CREDIT SUISSE

To the Shareholders of Credit Suisse Group AG

Letter from the Chairman of the Board of Directors

Zurich, March 24, 2017

Dear Shareholders

2016 was the first full year of implementation of our strategic plan. Our efforts focused on reinforcing Credit Suisse's position as a leading wealth manager with strong investment banking capabilities. Throughout the past 12 months, we made progress against our strategic objectives in a challenging operating environment. In particular, we significantly reduced our adjusted* operating cost base with CHF 1.9 billion[1] of net cost savings in 2016, exceeding our year-end target. Importantly, we lowered costs while investing in our client franchise and improving our control framework. We also further strengthened our capital position and reported a look-through common equity tier 1 (CET1) ratio of 11.5% as of December 31, 2016. Without taking into account the impact of the settlement related to our legacy residential mortgage-backed securities (RMBS) business with the US Department of Justice (DOJ), we would have achieved our highest ever CET 1 ratio of 12.4%[2].

We advanced towards our goal of profitable growth in 2016. In our Wealth Management businesses, our increased focus on our ultra-high-net-worth individual and entrepreneur clients allowed us to attract significant net new assets and to grow our asset base. Notably, the Swiss Universal Bank achieved good results in our home market of Switzerland. We also substantially completed the rightsizing of our Global Markets division, lowering risk and reducing capital consumption while preserving our key client franchises. In Investment Banking & Capital Markets, we have rebalanced our product mix towards Mergers & Acquisitions and Equity Capital Markets, resulting in an improved share of wallet across all of our key products and covered client segments.

At the start of the current year, we achieved an important milestone when we announced that Credit Suisse had reached a final settlement with the DOJ relating to our legacy RMBS business, removing this major source of uncertainty for the bank. For the full year 2016, Credit Suisse reported a net loss attributable to shareholders of CHF 2,710 million. On an adjusted* basis, we reported pre-tax income of CHF 615 million[3] for 2016.

At the Annual General Meeting of April 28, 2017, we will propose a distribution to shareholders of CHF 0.70 per registered share out of capital contribution reserves for the financial year 2016 – unchanged compared to the previous year – in the form of either a scrip dividend, a cash distribution or a combination thereof. For the purpose of issuing new registered shares for the scrip dividend, a proposal will be put to the Annual General Meeting to increase the Group's authorized capital accordingly.

The Board of Directors is pleased to propose Andreas Gottschling and Alexandre Zeller for election as new non-executive Board of Directors members for a term of one year at the forthcoming Annual General Meeting. Andreas Gottschling, a former member of the management board and chief risk officer at Erste Group Bank AG, Vienna, has longstanding international experience, proven leadership skills and profound knowledge of risk management and regulatory capital issues. Alexandre Zeller, former chairman of the board of directors of SIX Group Ltd, has an excellent track record in the financial services industry and a wealth of experience, particularly in our important Swiss home market. He was elected chairman of the board of directors of Credit Suisse (Schweiz) AG in October 2016. Both of the proposed new Board members bring an enormous wealth of expertise to complement the Board of Directors in their respective areas.

As previously announced, Noreen Doyle and Jean Lanier, upon reaching the respective tenure limits, and Jassim Bin Hamad J.J. Al Thani will not stand for re-election. Noreen Doyle will continue to serve as chair of Credit Suisse International and Credit Suisse Securities (Europe) Limited, our UK subsidiaries. I would like to express my appreciation and thanks to them for all of their contribution to Credit Suisse during their tenure. We will propose the re-election of all other Board members and the Chairman for a term of one year. Also, you will be able to elect the members of the Compensation Committee for a term of one year in a separate vote.

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

Credit Suisse is today a stronger, more efficient and more focused bank, enabling us to serve our clients even more effectively and to create long-term value for you, our shareholders. We believe that we are well placed to continue to make good progress in implementing our strategic plan in 2017 and capture opportunities for sustainable profitable growth across our franchises and geographies.

On behalf of the entire Board of Directors, I would like to express my thanks to you for your valued support and continuing trust in Credit Suisse.

I look forward to welcoming you to the Hallenstadion in Zurich on April 28, 2017.

Yours sincerely,

Urs Rohner
Chairman of the Board of Directors

* Adjusted results are non-GAAP financial measures.

1 2016 net cost savings represents the difference between 2015 "adjusted operating expenses at constant foreign exchange (FX) rates" of CHF 21.2 billion and 2016 "adjusted operating expenses at constant FX rates" of CHF 19.4 billion. "Adjusted operating expenses at constant FX rates" include adjustments as made in all our disclosures for restructuring expenses (CHF 355 million in 2015 and CHF 540 million in 2016), major litigation expenses (CHF 820 million in 2015 and CHF 2,707 million in 2016) and a goodwill impairment taken in the fourth quarter of 2015 of CHF 3,797 million as well as adjustments for FX (CHF (318) million in 2015 and CHF (293) million in 2016).

2 The look-through CET1 ratio, without taking into account the impact of the final DOJ settlement relating to our legacy RMBS business, excludes a provision in the fourth quarter of 2016 of approximately USD 2 billion and an increase in the fourth quarter of 2016 in operational risk-weighted assets of approximately CHF 0.7 billion.

3 Adjusted pre-tax income for the full year 2016 excludes restructuring expenses of CHF 540 million, major litigation provisions of CHF 2,707 million, real estate gains of CHF (424) million and gains on business sales of CHF 58 million.

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