

#### Investment banking financial solutions

##### Equity underwriting

Equity capital markets originates, syndicates and underwrites equity in IPOs, common and convertible stock issues, acquisition financing and other equity issues.

##### Debt underwriting

Debt capital markets originates, syndicates and underwrites corporate and sovereign debt.

##### Advisory services

Advisory services advises clients on all aspects of M&A, corporate sales, restructurings, divestitures, spin-offs and takeover defense strategies.

##### Fixed income

– **Credit products** offers a full range of fixed income products and instruments to clients across investment grade and high yield credits, ranging from standard debt issues and credit research to fund-linked products, derivatives instruments and structured solutions that address specific client needs. We are a leading dealer in flow trading of single-name >>>credit default swap (CDS) on individual credits, credit-linked notes and index swaps. Investment grade trades domestic corporate and sovereign debt, non-convertible preferred stock and short-term securities such as floating rate notes and >>>commercial paper. Leveraged finance provides capital raising and advisory services and core leveraged credit products such as bank loans, bridge loans and high yield debt for non-investment grade corporate and financial sponsor-backed companies.



– **Securitized products** trades, securitizes, syndicates, underwrites and provides research for various forms of securities, primarily residential mortgage-backed securities (RMBS) and asset-backed securities (ABS). Both RMBS and ABS are based on underlying pools of assets, and include both government- and agency-backed, as well as private label loans. Core to the securitized products franchise is its asset financing business, which focuses on providing asset and portfolio advisory services, and financing solutions to clients across asset classes.

16

---

- **Emerging markets** offers a full range of fixed income products and instruments, including sovereign and corporate securities, local currency derivative instruments and tailored emerging market investment products. The business is organized around financing, structured credit, trading, capital markets and strategic transactions, with a focus on supporting emerging markets through its onshore and offshore service models.
- **Global macro products** includes our restructured rates and foreign exchange businesses. Our rates business includes the full spectrum of cash and derivatives, including select non-cleared and structured solutions. Foreign exchange provides market making in products such as spot and options for currencies in developed markets. The foreign exchange product suite also includes proprietary market leading technology to provide clients with electronic trading solutions.

#### Equity

- **Cash equities** provides a comprehensive suite of offerings: (i) research, analytics and other content-driven products and services, to meet the needs of clients including mutual funds, investment advisors, banks, pension funds, hedge funds, insurance companies and other global financial institutions; (ii) sales trading, responsible for managing the order flow between our clients and the marketplace and providing clients with trading ideas and capital commitments, identifying trends and delivering the most effective execution; (iii) trading, which executes client orders and makes markets in listed and >>>>over-the-counter (OTC) cash securities, exchange-traded funds and programs, providing liquidity to the market through both capital commitments and risk management; and (iv) Credit Suisse's >>>>advanced execution services (AES), a sophisticated suite of algorithmic trading strategies, tools and analytics to facilitate global equity trading. By employing algorithms to execute client orders and limit volatility, AES helps institutions and hedge funds reduce market impact. AES is a recognized leader in its field and provides access to hundreds of trading destinations in over 40 countries and six continents.
- **Equity derivatives** provides a full range of equity-related products, investment options and financing solutions, as well as sophisticated hedging and risk management expertise and comprehensive execution capabilities to financial institutions, hedge funds, asset managers and corporations. Convertibles involves both secondary trading and market making and the trading of credit default and asset swaps and the distribution of market information and research. The global convertibles business is a leading originator of new issues throughout the world.
- **Prime services** offers hedge funds and institutional clients execution, financing, clearing and reporting capabilities across various asset classes through prime brokerage, synthetic financing and listed and OTC derivatives. In addition, prime services is a leading provider of advisory services across capital services and consulting for both start-ups and existing clients.
- **Systematic market-making group** operates a range of liquidity-providing and market-making strategies in liquid markets.

#### Other

Other products and activities include lending, certain real estate investments and the distressed asset portfolios. Lending includes senior bank debt in the form of syndicated loans and commitments to extend credit to investment grade and non-investment grade borrowers.

#### Research and HOLT

Our equity and fixed income businesses are enhanced by the research and HOLT functions. HOLT offers a framework for objectively assessing the performance of 20,000 companies in over 60 countries, with interactive tools and consulting services that clients use to make informed investment decisions.

Equity and fixed income research uses in-depth analytical frameworks, proprietary methodologies and data sources to analyze approximately 3,000 companies worldwide and provide macroeconomic insights into this constantly changing environment.

## Divisions

## sWISS UNIVERSAL BANK

## Business profile

Within Swiss Universal Bank, we offer comprehensive advice and a broad range of financial solutions to private, corporate and institutional clients primarily domiciled in Switzerland. The division comprises the Private Banking and Corporate & Institutional Banking businesses.

Our **Private Banking** business has a leading client franchise in Switzerland, serving over 1.6 million clients, including UHNWI, high-net-worth individual (HNWI), >>>affluent and retail clients. Our service offering is based on our structured advisory process, distinct client segment specific value propositions and coverage models as well as access to a broad range of comprehensive products and services. We also have a specialized consumer finance business branded BANK-now. In addition, we offer best-in-class service, platform and technology support to external asset managers in Switzerland. Our Swiss network includes 1,570 relationship managers in 184 branches, including 33 branches of the bank's affiliate, Neue Aargauer Bank.

Our **Corporate & Institutional Banking** business offers expert advice and high-quality services to a wide range of clients, serving the needs of over 100,000 corporations and institutions, including large corporate clients, small and medium-size enterprises, institutional clients, financial institutions and commodity traders. This business also includes our Swiss investment banking business serving corporate clients and financial institutions on financing transactions in the debt and equity capital markets and advising on M&A transactions. Our business includes 490 relationship managers who serve our clients out of 48 locations.

## Key data – Swiss Universal Bank

	2015	2014	in / end of 2013
Key data			
Net revenues (CHF million)	5,563	5,721	5,612
Income before taxes (CHF million)	1,659	1,976	1,740
Assets under management (CHF billion)			
– Private Banking	241.0	258.6	244.2
– Corporate & Institutional Banking	275.8	275.9	250.0
Number of employees	14,200	13,200	13,200

## Business environment

The Swiss private banking and wealth management industry is very attractive and continues to have positive growth prospects. Switzerland has the highest millionaire density worldwide and is expected to continue to have the highest average wealth per adult. Assets of UHNWI and HNWI are projected to grow approximately 4% and 3%, respectively, annually from 2014 through 2018. We are well positioned in the Swiss market with strong market shares across client segments.

The corporate and institutional banking business continues to offer attractive opportunities, supported by the expected steady growth of the Swiss economy. In a continued low interest rate environment, key trends in equity capital markets are expected to include an increase in IPOs, acquisition-related financing and monetization of equity holdings. We believe that the environment in the Swiss M&A market should remain supportive through 2016. We are a leading provider of banking services to corporate and institutional clients in Switzerland, utilizing our market leading investment banking capabilities in Switzerland for local execution while leveraging Investment Banking & Capital Markets' international reach and Global Markets' placing power.

Structurally, the industry continues to undergo significant change. Regulatory requirements for investment advisory services continue to increase, including in the areas of suitability and appropriateness of advice, client information and documentation. This is expected to drive further consolidation of smaller banks due to higher critical size. We believe that we are well positioned to opportunistically take advantage of the potential market consolidation. We are well advanced in adapting to the new environment as we have and are continuing to dedicate significant resources to ensure our business is compliant with regulatory standards.

## Business strategy

Switzerland, our home market, has always been and is expected to remain a key pillar of success for our bank and is core to our overall strategy. Within Swiss Universal Bank, we combine all the strengths and critical mass of our retail,

wealth management, corporate, institutional and investment banking activities. The division is well positioned to meet the needs of our clients, both individual and corporate, with a broad suite of customized products and services. We announced in October 2015 plans to conduct a partial IPO of up to 30% of Credit Suisse (Schweiz) AG by end of 2017, underscoring its unique identity and value within Switzerland and within the Group. Any such IPO would involve the sale of a minority stake and would be subject to, among other things, all necessary approvals and would be intended to generate/raise additional capital for Credit Suisse AG or Credit Suisse (Schweiz) AG.

We expect to advance our business by focusing on the following four key priorities:

Focus to simplify

The Swiss Universal Bank division continues to serve the entire spectrum of clients from retail to UHNWI and from small to large corporate and institutional clients as well as external asset managers. In order to move closer to our Swiss client base and their needs, we have realigned our organization and have transferred business not originated in Switzerland to where it is originated.

18

---

#### Empower to grow

We are focusing our growth efforts and resources towards the most attractive client segments and we have developed client specific initiatives to realize profitable growth opportunities. The biggest untapped potential for us lies in the HNWI business, which is significantly growing and highly attractive. We expect to grow at a higher rate than the anticipated 3% annual market growth rate until 2018. In the HNWI business, we plan to hire approximately 80 additional relationship managers and further enhance and promote our mandates offering. In 2015, we were successful with our newly launched range of advisory mandates called Credit Suisse Invest. The conversion rate of our clients into this new offering was significantly above our expectations. With Credit Suisse Invest, we offer investment solutions based on client needs and their preferences for frequency and type of advice. It is also our ambition to be recognized as the “Bank for Entrepreneurs”. We are not only aiming to strengthen our businesses serving HNWI, but also those serving small and medium-size enterprises and UHNWI, two client segments for which we have high growth ambitions. A dedicated organizational unit was established to support the development of joint client coverage plans between our HNWI business and small and medium-size enterprises teams and the development of a more focused value proposition catered to entrepreneurs. For the UHNWI business, we aim to double our lending book, increase our relationship manager population by 30% and gain market share in French and Italian speaking Switzerland. In the external asset managers business, we plan to build on our leading market position and are well positioned to exploit the opportunities from the ongoing consolidation of smaller banks by supporting them in becoming external asset managers or providing them external asset manager solutions to address their increased regulatory requirements and pressure on gross margins.

#### Drive efficiency agenda

We have significantly increased end-to-end accountability over Swiss costs and investments by moving Swiss-specific or Swiss platform-related corporate functions to Swiss Universal Bank. This should allow for a more business-oriented priority setting and faster decision making for investments. We also believe that efficiency can be strengthened by digital initiatives and increased automation. For instance, we launched an innovative new mobile banking application that has received positive client feedback. Going forward, we plan to continue to invest in our digital applications to enhance self-service capabilities for clients, improve productivity of client-facing employees and automate front-to-back processes.

#### Invest in brand

As part of the commitment to our Swiss businesses, we also strive to strengthen our brand and reputation by investing in targeted marketing activities, deepening our community involvement and contributing to the sustained development of our home market as an employer, lender, sponsor and member of economic, social and cultural society.

#### Awards and market share momentum

Credit Suisse was highly placed in a number of key industry awards in 2015:

- Best Investment Bank in Switzerland – 2015 Awards for Excellence – *Euromoney*
- Best Trade Finance Bank in Switzerland – *Global Finance*
- Best Sub-Custodian Bank in Switzerland – *Global Finance*
- Best Swiss Global Custodian – *R&M Consultants (London)*
- Best European Global Custodian – *R&M Consultants (London)*

#### international wealth management

##### Business profile

In International Wealth Management we offer comprehensive advice and a broad range of financial solutions to our private, corporate and institutional clients.

Our **Private Banking** business offers tailored and comprehensive advice and financial solutions to wealthy private clients and external asset managers in the regions of Europe, Middle East, Africa and Latin America. We serve our clients through 1,190 relationship managers in 46 locations in 28 countries, utilizing comprehensive access to the broad spectrum of our global resources and capabilities as well as access to a wide range of services and products from third-party providers.

Our **Asset Management** business offers investment solutions and services globally to a wide range of clients, including pension funds, governments, foundations and endowments, corporations and individuals, along with our private banking businesses. Our capabilities span across a diversified range of asset classes with a focus on traditional and alternative strategies.

## Key data – International Wealth Management

	2015	2014	in / end of 2013
Key data			
Net revenues (CHF million)	4,394	4,751	4,929
Income before taxes (CHF million)	709	1,212	1,217
Assets under management (CHF billion)			
– Private Banking	289.6	323.7	297.8
– Asset Management	321.3	305.2	270.1
Number of employees	9,100	8,700	8,700

## Business environment

We believe that the private banking industry continues to have attractive growth prospects in mature markets and the emerging markets covered by International Wealth Management. Assets of HNWI and UHNWI clients within these markets are expected to grow by approximately 6% annually from 2015 through 2018. Wealth creation continues to be strong in Russia and Central & Eastern Europe (10%), Middle East (10%) and Latin America (7%) as wealth growth in these economies is fueled by an increase in population, entrepreneurial wealth creation and technological development. Although wealth is expected to grow at lower rates in developed economies such as the ones of Europe (3%), these

19

markets continue to be of crucial importance, holding around 20% of the world's wealth.

The asset management industry continued to experience growth in 2015, despite volatility and weaker performance of financial markets worldwide. Developed markets rebounded as the major drivers of net inflows, while momentum slowed in some emerging markets. Within the asset management industry, investors continued to shift from active traditional strategies to passive, multi-asset class and alternative investment strategies. The alternative investment industry had a continued increase in assets under management in 2015. Within alternative investments, hedge funds recorded inflows for 2015, despite concerns over performance due to volatility, especially in emerging markets. The largest hedge funds continued to attract the majority of new assets. Private equity funds distributed a significant amount of capital and continued to raise additional funds.

Over the past years, European markets have been under significant structural pressure from regulatory changes and tax regularization, a trend that continued into 2015.

Profitability has come under pressure in a prolonged environment of low interest rates and reduced fee-based margins, the need to upgrade information technology platforms, cost of compliance to new regulatory demands and adjustments to the product offerings in response to changes in client behaviors.

#### Business strategy

Our private banking and asset management businesses are among the leaders by size and reputation in our target markets and regions. International Wealth Management is expected to contribute significantly to the Group's strategic and financial ambitions. The following three strategic priorities will guide our decisions:

#### Deliver client value

We are establishing integrated coverage teams across our private banking, investment banking and asset management businesses in order to provide clients with holistic coverage and access to the bank's wide range of capabilities. We plan to leverage our investment and research capabilities, deploying solutions and products tailored to our clients' needs in key markets. We also intend to address our clients' sophisticated financing needs by investing in additional resources and broadening our lending activities.

#### Enhance client proximity

Our focus on enhancing client proximity intends to capture market share by increasing the number of our relationship managers, targeting a net increase of approximately 300 relationship managers across our regions by the end of 2018. In addition, we are strengthening and adapting our footprint with technology investments at our key hubs, establishing new advisory offices and transforming unprofitable locations towards a sustainable business model. For lower wealth band HNWI, we plan to digitize our service model, combining an ease of use service delivery with our distinctive international investment offering, supported by digitally enabled client to relationship manager interactions with a focus on furnishing comprehensive investment advice.

#### Increase client time

We are making significant investments in processes and organizational changes to allow faster decision-making and shorter time-to-market of our solutions. We are also increasing the local market management's accountability to empower decision making. In addition, we plan to make investments in information technology and automation to reduce our relationship managers' administrative tasks so that they can spend more time with their clients.

#### ASIA PACIFIC

##### Business profile

Within the Asia Pacific division we offer a wide range of financial products and services, focusing on our UHNWI, HNWI, entrepreneur, corporate and institutional clients. We deliver integrated client coverage to provide connectivity and access to broader financial markets, differentiated product offerings, and tailored financing solutions.

Our **Private Banking** business combines its global reach through other divisions with a structured advisory process, offering a broad range of comprehensive and bespoke solutions and services that are tailored to our clients' complex needs. We offer our clients digital private banking access and serve them through 590 relationship managers in 13 locations across 7 countries.

Our **Investment Banking** business supports our key clients by advising on all aspects of M&A transactions, corporate sales and restructurings, divestitures and takeover defense strategies and provides equity and debt underwriting capabilities for entrepreneur, corporate and institutional clients. In addition, our investment banking business includes equity and fixed income sales and trading services, and provides access to a range of debt and equity securities, derivative products, and financing opportunities across the capital spectrum for corporate, sovereign and institutional

clients.

Key data – Asia Pacific

	2015	2014	in / end of 2013
Key data			
Net revenues (CHF million)	3,839	3,335	3,018
Income before taxes (CHF million)	377	900	752
Assets under management (CHF billion)			
– Private Banking	150.4	150.5	121.3
Number of employees	6,700	5,900	5,500

Business environment

While equity markets in Asia Pacific were robust in 2015, particularly in Hong Kong, China and India, capital markets origination in developing Asia was subdued. Markets were driven by pronounced volatility, particularly in China, and expectations of a US interest

20

---



rate increase, which impacted yield products, local currencies and primary issuance levels and activity.

Financial markets in Asia Pacific continue to undergo structural change. Industry initiatives, such as the Shanghai – Hong Kong Stock Connect, provided increasing investor access to the onshore market and will continue to drive investor flows. The inclusion of China’s equity markets into worldwide indices is more probable as such equity markets become increasingly liberalized.

Wealth management in Asia Pacific continues to offer positive growth prospects compared to other regions. Increased entrepreneurial activity and a faster pace of economic growth and innovation has fueled development, and wealth creation in emerging markets is growing at a higher rate than more mature markets, with approximately 57% of new wealth in the region being driven by first generation entrepreneurs.

Regulatory requirements for investment advisory services in Asia Pacific also continued to increase, including in the areas of suitability and appropriateness of advice and anti-money laundering.

#### Business strategy

Through a leading franchise in Asia Pacific, we pursue a client-centric, capital efficient business model, allocating resources to those parts of the business that are essential to increasing our activities with existing and new clients. Our strategy to be recognized as the “Trusted Entrepreneurs Bank of Asia Pacific” is rooted in multi-generational client relationships with some of the most significant business owners in the region. Our long-term view on ensuring consistency of coverage and business diversity supports revenue stability and attractive returns. Together with our capacity to withstand fluctuating market conditions, this has been critical to our ability to attract the right talent to our platform and to foster a partnership culture with a long-term ambition. Looking ahead, our strategic focus is on growing revenues and enhancing the delivery of our integrated model to deliver strong returns to our shareholders.

As such, we continue to focus our attention and resources on the following business areas and opportunities:

#### Focus on Ultra-High-Net-Worth activity

Asia Pacific has a highly dynamic client base. Our integrated platform, which spans industries and geographies, positions us to address the wealth and corporate needs of the growing base of UHNWI and entrepreneurs in the region. We have been recognized as a top private bank in Asia Pacific, and as a leader in advisory and capital markets activity. Our business platform connects wealthy individuals and institutional investors where, for example, investment banking mandates provide a source of attractive investment opportunities for UHNWI clients. We expect favorable long-term trends in wealth creation and the opening up of financial markets which offer associated growth opportunities to accelerate our pace of client acquisition and become an increasingly important provider of capital and liquidity solutions to key clients.

#### Deliver client critical equities and financing capabilities

We benefit from having leading positions in equities and certain fixed income markets, such as Asian rates trading. We have a top-ranked pan-Asia equities franchise and strong structured financing capabilities. Our competitiveness is supported by our ability to structure complex solutions across wealth and business interests and offer new products to our key clients. Continuous product innovation and a disciplined approach to risk help to form a baseline of profitability through market cycles. We continue to see opportunities to deliver new investment products and services from our investment banking platform. For example, we deliver institutionalized services to the growing family office client segment from our prime brokerage platform. We also expect financing growth to play a positive role in supporting the long-term economic development of Asian businesses and economies. Our financing business benefits from our exposure to UHNWI clients, who generally are high quality borrowers, meet strong collateral standards and are owners of large businesses. One of our financing businesses is our market-leading Emerging Markets Finance Group which services a range of borrowers with structured finance solutions. We expect to prudently build out quality credit and equity strategic financing to our clients, while remaining mindful of market volatility.

#### Grow broad base of business profitability

We plan to continue to invest and grow our existing business franchises where we have deep client relationships and strong, profitable market positions. Having a diversified business mix of clients, countries and product areas generally provides for a stable performance, especially in a region as dynamic as Asia Pacific, with its variety of economic characteristics. We believe that there is opportunity to grow our recurring fee-income base across the region, leveraging our integrated, advisory-led model. As a number of our peers reassess their Asia Pacific strategy and footprint, and as competition remains fierce, we intend to continue to adjust and innovate our business model and approach for new market entry or business acquisition to drive incremental growth. We believe that it is important to

have a targeted client and coverage strategy coupled with comprehensive client-centric capabilities to effectively compete in Asia Pacific.

Significant transactions

We executed a number of noteworthy transactions in 2015, reflecting the diversity of our franchise across countries, sectors and clients.

– We advised on a number of key deals in Southeast Asia; in Malaysia, we executed Malakoff Corporation Berhad’s IPO (water and power producer), which was the third largest IPO in Southeast Asia over the past two years; in Indonesia, we advised on PT Hanjaya Mandala Sampoerna’s (tobacco) follow-on offering and on Taiwan’s Cathay Life Insurance Company’s acquisition of a stake in Bank Mayapada Internasional Tbk (financial services); in the Philippines, we advised on Rizal Commercial Banking Corporation’s sale of shares to Cathay Life Insurance Company (insurance).

21

---

- In China, we arranged Tsinghua Unigroup Company’s debut international bond offering (construction and engineering), in which we were sole global coordinator, book runner and lead manager. The transaction was the largest unrated US dollar bond offering issued by a Chinese state-owned enterprise issuer. We also arranged financings for clients including China National Offshore Oil Corporation (oil and gas exploration and development), China Huarong Asset Management (financial services) and Tencent Holdings (media and internet), and we also advised on a private equity placement for Alibaba Pictures Group (film and media).
- In Korea, we advised on Samsung C&T Corporation’s merger with Cheil Industries (textiles). In Australia and New Zealand, we advised GE Capital (financial services) on the sale of its consumer finance business. In Pakistan, we were involved in the government’s sale of shares in Habib Bank.

#### Awards and market share momentum

We were highly placed in a number of key industry awards in 2015:

- Best Private Bank – Asia for 2015 – *Asian Private Banker*
- Best Provider of Asia Equity-linked Flow Structured Products for 2015 – *Asian Private Banker*
- Best Equity Derivatives House – Asia for the second consecutive year from *The Asset*
- Best Regional Technology, Media and Telecommunications House for the second consecutive year from *The Asset*
- Ranked #1 in Overall Penetration in Asian Equity Trading and Equity Research, Sales and Corporate Access according to the *2015 Greenwich Survey*

#### Global markets

##### Business profile

Global Markets brings together our equity sales and trading and fixed income sales and trading businesses into one division to create a fully integrated franchise for our clients. Global Markets provides a broad range of financial products and services to client-driven businesses and also supports the Group’s private banking businesses and their clients, most notably UHNWI. Our suite of equity and fixed income products and services includes global securities sales, trading and execution, prime brokerage and comprehensive investment research. Our clients include financial institutions, corporations, governments, institutional investors, such as pension funds and hedge funds, and private individuals around the world. We deliver our global markets capabilities through regional and local teams based in both major developed and emerging market centers. Our integrated business model enables us to gain a deeper understanding of our clients and deliver creative, high-value, customized solutions based on expertise from across Credit Suisse.

##### Key data – Global Markets

	2015	2014	in / end of 2013
Key data			
Net revenues (CHF million)	7,391	8,613	8,974
Income/(loss) before taxes (CHF million)	(1,944)	2,657	3,012
Number of employees	13,000	11,900	12,100

##### Business environment

Operating conditions in 2015 were challenging, particularly for our fixed income businesses, in light of high levels of market volatility, lower client activity, continued uncertainty over interest rates in the major economies, a collapse in energy prices and a subdued global investment climate, particularly in the second half of the year. Uncertainty in the interest rate and credit environment resulted in significantly reduced issuance levels across many asset classes, particularly high yield. In addition, given an evolving regulatory environment, we announced plans to right-size fixed income businesses such as global macro products, with the aim of delivering higher profitability, lower capital usage and lower volatility in earnings across market cycles. Market conditions were more favorable for equity sales and trading businesses as higher volatility resulted in higher trading volumes and strong client activity. Given quantitative easing in many markets and modest increases in gross domestic product in developed economies, we believe equity markets should grow in the medium to long-term, thus benefitting our market-leading franchises.

##### Business strategy

The Global Markets division combines our equities and fixed income sales and trading platforms in the Americas and EMEA. The division will be focused on three primary strategic goals: prioritizing businesses with connectivity to our private banking clients, optimizing capital usage and increasing profitability by ensuring businesses deliver returns in

excess of their cost of capital. We believe that this strategy will enable us to reduce earnings volatility, inherent in our results historically, and deliver consistent pre-tax income from our leading franchises across market cycles.

In line with the Group strategy, Global Markets will primarily refocus its product portfolio to enhance our private banking businesses. To achieve this, we will continue to invest in franchises that are important to private banking clients, such as cash equities, equity derivatives and the emerging markets group. We intend to grow our structured notes, share-backed lending and structured financing products while also shifting to more stable products that generate recurring revenues. Our goal is to optimize prime services, a key franchise for cash equities, by continuing to reduce capital usage and increase returns and to also refocus offerings to

22

---

support UHNWI clients. We believe the repositioned Global Markets division will provide a differentiated platform to our private banking clients by offering simplified access to markets in different geographies, enhanced execution and clearing services and access to structured solutions products. We will also continue to defend and optimize our market-leading securitized products and credit franchises, despite their limited connectivity to the private banking businesses, given that they are expected to continue to drive profits for the Global Markets division.

We also expect to continue downsizing our macro business, primarily by building a capital-efficient and niche franchise in the Americas comprised of foreign exchange and non-cleared swap products. As a result, we have relinquished our European primary dealership and transferred the European rates options and secondary market making in European government bonds into the Strategic Resolution Unit.

Looking forward, we plan to holistically manage our leverage exposures across products with a focus on allocating capital to clients and businesses that are aligned with our objectives. In 2015, we have met both our year-end 2015 targets for risk-weighted assets and leverage exposure, with reported risk-weighted assets of USD 75 billion, compared to a target of approximately USD 83-85 billion, and leverage exposure of USD 317 billion, compared to a target of approximately USD 380 billion. We remain committed to maintaining our announced year-end 2018 capital targets for risk-weighted assets of approximately USD 83-85 billion and leverage exposure of approximately USD 370 billion.

Lastly, we will focus on building a profitable Global Markets franchise by investing in and optimizing our key businesses, with the goal of reducing earnings volatility. We plan to invest exclusively in businesses that exceed their cost of capital by evaluating them using the lower of return on risk-weighted assets or leverage exposure.

Additionally, by combining historically separately run equity and fixed income businesses, we are repositioning the division to systematically create synergies across products, which is expected to further increase profitability and returns.

investment banking & capital markets

#### Business profile

The Investment Banking & Capital Markets division offers a broad range of investment banking products and services which include advisory services related to M&A, divestitures, takeover defense, restructurings and spin-offs, as well as debt and equity underwriting of public offerings and private placements. We also offer derivative transactions related to these activities. Our clients include leading corporations, financial institutions, financial sponsors, UHNWI and sovereign clients.

We deliver our investment banking capabilities through regional and local teams based in both major developed and emerging market centers. Our integrated business model enables us to deliver high value, customized solutions that leverage the expertise offered across Credit Suisse and that help our clients unlock capital and value in order to achieve their strategic goals.

#### Key data – Investment Banking & Capital Markets

	2015	2014	in / end of 2013
Key data			
Net revenues (CHF million)	1,752	2,106	2,014
Income/(loss) before taxes (CHF million)	(353)	508	581
Number of employees	2,800	2,400	2,400

#### Business environment

2015 was a challenging year, with volatile market conditions, reflecting increased concerns regarding the pace of global growth, falling energy prices, currency pressures in certain markets and uncertainty in the interest rate and credit environment. The impact of increased volatility was felt industry-wide, reducing our clients' risk appetite and driving declines in debt and equity underwriting activity and fee pools. Our investment banking businesses were affected by the sharp decline in client activity levels in line with the industry.

Despite the slowdown in capital markets activity, M&A remained robust, supported by low financing costs and limited alternatives to drive earnings growth. Large deals were announced across many active sectors as companies sought consolidation and strategic acquisitions, particularly in healthcare, technology, insurance, aerospace & defense, and consumer products. Industry-wide announced M&A activity increased significantly compared to 2014, with volumes outpacing the previous record set in 2007. Credit Suisse advised on USD 795 billion of announced M&A

transaction volume in 2015, up from USD 385 billion in 2014.

#### Business strategy

Our strategy focuses on leveraging our global structuring and execution expertise to develop innovative financing and advisory solutions for our clients. In October 2015, we announced a new strategy to grow the division through a targeted plan that is designed to generate sustainable, profitable growth and continue delivering returns in excess of our cost of capital. Our growth plan is based on the following key strategic priorities: rebalancing the product mix towards M&A advisory and equity underwriting, optimizing the client coverage footprint and launching a new initiative for UHNWI in the US.

In 2015, we observed market activity begin to pivot away from leveraged finance and towards advisory and equity underwriting as the credit cycle turned. Our goal is to rebalance our product mix to be consistent with this shift in the market by increasing our focus on M&A advisory and equity underwriting with our clients. We expect that refocusing our efforts on these solutions will not only allow us to better support our clients' strategic goals, but will also contribute to a revenue mix that is more diversified and less volatile through the market cycle.

We have tailored our client strategy while optimizing our headcount and capital resources in order to deliver efficient and effective client coverage. Our strategic objective is to expand our coverage in high growth areas where our franchise is well-positioned. We expect

23

---

to do this with targeted plans for investment grade corporates, non-investment grade corporates and financial sponsors. In addition, to support our clients looking for opportunities in developing economies, we have launched an emerging markets team that will integrate this geographical coverage across all industries and products.

Lastly, as part of the effort to further differentiate and diversify our offerings, we announced a new dedicated coverage group within Investment Banking & Capital Markets to cover UHNWI in the US. We believe this effort targets a meaningful untapped opportunity to cover UHNWI who are decision-makers over an average of USD 1.6 billion in industry-wide investment banking fees each year.

#### Significant transactions

We executed a number of noteworthy transactions in 2015, reflecting the diversity of our franchise.

– In debt capital markets we arranged key financings for a diverse set of clients including Charter Communications (cable), International Game Technology (gaming), Pharmaceutical Product Development (health care services), Spectrum Brands Holdings (consumer), Chemours Company (chemicals), Altice (cable), Berry Plastics (packaging) and The Coca-Cola Company (beverage).

– In equity capital markets we executed the IPO for Scout 24 Holding (digital marketplace), follow-on and convertible offerings for Teva Pharmaceutical Industries (pharmaceuticals), follow-on offering for Piraeus Bank Group (financial and banking services), equity convertible offering for Anthem (health insurance services), follow-on offering for Columbia Pipeline Group (natural gas pipelines), follow-on offering for Aramark Corporation (food, hospitality and facilities services) and follow-on offering for Newfield Exploration Company (oil and gas exploration and production).

&n