**IMPORTANT NOTICE**

**NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S. EXCEPT FOR QUALIFIED INSTITUTIONAL BUYERS.**

**IMPORTANT:** You must read the following before continuing. The following disclaimer applies to the Information Memorandum following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Information Memorandum. In accessing the Information Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access. You acknowledge that you will not forward this electronic transmission or the attached Information Memorandum to any other person.

THE FOLLOWING INFORMATION MEMORANDUM AND ITS CONTENTS ARE CONFIDENTIAL AND MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS PROHIBITED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

EXCEPT AS DESCRIBED BELOW, NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE SECURITIES REFERENCED HEREIN MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A "QUALIFIED INSTITUTIONAL BUYER" WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT (A "**QIB**") THAT IS ACQUIRING THE NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS, OR (2) IN AN OFFSHORE TRANSACTION TO A NON-U.S. PERSON IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

**Confirmation of your Representation:** You have been sent this Information Memorandum on the basis that you have confirmed to the Managers (as defined herein), being the senders of the attached, that: (i) you have understood and agree to the terms set out herein, (ii) you are either (a) not a U.S. person (within the meaning of Regulation S of the Securities Act), and are not acting for the account or benefit of any U.S. person, and that you and the electronic mail address that you have given us and to which this e-mail has been delivered are not located in the United States, its territories and possessions, or (b) a person that is a QIB, (iii) you consent to delivery by electronic transmission, (iv) you will not transmit the attached Information

Memorandum (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the relevant Manager, (v) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic considerations with respect to your decision to subscribe for, or purchase any of, the securities and (vi) if you are a person in the United Kingdom, then you are a person who (x) has professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "**Order"**) or (y) is a high net worth entity falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). In the United Kingdom, the Information Memorandum may only be communicated or caused to be communicated to persons in circumstances where Section 21(1) of the Financial Services and Markets Act 2000 does not apply and may only be distributed to Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which the Information Memorandum relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

You are reminded that the Information Memorandum has been delivered to you on the basis that you are a person into whose possession the Information Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Information Memorandum to any other person.

The Information Memorandum does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licenced broker or dealer and a Manager, or any affiliate of such Manager, is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Manager or such affiliate on behalf of Credit Suisse Group AG in such jurisdiction.

This Information Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Managers nor any person who controls them nor any director, officer, employee nor agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Information Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Managers.

# Credit Suisse Group AG

*(incorporated with limited liability in Switzerland)*

## U.S.$2,250,000,000 7.500 per cent. Tier 1 Capital Notes

**Issue Price 100 per cent.**

The U.S.$2,250,000,000 7.500 per cent. Tier 1 Capital Notes (the "Notes") will be issued by Credit Suisse Group AG (the "Issuer" or "CSG"), on 11 December 2013 (the "Issue Date"). Interest on the Notes will accrue from (and including) the Issue Date to (but excluding) the First Optional Redemption Date (as defined in "*Terms and Conditions of the Notes — Part B*"), at a fixed rate of 7.500 per cent. per annum, and from (and including) the First Optional Redemption Date, at the applicable Reset Interest Rate (as defined in "*Terms and Conditions of the Notes — Part B*") per annum, each payable semi-annually in arrear. Payments on the Notes will be made without deduction for or on account of taxes of Switzerland to the extent described herein under "*Terms and Conditions of the Notes — Taxation*". **Payments of interest will be made at the sole discretion of the Issuer and may be subject to mandatory cancellation, as more particularly described herein under "*Terms and Conditions of the Notes – Interest Calculations – Cancellation of Interest; Prohibited Interest*". Any interest not paid as foresaid will not accumulate.**

The Notes are perpetual securities and have no fixed or final redemption date. Unless previously redeemed or purchased and cancelled, and provided that no Write-down Event (as defined herein) has occurred, the Notes may, subject to the satisfaction of certain conditions described herein and applicable law, be redeemed at the option of the Issuer, on the First Optional Redemption Date or on any Reset Date (as defined herein) thereafter, in whole but not in part, at their principal amount plus accrued but unpaid interest thereon. The Notes are also subject to redemption in whole, but not in part, at the option of the Issuer, upon the occurrence of a Tax Event or upon the occurrence of a Capital Event (each as defined herein), as more particularly described in "*Terms and Conditions of the Notes — Redemption, Substitution, Variation and Purchase*". The Notes will constitute direct, unsecured and subordinated obligations of the Issuer and shall rank at all times *pari passu* and without any preference among themselves, as more particularly described herein under "*Terms and Conditions of the Notes — Status of the Notes*" and "*Terms and Conditions of the Notes — Subordination of the Notes*".

**If a Write-down Event occurs, a Write-down (as defined herein) shall occur on the relevant Write-down Date (as defined herein), as more particularly described in "*Terms and Conditions of the Notes — Write-down*". In such circumstances, interest on the Notes shall cease to accrue, the full principal amount of each Note will automatically and permanently be written-down to zero, Holders (as defined herein) will lose their entire investment in the Notes and, except for the payment by the Issuer to Holders of any Accrued Interest on the Notes and any Additional Amounts relating thereto, in each case, if and only to the extent accrued and unpaid prior to the date of the relevant Write-down Notice, all rights of any Holder for payment of any amounts under or in respect of the Notes will become null and void. See "*Risk Factors — The likelihood of an occurrence of a write-down of the Notes is material for the purpose of assessing an investment in the Notes.*" Each Holder and beneficial owner of a Note agrees, by accepting a direct or beneficial interest in such Note, to be bound by and consents to the application of the Write-down.**

The Notes are expected to be provisionally admitted to trading on the SIX Swiss Exchange AG ("SIX Swiss Exchange") from 10 December 2013. The last trading day will be the third dealing day prior to the date on which the Notes are fully redeemed or the Write-down Date, as applicable, in accordance with the Terms and Conditions of the Notes. Application will be made to the SIX Swiss Exchange for listing of the Notes. This Information Memorandum is an advertisement and not a prospectus for the purposes of EU Directive 2003/71/EU (as amended).

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The Notes may not be offered or sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold only (A) in global form in the United States to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("Rule 144A")) in reliance on Rule 144A and (B) in "offshore transactions" to non-U.S. persons (as defined in Regulation S) in reliance on Regulation S. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of section 5 of the Securities Act provided by Rule 144A or Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of this Information Memorandum, see "*Transfer Restrictions and Selling Restrictions*".

The Notes are to be issued in registered form in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof and are represented by Global Certificates (as defined below), without interest coupons. The Notes which are sold in an "offshore transaction" within the meaning of Regulation S ("Regulation S Notes") will initially be represented by a permanent registered global certificate (each a "Regulation S Global Certificate") without interest coupons, which will be deposited with a common depositary on behalf of Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg"). Notes which are sold in the United States to "qualified institutional buyers" (each, a "QIB") within the meaning of Rule 144A ("Rule 144A Notes") will initially be represented by one or more permanent registered global certificates (each a "Rule 144A Global Certificate" and, together with the "Regulation S Global Certificate", the "Global Certificates"), without interest coupons, which will be deposited with a custodian (the "Custodian") for, and registered in the name of Cede & Co. as nominee for, The Depository Trust Company ("DTC"). The provisions governing the exchange of interests in Global Certificates for other Global Certificates and definitive Certificates are described in "*Terms and Conditions of the Notes — Amount, Denomination and Interest Basis and Form*" and "*Terms and Conditions of the Notes — Transfers of Notes*".

The Notes are expected upon issue to be rated BB+ by Fitch Italia S.p.A. ("Fitch") and BB- by Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's"). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**An investment in Notes involves certain risks, including the risk that Holders will lose their entire investment in the Notes. For a discussion of certain of the risks that potential investors should carefully consider before deciding to invest in the Notes, see "*Risk Factors*".**

***Sole Book-Running Manager***

**Credit Suisse**

***Joint Lead Managers***

**Barclays** | **ING** | **Lloyds Bank**

**Natixis** | **Wells Fargo Securities**

***Co- Managers***

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|---|---|---|---|
| **Banco Bilbao Vizcaya Argentaria, S.A.** | **BB Securities** | **BMO Capital Markets** | **BNY Mellon Capital Markets, LLC** |
| **BofA Merrill Lynch** | **Bradesco BBI** | **Capital One Securities** | **CIBC** |
| **Citigroup** | **Commerzbank** | **Credit Agricole CIB** | **Deutsche Bank Securities** |
| **Itaú BBA** | **Morgan Stanley** | **Nordea Markets** | **RBC Capital Markets** |
| **Santander** | **Scotiabank** | **SOCIETE GENERALE** | **SunTrust Robinson Humphrey** |
| **Swedbank AB** | **TD Securities** | **US Bancorp** | **VTB Capital** |

The date of this Information Memorandum is 9 December 2013.

This Information Memorandum may only be used for the purposes for which it has been published.

The Issuer accepts responsibility for all information contained in this Information Memorandum. The information contained in this Information Memorandum is, to the best of the Issuer's knowledge, correct and no material facts or circumstances have been omitted herefrom.

This Information Memorandum is to be read in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Information Memorandum shall be read and construed on the basis that such documents are incorporated and form part of this Information Memorandum.

The Managers (as defined herein under "*Transfer Restrictions and Selling Restrictions*") have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained or incorporated in this Information Memorandum or any other information provided by the Issuer in connection with the Notes.

No person is or has been authorised by the Issuer or the Managers to give any information or to make any representation not contained in or not consistent with this Information Memorandum or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Managers.

To the fullest extent permitted by law, the Managers accept no responsibility whatsoever for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Managers or on their behalf in connection with the Issuer or the issue and offering of the Notes. The Managers accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Information Memorandum or any such statement.

Neither this Information Memorandum nor any other information supplied in connection with the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Managers that any recipient of this Information Memorandum or any other information supplied in connection with the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Information Memorandum nor any other information supplied in connection with the issue of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Managers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Information Memorandum nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the issue of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. Each Manager expressly does not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to its attention.

## STABILISATION

In connection with the issue of the Notes, Credit Suisse Securities (Europe) Limited (the "**Stabilising Manager**") (or any person acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after

the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.

**EACH PURCHASER OF THE NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS THE NOTES OR POSSESSES OR DISTRIBUTES THIS INFORMATION MEMORANDUM AND MUST OBTAIN ANY CONSENT, APPROVAL, OR PERMISSION REQUIRED BY IT FOR THE PURCHASE, OFFER OR SALE BY IT OF THE NOTES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND THE ISSUER AND THE MANAGERS SHALL NOT HAVE ANY RESPONSIBILITY THEREFOR.**

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S and within the United States to QIBs in reliance on Rule 144A. The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "**SEC**"), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or the adequacy of this Information Memorandum. Any representation to the contrary is a criminal offence under the laws of the United States.

To ensure compliance with Treasury Department Circular 230, potential investors are hereby notified that: (a) any discussion of federal tax issues in this document is not intended or written to be relied upon, and cannot be relied upon, by Holders for the purpose of avoiding penalties that may be imposed on them under the Code (as defined herein); (b) such discussion is included herein by the Issuer in connection with the promotion or marketing (within the meaning of Circular 230) by the Issuer of the transactions addressed herein; and (c) Holders should seek advice based on their particular circumstances from an independent tax advisor.

## NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (RSA 421-B) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

## AVAILABLE INFORMATION

For as long as any of the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer has agreed that it will, during any period in which it is neither subject to nor in compliance with the reporting requirements of Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**") nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, furnish, upon request, to any person in whose name such restricted securities are registered, to any owner of a beneficial interest in such restricted securities, and to any prospective purchaser of such restricted securities or beneficial interest therein designated by any such person or beneficial owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

By requesting copies of the documents referred to herein or by making any other requests for additional information relating to the issue of the Notes or to the Issuer, each potential investor agrees to keep confidential the various documents and all written information which from time to time has been or will be disclosed to it, to the extent that such documents or information are not otherwise publicly available, and agrees not to disclose any portion of such information to any person except in connection with the proposed resale of the Notes or as required by law.

## NOTICE TO U.S. INVESTORS

With respect to the issue and sale of the Notes in the United States, this Information Memorandum is confidential and has been prepared by the Issuer solely for use in connection with the issue of the Notes. In the United States, this Information Memorandum is personal to each person or entity to whom it has been delivered by the Issuer or the Managers or affiliates thereof. Distribution in the United States of this Information Memorandum to any person other than such persons or entities and those persons or entities, if any, retained to advise such persons or entities is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited. Each prospective purchaser in the United States, by accepting delivery of this Information Memorandum, agrees to the foregoing and agrees not to reproduce all or any part of this Information Memorandum. This Information Memorandum is not a prospectus for the purposes of Section 12(a)(2) or any other provision of or rule under the Securities Act.

Additionally, each purchaser of any of the Notes will be deemed to have made the representations, warranties and acknowledgements, which are intended to restrict the resale or other transfer of such Notes and which are described in this Information Memorandum (see "*Transfer Restrictions and Selling Restrictions*"). The Notes have not been nor will they be registered under the Securities Act, and they are therefore subject to certain restrictions on transfer. If any Notes are transferred pursuant to Rule 144A, prospective investors are hereby notified that the seller of any Notes may be relying upon the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain further restrictions on resale or transfer of the Notes, see "*Transfer Restrictions and Selling Restrictions*" below.

## SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

Any dispute which might arise under the Notes shall fall within the exclusive jurisdiction of the Courts of Zurich, Switzerland. Furthermore, the Issuer is a corporation organised under the laws of Switzerland. Most of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside Switzerland upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside Switzerland predicated upon

civil liabilities of the Issuer or such directors and officers under laws other than Swiss law, including any judgment predicated upon United States federal securities laws.

## WARNING

This Information Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in such jurisdiction. The distribution of this Information Memorandum and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Neither the Issuer nor the Managers represent that this Information Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers which is intended to permit a public offering of any Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Information Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Information Memorandum and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Notes in the United States, the United Kingdom and Japan, see "*Transfer Restrictions and Selling Restrictions*".

All references in this document to "U.S. dollars", "USD", "U.S.$" and "$" refer to United States dollars and to "CHF" refer to Swiss francs. In addition, all references to "euro" and "EUR" refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended.

## TABLE OF CONTENTS

## SUMMARY

*This summary must be read as an introduction to this Information Memorandum and any decision to invest in the Notes should be based on a consideration of this Information Memorandum as a whole, including the documents incorporated herein by reference.*

*Words and expressions defined in "Terms and Conditions of the Notes" shall have the same meanings when used in this summary.*

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| **Issuer** | Credit Suisse Group AG.<br>Credit Suisse Group AG (together with its consolidated subsidiaries, the "**Group**") is a global financial services company domiciled in Switzerland. |
| **Notes** | U.S.$2,250,000,000 7.500 per cent. Tier 1 Capital Notes. |
| **Risk Factors** | There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes. Certain of these factors are set out under "*Risk Factors*" below and include liquidity risks, market risks, credit risks, cross-border and foreign exchange risks, operational risks, legal and regulatory risks and competition risks, among others. In addition, there are certain factors which are material for the purpose of assessing the risks associated with the Notes. These include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of the Notes including that they are subject to a Write-down upon the occurrence of a Write-down Event, which will result in Holders' loss of their entire investment in the Notes, and certain market risks. |
| **Sole Book-Running Manager** | Credit Suisse Securities (Europe) Limited. |
| **Joint Lead Managers** | Barclays Capital Inc., ING Bank N.V., Lloyds Bank plc, Natixis Securities Americas LLC and Wells Fargo Securities, LLC. |
| **Co-Managers** | Banco Bilbao Vizcaya Argentaria, S.A., Banco Bradesco BBI S.A., BB Securities Limited, BMO Capital Markets Corp., BNY Mellon Capital Markets, LLC, Capital One Securities, Inc., CIBC World Markets Corp., Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Credit Agricole Securities (USA) Inc., Deutsche Bank Securities Inc., Itau BBA USA Securities, Inc., Merrill Lynch International, Morgan Stanley & Co. LLC, Nordea Bank Danmark A/S, RBC Capital Markets, LLC, Santander Investment Securities Inc., Scotia Capital (USA) Inc., SG Americas Securities, LLC, SunTrust Robinson Humphrey, Inc., Swedbank AB (publ), TD Securities (USA) LLC, U.S. Bancorp Investments, Inc. and VTB Capital plc. |
| **Principal Paying Agent** | Citibank, N.A., London Branch. |
| **Swiss Paying Agent and Swiss Listing Agent** | Credit Suisse AG will perform the functions of the Swiss paying agent and Swiss listing agent. |
| **Registrar and Transfer Agent** | Citigroup Global Markets Deutschland AG. |

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| **Currency** | United States dollars. |
| **Maturity Date** | The Notes are perpetual securities and have no fixed or final redemption date. Unless previously redeemed or purchased and cancelled, and provided that no Write-down Event has occurred and subject to the satisfaction of certain conditions described herein and applicable law, the Notes may be redeemed at the option of the Issuer on the First Optional Redemption Date or on any Reset Date thereafter, in whole but not in part, at their principal amount plus accrued but unpaid interest thereon. |
| **Issue Price** | 100 per cent. |
| **Form of Notes** | Registered.<br>The Notes which are sold in an "offshore transaction" within the meaning of Regulation S will initially be represented by a Regulation S Global Certificate, without interest coupons, which will be deposited with a common depositary on behalf of Euroclear and Clearstream, Luxembourg.<br>The Notes which are sold in the United States to QIBs within the meaning of Rule 144A under the Securities Act will initially be represented by a Rule 144A Global Certificate, without interest coupons, which will be deposited with a Custodian for, and registered in the name of Cede & Co. as nominee for, DTC.<br>The provisions governing the exchange of interests in Global Certificates for other Global Certificates and definitive Certificates are described in "*Terms and Conditions of the Notes — Amount, Denomination and Interest Basis and Form*" and "*Terms and Conditions of the Notes — Transfers of Notes*". |
| **Denominations** | U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. |
| **Interest and Interest Payment Dates** | The Notes will bear interest at an initial rate of 7.500 per cent. per annum from (and including) the Issue Date to (but excluding) the First Optional Redemption Date, payable semi-annually in arrear on 11 June and 11 December in each year, commencing on 11 June 2014, and thereafter at the applicable Reset Interest Rate, based on the Mid Market Swap Rate plus 4.598 per cent., payable semi-annually in arrear on 11 June and 11 December in each year. |
| **Discretionary Interest Payments** | Payments of interest will be made at the sole discretion of the Issuer and may be subject to mandatory cancellation, as more particularly described herein under "*Terms and Conditions of the Notes – Interest Calculations – Cancellation of Interest; Prohibited Interest*".<br>Any interest not paid on any relevant Interest Payment Date shall not accumulate or be payable at any time thereafter, and Holders shall have no right thereto whether in a winding-up, dissolution or liquidation of the Issuer or otherwise. |
| **Status of the Notes** | The Notes will constitute direct, unsecured and subordinated obligations of the Issuer and will rank *pari passu* and without any preference among themselves. The rights and claims of Holders are subordinated as described in "*Terms and Conditions of the Notes — Subordination of the Notes*".<br>In the event of an order being made, or an effective resolution being |

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| | passed, for the liquidation or winding-up of the Issuer, subject to certain exceptions as described herein under "*Terms and Conditions of the Notes — Subordination of the Notes — Subordination*", the claims of Holders against the Issuer in respect of or arising under (including, without limitation, any damages awarded for breach of any obligation under) the Notes shall rank (i) junior to all claims of Priority Creditors, (ii) *pari passu* with Parity Obligations and (iii) senior to the rights and claims of all holders of Junior Capital.<br>"**Junior Capital**" means (i) all classes of paid-in capital in relation to shares (and participation certificates, if any) of the Issuer and (ii) all other obligations of the Issuer which rank, or are expressed to rank, junior to claims in respect of the Notes and/or any Parity Obligation.<br>"**Parity Obligations**" means (i) all obligations of the Issuer in respect of CSG Tier 1 Instruments (excluding any such obligations that rank, or are expressed to rank, junior to claims in respect of the Notes) and (ii) any other securities or obligations (including any guarantee, credit support agreement or similar undertaking) of the Issuer that rank, or are expressed to rank, *pari passu* with claims in respect of the Notes and/or any Parity Obligation.<br>"**Priority Creditors**" means creditors of the Issuer whose claims are in respect of debt and other obligations (including those in respect of bonds, notes, debentures and guarantees) which are unsubordinated, or which are subordinated (including, but not limited to, CSG Tier 2 Instruments) and which do not, or are not expressly stated to, rank *pari passu* with, or junior to, the obligations of the Issuer under the Notes and/or any Parity Obligation. |
| **Redemption, Substitution or Variation** | Unless previously redeemed or purchased and cancelled, and provided that a Write-down Event has not occurred on or prior to the applicable date fixed for redemption and subject to certain conditions as described herein under "*Terms and Conditions of the Notes — Redemption, Substitution, Variation and Purchase*", the Notes will be redeemable at the option of the Issuer, in whole but not in part, upon giving not less than 30 nor more than 60 days' notice to Holders notifying the date fixed for redemption, in the following circumstances:<br>(i) at their principal amount plus accrued but unpaid interest thereon, on the First Optional Redemption Date or on any Reset Date thereafter;<br>(ii) at their principal amount plus accrued but unpaid interest thereon, if a Tax Event occurs; or<br>(iii) at their principal amount plus accrued but unpaid interest thereon, if the event described in paragraph (a) of the definition of Capital Event occurs; or<br>(iv) at the Capital Event (b) Redemption Amount plus accrued but unpaid interest thereon, if the event described in paragraph (b) of the definition of Capital Event occurs.<br>If a Tax Event or a Capital Event has occurred and is continuing, the Issuer |

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| | may, subject to certain conditions as described herein under "*Terms and Conditions of the Notes — Redemption, Substitution, Variation and Purchase*", at its option and without any requirement for the consent or approval of Holders (unless required by the mandatory provisions of Swiss law), either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that the Notes remain or, as appropriate, become, Compliant Securities (and provided such Tax Event or, as the case may be, Capital Event, no longer continues following, and no other Tax Event or Capital Event arises as a result of, such substitution or variation), as more particularly described in "*Terms and Conditions of the Notes — Redemption, Substitution, Variation and Purchase*".<br><br>A Tax Event will be deemed to have occurred if in making any payments on the Notes, the Issuer has paid or will or would on the next payment date be required to pay Additional Amounts or has paid, or will or would be required to pay, any additional tax in respect of the Notes being in issue, as more fully described under "*Terms and Conditions of the Notes — Redemption, Substitution, Variation and Purchase*".<br><br>A "**Capital Event**" will be deemed to have occurred if:<br><br>(a) a change in National Regulations and/or BIS Regulations occurs on or after the Issue Date having the effect that the Notes cease to be eligible in their entirety to be treated as both (i) Additional Tier 1 Capital under BIS Regulations and (ii) Progressive Component Capital under National Regulations (whether due to the elimination of Progressive Component Capital or otherwise); or<br><br>(b) a change in National Regulations occurs on or after the Issue Date that does not result in a Capital Event under paragraph (a) above, but has the effect that the Minimum Progressive Component Capital Amount is reduced or eliminated, and the Progressive Component Capital Amount as at any Reporting Date falling during the period of 180 days following such change taking effect, less any amount that is included therein as a result of the allocation by CSG of Common Equity Tier 1 Capital to Progressive Component Capital pursuant to and in accordance with the Capital Adequacy Ordinance, exceeds the Minimum Progressive Component Capital Amount. |
| **Write-down** | **Following the occurrence of a Contingency Event or a Viability Event, a Write-down will occur and the full principal amount of the Notes will automatically and permanently be written-down to zero on the Write-down Date.**<br><br>A Write-down will result in the full principal amount of the Notes being automatically and permanently written-down to zero and, except as described in the following paragraph, all rights of Holders for payment of any amounts under or in respect of the Notes (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Event of Default) becoming null and void, irrespective of whether such amounts became due and payable prior to the occurrence of the Write-down Event, the date of the Write-down Notice or the Write-down Date. As |

a result, Holders will lose their entire investment in the Notes.

A Write-down also requires the Issuer to pay to Holders any Accrued Interest on the Notes and any Additional Amounts relating thereto, in each case, if and only to the extent accrued and unpaid prior to the date of the relevant Write-down Notice. Upon payment of such amounts, if any, against surrender of the Certificate representing the relevant Note(s), such Certificate and Note(s) will be permanently cancelled.

A "**Write-down Event**" means either a Contingency Event or a Viability Event.

A "**Contingency Event**" will occur if CSG (or any Substitute Issuer) gives Holders a Contingency Event Notice.

CSG (or any Substitute Issuer) is required to give Holders a Contingency Event Notice (within the required notice period) if the sum of (x) the CET1 Ratio contained in the relevant Financial Report and (y) the Higher Trigger Capital Ratio, is below 5.125 per cent.

Notwithstanding the above, if the Regulator (being, at the Issue Date, the Swiss Financial Market Supervisory Authority FINMA), at the request of CSG, has agreed on or prior to the publication of the relevant Financial Report that a Write-down shall not occur because it is satisfied that actions, circumstances or events have had, or imminently will have, the effect of restoring the CET1 Ratio to a level above 5.125 per cent. that the Regulator and CSG deem, in their absolute discretion, to be adequate at such time, CSG (or any Substitute Issuer) will not be required to give Holders a Contingency Event Notice and no Contingency Event in relation thereto shall be deemed to have occurred.

Subject to the above, CSG (or any Substitute Issuer) is required to give Holders a Contingency Event Notice no later than five business days after the date of publication of the relevant Financial Report, provided however that if any Higher Trigger Capital Instruments are outstanding on the relevant Reporting Date, the date on which CSG (or any Substitute Issuer) will give the Contingency Event Notice (and, consequently, on which the Contingency Event will occur) will instead be the latest effective date on which all such Higher Trigger Capital Instruments are irrevocably assured to be converted into equity and/or written-down/off (or otherwise operated on to increase the CET1 Amount), whether through an irrevocable notice being given to the holders thereof or otherwise.

A "**Viability Event**" will occur if either:

(a) the Regulator has notified CSG that it has determined that a write-down of the Notes, together with the conversion or write-down/off of holders' claims in respect of any and all other Progressive Component Capital Instruments, Buffer Capital Instruments, Tier 1 Instruments and Tier 2 Instruments that, pursuant to their terms or by operation of law, are capable of being converted into equity or written down/off at that time is, because customary measures to improve CSG's capital adequacy are at the time inadequate or unfeasible, an essential requirement to prevent CSG from becoming insolvent, bankrupt or unable to pay a material part of its debts as they fall due, or from

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| | ceasing to carry on its business; or<br>(b) customary measures to improve CSG's capital adequacy being at the time inadequate or unfeasible, CSG has received an irrevocable commitment of extraordinary support from the Public Sector (beyond customary transactions and arrangements in the ordinary course) that has, or imminently will have, the effect of improving CSG's capital adequacy and without which, in the determination of the Regulator, CSG would have become insolvent, bankrupt, unable to pay a material part of its debts as they fall due or unable to carry on its business.<br>Following the occurrence of a Viability Event, CSG (or any Substitute Issuer) is required to give notice to Holders within three business days after the occurrence thereof.<br>See "*Terms and Conditions of the Notes — Write-down*" for more information.<br>**Each Holder and Indirect Holder agrees, by accepting an interest in such Note, to be bound by and consents to the application of the Write-down.** |
| **Taxation** | The Issuer will pay such Additional Amounts as may be necessary in order that the net payment received by each Holder in respect of the Notes, after withholding for any taxes imposed on the Issuer by tax authorities in Switzerland (or in any political subdivision thereof or therein having power to tax) upon payments made by or on behalf of the Issuer under the Notes will equal the amount which would have been received in the absence of any such withholding taxes, save in certain limited circumstances as more particularly set out in "*Terms and Conditions of the Notes — Taxation*". For a discussion of the U.S. federal income tax treatment of the Notes, see "*Taxation — United States*". |
| **ERISA** | The Notes may be purchased by (i) an "employee benefit plan" as defined in and subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (ii) a plan, account or other arrangement subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), (iii) any plan (such as a governmental plan (as defined in Section 3(32) of ERISA), a non-U.S. plan (as described in Section 4(b)(4) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA and that have made no election under Section 410(d) of the Code)), account or arrangement that, while not subject to Title I of ERISA or Section 4975 of the Code, is subject to substantially similar provisions of any U.S. federal, state or local law, or non-U.S. law ("**Similar Law**") or (iv) any entity whose underlying assets include, or are deemed for the purposes of ERISA, the Code or any Similar Law to include, plan assets of any such employee benefit plan or other plan, account or arrangement, each as described in (i), (ii) or (iii), subject to certain conditions. Each purchaser of a Note and/or Holder and each transferee thereof will be deemed to have made certain representations regarding these matters. See "*ERISA Considerations*". |
| **Events of Default** | It will be an Event of Default if payment is not made for a period of ten |

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| | days or more in the case of principal or thirty days or more in the case of interest due in respect of the Notes or an order is made or a resolution passed for the winding-up, dissolution or liquidation of the Issuer or certain measures are taken under Swiss bankruptcy or insolvency law with respect to the Issuer. Holders have limited enforcement remedies, as more particularly described in "*Terms and Conditions of the Notes — Events of Default*". |
| **Issuer Substitution** | Holders will be deemed to have acknowledged, and explicitly consented to, the fact that the Issuer may at any time, at the discretion of the Issuer and without any requirement for the further consent of Holders, be substituted as Issuer by another entity, provided certain conditions (including the giving by CSG of a subordinated guarantee) are satisfied, as more particularly described in "*Terms and Conditions of the Notes — Meetings of Holders, Modification and Substitution — Issuer Substitution*". |
| **Use of Proceeds** | The net proceeds from the Notes, amounting to U.S.$2,205,000,000, will be used by the Issuer for its general corporate purposes, which could include investments in its subsidiaries. |
| **Expected Rating** | The Notes are expected upon issue to be rated BB+ by Fitch and BB- by Standard & Poor's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, modification or withdrawal at any time by the assigning rating agency. |
| **Listing and Admission to trading** | Application will be made to the SIX Swiss Exchange for listing of the Notes. The Notes are expected to be provisionally admitted to trading on the SIX Swiss Exchange from 10 December 2013. The last trading day will be the third dealing day prior to the date on which the Notes are fully redeemed or the Write-down Date, as applicable, in accordance with the Terms and Conditions of the Notes. |
| **Clearing Systems** | The Notes shall be accepted for clearing through, in the United States, DTC and, outside the United States, the systems operated by Euroclear, Clearstream, Luxembourg and SIX SIS AG. As the Global Certificates are to be held by, or on behalf of, DTC, Euroclear and Clearstream, Luxembourg, Holders will have to rely on their procedures for transfers of, and payments on, the Notes and communications with the Issuer. |
| **Governing Law** | Swiss law. |
| **Jurisdiction** | Upon an Event of Default under the Notes, Holders will have only limited enforcement remedies in the case of enforcing payment of sums due.<br>Following an Event of Default and non payment of the relevant sums due within a statutory period following the issue of a writ of payment as required by Swiss insolvency laws, Holders may only institute proceedings against CSG in Switzerland (but not elsewhere) to enforce their rights under Swiss insolvency laws. |
| **Transfer Restrictions and Selling Restrictions** | The Notes are subject to restrictions on their offering, sale, delivery and transfer both generally and specifically in the United States, the United Kingdom and Japan. These restrictions are described under "*Transfer Restrictions and Selling Restrictions*" and "*ERISA Considerations*". |

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| **Rule 144A** | Offers and sales in accordance with Rule 144A under the Securities Act will be permitted, subject to compliance with all relevant, legal and regulatory requirements of the United States. |
| **Regulation S** | Offers and sales in accordance with Regulation S under the Securities Act will be permitted, subject to compliance with all relevant, legal and regulatory requirements of the United States. |
| **Security Codes** | *Rule 144A Notes*<br>CUSIP: 22546D AB2<br>ISIN: US22546DAB29<br>Common code: 100338467<br>Swiss Security Number: 23059119<br><br>*Regulation S Notes*<br>CUSIP: H9200R AA9<br>ISIN: XS0989394589<br>Common code: 098939458<br>Swiss Security Number: 23059334 |

# RISK FACTORS

*Investing in the Notes involves risk, including the risk of loss of a Holder's entire investment in the Notes. Investors should reach their own investment decision with regard to the Notes only after consultation with their own financial and legal advisers about risks associated with an investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances.*

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under, and may affect the likelihood of an occurrence of the write-down of, the Notes.*

*In addition, certain factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes or a Write-down Event triggering a Write-down may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently anticipate. Prospective investors should give careful consideration to the following risk factors in evaluating the merits and suitability of an investment in the Notes. The information is not intended to be an exhaustive list of all potential risks associated with an investment in the Notes. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.*

*Capitalised terms used in this section but not defined herein shall have the meanings assigned to them elsewhere in this Information Memorandum.*

## Factors which are material for the purpose of assessing an investment in the Notes

***The likelihood of an occurrence of a write-down of the Notes is material for the purpose of assessing an investment in the Notes. The Notes may be subject to a Write-down and upon the occurrence of such an event you will lose all of your investment in the Notes.***

**Upon the occurrence of a Contingency Event or a Viability Event, a Write-down will occur and the full principal amount of the Notes will be automatically and permanently written-down to zero. As a result, Holders will lose the entire amount of their investment in the Notes. On the Write-down Date, (i) the full principal amount of the Notes will be written-down to zero, (ii) the Issuer will pay interest on such Notes (and any related Additional Amounts) if and to the extent accrued and unpaid from (and including) the Interest Payment Date immediately preceding the date of the relevant Write-down Notice (or, if none, from the Issue Date) to (but excluding) the date of such Write-down Notice and (iii) except as described in (ii) above, all rights for payment of any amounts under or in respect of the Notes (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Event of Default) will become null and void, irrespective of whether such amounts have become due and payable prior to the occurrence of the Write-down Event, the date of the Write-down Notice or the Write-down Date.**

Furthermore, any Write-down will be irrevocable and, upon the occurrence of a Write-down, Holders will not (i) receive any shares or other participation rights in CSG or be entitled to any other participation in the upside potential of any equity or debt securities issued by CSG or any other member of the Group, or (ii) be entitled to any write-up or any other compensation in the event of a potential recovery of CSG or any other member of the Group or any subsequent change in the CET1 Ratio, Higher Trigger Capital Ratio or financial

condition thereof. The Write-down may occur even if existing preference shares, participation certificates and ordinary shares of CSG remain outstanding.

A Write-down Event will occur if at any time while the Notes are outstanding, a Contingency Event or Viability Event occurs.

A Contingency Event will occur if the Issuer or, following any substitution under Condition 13(c) of the Terms and Conditions of the Notes, the Substitute Issuer or CSG gives Holders a Contingency Event Notice. A Contingency Event Notice shall be required to be given if the sum of (i) the CET1 Ratio and (ii) the Higher Trigger Capital Ratio, calculated as of certain specified dates, falls below 5.125 per cent., unless the Regulator, at the request of CSG, agrees that a Write-down should not occur – for more information, see "*Terms and Conditions of the Notes — Write-down*".

A Viability Event will occur if the Regulator makes the determination that the circumstances described in paragraph (A) or paragraph (B) of the definition of "Viability Event" has occurred – for more information, see "*Terms and Conditions of the Notes — Write-down*". Any such event could occur before formal insolvency proceedings would be commenced in respect of CSG.

Investors should understand that the determination of whether a Write-down Event has occurred will be made on the basis of the CET 1 Ratio and the Higher Trigger Capital Ratio calculated by CSG with respect to the Group and other circumstances relating to CSG. For more information on CSG, see "*Credit Suisse Group AG*" below, and for more information on the possibility of the Swiss Financial Market Supervisory Authority FINMA's ("**FINMA**") increased authority in case of resolution proceedings involving banks in Switzerland, see "*Risk Factors — Legal and regulatory risk — Regulatory changes may adversely affect CSG's business and ability to execute its strategic plans*".

Investors should note that, as at the date hereof, the agreed-upon procedures referred to in the definition of Interim Capital Report in Condition 18 will be provided solely for the exclusive use of FINMA and cannot be relied upon by any person other than FINMA without the written consent of the Auditor.

Each Holder and beneficial owner of a Note agrees, by accepting a direct or beneficial interest in such Note, to be bound by and consents to the application of the Write-down.

***The circumstances triggering a Write-down are unpredictable. Future regulatory or accounting changes to the calculation of the CET1 Amount and/or RWA Amount may negatively affect the CET1 Ratio and/or the Higher Trigger Capital Ratio and thus increase the risk of a Contingency Event, which will lead to a Write-Down, as a result of which Holders will lose their entire investment in the Notes.***

The occurrence of a Contingency Event or Viability Event is inherently unpredictable and depends on a number of factors, many of which are outside of the Issuer's control.

The occurrence of a Contingency Event depends, in part, on the calculation of the CET1 Ratio, which can be affected, among other things, by the growth of CSG's business and its future earnings; expected dividend payments by CSG; regulatory changes (including possible changes in regulatory capital definitions and calculations) and CSG's ability to mitigate RWAs in exit businesses, structured products, emerging markets and derivatives. The calculation may also be affected by changes in applicable accounting rules, or by changes to regulatory adjustments modifying the regulatory capital impact of accounting rules. Moreover, even if changes in applicable accounting rules or the related changes to regulatory adjustments are not applicable as of the relevant calculation date, the Regulator could require CSG to reflect such changes in any particular calculation of the CET1 Ratio. Those accounting changes or regulatory changes may have a material adverse impact on the calculation of the CET1 Amount and RWA Amount used to calculate the CET1 Ratio. Moreover, pursuant to the Capital Adequacy Ordinance, CSG is permitted to allocate Common Equity

Tier 1 Capital to Progressive Component Capital so long as at the time of, and immediately after giving effect to, such re-allocation the Common Equity Tier 1 Capital does not fall below the amount required under the Capital Adequacy Ordinance at such time. If it were to choose to do so, any such Common Equity Tier 1 Capital would no longer be included in the CET1 Ratio and the CET1 Ratio would be reduced accordingly. Any such re-allocation could make the occurrence of a Contingency Event more likely and would not be subject to any approval or consent by Holders or any beneficial owner of a Note. Furthermore, although CSG reports the CET1 Ratio only as of each quarterly period end, the Regulator as part of its supervisory activity may instruct CSG to calculate the CET1 Ratio as of any date during such periods. The CET1 Ratio and other capital metrics fluctuate during any reporting period in the ordinary course of business. In addition, the occurrence of a Contingency Event depends on the Higher Trigger Capital Ratio, which is the ratio (expressed as a percentage) of the Higher Trigger Capital Amount divided by the RWA Amount. The Higher Trigger Capital Ratio can fluctuate with the issuance of additional Higher Trigger Capital Instruments, the redemption of these instruments, or with changes in the RWA Amount as described above. A Contingency Event could, therefore, occur at any time if the sum of (i) the CET1 Ratio and (ii) the Higher Trigger Capital Ratio as of any such date is below 5.125 per cent. For additional information on CSG's capital ratios and the relevant regulatory framework including expected effects of the phase-in requirements on the calculation of the CET1 Ratio, see "*Information Regarding the CET1 Ratio and Swiss Capital Ratios*" below.

Furthermore, changes that may occur to the Capital Adequacy Ordinance subsequent to the date of this Information Memorandum, and changes to the basis of CSG's calculation of the CET1 Ratio resulting therefrom, may individually or in the aggregate negatively affect the CET1 Ratio and thus increase the risk of a Write-down, as a result of which Holders will lose their entire investment in the Notes and have no further rights against the Issuer with respect to the repayment of the principal amount of the Notes or the payment of interest on the Notes for any period from the date of the relevant Write-down Notice.

The occurrence of a Viability Event, and a Write-down resulting therefrom, is subject to, *inter alia*, a subjective determination by the Regulator as more particularly described below and in "*Terms and Conditions of the Notes — Write-down — Write-down Event — Viability Event*". As a result, the Regulator may require and/or the federal government may take actions contributing to the occurrence of a Write-down in circumstances that are beyond the control of CSG and with which CSG does not agree.

The Regulator may notify CSG that it has determined that a write-down of the Notes, together with the conversion or write-off of holders' claims in respect of any and all other Progressive Component Capital Instruments, Buffer Capital Instruments, Tier 1 Instruments and Tier 2 Instruments that, pursuant to their terms or by operation of law, are capable of being converted into equity or written off at that time is, because customary measures to improve CSG's capital adequacy are, at the time, inadequate or unfeasible, an essential requirement to prevent CSG from becoming insolvent, bankrupt or unable to pay a material part of its debts as they fall due, or from ceasing to carry on its business. Additionally, if measures to improve CSG's capital adequacy are at the time inadequate or unfeasible and if CSG has received an irrevocable commitment of extraordinary support from the federal or central government or central bank in CSG's country of incorporation (beyond customary transactions and arrangements in the ordinary course) that has, or imminently will have, the effect of improving CSG's capital adequacy, the Regulator may determine that, without such irrevocable commitment, CSG would have become insolvent, bankrupt, unable to pay a material part of its debts as they fall due or unable to carry on its business. Such a notification or determination by the Regulator will constitute a Viability Event.

Because of the inherent uncertainty regarding the determination as to whether a Contingency Event or a Viability Event has occurred, it will be difficult to predict when, if at all, a Write-down will occur. Accordingly, trading behaviour in respect of the Notes is not necessarily expected to follow trading behaviour associated with other types of securities. Any indication that CSG is trending towards a condition that could

trigger a Contingency Event or a Viability Event can be expected to have a material adverse effect on the market price of the Notes.

***Interest payments may be cancelled.***

Payment of interest on any Interest Payment Date is at the sole discretion of the Issuer. The Issuer may elect not to pay interest, in whole or in part, on any Interest Payment Date. Cancellation may be mandatory in certain cases, as more particularly described under "*Terms and Conditions of the Notes – Interest Calculations – Cancellation of Interest; Prohibited Interest*". Any such cancelled interest payment will not accumulate.

***Other regulatory capital instruments may not be subject to a write-down.***

The terms and conditions of other regulatory capital instruments already in issue or to be issued after the date hereof by CSG or any of its Subsidiaries may vary and accordingly such instruments may not convert into equity or be written-down at the same time, or to the same extent, as the Notes, or at all. In particular, regulatory capital instruments qualifying as Higher Trigger Capital Instruments with respect to the Notes may not be converted or written-down in case of the occurrence of a Contingency Event if the relevant threshold for triggering a conversion or write down, as the case may be, under those instruments is calculated differently.

***The Notes are a novel form of security and may not be a suitable investment for all investors.***

The Notes are a novel form of security. As a result, an investment in the Notes will involve certain increased risks. Each potential investor in the Notes must determine the suitability of such investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Information Memorandum;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes, such as the provisions governing a Write-down, particularly the calculation of the CET1 Ratio, the CET1 Amount, the RWA Amount and the Higher Trigger Capital Ratio, as well as under what circumstances a Write-down Event will or may be deemed to occur, and be familiar with the behaviour of any relevant financial markets and their potential impact on the likelihood of a Write-down Event, a Capital Event or a Tax Event occurring; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment, the Write-down of the Notes, and its ability to bear the applicable risks.

The Notes are novel and complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the knowledge and expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the likelihood of a Write-down, and the impact this investment will have

on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Information Memorandum or incorporated by reference herein.

***The Notes are subject to the provisions of the laws of Switzerland, which may change and have a material adverse effect on the terms and market value of the Notes.***

The Terms and Conditions of the Notes are based on Swiss law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to Swiss law or administrative practice after the date of this Information Memorandum.

Changes in the laws of Switzerland after the date hereof may also affect the rights and effective remedies of Holders as well as the market value of the Notes. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Notes, which may have an adverse effect on investment in the Notes.

In particular, any amendment of the Swiss Banking Act or any amendment or implementation of an implementing ordinance in respect of the provisions in the Swiss Banking Act could impact the calculation of the CET1 Ratio, the CET1 Amount and the RWA Amount. Because the occurrence of a Contingency Event depends, in part, on the calculation of the CET1 Ratio, any change in Swiss law that could affect the calculation of the CET1 Ratio could also affect the determination of whether a Contingency Event has occurred. This uncertainty relates to one of the principal terms of the Notes and any uncertainty regarding this term can be expected to have an adverse effect on the market value of the Notes.

Furthermore, on 24 August 2011, Swiss Federal Council issued draft legislation which, if enacted, may require a paying agent in Switzerland to deduct Swiss withholding tax on any payment of interest in respect of a Note to certain Holders. This may have an adverse effect on investment in the Notes. For more information, see "*Risk Factors — Potential changes in Swiss withholding tax legislation*" below.

In addition, any change in (i) the National Regulations and/or BIS Regulations that occurs on or after the Issue Date having the effect that the Notes cease to be eligible in their entirety to be treated as both Progressive Component Capital under National Regulations (whether due to the elimination of Progressive Component Capital or otherwise) and Additional Tier 1 Capital under BIS Regulations or (ii) the National Regulations that occurs on or after the Issue Date that does not result in the occurrence of an event described under clause (i) above but has the effect that the minimum amount of Progressive Component Capital of the Group required under National Regulations is reduced or eliminated, and the Progressive Component Capital of the Group as at a specified period thereafter, less any amount that is included therein as a result of the allocation by CSG of Common Equity Tier 1 Capital to Progressive Component Capital pursuant to and in accordance with relevant regulations, exceeds the minimum amount of Progressive Component Capital the Group is required to have under National Regulations, would trigger a Capital Event, and any change under the laws or regulations of Switzerland, including any treaty to which Switzerland is a party, or any change in the generally published application or interpretation of such laws, including a decision of any court or tribunal or any relevant tax authority, that would cause the Issuer to have to pay Additional Amounts under the Notes would trigger a Tax Event, at which time the Issuer has the option, subject to certain conditions (i) to substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Compliant Securities, or (ii) to redeem the Notes in whole but not in part. In any such case, the Notes could cease to be outstanding, which could materially and adversely affect investors and frustrate investment strategies and goals.

In addition, such legislative and regulatory uncertainty could affect an investor's ability accurately to value the Notes and therefore affect the trading price of the Notes given the extent and impact on the Notes of one or more regulatory or legislative changes, including the ones described above.

***In certain instances the Issuer could substitute or vary the terms of the Notes and Holders may be bound by certain other amendments to the Notes to which they did not consent.***

If at any time a Capital Event or a Tax Event occurs and is continuing, in addition to its option to redeem the Notes, the Issuer has the option, without the need for any consent of Holders (unless then so required by the mandatory provisions of Swiss law), to substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Compliant Securities, as described under "*Terms and Conditions of the Notes — Redemption, Substitution, Variation and Purchase*". While the Issuer cannot so substitute the Notes for securities that have, or so vary the terms of the Notes so that they have, economic terms materially less favourable to a Holder than the terms of the Notes, no assurance can be given as to whether any such substitution or variation will negatively affect any particular Holder. In addition, the tax and stamp duty consequences of holding such substituted or varied Notes could be different for some categories of Holders from the tax and stamp duty consequences for them of holding the Notes.

In addition, the Notes are subject to statutory provisions of Swiss law allowing for the calling of meetings of Holders to consider matters affecting their interests. These provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

Pursuant to the mandatory provisions of Swiss law currently in effect, (i) the Issuer will be required to provide Holders with a least 20 days notice of any meeting of Holders, (ii) the Issuer will be required to call a meeting of Holders if it is requested to do so by Holders holding Notes in an aggregate principal amount that represents at least one-twentieth of the outstanding aggregate principal amount of the Notes, and (iii) only Holders or their proxies will be entitled to attend, or vote at, a meeting of Holders.

In addition, the requirements under Swiss law currently in effect regarding the approval by Holders of amendments to the Terms and Conditions of the Notes will depend on the type of amendment. Pursuant to article 1170 of the Swiss Code of Obligations, the consent of Holders representing at least two-thirds of the outstanding aggregate principal amount of the Notes is required for any resolution limiting Holders' rights under the Terms and Conditions of the Notes (such as a moratorium on interest or capital and certain amendments to the interest provisions). In addition, in order to become effective and binding on the non-consenting Holders, any such resolution must be approved by the competent superior cantonal composition court. In the case of resolutions that do not limit Holders' rights under the Terms and Conditions of the Notes, pursuant to article 1181 of the Swiss Code of Obligations, an absolute majority of the votes represented at a meeting of Holders is sufficient to approve any such resolution, unless article 1170 of the Swiss Code of Obligations or the Terms and Conditions of the Notes provide for more stringent requirements.

***Holders will bear the risk of fluctuations in the CET1 Ratio and/or the Higher Trigger Capital Ratio.***

The market price of the Notes is expected to be affected by fluctuations in the CET1 Ratio and/or the Higher Trigger Capital Ratio. Fluctuations in the CET1 Ratio may be caused by changes in the CET1 Amount and/or the RWA Amount (each of which shall be calculated by CSG on a consolidated basis), as well as changes to their respective definitions under relevant capital adequacy standards and guidelines. Any indication that the CET1 Ratio is trending towards a Contingency Event can be expected to have a material adverse effect on the market price of the Notes. Changes in the Higher Trigger Capital Ratio may be caused by changes in the Higher Trigger Capital Amount and/or the RWA Amount (each of which shall be calculated by CSG on a consolidated basis).

***The interest rate on the Notes will reset on the First Optional Redemption Date, which can be expected to affect the interest payment on an investment in the Notes and the market value of the Notes.***

The Notes will initially earn interest at a fixed rate of 7.500 per cent. per annum until (but excluding) the First Optional Redemption Date. From (and including) the First Optional Redemption Date, however, the interest rate will be reset to a rate, which will equal the aggregate of 4.598 per cent. and the Mid Market Swap Rate in relation to the relevant Reset Interest Period. This reset rate could be less than 7.500 per cent. and could affect the market value of an investment in the Notes.

***The Notes are perpetual securities.***

The Notes are perpetual securities, which means they have no scheduled repayment date. The Issuer is under no obligation to redeem the Notes at any time before the date on which voluntary or involuntary liquidation proceedings are instituted in respect of the Issuer (should such proceedings ever be instituted). Holders will have no right to call for their redemption.

***The Issuer may, in its sole discretion, elect to redeem the Notes early upon the occurrence of certain events.***

The Notes may be redeemed early, subject to the conditions described under "*Terms and Conditions of the Notes — Redemption, Substitution, Variation and Purchase*" including the approval of the Regulator, in the Issuer's sole discretion, in whole but not in part, in the case of an Optional Redemption, a Tax Event or an event described in paragraph (a) of the definition of Capital Event, at their principal amount or, in the case of an event described in paragraph (b) of the definition of Capital Event, at their Capital Event (b) Redemption Amount, in each case together with accrued but unpaid interest, in certain circumstances including, on the First Optional Redemption Date and on each Reset Date thereafter, and at any time upon the occurrence of a Tax Event or a Capital Event. The Notes may not be repurchased or redeemed by CSG at the option of the Holder.

CSG may be expected to exercise its right to redeem all or part of the Notes when its cost of alternative borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider whether and how to reinvest the proceeds of such redemption in light of other investments available at that time. There can be no assurance that Holders will be able to reinvest the redemption proceeds at a rate that will provide the same rate of return as their investment in the Notes.

In addition, the early redemption feature of the Notes is likely to affect their market value. During any period when the Issuer has the right to elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

There is no requirement to redeem the Notes or any other capital instruments of the Group on a pro rata basis upon the occurrence of any event giving the Issuer the right to redeem the Notes early. Also, upon the occurrence of any event giving the Issuer the right to redeem the Notes early, the Issuer or any other member of the Group, as applicable, may, instead of redeeming the Notes, choose to redeem other outstanding capital instruments if the terms of those capital instruments so provide, leaving Holders subject to the risk of a Write-down while other investors are redeemed at par or other advantageous prices.

For further information, please see "*Terms and Conditions of the Notes — Redemption, Substitution, Variation and Purchase*".

***The obligations of the Issuer under the Notes are subordinated.***

In the event of the liquidation, dissolution or winding-up of CSG prior to a Write-down having occurred, the rights and claims of Holders against CSG in respect of or arising under (including, without limitation, any damages awarded for breach of any obligation under) the Notes shall rank junior to all claims of Priority Creditors, *pari passu* with Parity Obligations and senior to the rights and claims of all holders of Junior Capital.

Therefore, if CSG were liquidated, dissolved or wound-up, CSG's liquidator would first apply assets of CSG to satisfy all claims of holders of unsubordinated obligations and subordinated obligations of CSG except subordinated obligations of CSG in respect of CSG Tier 1 Instruments, or Priority Creditors, respectively. If CSG does not have sufficient assets to settle claims of Priority Creditors in full, the claims of Holders will not be settled and, as a result, Holders will lose the entire amount of their investment in the Notes. The Notes will share equally in payment with the subordinated obligations of CSG in respect of CSG Tier 1 Instruments, or Parity Obligations, if CSG does not have sufficient funds to make full payments on all of them. In such a situation, Holders could lose all or part of their investment.

In addition, upon the occurrence of a Write-down prior to the liquidation, dissolution or winding-up of CSG, the full principal amount of the Notes will be automatically and permanently written-down to zero on the Write-down Date, and, as a result, each Holder will lose the entire amount of its investment in the Notes, and will not have any rights against CSG with respect to repayment of the principal amount of the Notes (whether or not such principal amount has become due) or the payment of interest on such notes (or any related Additional Amounts) for any period prior to (and excluding) the most recent Interest Payment Date and from (and including) the date of the Write-down Notice, irrespective of whether CSG has sufficient assets available to settle the claims of Holders under the Notes or other securities subordinated to the same or greater extent than the Notes, in liquidation, dissolution or winding-up proceedings or otherwise. As a result, even if other notes that rank *pari passu* with or junior to the Notes are paid in full, if the liquidation, dissolution or winding-up of CSG occurs after the Write-down, Holders will receive only the Accrued Interest (and any related Additional Amounts) that had accrued prior to the date of the Write-down Notice.

***There are limited remedies available under the Notes.***

In accordance with the Basel III requirements for additional tier 1 instruments, and as more particularly described in "*Terms and Conditions of the Notes — Events of Default*", the Notes contain limited Events of Default, confined to non-payment of sums due on the Notes for specified periods and the commencement of proceedings for the winding up, dissolution or liquidation of CSG or, *inter alia*, the taking of certain proceedings under Swiss bankruptcy and insolvency laws in relation to CSG.

Upon an Event of Default, Holders have only limited enforcement remedies, in the case of enforcing payment of sums due, to instituting proceedings for the winding-up, dissolution or liquidation of the Issuer. Following an Event of Default and non payment of the relevant sums due within a statutory period following the issue of a writ of payment as required by Swiss insolvency laws, Holders may only institute proceedings against CSG in Switzerland (but not elsewhere) to enforce their rights under Swiss insolvency laws.

Furthermore, even in the event of the liquidation, dissolution or winding-up of CSG, if a Write-down occurs before such event, the claim that a Holder could submit in the relevant proceedings would be limited to the amount of any Accrued Interest (and any related unpaid Additional Amounts) that had accrued prior to the date of the Write-down Notice.

***There is no restriction on the amount or type of further securities or indebtedness which CSG may issue.***

There is no restriction on the amount or type of further securities or indebtedness which CSG may issue, incur or guarantee, as the case may be, which rank senior to, or *pari passu* with the Notes. The issue or guaranteeing of any such further securities or indebtedness may limit the ability of CSG to meet its respective obligations under the Notes.

***Credit ratings may not reflect all risks. Changes to the credit ratings could affect the value of the Notes.***

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. The Notes are expected upon issue to be rated BB+ by Fitch and BB- by Standard & Poor's. There can be no assurance that the methodology of these rating agencies will not evolve or that such ratings will not be suspended, reduced or withdrawn at any time by Fitch or Standard & Poor's. Further, such credit rating may be revised downwards in the event of a deterioration in the capital position or viability of CSG. A rating is not a recommendation to buy, hold or sell securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

***The Global Certificates are held by or on behalf of DTC, Euroclear and Clearstream, Luxembourg and investors will have to rely on their procedures for transfer, payment, voting and communication with the Issuer.***

The Notes are represented by Global Certificates, the Regulation S Global Certificate deposited with a common depositary for Euroclear and Clearstream, Luxembourg and the Rule 144A Global Certificate deposited with the Custodian for DTC. Except in certain limited circumstances described in the Global Certificates, investors will not be entitled to receive Notes in definitive form. Euroclear, Clearstream, Luxembourg and DTC will maintain records of the beneficial interests in the Global Certificates. While the Notes are represented by one or more Global Certificates, investors will be able to trade their beneficial interests only through Euroclear, Clearstream, Luxembourg and DTC, as applicable.

A holder of a beneficial interest in a Global Certificate must rely on the procedures of Euroclear, Clearstream, Luxembourg and DTC to receive payments under the Notes. CSG has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificates.

Holders of beneficial interests in the Global Certificates will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear, Clearstream, Luxembourg and DTC to appoint appropriate proxies.

***Any transfer of Notes that is initiated prior to the delivery of a Write-down Notice to DTC specifying the occurrence of a Write-down Event but that is scheduled to settle after receipt of the Write-down Notice by DTC will be rejected by DTC and will not settle within DTC.***

Following the receipt of the Write-down Notice by DTC, DTC shall suspend all clearance and settlement of the Notes. As a result, Holders will not be able to settle the transfer of any Notes following the receipt of the Write-down Notice by DTC due to the suspension of settlement activities with respect to the Notes within DTC. In addition, any sale or other transfer of the Notes that a Holder may have initiated prior to the receipt of the Write-down Notice by DTC that is scheduled to settle following the receipt of the Write-down Notice by DTC will be rejected by DTC and will not be settled within DTC. In this circumstance,

transferors of the Notes would not receive any consideration through DTC in respect of such intended transfer because DTC will not settle such transfer.

***The Notes are not covered by any government compensation or insurance scheme and do not have the benefit of any government guarantee.***

An investment in the Notes will not be covered by any compensation or insurance scheme of any government agency of Switzerland or any other jurisdiction and the Notes do not have the benefit of any government guarantee. The Notes are the obligations of CSG only and Holders must solely look to CSG for the performance of CSG's obligations under the Notes. In the event of the insolvency of CSG, a Holder may lose all or some of its investment in the Notes.

***CSG is a holding company and relies on its subsidiaries for all funds necessary to meet its financial obligations.***

CSG is a holding company and its subsidiaries conduct all of its operations and own all of its assets. CSG has no significant assets other than the partnership interests, stock and other equity interests in its subsidiaries. CSG's subsidiaries are separate and distinct legal entities and, under certain circumstances, legal and contractual restrictions may limit the ability of these subsidiaries to provide CSG with funds for CSG's payment obligations, whether by dividends, distributions, loans or other payments, including but not limited to payments in connection with regulatory capital instruments issued by CSG's subsidiaries to CSG. Any distribution of earnings to CSG from its subsidiaries, or advances or other distributions of funds by these subsidiaries to CSG, all of which are subject to statutory or contractual restrictions, are contingent upon the subsidiaries' earnings and are subject to various business considerations.

***CSG may become subject to the broad statutory powers of FINMA to impose protective measures and institute resolution and liquidation proceedings.***

As of the date hereof, article 25 et seq. of the Swiss Banking Act and the Ordinance on the Insolvency of Banks and Securities Dealers (the "**Banking Insolvency Ordinance**"), which together set out the procedures for restructuring troubled banks and provide FINMA with broad resolution authority and a variety of resolution tools FINMA may use in any given case (including, but not limited to, the forced conversion of debt into equity), apply only to duly licensed banks in Switzerland (including CSG's subsidiary, Credit Suisse AG ("**CS**")), and not to bank holding companies such as CSG. However, the possibility that initiatives will be taken to amend the Swiss Banking Act and the Banking Insolvency Ordinance with a view to extending the scope of the Swiss bank resolution and liquidation regime to bank holding companies and other Swiss affiliates of banks cannot be excluded. It is not possible to predict whether any such amendments will be made and, if and when any such amendments were to be made, what form they would take and what effect, if any, they would have on Holder or CSG generally. For a description of the current regime under the Swiss Banking Act and the Banking Insolvency Ordinance as it applies to banks, such as CS, see "*—Recent regulatory developments — Switzerland*" and "*—Regulatory framework — Switzerland*" under "*Information on the Company — Regulation and Supervision*" of the Credit Suisse Annual Report 2012.

***The EU Savings Directive imposes certain informational and withholding requirements, which are subject to change.***

Under EC Council Directive 2003/48/EC (the "**EU Savings Directive**") on the taxation of savings income, EU Member States are required to provide to the tax authorities of another EU Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to (or for the benefit of) an individual resident in that other EU Member State or to certain limited types of entities established in that other EU Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments

(subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may require that no tax be withheld) (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). The Luxembourg government has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect from 1 January 2015. A number of non-EU countries and territories including Switzerland have adopted similar measures to the EU Savings Directive (a withholding system in the case of Switzerland) with the option of the individual to have the paying agent and/or Switzerland provide to the tax authorities of the EU Member State the details of the interest payments in lieu of the withholding.

The European Commission has proposed certain amendments to the EU Savings Directive which, if implemented, may amend or broaden the scope of the requirements described above.

If a payment to an individual were to be made or collected through an EU Member State or a non-EU country (including Switzerland, although at the date hereof Swiss paying agents are not required to withhold EU savings tax on payments in respect of the Notes, see "*Taxation — EU Savings Directive and Associated Arrangements with Switzerland — Switzerland*" below) or a territory which has opted for a withholding system, and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the EU Savings Directive or any other Directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a paying agent with a specified office in an EU Member State that is not obliged to withhold or deduct tax pursuant to any law implementing the EU Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

***Treaties between Switzerland and the United Kingdom and Austria may result in the deduction of final foreign withholding taxes in respect of the Notes.***

On 1 January 2013, treaties on final withholding taxes entered into by Switzerland with the United Kingdom and Austria came into force (each, a "**Contracting State**"). The treaties require a Swiss paying agent, as defined in the treaties, to levy a flat-rate final withholding tax (*internationale Quellensteuer*) at rates specified in the treaties on certain capital gains and income items (including interest, dividends and other income items), all as defined in the treaties, deriving from assets, including the Notes, as applicable, held in accounts or deposits with a Swiss paying agent by (i) an individual resident in a Contracting State or, (ii) if certain requirements are met, by a domiciliary company (*Sitzgesellschaft*), an insurance company in connection with a so-called insurance wrapper (*Lebensversicherungsmantel*) or other individuals if the beneficial owner is an individual resident in a Contracting State. The flat-rate tax withheld substitutes the ordinary capital gains tax and income tax on the relevant capital gains and income items in the Contracting State where the individual is tax resident, unless the individual elects for the flat-rate tax withheld to be treated as if it were a credit allowable against the income tax or, as the case may be, capital gains tax, due for the relevant tax year in the relevant Contracting State. Alternatively, instead of paying the flat-rate tax, such individuals may opt for a disclosure of the relevant capital gains and income items to the tax authorities of the Contracting State where they are tax residents. Switzerland may conclude similar treaties with other European countries, and negotiations are currently being conducted with Greece and Italy. If an amount of, or in respect of, such final withholding tax were to be deducted or withheld from a payment under the Notes, neither the Issuer nor a paying agent nor any other person would pursuant to the Terms and Conditions of the Notes be obliged to pay additional amounts with respect to any Notes as a result of the deduction or imposition of such final withholding tax.

***Potential changes in Swiss withholding tax legislation.***

On 24 August 2011, the Swiss Federal Council issued draft legislation, which, if enacted (although at the date hereof payments in respect of the Notes are not subject to Swiss withholding tax, see "*Taxation — Switzerland — Swiss Federal Withholding Tax*" below), may require a paying agent in Switzerland to deduct Swiss withholding tax at a rate of 35 per cent. on any payment of interest in respect of a Note to an individual resident in Switzerland or to any person (not only an individual) resident outside Switzerland. If this legislation or similar legislation were enacted and an amount of, or in respect of, Swiss withholding tax were to be deducted or withheld from that payment, neither the Issuer nor any paying agent nor any other person would, pursuant to the Terms and Conditions of the Notes, be obligated to pay additional amounts with respect to any Note as a result of the deduction or imposition of such withholding tax.

***Payments under the Notes may be subject to U.S. Foreign Account Tax Compliance Withholding.***

Whilst the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") will affect the amount of any payment received by the clearing systems (see "*Taxation — United States — Foreign Account Tax Compliance Act*"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depositary for the clearing systems (as registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries. If an amount of, or in respect of, such withholding taxes were to be deducted or withheld from any payments in respect of the Notes as a result of an investor or intermediary's failure to comply with these rules, no additional amounts will be paid on the Notes held by such investor as a result of the deduction or withholding of such tax.

***The Notes have a minimum denomination.***

The Notes consist of a minimum Specified Denomination of U.S.$200,000 plus integral multiples of U.S.$1,000 in excess thereof and it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. Holders should be aware that Notes held in an amount that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade. In addition, a Holder who holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

***No public market exists for the Notes, and there are uncertainties regarding the existence of any trading market for the Notes.***

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their

issue price, depending upon prevailing interest rates, the market for similar securities, general economic conditions, CSG's results of operations and fluctuations in CSG's capital ratios. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for the Notes as they are especially sensitive to interest rate, currency and market risks, are designed for specific objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

Although application will be made for the admission to trading and listing of the Notes on the SIX Swiss Exchange, there can be no assurance that such application will be accepted or that an active trading market in the Notes will develop. Accordingly, there can be no assurance as to the development or liquidity of any trading market for the Notes. Illiquidity may have a severely adverse effect on the market value of the Notes.

***The market value of the Notes may be influenced by unpredictable factors.***

Many factors, most of which are beyond CSG's control, will influence the value of the Notes and the price, if any, at which securities dealers may be willing to purchase or sell the Notes in the secondary market, including:

(i) the creditworthiness of CSG and, in particular, the level of CSG's capital ratios from time to time;

(ii) supply and demand for the Notes, including inventory with any securities dealer; and

(iii) economic, financial, political or regulatory events or judicial decisions that affect CSG and the Group or the financial markets generally.

Accordingly, if a Holder sells its Notes in the secondary market, it may not be able to obtain a price equal to the principal amount of the Notes or a price equal to the price that it paid for the Notes.

***The U.S. Dollar exchange rate may have an effect on the value of the Notes.***

The Issuer will pay principal and interest on the Notes in United States dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than United States dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of United States dollars or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to United States dollars would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of any principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal. Any of the foregoing events could adversely affect the price of the Notes.

***Holders are subject to interest rate risks.***

Because the Notes bear a fixed reset rate of interest, an investment in the Notes involves the risk that if at any time market interest rates subsequently increase above the relevant rate paid on the Notes at such time, this will adversely affect the value of the Notes.

***Legal investment considerations may restrict certain investments.***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to assess the terms of the Notes (including as to Write-down) and to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## Factors that may affect the ability of the Issuer to fulfil its obligations under the Notes and/or the likelihood of a Write-down Event

CSG is exposed to a variety of risks that could adversely affect its results of operations or financial condition, including, among others, those described below. Unless indicated otherwise, all references to CSG in the risk factors set out under this section "*Factors that may affect the ability of the Issuer to fulfil its obligations under the Notes and/or the likelihood of a Write-down Event"* are describing the consolidated businesses carried on by CSG and its subsidiaries.

### Liquidity risk

Liquidity, or ready access to funds, is essential to CSG's business, particularly CSG's Investment Banking business. CSG maintains available liquidity to meet its obligations in a stressed liquidity environment. For information on CSG's liquidity management, refer to "*III—Treasury, Risk, Balance sheet and Off-balance sheet*" in the Credit Suisse Annual Report 2012 and "*II—Treasury, Risk, Balance sheet and Off-balance sheet*" in the Credit Suisse Financial Report 3Q13.

***CSG's liquidity could be impaired if it is unable to access the capital markets or sell its assets, and CSG expects its liquidity costs to increase.***

CSG's ability to borrow on a secured or unsecured basis and the cost of doing so can be affected by increases in interest rates or credit spreads, the availability of credit, regulatory requirements relating to liquidity or the market perceptions of risk relating to CSG or the banking sector, including CSG's perceived or actual creditworthiness. An inability to obtain financing in the unsecured long-term or short-term debt capital markets, or to access the secured lending markets, could have a substantial adverse effect on CSG's liquidity. In challenging credit markets, CSG's funding costs may increase or it may be unable to raise funds to support or expand its businesses, adversely affecting the results of operations. Following the financial crisis in 2008 and 2009 its costs of liquidity have remained high, and CSG expects to incur additional costs as a result of regulatory requirements for increased liquidity and the challenging economic environment in Europe, the United States and elsewhere.

If CSG is unable to raise needed funds in the capital markets, it may need to liquidate unencumbered assets to meet its liabilities. In a time of reduced liquidity, CSG may be unable to sell some of its assets, or it may need to sell assets at depressed prices, which in either case could adversely affect its results of operations and financial condition.

***CSG's businesses rely significantly on its deposit base for funding.***

CSG's businesses benefit from short-term funding sources, including primarily demand deposits, inter-bank loans, time deposits and cash bonds. Although deposits have been, over time, a stable source of funding, this may not continue. In that case, CSG's liquidity position could be adversely affected and it might be unable to meet deposit withdrawals on demand or at their contractual maturity, to repay borrowings as they mature or to fund new loans, investments and businesses.

***Changes in CSG's ratings may adversely affect its business.***

Ratings are assigned by rating agencies. They may lower, indicate their intention to lower or withdraw their ratings at any time. The major rating agencies remain focused on the financial services industry, particularly on uncertainties as to whether firms that pose systemic risk would receive government or central bank support in a financial or credit crisis, and on such firms' potential vulnerability to market sentiment and confidence, particularly during periods of severe economic stress. For example, in June 2012, following a review of seventeen of the world's largest banks, Moody's Investor Services lowered its ratings of fifteen of those banks, including lowering CSG's credit rating by three notches. Further downgrades in CSG's assigned ratings, including in particular its credit ratings, could increase CSG's borrowing costs, limit its access to capital markets, increase its cost of capital and adversely affect the ability of its business to sell or market its products, engage in business transactions – particularly longer-term and derivatives transactions – and retain its clients.

**Market risk**

***CSG may incur significant losses on its trading and investment activities due to market fluctuations and volatility.***

Although CSG continued to reduce its balance sheet and accelerated the implementation of its client-focused, capital-efficient strategy in 2012, CSG continues to maintain large trading and investment positions and hedges in the debt, currency and equity markets, and in private equity, hedge funds, real estate and other assets. These positions could be adversely affected by volatility in financial and other markets, that is, the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. To the extent that CSG owns assets, or has net long positions, in any of those markets, a downturn in those markets could result in losses from a decline in the value of CSG's net long positions. Conversely, to the extent that CSG has sold assets that it does not own, or has net short positions, in any of those markets, an upturn in those markets could expose CSG to potentially significant losses as it attempts to cover its net short positions by acquiring assets in a rising market. Market fluctuations, downturns and volatility can adversely affect the fair value of CSG's positions and its results of operations. Adverse market or economic conditions or trends have caused, and may in the future cause, a significant decline in CSG's net revenues and profitability.

***CSG's businesses are subject to the risk of loss from adverse market conditions and unfavourable economic, monetary, political, legal and other developments in the countries it operates in around the world.***

As a global financial services company, CSG's businesses are materially affected by conditions in the financial markets and economic conditions generally in Europe, the United States and elsewhere around the world. The recovery from the economic crisis of 2008 and 2009 continues to be sluggish in several key developed markets. Additionally the European sovereign debt crisis, as well as concerns over the United States' debt levels and the federal budget process that led to the first downgrade of United States sovereign debt in the modern era, have not been permanently resolved. CSG's financial condition and results of operations could be materially adversely affected if these conditions do not improve, or if they stagnate or worsen. Further, various countries in which CSG operates or invests have experienced severe economic disruptions particular to that country or region, including extreme currency fluctuations, high inflation, or low or negative growth, among other negative conditions. In 2012, concerns about weaknesses in the economic and fiscal condition of certain European countries, including Greece, Ireland, Italy, Portugal and Spain continued, especially with regard to how such weaknesses might affect other economies as well as financial institutions (including CSG) which lent funds to or did business with or in those countries. Continued concern about the European sovereign debt crisis could cause disruptions in market conditions in Europe and around

the world. There is always the chance that economic disruption in other countries, even in countries in which CSG does not currently conduct business or have operations, will adversely affect its businesses and results.

Adverse market and economic conditions continue to create a challenging operating environment for financial services companies. In particular, the impact of interest and foreign currency exchange rates, the risk of geopolitical events, fluctuations in commodity prices, the European sovereign debt crisis and the United States federal debt crisis have affected financial markets and the economy. In recent years, movements in interest rates have affected CSG's net interest income and the value of its trading and non-trading fixed income portfolios. In addition, movements in equity markets, together with lower industry-wide capital issuance levels, have affected the value of CSG's trading and non-trading equity portfolios, while the strength of the CHF has adversely affected CSG's revenues and net income.

Such adverse market or economic conditions may reduce the number and size of investment banking transactions in which CSG provides underwriting, mergers and acquisitions advice or other services and, therefore, may adversely affect its financial advisory and underwriting fees. Such conditions may adversely affect the types and volumes of securities trades that CSG executes for customers and may adversely affect the net revenues it receives from commissions and spreads. In addition, several of CSG's businesses engage in transactions with, or trade in obligations of, governmental entities, including super-national, national, state, provincial, municipal and local authorities. These activities can expose CSG to enhanced sovereign, credit-related, operational and reputational risks, including the risks that a governmental entity may default on or restructure its obligations or may claim that actions taken by government officials were beyond the legal authority of those officials, which could adversely affect CSG's financial condition and results of operations.

Unfavourable market or economic conditions have affected CSG's businesses in over the last few years, including the low interest rate environment, continued cautious investor behaviour, lower industry-wide capital issuance levels, and subdued mergers and acquisitions activity. These negative factors have been reflected in lower commissions and fees from CSG's client-flow sales and trading and asset management activities, including commissions and fees that are based on the value of CSG's clients' portfolios. Investment performance that is below that of competitors or asset management benchmarks could result in a decline in assets under management and related fees and make it harder to attract new clients. In light of the continued dislocation in the financial and credit markets, there has been a fundamental shift in client demand away from more complex products and significant client deleveraging, and CSG's Private Banking & Wealth Management division's results of operations have been and could continue to be adversely affected as long as this continues.

Adverse market or economic conditions have also negatively affected CSG's private equity investments since, if a private equity investment substantially declines in value, CSG may not receive any increased share of the income and gains from such investment (to which CSG is entitled in certain cases when the return on such investment exceeds certain threshold returns), may be obligated to return to investors previously received excess carried interest payments and may lose its pro rata share of the capital invested. In addition, it could become more difficult to dispose of the investment, as even investments that are performing well may prove difficult to exit in weak initial public offering markets.

In addition to the macroeconomic factors discussed above, other events beyond CSG's control, including terrorist attacks, military conflicts, economic or political sanctions, disease pandemics, political unrest or natural disasters could have a material adverse effect on economic and market conditions, market volatility and financial activity, with a potential related effect on CSG's businesses and results.

***CSG may incur significant losses in the real estate sector.***

CSG finances and acquires principal positions in a number of real estate and real estate-related products, primarily for clients and originates loans, secured by commercial and residential properties. As of

31 December 2012, CSG's real estate loans (as reported to the Swiss National Bank) totalled approximately CHF 133 billion. CSG also securitises and trades in commercial and residential real estate and real estate-related whole loans, mortgages, and other real estate and commercial assets and products, including commercial and residential mortgage-backed securities. CSG's real estate-related businesses and risk exposures could continue to be adversely affected by the downturn in real estate markets, other sectors and the economy as a whole. In particular, the risk of potential price corrections in the real estate market overheating in certain areas of Switzerland could have a material adverse effect on CSG's real estate-related businesses.

***Holding large and concentrated positions may expose CSG to large losses.***

Concentrations of risk could increase losses given that CSG has sizeable loans to, and securities holdings in, certain customers, industries or countries. Decreasing economic growth in any sector in which CSG makes significant commitments, for example, through underwriting, lending or advisory services, could also negatively affect CSG's net revenues.

CSG has significant risk concentration in the financial services industry as a result of the large volume of transactions routinely conducted with broker-dealers, banks, funds and other financial institutions, and in the ordinary conduct of CSG's business it may be subject to risk concentration with a particular counterparty. CSG, like other financial institutions, continues to adapt its practices and operations in consultation with its regulators to better address an evolving understanding of its exposure to, and management of, systemic risk and risk concentration to financial institutions. Regulators continue to focus on these risks, and there are numerous new regulations and government proposals, and significant ongoing regulatory uncertainty, about how best to address them. There can be no assurance that the changes in CSG's and industry operations, practices and regulation will be effective in managing this risk. For further information, refer to "*I—Information on the Company—Regulation and supervision*" in the Credit Suisse Annual Report 2012, "*I—Credit Suisse results—Core Results—Information and developments—Regulatory developments and proposals*" in the Credit Suisse Financial Report 1Q13, Credit Suisse Financial Report 2Q13 and Credit Suisse Financial Report 3Q13 and "*II—Treasury, risk, balance sheet and off-balance sheet—Capital Management—Regulatory Capital Framework*" in the Credit Suisse Financial Report 3Q13. Risk concentration may cause CSG to suffer losses even when economic and market conditions are generally favourable for others in its industry.

***CSG's hedging strategies may not prevent losses.***

If any of the variety of instruments and strategies CSG uses to hedge its exposure to various types of risk in its businesses is not effective, it may incur losses. CSG may be unable to purchase hedges or be only partially hedged, or its hedging strategies may not be fully effective in mitigating CSG's risk exposure in all market environments or against all types of risk.

***Market risk may increase the other risks that CSG faces.***

In addition to the potentially adverse effects on CSG's businesses described above, market risk could exacerbate the other risks that CSG faces. For example, if CSG were to incur substantial trading losses, its need for liquidity could rise sharply while its access to liquidity could be impaired. In conjunction with another market downturn, CSG's customers and counterparties could also incur substantial losses of their own, thereby weakening their financial condition and increasing CSG's credit and counterparty risk exposure to them.

## Credit risk

***CSG may suffer significant losses from its credit exposures.***

CSG's businesses are subject to the fundamental risk that borrowers and other counterparties will be unable to perform their obligations. CSG's credit exposures exist across a wide range of transactions that it engages in with a large number of clients and counterparties, including lending relationships, commitments and letters of credit, as well as derivative, foreign exchange and other transactions. CSG's exposure to credit risk can be exacerbated by adverse economic or market trends, as well as increased volatility in relevant markets or instruments. In addition, disruptions in the liquidity or transparency of the financial markets may result in CSG's inability to sell, syndicate or realise the value of its positions, thereby leading to increased concentrations. Any inability to reduce these positions may not only increase the market and credit risks associated with such positions, but also increase the level of risk-weighted assets on CSG's balance sheet, thereby increasing its capital requirements, all of which could adversely affect its businesses. For information on management of credit risk, refer to "*III—Treasury, Risk, Balance sheet and Off-balance sheet—Risk management*" in the Credit Suisse Annual Report 2012 and "*II—Treasury, Risk, Balance sheet and Off-balance sheet—Risk management*" in the Credit Suisse Financial Report 3Q13.

CSG management's determination of the provision for loan losses is subject to significant judgment. CSG's banking businesses may need to increase their provisions for loan losses or may record losses in excess of the previously determined provisions if its original estimates of loss prove inadequate, which could have a material adverse effect on its results of operations. For information on provisions for loan losses and related risk mitigation refer to "*III—Treasury, Risk, Balance sheet and Off-balance sheet—Risk management*", "*Note 1—Summary of significant accounting policies*", "*Note 10—Provision for credit losses*" and "*Note 18 — Loans, allowance for loan losses and credit quality*", each in "*V—Consolidated financial statements—Credit Suisse Group*" in the Credit Suisse Annual Report 2012, "*II—Treasury, Risk, Balance sheet and Off-balance sheet—Risk Management*", "*Note 10—Provision for credit losses*" and "*Note 16—Loans, allowance for loan losses and credit quality*", in "*III—Condensed consolidated financial statements—unaudited*" in the Credit Suisse Financial Report 3Q13.

CSG's regular review of the creditworthiness of clients and counterparties for credit losses does not depend on the accounting treatment of the asset or commitment. Changes in creditworthiness of loans and loan commitments that are fair valued are reflected in trading revenues.

CSG has experienced in the past, and may in the future experience, pressure to assume longer-term credit risk, extend credit against less liquid collateral and price derivative instruments more aggressively based on the credit risks that it takes due to competitive factors. CSG expects its capital and liquidity requirements, and those of the financial services industry, to increase as a result of these risks.

***Defaults by a large financial institution could adversely affect financial markets generally and CSG specifically.***

Concerns, or even rumours, about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships between institutions. This risk is sometimes referred to as systemic risk. Concerns about defaults by and failures of many financial institutions, particularly those with significant exposure to the eurozone, continued in 2012 and could continue to lead to losses or defaults by financial institutions and financial intermediaries, with which CSG interacts on a daily basis, such as clearing agencies, clearing houses, banks, securities firms and exchanges. CSG's credit risk exposure will also increase if the collateral it holds cannot be realised upon or can only be liquidated at prices insufficient to cover the full amount of exposure.

***The information that CSG uses to manage its credit risk may be inaccurate or incomplete.***

Although CSG regularly reviews its credit exposure to specific clients and counterparties and to specific industries, countries and regions that it believes may present credit concerns, default risk may arise from events or circumstances that are difficult to foresee or detect, such as fraud. CSG may also fail to receive full information with respect to the credit or trading risks of a counterparty.

## Risks from estimates and valuations

CSG makes estimates and valuations that affect its reported results, including measuring the fair value of certain assets and liabilities, establishing provisions for contingencies and losses for loans, litigation and regulatory proceedings, accounting for goodwill and intangible asset impairments, evaluating its ability to realise deferred tax assets, valuing equity based compensation awards and calculating expenses and liabilities associated with its pension plans. These estimates are based upon judgement and available information, and CSG's actual results may differ materially from these estimates. For information on these estimates and valuations, refer to "*II—Operating and financial review—Critical accounting estimates*" and "*Note 1—Summary of significant accounting policies*" *in* "*V—Consolidated financial statements—Credit Suisse Group*" in the Credit Suisse Annual Report 2012.

CSG's estimates and valuations rely on models and processes to predict economic conditions and market or other events that might affect the ability of counterparties to perform their obligations to CSG or impact the value of assets. To the extent CSG's models and processes become less predictive due to unforeseen market conditions, illiquidity or volatility, its ability to make accurate estimates and valuations could be adversely affected.

## Risks relating to off-balance sheet entities

CSG enters into transactions with special purpose entities ("**SPEs**") in its normal course of business, and certain SPEs with which CSG transacts business are not consolidated and their assets and liabilities are off-balance sheet. The accounting requirements for consolidation, initially and if certain events occur that require CSG to reassess whether consolidation is required, can require the exercise of significant management judgement. Accounting standards relating to consolidation, or their interpretation, have changed and may continue to change. If CSG is required to consolidate an SPE, its assets and liabilities would be recorded on its consolidated balance sheets and CSG would recognise related gains and losses in its consolidated statements of operations, and this could have an adverse impact on its results of operations and capital and leverage ratios. For information on CSG's transactions with and commitments to SPEs, refer to "*III—Treasury, Risk, Balance sheet and Off-balance sheet—Balance sheet, off-balance sheet and contractual obligations—Off-balance sheet*" in the Credit Suisse Annual Report 2012 and "*II—Treasury, Risk, Balance sheet and Off-balance sheet—Off-balance sheet*" in the Credit Suisse Financial Report 3Q13.

## Cross-border and foreign exchange risk

***Cross-border risks may increase market and credit risks CSG faces.***

Country, regional and political risks are components of market and credit risk. Financial markets and economic conditions generally have been and may be materially affected by such risks. Economic or political pressures in a country or region, including those arising from local market disruptions, currency crises, monetary controls or other factors, may adversely affect the ability of clients or counterparties located in that country or region to obtain foreign currency or credit and, therefore, to perform their obligations to CSG, which in turn may have an adverse impact on CSG's results of operations.

***CSG may face significant losses in emerging markets.***

As a global financial services company doing business in emerging markets, CSG is exposed to economic instability in emerging market countries. CSG monitors these risks, seeks diversity in the sectors in which it invests and emphasises client-driven business. CSG's efforts at limiting emerging market risk, however, may not always succeed.

***Currency fluctuations may adversely affect CSG's results of operations.***

CSG is exposed to risk from fluctuations in exchange rates for currencies, particularly the U.S. dollar. In particular, a substantial portion of CSG's assets and liabilities are denominated in currencies other than the Swiss franc, which is the primary currency of its financial reporting. CSG's capital is also stated in Swiss francs and it does not fully hedge its capital position against changes in currency exchange rates. Despite the actions of the Swiss National Bank to maintain a floor for the CHF-EUR exchange rate, the Swiss franc remained strong against the U.S. dollar and euro in 2012. The appreciation of the Swiss franc in particular and exchange rate volatility in general have had an adverse impact on CSG's results of operations and capital position in recent years and may have such an effect in the future.

## Operational risk

***CSG is exposed to a wide variety of operational risks, including information technology risk.***

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. In general, although it has business continuity plans, CSG's businesses face a wide variety of operational risks, including technology risk that stems from dependencies on information technology, third-party suppliers and the telecommunications infrastructure. As a global financial services company, CSG relies heavily on its financial, accounting and other data processing systems, which are varied and complex. CSG's business depends on its ability to process a large volume of diverse and complex transactions, including derivatives transactions, which have increased in volume and complexity. CSG is exposed to operational risk arising from errors made in the execution, confirmation or settlement of transactions or in transactions not being properly recorded or accounted for. Regulatory requirements in this area have increased and are expected to increase further.

Information security, data confidentiality and integrity are of critical importance to CSG's businesses. Despite CSG's wide array of security measures to protect the confidentiality, integrity and availability of its systems and information, it is not always possible to anticipate the evolving threat landscape and mitigate all risks to its systems and information. CSG could also be affected by risks to the systems and information of clients, vendors, service providers, counterparties and other third parties.

If any of CSG's systems do not operate properly or are compromised as a result of cyber-attacks, security breaches, unauthorised access, loss or destruction of data, unavailability of service, computer viruses or other events that could have an adverse security impact, CSG could be subject to litigation or suffer financial loss not covered by insurance, a disruption of its businesses, liability to its clients, regulatory intervention or reputational damage. Any such event could also require CSG to expend significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures.

***CSG may suffer losses due to employee misconduct.***

CSG's businesses are exposed to risk from potential non-compliance with policies, employee misconduct or negligence and fraud, which could result in regulatory sanctions and serious reputational or financial harm. In recent years, a number of multinational financial institutions have suffered material losses due to the actions of "rogue traders" or other employees. It is not always possible to deter employee misconduct, and the precautions CSG takes to prevent and detect this activity may not always be effective.

***Risk management.***

CSG has risk management procedures and policies designed to manage its risk. These techniques and policies, however, may not always be effective, particularly in highly volatile markets. CSG continues to adapt its risk management techniques, in particular value-at-risk and economic capital, which rely on historical data, to reflect changes in the financial and credit markets. No risk management procedures can anticipate every market development or event, and CSG's risk management procedures and hedging strategies, and the judgements behind them, may not fully mitigate its risk exposure in all markets or against all types of risk. For information on CSG's risk management, refer to "*III—Treasury, Risk, Balance sheet and Off-balance sheet—Risk management*" in the Credit Suisse Annual Report 2012 and "*II—Treasury, Risk, Balance sheet and Off-balance sheet—Risk management*" in the Credit Suisse Financial Report 3Q13.

## Legal and regulatory risks

***CSG's exposure to legal liability is significant.***

CSG faces significant legal risks in its businesses, and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms are increasing.

CSG and its subsidiaries are subject to a number of material legal proceedings, regulatory actions and investigations, and an adverse result in one or more of these proceedings could have a material adverse effect on CSG's operating results for any particular period, depending, in part, upon its results for such period. For information relating to these and other legal and regulatory proceedings involving CSG's Investment Banking and other businesses, refer to "*Note 37—Litigation*" in "*V—Consolidated Financial Statements*" in the Credit Suisse Annual Report 2012 and "*Note 29—Litigation*" in "*III—Notes to the Condensed Consolidated Financial Statements - unaudited*" in the Credit Suisse Financial Report 1Q13, Credit Suisse Financial Report 2Q13 and Credit Suisse Financial Report 3Q13.

It is inherently difficult to predict the outcome of many of the legal, regulatory and other adversarial proceedings involving CSG's businesses, particularly those cases in which the matters are brought on behalf of various classes of claimants, seek damages of unspecified or indeterminate amounts or involve novel legal claims. CSG's management is required to establish, increase or release reserves for losses that are probable and reasonably estimable in connection with these matters. For more information, refer to "*II—Operating and financial review—Critical accounting estimates*" and "*Note 1—Summary of significant accounting policies*" in "*V—Consolidated financial statements—Credit Suisse Group*" in the Credit Suisse Annual Report 2012.

***Regulatory changes may adversely affect CSG's business and ability to execute its strategic plans.***

As a participant in the financial services industry, CSG is subject to extensive regulation by governmental agencies, supervisory authorities, and self-regulatory organisations in Switzerland, the European Union, the United Kingdom and the United States and other jurisdictions in which CSG operates around the world. Such regulation is becoming increasingly more extensive and complex and, in recent years, costs related to its compliance with these requirements and the penalties and fines sought and imposed on the financial services industry by regulatory authorities have all increased significantly. These regulations often serve to limit CSG's activities, including through the application of increased capital requirements, customer protection and market conduct regulations, and direct or indirect restrictions on the businesses in which CSG may operate or invest. Such limitations can have a negative effect on CSG's business and its ability to implement strategic initiatives. To the extent CSG is required to divest certain businesses, it could incur losses, as it may be forced to sell such businesses at a discount, which in certain instances could be substantial, as a result of both the constrained timing of such sales and the possibility that other financial institutions are liquidating similar investments at the same time.

Since 2008, regulators and governments have focused on the reform of the financial services industry, including enhanced capital, leverage and liquidity requirements, changes in compensation practices (including tax levies) and measures to address systemic risk. CSG is already subject to extensive regulation in many areas of its business and expects to face increased regulation and regulatory scrutiny and enforcement. CSG expects such increased regulation to continue to increase its costs, including but not limited to, costs related to compliance, systems and operations, as well as affecting its ability to conduct certain businesses, which could adversely affect its profitability and competitive position. Variations in the details and implementation of such regulations may further negatively affect CSG, as certain requirements currently are not expected to apply equally to all of its competitors or to be implemented uniformly across jurisdictions.

For example, the additional requirements related to minimum regulatory capital, leverage ratios and liquidity measures imposed by the "Basel III" package of reforms, together with more stringent requirements imposed by the Swiss "Too Big To Fail" legislation and its implementing ordinances, have contributed to CSG's decision to reduce risk weighted assets and the size of its balance sheet, and could potentially impact its access to capital markets and increase its funding costs. In addition, the ongoing implementation in the United States of the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), including the "Volcker Rule", derivatives regulation and other regulatory developments described in "*I—Information on the company—Regulation and supervision*" in the Credit Suisse Annual Report 2012, "*I—Credit Suisse results—Core Results—Information and developments—Regulatory developments and proposals*" in the Credit Suisse Financial Report 1Q13, Credit Suisse Financial Report 2Q13 and Credit Suisse Financial Report 3Q13 and "*II—Treasury, risk, balance sheet and off-balance sheet—Capital Management—Regulatory Capital Framework*" in the Credit Suisse Financial Report 3Q13, have imposed, and will continue to impose, new regulatory burdens on certain of CSG's operations. These requirements have contributed to its decision to exit certain businesses (including a number of its private equity businesses) and may lead it to exit other businesses. Because the scope of the Volcker Rule remains subject to final rule making and its impact on CSG's market-making and risk mitigation activities is unclear, it is still uncertain whether it may be required to curtail or discontinue some of these activities or if its operations may otherwise be adversely affected. Under the Dodd-Frank Act, CSG also expects to become subject to new Commodity Futures Trading Commission and the SEC rules that could materially increase the operating costs, including compliance, information technology and related costs, associated with its derivatives businesses with United States persons. Further, in December 2012, the United States Federal Reserve proposed a rule under the Dodd-Frank Act that would create a new framework for regulation of the United States operations of foreign banking organisations such as CSG. Although the final content and impact of the proposal cannot be predicted at this time, if implemented as proposed, this rule may result in CSG incurring additional costs and limit or restrict the way it conducts its business in the United States.

Similarly, recently enacted and possible future cross-border tax regulation with extraterritorial effect, such as the U.S. Foreign Account Tax Compliance Act, and bilateral tax treaties, such as Switzerland's treaties with the United Kingdom and Austria, impose detailed reporting obligations and increased compliance and systems-related costs on CSG's businesses. Finally, implementation of the European Market Infrastructure Regulation and the proposed revisions to the Markets in Financial Instruments Directive (Directive 2004/39/EC) may negatively affect CSG's business activities. If Switzerland does not pass legislation that is deemed equivalent to these European Union regulations in a timely manner, Swiss banks, including CSG, may be limited from participating in businesses regulated by such laws.

Additionally, pursuant to an amendment of the Swiss Federal Law on Banks and Savings Banks of 8 November 1934, as amended in 2012, and the Banking Insolvency Ordinance that came into effect in late 2012, FINMA has significantly increased authority in case of resolution proceedings involving banks in Switzerland. This resolution authority includes, among other things, the power to cancel outstanding equity, to

convert debt instruments and other liabilities of a bank into equity and to cancel such liabilities fully or partially.

CSG expects the financial services industry, including CSG, to continue to be affected by the significant uncertainty over the scope and content of regulatory reform in 2013 and beyond. Changes in laws, rules or regulations, or in their interpretation or enforcement, or the implementation of new laws, rules or regulations, may adversely affect CSG's results of operations.

Despite CSG's best efforts to comply with applicable regulations, a number of risks remain, particularly in areas where applicable regulations may be unclear or inconsistent among jurisdictions or where regulators revise their previous guidance or courts overturn previous rulings. Authorities in many jurisdictions have the power to bring administrative or judicial proceedings against CSG, which could result in, among other things, suspension or revocation of its licences, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action which could materially adversely affect CSG's results of operations and seriously harm its reputation.

For a description of CSG's regulatory regime and capital requirements and a summary of some of the significant regulatory and government reform proposals affecting the financial services industry, refer to "*I—Information on the company—Regulation and supervision*" in the Credit Suisse Annual Report 2012, "*I—Credit Suisse results—Core Results—Information and developments—Regulatory developments and proposals*" in the Credit Suisse Financial Report 1Q13, Credit Suisse Financial Report 2Q13 and Credit Suisse Financial Report 3Q13 and "*II—Treasury, risk, balance sheet and off-balance sheet—Capital Management—Regulatory Capital Framework*" in the Credit Suisse Financial Report 3Q13.

***Changes in monetary policy are beyond CSG's control and difficult to predict.***

CSG is affected by the monetary policies adopted by the central banks and regulatory authorities of Switzerland, the United States and other countries. The actions of the Swiss National Bank and other central banking authorities directly impact CSG's cost of funds for lending, capital raising and investment activities and may impact the value of financial instruments CSG holds and the competitive and operating environment for the financial services industry. Many central banks have implemented significant changes to their monetary policy. CSG cannot predict whether these changes will have a material adverse effect on it or its operations. In addition, changes in monetary policy may affect the credit quality of its customers. Any changes in monetary policy are beyond CSG's control and difficult to predict.

***Legal restrictions on its clients may reduce the demand for CSG's services.***

CSG may be materially affected not only by regulations applicable to it as a financial services company, but also by regulations of general application and changes in enforcement practices. CSG's business could be affected by, among other things, existing and proposed tax legislation, antitrust and competition policies, corporate governance initiatives and other governmental regulations and policies and changes in the interpretation or enforcement of existing laws and rules that affect business and the financial markets. For example, focus on tax compliance and changes in enforcement practices could lead to asset outflows (primarily from customers in mature Western European markets) from CSG's Wealth Management Clients business in Switzerland.

## Competition

***CSG faces intense competition.***

CSG faces intense competition in all financial services markets and for the products and services it offers. Consolidation, through mergers and acquisitions, alliances and cooperation, including as a result of financial distress, is increasing competitive pressures. Competition is based on many factors, including the

products and services offered, pricing, distribution systems, customer service, brand recognition, perceived financial strength and the willingness to use capital to serve client needs. Consolidation has created a number of firms that, like CSG, have the ability to offer a wide range of products, from loans and deposit-taking to brokerage, investment banking and asset management services. Some of these firms may be able to offer a broader range of products than CSG does, or offer such products at more competitive prices. Current market conditions have resulted in significant changes in the competitive landscape in CSG's industry as many institutions have merged, altered the scope of their business, declared bankruptcy, received government assistance or changed their regulatory status, which will affect how they conduct their business. In addition, current market conditions have had a fundamental impact on client demand for products and services. Although CSG expects the increasing consolidation and changes in its industry to offer opportunities, it can give no assurance that its results of operations will not be adversely affected.

***CSG's competitive position could be harmed if its reputation is damaged.***

In the highly competitive environment arising from globalisation and convergence in the financial services industry, a reputation for financial strength and integrity is critical to CSG's performance, including its ability to attract and maintain clients and employees. CSG's reputation could be harmed if its comprehensive procedures and controls fail, or appear to fail, to address conflicts of interest, prevent employee misconduct, produce materially accurate and complete financial and other information or prevent adverse legal or regulatory actions. For further information, refer to "*III—Treasury, Risk, Balance Sheet and Off-balance sheet—Risk management—Reputational Risk*" in the Credit Suisse Annual Report 2012.

***CSG must recruit and retain highly skilled employees.***

CSG's performance is largely dependent on the talents and efforts of highly skilled individuals. Competition for qualified employees is intense. CSG has devoted considerable resources to recruiting, training and compensating employees. CSG's continued ability to compete effectively in its businesses depends on its ability to attract new employees and to retain and motivate its existing employees. The continued public focus on compensation practices in the financial services industry, and related regulatory changes, may have an adverse impact on CSG's ability to attract and retain highly skilled employees.

***CSG faces competition from new trading technologies.***

CSG's businesses face competitive challenges from new trading technologies, which may adversely affect its commission and trading revenues, exclude its businesses from certain transaction flows, reduce its participation in the trading markets and the associated access to market information and lead to the creation of new and stronger competitors. CSG has made, and may continue to be required to make, significant additional expenditures to develop and support new trading systems or otherwise invest in technology to maintain its competitive position.

**Risks relating to CSG's strategy**

***CSG may not achieve all of the expected benefits of its strategic initiatives.***

In light of increasing regulatory and capital requirements and continued challenging market and economic conditions, to optimise its use of capital and improve its cost structure CSG has continued to adapt its client-focused, capital-efficient strategy and has implemented new efficiency measures. Actions taken to adapt CSG's strategy, some of which are ongoing, include strengthening its capital position, reducing its cost base, decreasing the size of its balance sheet, reducing its risk-weighted assets, focusing on chosen businesses and markets in Investment Banking, and integrating its Private Banking and Asset Management divisions into a new, single division. Factors beyond its control, including but not limited to the market and economic conditions and other challenges discussed in detail above, could limit CSG's ability to achieve all of the expected benefits of these initiatives.

In addition, acquisitions and other similar transactions it undertakes as part of its strategy subjects CSG to certain risks. Even though CSG reviews the records of companies it plans to acquire, it is generally not feasible for it to review all such records in detail. Even an in-depth review of records may not reveal existing or potential problems or permit CSG to become familiar enough with a business to assess fully its capabilities and deficiencies. As a result, CSG may assume unanticipated liabilities (including legal and compliance issues), or an acquired business may not perform as well as expected. CSG also faces the risk that it will not be able to integrate acquisitions into its existing operations effectively as a result of, among other things, differing procedures, business practices and technology systems, as well as difficulties in adapting an acquired company into its organisational structure. CSG faces the risk that the returns on acquisitions will not support the expenditures or indebtedness incurred to acquire such businesses or the capital expenditures needed to develop such businesses.

In recent years, CSG has also undertaken a number of new joint ventures and strategic alliances. Although it endeavours to identify appropriate partners, CSG's joint venture efforts may prove unsuccessful or may not justify its investment and other commitments.

## FORWARD-LOOKING STATEMENTS

This Information Memorandum contains or incorporates by reference statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, in the future the Issuer, and others on its behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the Group's plans, objectives or goals; the Group's future economic performance or prospects; the potential effect on the Group's future performance of certain contingencies; and assumptions underlying any such statements.

Words such as "believes", "anticipates", "expects", "intends" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. The Issuer does not intend to update these forward-looking statements except as may be required by applicable securities laws.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include: (i) the ability to maintain sufficient liquidity and access capital markets; (ii) market and interest rate fluctuations and interest rate levels; (iii) the strength of the global economy in general and the strength of the economies of the countries in which the Group conducts operations, in particular the risk of continued slow economic recovery or downturn in the U.S. or other developed countries in 2013 and beyond; (iv) the direct and indirect impacts of deterioration or slow recovery in residential and commercial real estate markets; (v) adverse rating actions by credit rating agencies in respect of sovereign issuers, structured credit products or other credit-related exposures; (vi) the ability to achieve the Group's strategic objectives, including improved performance, reduced risks, lower costs and more efficient use of capital; (vii) the ability of counterparties to meet their obligations to the Group; (viii) the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations; (ix) political and social developments, including war, civil unrest or terrorist activity; (x) the possibility of foreign exchange controls, expropriation, nationalisation or confiscation of assets in countries in which the Group conducts operations; (xi) operational factors such as systems failure, human error, or the failure to implement procedures properly; (xii) actions taken by regulators with respect to the Group's business and practices in one or more of the countries in which the Group conducts operations; (xiii) the effects of changes in laws, regulations or accounting policies or practices; (xiv) competition in geographic and business areas in which the Group conducts operations; (xv) the ability to retain and recruit qualified personnel; (xvi) the ability to maintain the Group's reputation and promote the Group's brands; (xvii) the ability to increase market share and control expenses; (xviii) technological changes; (xix) the timely development and acceptance of the Group's new products and services and the perceived overall value of these products and services by users; (xx) acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets; (xxi) the adverse resolution of litigation and other contingencies; (xxii) the ability to achieve the Group's cost efficiency goals and other cost targets; and (xxiii) the Group's success at managing the risks involved in the foregoing.

The foregoing list of important factors is not exclusive; when evaluating forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, as well as the other risks identified in this Information Memorandum.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Information Memorandum shall be incorporated in, and form part of, this Information Memorandum:

(1) the Form 6-K of Credit Suisse Group AG filed with the United States Securities and Exchange Commission (the "**SEC**") on 31 October 2013, which contains the 2013 Third Quarter Financial Report of the Group (the "**Credit Suisse Financial Report 3Q13**"), except that the information on pages 1 – 2 under "*Dear shareholders*" and on pages 163 – 164 under "*Investor Information*" and "*Financial calendar and contacts*" is not incorporated by reference;

(2) the Form 6-K of Credit Suisse Group AG filed with the SEC on 31 July 2013, which contains the 2013 Second Quarter Financial Report of the Group (the "**Credit Suisse Financial Report 2Q13**"), except that the information on pages 1 – 2 under "*Dear shareholders*" and on pages 165 – 166 under "*Investor Information*" and "*Financial calendar and contacts*" is not incorporated by reference;

(3) the Form 6-K of Credit Suisse AG and Credit Suisse Group AG filed with the SEC on 1 July 2013 which contains a media release with respect to the appointment of Joachim Oechslin as Chief Risk Officer on 1 January 2014;

(4) the Form 6-K of Credit Suisse Group AG filed with the SEC on 8 May 2013, which contains the 2013 First Quarter Financial Report of the Group (the "**Credit Suisse Financial Report 1Q13**"), except that the information on pages 1 – 2 under "*Dear shareholders*" and on pages 151 – 152 under "*Investor Information*" and "*Financial calendar and contacts*" is not incorporated by reference;

(5) the following sections of the Form 6-K of Credit Suisse AG and Credit Suisse Group AG, filed with SEC on 26 April 2013: (A) the release entitled "*Final terms of the proposed stock dividend for the financial year 2012*" and (B) the following within the release entitled "*Annual General Meeting of Shareholders of Credit Suisse Group AG: All Proposals Put Forward by the Board of Directors Approved*": the title and first two paragraphs of the release, and the sections entitled "*Distribution against reserves from capital contributions*" (excluding the final paragraph but including the footnote relating to that section), "*Increase of authorized capital*", "*Increase in conditional capital for employee shares*", "*Election of Kai S. Nargolwala as a new member of the Board of Directors*", "*Re-election of two members of the Board of Directors*", "*2012 Compensation Report*", "*Composition of the Board of Directors as of 26 April 2013*" and "*Cautionary statement regarding forward-looking information*";

(6) the Form 20-F of Credit Suisse AG and Credit Suisse Group AG filed with the SEC on 22 March 2013, which contains the 2012 Annual Report of the Group (the "**Credit Suisse Annual Report 2012**"), except that the information on pages 5 – 7 under "*Message from the Chairman and the Chief Executive Officer*" and on pages A-10 – A-11 under "*Investor Information*" is not incorporated by reference;

(7) the Form 20-F of Credit Suisse AG and Credit Suisse Group AG filed with the SEC on 23 March 2012, which contains the 2011 Annual Report of the Group (the "**Credit Suisse Annual Report 2011**"), except that the information on pages 3-5 under "*Message from the Chairman and the Chief Executive Officer*" and on pages A-18 – A-19 under "*Investor Information*" is not incorporated by reference; and

(8) the Articles of Association of Credit Suisse Group AG (available on the website at *www.credit-suisse.com*).

Following the publication of this Information Memorandum a supplement may be prepared by the Issuer. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify

or supersede statements contained in this Information Memorandum or in a document which is incorporated by reference in this Information Memorandum. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Information Memorandum.

Copies of documents incorporated by reference in this Information Memorandum as well as this Information Memorandum and any supplements thereto, if any, are available free of charge in Switzerland at the office of Credit Suisse AG, Uetlibergstrasse 231, CH-8070 Zurich, Switzerland, (telephone: +41 (0)44 333 31 60, facsimile: +41 (0)44 333 57 79 or email newissues.fixedincome@credit-suisse.com).

Copies of documents incorporated by reference in this Information Memorandum can also be obtained, free of charge, from the registered office of CSG and on the website of CSG (*www.credit-suisse.com*). A copy of the documents filed by CSG with the SEC may also be obtained either on the SEC's website at *www.sec.gov*, at the SEC's public reference room at 100F Street, N.E., Washington, D.C. 2054, or on the website of CSG at *http://www.credit-suisse.com/investors/en/sec_filings.jsp*. Information (other than the above-mentioned information incorporated by reference) contained on the website of CSG is not incorporated by reference in this Information Memorandum.

## INFORMATION REGARDING THE CET1 RATIO AND SWISS CAPITAL RATIOS

*As explained in more detail in the "Terms and Condition of the Notes — Write-down", a Contingency Event will occur and the full principal amount of the Notes will be automatically and permanently written-down to zero, if, CSG notifies Holders that, as at any Reporting Date, the sum of CSG's CET1 Ratio contained in the relevant Financial Report and the Higher Trigger Capital Ratio was below 5.125 per cent.; provided, however, that no Contingency Event Notice shall be given, and no Contingency Event in relation thereto shall be deemed to have occurred if the Regulator, at the request of CSG, has agreed on or prior to the publication of the relevant Financial Report that a Write-down shall not occur because it is satisfied that actions, circumstances or events have had, or imminently will have, the effect of restoring the CET1 Ratio to a level above 5.125 per cent. that the Regulator and CSG deem, in their absolute discretion, to be adequate at such time.*

*The following information through (and including) "Swiss leverage requirements and coverage" below regarding CSG's capital ratios and metrics and the relevant regulatory framework has been extracted from the Credit Suisse Financial Report 3Q13, which is incorporated by reference herein. References therein to "Credit Suisse", "we", "us" and "our" are to CSG, unless the context otherwise requires. Capitalised terms defined in the Credit Suisse Financial Report 3Q13 and not otherwise defined in this section shall have the same meaning when used in this section.*

### Regulatory capital framework

*Overview*

Effective 1 January 2013, the Basel II.5 framework, under which we operated in 2012, was replaced by the Basel III framework, which was implemented in Switzerland along with the Swiss "Too Big to Fail" legislation and regulations thereunder ("**Swiss requirements**"). Our related disclosures are in accordance with our current interpretation of such requirements, including relevant assumptions. Changes in the interpretation of these requirements in Switzerland or in any of our assumptions or estimates could result in different numbers from those shown in this report. Also, our capital metrics fluctuate during any reporting period in the ordinary course of business. Our 4Q12 calculations of capital and ratio amounts, which are presented in order to show meaningful comparative information, use estimates as of 31 December 2012, as if the Basel III framework had been implemented in Switzerland as of such date.

Refer to "Capital management" in "*III – Treasury, Risk, Balance sheet and Off-balance sheet"* and *"Regulation and supervision" in "I – Information on the company*" in the Credit Suisse Annual Report 2012 for further information.

*Capital structure under Basel III*

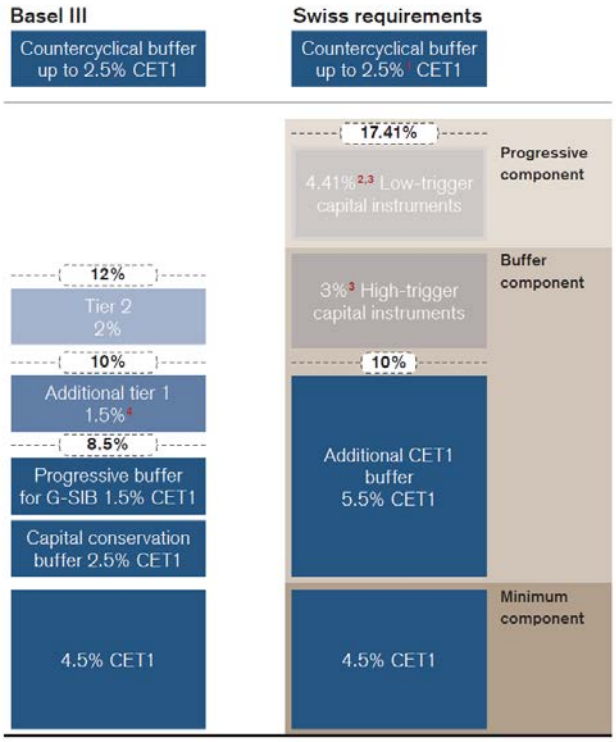
The BCBS issued the Basel III framework, with higher minimum capital requirements and conservation and countercyclical buffers, revised risk-based capital measures, a leverage ratio and liquidity standards. The framework was designed to strengthen the resilience of the banking sector and requires banks to hold more capital, mainly in the form of common equity. The new capital standards will be phased in from 2013 through 2018 and are fully effective 1 January 2019 for those countries that have adopted Basel III.

Refer to the table "*Basel III phase-in requirements for Credit Suisse*" for capital requirements and applicable effective dates during the phase-in period.

Under Basel III, the minimum common equity tier 1 ("**CET1**") requirement is 4.5% of risk-weighted assets ("**RWA**").

In addition, a 2.5% CET1 capital conservation buffer is required to absorb losses in periods of financial and economic stress. Banks that do not maintain this buffer will be limited in their ability to pay dividends or make discretionary bonus payments or other earnings distributions.

**Capital frameworks for Credit Suisse**




1 As of September 30, 2013, banks are required to hold CET1 capital in the amount of 1% of RWA pertaining to mortgage loans that finance residential property in Switzerland.

2 The progressive component requirement is dependent on our size (leverage ratio exposure) and the market share of our domestic systemically relevant business and is subject to potential capital rebates that may be granted by FINMA.

3 Counts towards Basel III minimum requirements as tier 1 or tier 2 capital depending on the quality of the underlying instruments.

4 Additional tier 1 instruments must provide for principal loss absorption through a conversion into common equity or write-down feature. The trigger for such a conversion or write-down must include a CET1 ratio of at least 5.125%.

**Basel III phase-in requirements for Credit Suisse**

| | Effective 1 January for the applicable year | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** |
| **Capital ratios** | | | | | | | |
| Minimum CET1 | 3.5%(1) | 4.0%(1) | 4.5% | 4.5% | 4.5% | 4.5% | 4.5% |
| Capital conservation buffer | | | | 0.625%(1) | 1.250%(1) | 1.875%(1) | 2.5% |
| Progressive buffer for G-SIB | | | | 0.375%(1) | 0.750%(1) | 1.125%(1) | 1.5% |
| **Total CET1** | **3.5%** | **4.0%** | **4.5%** | **5.5%** | **6.5%** | **7.5%** | **8.5%** |
| Minimum additional tier 1 | 1.0%(1) | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% |
| **Total tier 1** | **4.5%** | **5.5%** | **6.0%** | **7.0%** | **8.0%** | **9.0%** | **10.0%** |
| Tier 2 | 3.5%(1) | 2.5%(1) | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| **Total capital** | **8.0%** | **8.0%** | **8.0%** | **9.0%** | **10.0%** | **11.0%** | **12.0%** |
| Phase-in deductions from CET1(2) | | 20.0%(1) | 40.0%(1) | 60.0%(1) | 80.0%(1) | 100.0% | 100.0% |
| Capital instruments subject to phase out | Phased out over a 10-year horizon beginning 2013 through 2022 | | | | | | |

Notes:

(1) Indicates transition period.

(2) Includes goodwill and other intangible assets, certain deferred tax assets and participations in financial institutions.

A progressive buffer between 1% and 2.5% (with a possible additional 1% surcharge) of CET1, depending on a bank's systemic importance, is an additional capital requirement for global systemically important banks ("**G-SIB**"). The Financial Stability Board has identified us as a G-SIB and requires us to maintain a 1.5% progressive buffer.

The CET1 capital will be subject to certain regulatory deductions and other adjustments to common equity, including deduction of deferred tax assets for tax-loss carry-forwards, goodwill and other intangible assets and investments in banking and finance entities.

In addition to the CET1 requirements, there is also a requirement for 1.5% additional tier 1 capital and 2% tier 2 capital. These requirements may also be met with CET1 capital. To qualify as additional tier 1 under Basel III, capital instruments must provide for principal loss absorption through a conversion into common equity or a write-down of principal feature. The trigger for such conversion or write-down must include a CET1 ratio of at least 5.125%.

Basel III further provides for a countercyclical buffer that could require banks to hold up to 2.5% of CET1 or other capital that would be available to fully absorb losses. This requirement is expected to be imposed by national regulators where credit growth is deemed to be excessive and leading to the build-up of system-wide risk. This countercyclical buffer will be phased in from 1 January 2016 through 1 January 2019.

Beginning 1 January 2013, capital instruments that do not meet the strict criteria for inclusion in CET1 are excluded. Capital instruments that would no longer qualify as tier 1 or tier 2 capital will be phased out. In addition, instruments with an incentive to redeem prior to their stated maturity, if any, will be phased out at their effective maturity date, generally the date of the first step-up coupon.

*Swiss requirements*

As of 1 January 2013, the Basel III framework was implemented in Switzerland along with the Swiss "Too Big to Fail" legislation and regulations thereunder. Together with the related implementing ordinances, the legislation includes capital, liquidity, leverage and large exposure requirements and rules for emergency plans designed to maintain systemically relevant functions in the event of threatened insolvency. Certain requirements under the legislation, including those regarding capital, are to be phased in from 2013 through 2018 and are fully effective 1 January 2019. The legislation on capital requirements builds on Basel III, but in respect of systemically relevant banks goes beyond its minimum standards, including requiring us, as a systemically relevant bank, to have the following minimum, buffer and progressive components.

Refer to the chart "*Swiss capital and leverage ratio phase-in requirements for Credit Suisse*" for Swiss capital requirements and applicable effective dates during the phase-in period.

The minimum requirement of CET1 capital is 4.5% of RWA.

The buffer requirement is 8.5% and can be met with additional CET1 capital of 5.5% of RWA and a maximum of 3% of high-trigger capital instruments. High-trigger capital instruments must convert into common equity or be written off if the CET1 ratio falls below 7%.

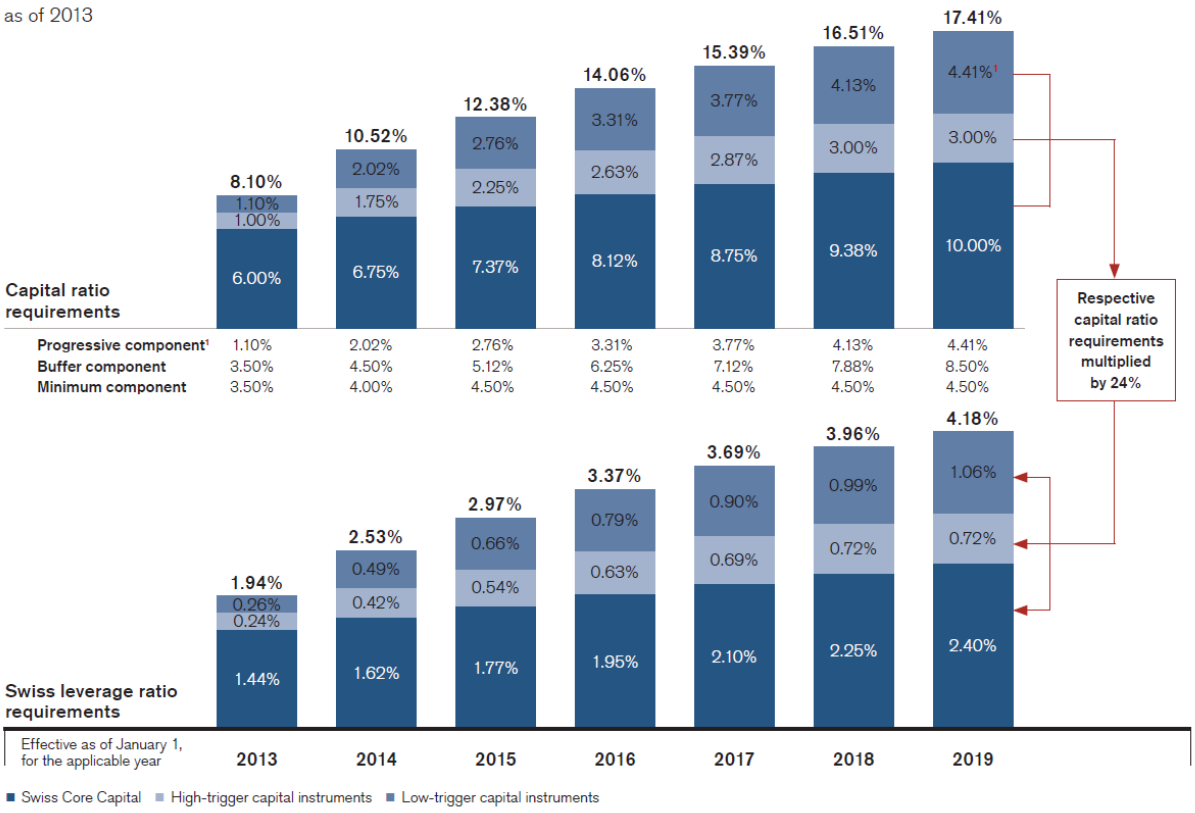
The progressive component requirement is dependent on our size (leverage ratio exposure) and the market share of our domestic systemically relevant business and is subject to potential capital rebates that may be granted by FINMA. Based on these parameters, FINMA determines the progressive component on an annual basis. For 2013, FINMA set our progressive component requirement at 4.41%. The progressive component may be met with CET1 capital or low-trigger capital instruments. Low-trigger capital instruments must convert into common equity or be written off if the CET1 ratio falls below a specified percentage, the lowest of which may be 5%. In addition, until the end of 2017, the progressive component may also be met with high-trigger capital instruments.

Similar to Basel III, the Swiss requirements include a supplemental countercyclical buffer of up to 2.5% of RWA that can be activated during periods of excess credit growth. In February 2013, upon the request of the SNB, the Swiss Federal Council activated the countercyclical capital buffer, which was effective 30 September 2013 and requires banks to hold CET1 capital in the amount of 1% of their RWA pertaining to mortgage loans that finance residential property in Switzerland. As of 30 September 2013, our countercyclical buffer was CHF 145 million, which is equivalent to an additional requirement of 0.05% of CET1.

We also measure Swiss Core Capital and Swiss Total Capital. Swiss Core Capital consists of CET1 capital and tier 1 participation securities, which FINMA advised may be included with a haircut of 20% until 31 December 2018 at the latest, and may include certain other Swiss adjustments. Our Swiss Total Capital consists of Swiss Core Capital, high-trigger capital instruments and low-trigger capital instruments.

As of 1 January 2013, we must also comply with a leverage ratio applicable to Swiss systemically relevant banks ("**Swiss leverage ratio**"). This leverage ratio must be at least 24% of each of the respective minimum, buffer and progressive component requirements. Since the ratio is defined by reference to capital requirements subject to phase-in arrangements, the ratio will also be phased in.

**Swiss capital and leverage ratio phase-in requirements for Credit Suisse**




Excludes countercyclical buffer required as of September 30, 2013.

[1] The progressive component requirement is dependent on our size (leverage ratio exposure) and the market share of our domestic systemically relevant business and is subject to potential capital rebates that may be granted by FINMA. Using 2012 year-end data, we estimate that the 2019 progressive component will be further reduced in 2014.

## Capital issuances and redemptions

In August 2013, we issued USD 2.5 billion 6.5% tier 2 capital notes due in August 2023. In September 2013, we issued CHF 290 million 6.0% tier 1 capital notes, which are perpetual but may be redeemed at our option in September 2018, subject to certain conditions. In September 2013, we also issued EUR 1.25 billion 5.75% tier 2 capital notes due in September 2025.

In September 2013, we called our CHF 2.5 billion 10% perpetual tier 1 capital notes issued in 2008 and our USD 3.5 billion 11% perpetual tier 1 capital notes issued in 2008, of which USD 1.775 billion was still outstanding.

On 23 October 2013, based on a prior agreement with an entity affiliated with Qatar Investment Authority, we exchanged such entity's holding of all of the CHF 2.5 billion 10% tier 1 capital notes and USD 1.72 billion of the 11% tier 1 capital notes into equivalent principal amounts of tier 1 high-trigger capital instruments, which were reflected as additional tier 1 instruments subject to phase-out as of the end of September 2013. In addition, we redeemed USD 55 million of the 11% tier 1 capital notes for cash. These transactions were approved by FINMA.

Refer to "Related party transactions" in "*IV – Corporate Governance and Compensation – Corporate Governance – Banking relationships with members of the Board and Executive Board and related party transactions*" in the Credit Suisse Annual Report 2012 for further information on the agreement to exchange.

## Capital metrics under Basel III

*Regulatory capital and ratios – Group*

Our CET1 ratio was 16.3% as of the end of 3Q13, compared to 15.3% as of the end of 2Q13. Our tier 1 ratio was 17.0% as of the end of 3Q13 compared to 15.9% as of the end of 2Q13, reflecting a reduction in RWA. Our total capital ratio was 20.9% as of the end of 3Q13 compared to 18.2% as of the end of 2Q13, reflecting increased total capital and the reduction in RWA.

CET1 capital was CHF 43.8 billion as of the end of 3Q13 compared to CHF 44.4 billion as of the end of 2Q13, reflecting a negative foreign exchange translation impact and a quarterly dividend accrual, partially offset by net income and the impact of share-based compensation.

Additional tier 1 capital increased to CHF 2.1 billion, mainly due to the issuance of the 6.0% Tier 1 Notes. Tier 2 capital increased to CHF 10.5 billion as of the end of 3Q13, mainly due to the issuances of the Tier 2 Notes.

Total eligible capital was CHF 56.4 billion as of the end of 3Q13 compared to CHF 52.8 billion as of the end of 2Q13, mainly due to the tier 1 and tier 2 capital notes issuances in 3Q13.

RWA decreased 7%, from CHF 289.7 billion as of the end of 2Q13 to CHF 269.3 billion as of the end of 3Q13, reflecting decreases in credit risk and market risk together with a significant decrease resulting from foreign exchange translation.

Credit risk reductions were driven by a decrease in credit risk in Investment Banking and Private Banking & Wealth Management and a decrease in CVA mainly within Investment Banking. The Investment Banking credit risk reduction primarily reflected decreased exposures across leverage finance lending, secured financing and derivatives. Reductions in Private Banking & Wealth Management credit risk reflected decreases in lending and mortgage exposures together with asset management fund redemptions. The CVA decrease resulted from decreases in counterparty exposure and increased hedging. Decreases within Investment Banking market risk were driven by lower exposures particularly impacting stressed VaR and incremental risk charges partially offset by an increase in mortgage securitization exposures.

Refer to the table "*BIS statistics – Basel III*" for further information.

Refer to "Market risk" and "Credit risk" in *II — Treasury, Risk, Balance sheet and Off-Balance sheet —Risk management*" in the Credit Suisse Financial Report 3Q13 for further information.

## BIS statistics – Basel III

| | Group | | | | Bank | | | |
|---|---|---|---|---|---|---|---|---|
| | **3Q13** | **2Q13** | **4Q12[1]** | **QoQ** | **3Q13** | **2Q13** | **4Q12[1]** | **QoQ** |
| | | *(end of)* | | *(% change)* | | *(end of)* | | *(% change)* |
| **Eligible capital (CHF million)** | | | | | | | | |
| Total shareholders' equity | 42,162 | 42,402 | 35,498 | (1) | 36,260 | 36,587 | 34,767 | (1) |
| Mandatory and contingent convertible securities | —[2] | —[2] | 3,598[2] | — | — | — | — | — |
| Regulatory adjustments | (1,044)[3] | (659)[3] | (303)[3] | 58 | (4,247)[4] | (3,808)[4] | (3,879)[4] | 12 |
| Adjustments subject to phase in[5] | 2,662 | 2,687 | 2,707 | (1) | 5,906 | 6,164 | 5,829 | (4) |
| **CET1 capital** | **43,780** | **44.430** | **41,500** | (1) | **37,919** | **38,943** | **36,717** | (3**)** |
| Additional tier 1 instruments[6] | 1,792 | 1,569 | 1,516 | 14 | 1,792 | 1,569 | 1,545 | 14 |

| | Group | | | | Bank | | | |
|---|---|---|---|---|---|---|---|---|
| | **3Q13** | **2Q13** | **4Q12[1]** | **QoQ** | **3Q13** | **2Q13** | **4Q12[1]** | **QoQ** |
| | | *(end of)* | | *(% change)* | | *(end of)* | | *(% change)* |
| Additional tier 1 instruments subject to phase out[7] | 8,967 | 9,221 | 10,416 | (3) | 8,967 | 9,221 | 10,416 | (3) |
| Deductions from additional tier 1 capital[8] | (8,662) | (9,231) | (9,075) | (6) | (7,770) | (8,333) | (8,201) | (7) |
| **Additional tier 1 capital** | **2,097** | **1,559** | **2,857** | 35 | **2,989** | **2,457** | **3,760** | 22 |
| **Total tier 1 capital** | **45,877** | **45,989** | **44,357** | 0 | **40,908** | **41,400** | **40,477** | (1) |
| Tier 2 instruments[6] | 6,381 | 2,642 | 2,568 | 142 | 6,381 | 2,642 | 2,572 | 142 |
| Tier 2 instruments subject to phase out | 4,438 | 4,583 | 5,016 | (3) | 5,427 | 5,572 | 6,634 | (3) |
| Deductions from tier 2 capital | (341) | (366) | (422) | (7) | (300) | (325) | (377) | (8) |
| **Tier 2 capital** | **10,478** | **6,859** | **7,162** | 53 | **11,508** | **7,889** | **8,829** | 46 |
| **Total eligible capital** | **56,355** | **52,848** | **51,519** | 7 | **52,416** | **49,289** | **49,306** | 6 |
| **Risk-weighted assets (CHF million)** | | | | | | | | |
| Credit risk | 180,223 | 195,508 | 201,764 | (8) | 169,982 | 184,860 | 191,649 | (8) |
| Market risk | 37,989 | 42,987 | 39,466 | (12) | 37,977 | 42,937 | 39,438 | (12) |
| Operational risk | 44,788 | 44,788 | 45,125 | 0 | 44,788 | 44,788 | 45,125 | 0 |
| Non-counterparty risk | 6,263 | 6,464 | 6,126 | (3) | 6,009 | 6,210 | 5,873 | (3) |
| **Risk-weighted assets** | **269,263** | **289,747** | **292,481** | (7) | **258,756** | **278,795** | **282,085** | (7) |
| **Capital ratios (%)** | | | | | | | | |
| CET1 ratio | 16.3 | 15.3 | 14.2 | — | 14.7 | 14.0 | 13.0 | — |
| Tier 1 ratio | 17.0 | 15.9 | 15.2 | — | 15.8 | 14.8 | 14.3 | — |
| Total capital ratio | 20.9 | 18.2 | 17.6 | — | 20.3 | 17.7 | 17.5 | — |

Notes:

(1) Basel III became effective as of 1 January 2013. 4Q12 amounts, which are presented in order to show meaningful comparative information, are calculated as if Basel III had been implemented in Switzerland at such time.

(2) Converted and settled into 233.5 million shares on 8 April 2013 and reflected in total shareholders' equity as of that date.

(3) Includes regulatory adjustments not subject to phase in, including a cumulative dividend accrual.

(4) Includes regulatory adjustments not subject to phase in, including the cumulative dividend accrual, and an adjustment for tier 1 participation securities.

(5) Includes an adjustment for the accounting treatment of pension plans pursuant to phase-in requirements and other regulatory adjustments. 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 participations in financial institutions).

(6) Consists of high-trigger and low-trigger capital instruments. Of this amount, CHF 4,052 million consists of capital instruments with a capital ratio write-down trigger of 7%, CHF 290 million consists of capital instruments with a capital ratio write-down trigger of 5.125% and CHF 3,831 million consists of capital instruments with a capital ratio write-down trigger of 5%.

(7) Includes tier 1 participation securities and hybrid capital instruments that are subject to phase out.

(8) Includes goodwill and other intangible assets of CHF 8.4 billion and other capital deductions, including gains/(losses) due to changes in own credit risks on fair valued financial liabilities, that will be deducted from CET1 once Basel III is fully implemented.

**CET1 capital movement – Basel III**

| | 3Q13 | 2Q13 |
|---|---|---|
| **CET1 capital (CHF million)** | | |
| **Balance at beginning of period** | **44,430** | **43,581** |
| Net income | 454 | 1,045 |
| Foreign exchange impact | (1,033) | (157) |
| Other | (70) [1] | (39) [1] |
| **Balance at end of period** | **43,780** | **44,430** |

Note:

(1) Reflects the effect of share-based compensation, a dividend accrual and a change in other regulatory adjustments.

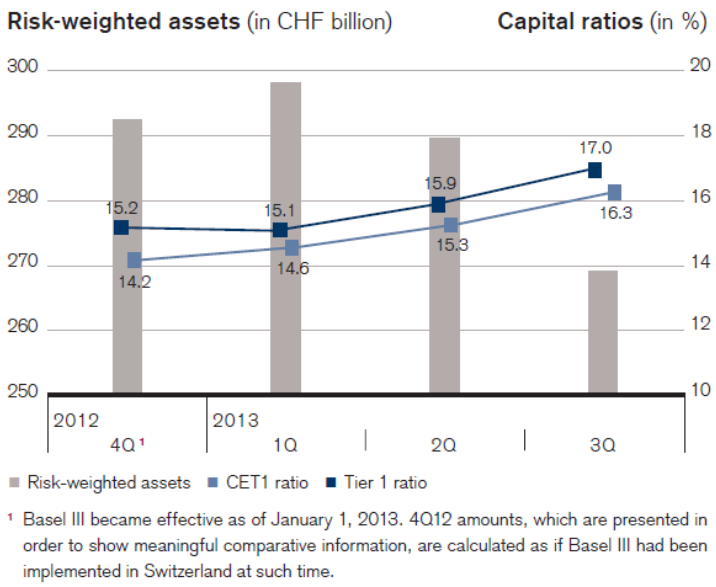
*Look-through CET1 ratio*

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 participations in financial institutions). Assuming fully phased-in deductions of CHF 8.4 billion of goodwill and other intangible assets and CHF 7.1 billion of other regulatory adjustments, we estimate that our CET1 ratio as of the end of 3Q13 would be 10.2%, calculated based on Look-through RWA of CHF 261 billion.

*Risk-weighted assets*

Our balance sheet positions and off-balance sheet exposures translate into RWA that are categorized as market, credit, operational and non-counterparty risk RWA. Market risk RWA reflect the capital requirements of potential changes in the fair values of financial instruments in response to market movements inherent in both the balance sheet and the off-balance sheet items. Credit risk RWA reflect the capital requirements for the possibility of a loss being incurred as the result of a borrower or counterparty failing to meet its financial obligations or as a result of a deterioration in the credit quality of the borrower or counterparty. Under Basel III, certain regulatory capital adjustments are dependent on the level of CET1 capital ("**thresholds**"). The amount above the threshold is deducted from CET1 capital and the amount below the threshold is risk weighted. RWA subject to such threshold adjustments are included in Credit Risk RWA. Operational risk RWA reflect the capital requirements for the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Non-counterparty-risk RWA primarily reflect the capital requirements for our premises and equipment. It is not the nominal size, but the nature (including risk mitigation such as collateral or hedges) of the balance sheet positions or off-balance sheet exposures that determines the RWA.

## Risk-weighted assets and capital ratios – Basel III




1 Basel III became effective as of January 1, 2013. 4Q12 amounts, which are presented in order to show meaningful comparative information, are calculated as if Basel III had been implemented in Switzerland at such time.

## Risk-weighted assets by division – Basel III

| | 3Q13 | 2Q13 | 4Q12[1] | QoQ | Ytd |
|---|---|---|---|---|---|
| | | *(end of)* | | *(% change)* | |
| **Risk-weighted assets by division (CHF million)** | | | | | |
| Private Banking & Wealth Management ..... | 92,434 | 97,452 | 96,009 | (5) | (4) |
| Investment Banking..... | 152,638 | 167,573 | 171,511 | (9) | (11) |
| Corporate Center..... | 24,191 | 24,722 | 24,961 | (2) | (3) |
| **Risk-weighted assets** ..... | **269,263** | **289,747** | **292,481** | (7) | (8) |

Note:

(1) Basel III became effective as of 1 January 2013. 4Q12 amounts, which are presented in order to show meaningful comparative information, are calculated as if Basel III had been implemented in Switzerland at such time.

## Capital metrics under Swiss requirements

*Swiss Core and Total Capital ratios*

Swiss Core Capital consists of CET1 capital, tier 1 participation securities which FINMA advised may be included with a haircut of 20% until 31 December 2018 at the latest, and may include certain other adjustments. Swiss Total Capital also includes high-trigger capital instruments and low-trigger capital instruments. As of the end of 3Q13, our Swiss Core Capital and Swiss Total Capital ratios were 16.9% and 19.9%, respectively, compared to the Swiss capital ratio phase-in requirements of 6.0% and 8.1%, respectively.

## Swiss Core and Total Capital ratios

| | Group | | | | Bank | | | |
|---|---|---|---|---|---|---|---|---|
| | **3Q13** | **2Q13** | **4Q12[1]** | **QoQ** | **3Q13** | **2Q13** | **4Q12[1]** | **QoQ** |
| | | *(end of)* | | *(% change)* | | *(end of)* | | *(% change)* |
| **Capital development (CHF million)** | | | | | | | | |
| CET1 capital | 43,780 | 44,430 | 41,500 | (1) | 37,919 | 38,943 | 36,717 | (3) |
| Swiss regulatory adjustments[2] | 1,907 | 1,375 | 2,481 | 39 | 2,858 | 2,333 | 2,864 | 23 |
| **Swiss Core Capital** | **45,687** | **45,805** | **43,981** | 0 | **40,777** | **41,276** | **39,581** | (1) |
| High-trigger capital instruments[3] | 4,052 | 4,211 | 4,084 | (4) | 4,052 | 4,211 | 4,084 | (4) |
| Low-trigger capital instruments[4] | 4,121 | — | — | — | 4,121 | — | — | — |
| **Swiss Total Capital** | **53,860** | **50,016** | **48,065** | 8 | **48,950** | **45,487** | **43,665** | 8 |
| **Risk-weighted assets (CHF million)** | | | | | | | | |
| Risk-weighted assets – Basel III | 269,263 | 289,747 | 292,481 | (7) | 258,756 | 278,795 | 282,085 | (7) |
| Swiss regulatory adjustments[5] | 1,317 | 1,420 | 1,259 | (7) | 1,298 | 1,395 | 1,220 | (7) |
| **Swiss risk-weighted assets** | **270,580** | **291,167** | **293,740** | (7) | **260,054** | **280,190** | **283,305** | (7) |
| **Capital ratios (%)** | | | | | | | | |
| Swiss Core Capital ratio | 16.9 | 15.7 | 15.0 | — | 15.7 | 14.7 | 14.0 | — |
| Swiss Total Capital ratio | 19.9 | 17.2 | 16.4 | — | 18.8 | 16.2 | 15.4 | — |

Notes:

(1) Basel III became effective as of 1 January 2013. 4Q12 amounts, which are presented in order to show meaningful comparative information, are calculated as if Basel III had been implemented in Switzerland at such time.

(2) Consists of tier 1 participation securities of CHF 2.5 billion, additional tier 1 deductions for which there is not enough tier 1 capital available and is therefore deducted from Swiss Core Capital and other Swiss regulatory adjustments.

(3) Consists of CHF 1.5 billion additional tier 1 instruments and CHF 2.6 billion tier 2 instruments.

(4) Consists of CHF 0.3 billion additional tier 1 instruments and CHF 3.8 billion tier 2 instruments.

(5) Includes increased regulatory thresholds resulting from additional Swiss Core Capital.

The following table presents the Swiss requirements for each of the relevant capital components and discloses our current capital metrics against those requirements.

## Swiss capital requirements and coverage

| | Group | | | | | Bank | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capital requirements | | | | | Capital requirements | | | | |
| | Minimum component | Buffer component | Progressive component | Excess | 3Q13 | Minimum component | Buffer component | Progressive component | Excess | 3Q13 |
| | | | | | *(end of)* | | | | | |
| **Risk-weighted assets (CHF billion)** | | | | | | | | | | |
| **Swiss risk-weighted assets** | — | — | — | — | 270.6 | — | — | — | — | 260.1 |
| **2013 Swiss capital requirements**[1] | | | | | | | | | | |
| Minimum Swiss Total Capital ratio | 3.5% | 3.5% | 1.1% | — | 8.1% | 3.5% | 3.5% | 1.1% | — | 8.1% |
| Minimum Swiss Total Capital (CHF billion) | 9.5 | 9.5 | 3.0 | — | 21.9 | 9.1 | 9.1 | 2.9 | — | 21.1 |
| **Swiss capital coverage (CHF billion)** | | | | | | | | | | |
| Swiss Core Capital | 9.5 | 5.4 | — | 30.8 | 45.7 | 9.1 | 5.1 | — | 26.6 | 40.8 |
| High-trigger capital instruments | — | 4.1 | — | — | 4.1 | — | 4.1 | — | — | 4.1 |
| Low-trigger capital instruments | — | — | 3.0 | 1.1 | 4.1 | — | — | 2.9 | 1.2 | 4.1 |
| **Swiss Total Capital** | **9.5** | **9.5** | **3.0** | **31.9** | **53.9** | **9.1** | **9.1** | **2.9** | **27.9** | **49.0** |
| **Capital ratios (%)** | | | | | | | | | | |
| Swiss Total Capital ratio | **3.5%** | **3.5%** | **1.1%** | **11.8%** | **19.9%** | **3.5%** | **3.5%** | **1.1%** | **10.7%** | **18.8%** |

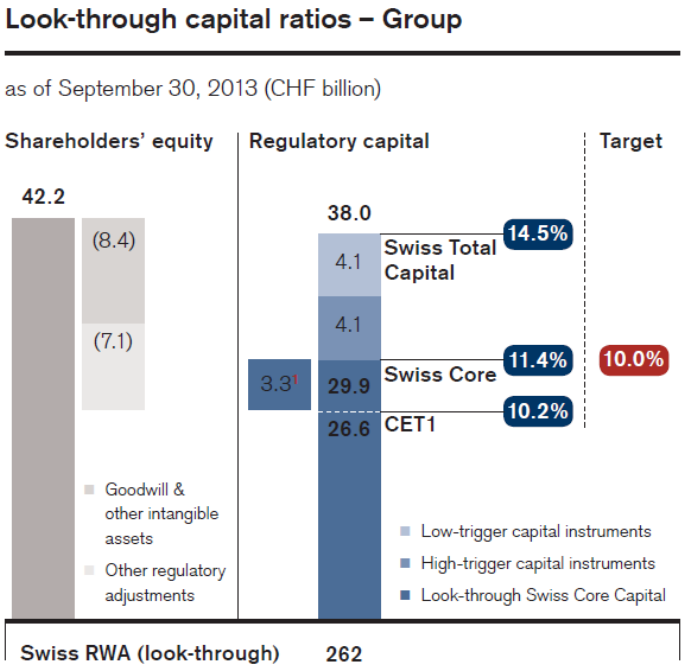
Rounding differences may occur. Excludes countercyclical buffer required as of 30 September 2013.

Note:

(1) The Swiss capital requirements are based on a percentage of RWA.

### *Look-through Swiss Core and Total Capital ratios*

The Look-through Swiss Core Capital assumes fully phased-in goodwill and other intangible assets and other regulatory adjustments. Our Look-through Swiss Core Capital was CHF 29.9 billion and our Swiss Core Capital ratio was 11.4% compared to a 10.0% ratio that we target.




Rounding differences may occur.

¹ Consists of existing tier 1 participation securities of CHF 2.5 billion and other Swiss regulatory adjustments.

*Swiss Leverage ratio*

The Swiss leverage ratio is calculated as Swiss Total Capital, divided by a three-month average exposure, which consists of balance sheet assets, off-balance sheet exposures, consisting of guarantees and commitments, and regulatory adjustments, including cash collateral netting reversals and derivative add-ons. As of the end of 3Q13, our Swiss leverage ratio was 4.5%. As of the end of 3Q13, our total exposure was CHF 1,184 billion, compared to our year-end 2013 target of CHF 1,190 billion. We have revised our long-term target to CHF 1,070 billion.

**Swiss leverage ratio**

| | Group | | | Bank | | |
|---|---|---|---|---|---|---|
| | **3Q13** | **2Q13** | **QoQ** | **3Q13** | **2Q13** | **QoQ** |
| | *(end of)* | | *(% change)* | *(end of)* | | *(% change)* |
| **Swiss Total Capital (CHF million)** | | | | | | |
| **Swiss Total Capital** | **53,860** | **50,016** | 8 | **48,950** | **45,487** | 8 |
| **Exposure (CHF million)**(1) | | | | | | |
| Balance sheet assets | 903,593 | 940,733 | (4) | 885,852 | 923,484 | (4) |
| Off-balance sheet exposures | 144,943 | 161,178 | (10) | 144,107 | 160,290 | (10) |
| Regulatory adjustments | 157,302 | 180,198 | (13) | 154,818 | 177,579 | (13) |
| **Total average exposure** | **1,205,838** | **1,282,149** | **(6)** | **1,184,777** | **1,261,353** | **(6)** |
| **Swiss leverage ratio (%)** | | | | | | |
| Swiss leverage ratio | **4.5** | **3.9** | — | **4.1** | **3.6** | — |

Note:

(1) Calculated as the average of the month-end amounts for the previous three calendar months.

The following table presents the Swiss requirements relating to each of the relevant capital components and discloses our current leverage metrics against those requirements.

## Swiss leverage requirements and coverage

| | Group | | | | | Bank | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capital requirements | | | | | Capital requirements | | | | |
| | Minimum component | Buffer component | Progressive component | Excess | 3Q13 | Minimum component | Buffer component | Progressive component | Excess | 3Q13 |
| | | | | | *(end of)* | | | | | |
| **Exposure (CHF billion)** | | | | | | | | | | |
| **Total average exposure** | — | — | — | — | **1,205.8** | — | — | — | — | **1,184.8** |
| **2013 Swiss leverage requirements**[1] | | | | | | | | | | |
| Minimum Swiss leverage ratio | 0.84% | 0.84% | 0.26% | — | 1.94% | 0.84% | 0.84% | 0.26% | — | 1.94% |
| Minimum Swiss leverage (CHF billion) | 10.1 | 10.1 | 3.2 | — | 23.4 | 10.0 | 10.0 | 3.1 | — | 23.0 |
| **Swiss capital coverage (CHF billion)** | | | | | | | | | | |
| Swiss Core Capital | 10.1 | 6.1 | — | 29.5 | 45.7 | 10.0 | 5.9 | — | 24.9 | 40.8 |
| High-trigger capital instruments | — | 4.1 | — | — | 4.1 | — | 4.1 | — | — | 4.1 |
| Low-trigger capital instruments | — | — | 3.2 | 0.9 | 4.1 | — | — | 3.1 | 1.0 | 4.1 |
| **Swiss Total Capital** | **10.1** | **10.1** | **3.2** | **30.4** | **53.9** | **10.0** | **10.0** | **3.1** | **25.9** | **49.0** |
| **Swiss leverage ratio (%)** | | | | | | | | | | |
| **Swiss leverage ratio** | **0.84%** | **0.84%** | **0.26%** | **2.5%** | **4.5%** | **0.84%** | **0.84%** | **0.26%** | **2.2%** | **4.1%** |

Rounding differences may occur.

Note:

(1) The leverage requirements are based on a percentage of total average exposure.

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*There can be no assurance that CSG's CET1 Ratio, Swiss Core Capital ratio or Total Capital ratio will in fact reach the estimates noted above and/or remain at such levels.*

*Higher Trigger Capital Amount and Ratio*

As of the end of 3Q13, the Higher Trigger Capital Amount (as defined in the Terms and Conditions of the Notes) was CHF 4.1 billion and the Higher Trigger Capital Ratio (as also defined in the Terms and Conditions of the Notes, and rounded to the nearest tenth of a per cent) was 1.5 per cent. Adjusted for the exchange of capital notes on 23 October 2013, the Higher Trigger Capital Amount and the Higher Trigger Capital Ratio as of the end of 3Q13 were CHF 7.8 billion and 2.9 per cent., respectively. For additional information on the BIS statistics used to calculate such measures, see the table "*BIS statistics — Basel III*" above.

## TERMS AND CONDITIONS OF THE NOTES

*The following (excluding this paragraph) is the text of the terms and conditions (the "Conditions") that shall be applicable to the Notes. The full text of the Conditions, including the provisions of the relevant Pricing Schedule (as defined below) and, in the case of Global Certificates, the Direct Enforcement Rights Schedule (as defined below), shall be attached to the Certificates.*

## PART A

The U.S.$2,250,000,000 7.500 per cent. Tier 1 Capital Notes ("**Notes**") are issued by Credit Suisse Group AG (the "**Issuer**" or "**CSG**") and are subject to these terms and conditions (the "**Conditions**", which expression shall, unless the context otherwise requires, include the detailed provisions of the pricing schedule relating to the Notes as set forth in Part B of these Conditions (the "**Pricing Schedule**") and, in the case of the Global Certificates, the Direct Enforcement Rights Schedule set forth in Part C of these Conditions (the "**Direct Enforcement Rights Schedule**")). All capitalised terms that are not defined in Part A of these Conditions will have the meanings given to them in the relevant Pricing Schedule and, in the event of any inconsistency between Part A and these Conditions and the Pricing Schedule, the Pricing Schedule shall prevail. The form of the Certificates referred to below are set out in an English law governed Agency Agreement (the "**Agency Agreement**") dated the Issue Date between the Issuer, Citigroup Global Markets Deutschland AG as registrar and transfer agent, Citibank, N.A., London Branch as principal paying agent and calculation agent and the other paying agents named in it. The principal paying agent, the other paying agents, the registrar, the other transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Principal Paying Agent**", the "**Paying Agents**" (which expression shall include the Principal Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar), and the "**Calculation Agent(s)**".

### 1 Amount, Denomination and Interest Basis and Form

#### *(a) Principal Amount, Specified Denomination and Interest Basis*

The initial aggregate principal amount of the Notes is specified in the relevant Pricing Schedule. Each Note will be issued in the Specified Denomination(s) specified in the relevant Pricing Schedule. The principal amount of each Note may be written-down in the circumstances and in the manner described in Condition 7.

Each Note is a Fixed Rate Note, a Floating Rate Note or a Fixed/Floating Rate Note, depending upon the Interest Basis shown in the relevant Pricing Schedule.

#### *(b) Form*

(i) *Global Certificates*

The Notes are issued in registered form and are initially represented by Global Certificates (as defined below). The Notes that are initially sold in an "offshore transaction" within the meaning of Regulation S of the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), are initially represented by a permanent registered global certificate (each, a "**Regulation S Global Certificate**"), without interest coupons, deposited with a common depositary on behalf of Euroclear and Clearstream, Luxembourg. The Notes that are initially sold in the United States to "qualified institutional buyers" (each, a "**QIB**") within the meaning of Rule 144A under the U.S. Securities Act ("**Rule 144A**") are initially represented by a permanent registered global

certificate (each, a "**Rule 144A Global Certificate**", and, together with the Regulation S Global Certificate(s), the "**Global Certificates**"), without interest coupons, deposited with a custodian (the "**Custodian**") for, and registered in the name of Cede & Co. as nominee for, DTC.

So long as the Notes are represented by one or more Global Certificates, if an Event of Default has occurred (and, in the case of an Event of Default of the type described in sub-paragraph (i) of Condition 12(a), is continuing) the Holder of any such Global Certificate may from time to time elect for direct enforcement rights under the provisions of the Direct Enforcement Rights Schedule, as against the Issuer, to come into effect in respect of up to all of the Notes (or, in the case of an Event of Default of the type described in sub-paragraph (i) of Condition 12(a), a principal amount of Notes up to the aggregate principal amount in respect of which such failure to pay has occurred) in favour of the persons shown in the records of DTC, Euroclear, Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**") as the holders of interests in the Notes represented by such Global Certificate. Such election shall be made by notice to the Principal Paying Agent by the relevant Holder specifying the principal amount of the Notes represented by such Global Certificate in respect of which direct enforcement rights shall arise under the Direct Enforcement Rights Schedule (such notice, a "**Direct Rights Election Notice**").

(ii) *Definitive Certificates*

No transfers of the Notes represented by the Global Certificates pursuant to Condition 2 shall be made unless and until definitive Notes in registered form (each, a "**Definitive Certificate**") are printed. Definitive Certificates shall be printed, and a Global Certificate will be exchanged, in whole (in the case of (A) and (B) below) or in whole or, as appropriate, in part (in the case of (C) below), for Definitive Certificates, if:

(A) in the case of a Rule 144A Global Certificate, DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to such Rule 144A Global Certificate, or ceases to be a "clearing agency" registered under the U.S. Securities and Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), or if at any time it is no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or

(B) in the case of a Regulation S Global Certificate, Euroclear, Clearstream, Luxembourg or such other clearing system through which such Regulation S Global Certificate is cleared is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(C) the Issuer provides its consent.

If a Global Certificate is to be exchanged for Definitive Certificates pursuant to this Condition 1(b)(ii), the Issuer shall procure the prompt delivery (free of charge) of Definitive Certificates, duly executed without coupons, to each person having an interest in such Global Certificate who has provided the Registrar with (x) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver Definitive Certificates representing its ownership of the Notes, and (y) in the case of a Rule 144A Global Certificate, either (1) a fully completed, signed certification substantially to the effect that such holder is not transferring its interest at the time of such exchange or (2) in the

case of a simultaneous resale, a fully completed, signed member organisation certificate substantially in the form that may be obtained from the Registrar. Each such Definitive Certificate shall be registered in the name of the relevant person. Definitive Certificates representing the Notes issued in exchange for an interest in a Rule 144A Global Certificate shall bear a legend setting forth restrictions on transfer of the Notes offered and sold within the United States only to QIBs pursuant to Rule 144A in the form of the first paragraph of the Rule 144A Global Certificate. A copy of the form of the Rule 144A Global Certificate will be made available by the Registrar to any Holder upon request.

## 2 Transfers of Notes

### *(a) General*

(i) Title to the Notes shall pass by transfer (*Zession*) and due registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer from time to time. A copy of the current regulations will be made available by the Registrar to any Holder upon request.

(ii) Transfers of Notes and the issue of new Certificates on transfer shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to the transfer (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(iii) No Holder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of the Notes pursuant to Condition 8, (ii) during the period from (and including) any Write-down Notice to (and including) any Write-down Date or (iii) during the period of seven days ending on (and including) any Record Date.

(iv) Subject to the enforcement rights described in Condition 1(b)(i), no person (including any Indirect Holder) other than the Holder(s) shall have any rights, or be owed any obligations by the Issuer, under the Notes.

### *(b) Transfer of Notes represented by a Global Certificate*

(i) *Regulation S Global Certificates*

Transfers of the holding of Notes represented by a Regulation S Global Certificate may only be made (x) in whole, but not in part, if the Notes represented by such Regulation S Global Certificate are held on behalf of Euroclear, Clearstream, Luxembourg or any Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so, or (y) in whole or in part, with the consent of the Issuer, *provided* that, in the case of a transfer pursuant to (x) above, the Holder has given the Registrar not less than 30 days' notice at its specified office of such Holder's intention to effect such transfer. Where the holding of Notes represented by a Regulation S Global Certificate is only transferable in its entirety, the Global Certificate issued to the transferee upon transfer of such holding shall be a Regulation S Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be Regulation S Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, Euroclear, Clearstream, Luxembourg and/or an Alternative Clearing System.

(ii) *Rule 144A Global Certificates*

Transfers of the holding of Notes represented by a Rule 144A Global Certificate may only be made (x) in whole, but not in part, if the Notes represented by such Rule 144A Global Certificate are held on behalf of a Custodian and if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to such Rule 144A Global Certificate or DTC ceases to be a clearing agency registered under the U.S. Exchange Act, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC, or (y) in whole or in part, with the consent of the Issuer, provided that, in the case of a transfer pursuant to (x) above, the Holder has given the Registrar not less than 30 days' notice at its specified office of such Holder's intention to effect such transfer. Where the holding of Notes represented by a Rule 144A Global Certificate is only transferable in its entirety, the Global Certificate issued to the transferee upon transfer of such holding shall be a Rule 144A Global Certificate bearing a legend setting forth restrictions on transfer of the Notes offered and sold within the United States only to QIBs pursuant to Rule 144A. Where transfers are permitted in part, Certificates issued to transferees shall not be Rule 144A Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a custodian for, and nominee of, DTC and/or any Alternative Clearing System.

(iii) *Exchange of interests in a Rule 144A Global Certificate for interests in a Regulation S Global Certificate*

An interest in a Rule 144A Global Certificate may only be exchanged for an interest in a Regulation S Global Certificate if the transferor provides the Transfer Agent with an executed certificate substantially in the form of a certificate available on request from the Transfer Agent, which certifies that the transfer is being conducted in compliance with Regulation S under the U.S. Securities Act.

(iv) *Exchange of interests in a Regulation S Global Certificate for interests in a Rule 144A Global Certificate*

An interest in a Regulation S Global Certificate may only be exchanged for an interest in a Rule 144A Global Certificate (A) after the 40th day after the later of the commencement of the offering of the Notes and the Issue Date, and (B) if Euroclear, Clearstream, Luxembourg or such other Alternative Clearing System through which the relevant Regulation S Global Certificate clears provides the Principal Paying Agent with an executed certificate substantially in the form of a certificate available on request from the Transfer Agent, which certifies that it reasonably believes that the transfer is being conducted in compliance with Rule 144A.

***(c) Transfer of Notes represented by a Definitive Certificate***

(i) *Transfer*

If and when Definitive Certificates have been printed pursuant to Condition 1(b), one or more Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Definitive Certificate representing such Notes to be transferred, together with the form of transfer endorsed on such Definitive Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. A new Definitive Certificate shall be issued to the transferee in respect of the Notes the subject of the relevant

transfer and, in the case of a transfer of part only of a holding of Notes represented by one Definitive Certificate, a new Definitive Certificate in respect of the balance of the Notes not transferred shall be issued to the transferor. In the case of a transfer of Notes to a person who is already a Holder, a new Definitive Certificate representing the enlarged holding may be issued but only concurrently (*Zug um Zug*) against surrender of the Definitive Certificate representing the existing holding of such person.

(ii) *Delivery of new Definitive Certificates*

Each new Definitive Certificate to be issued pursuant to Condition 2(c)(i) shall be available for delivery within three business days of receipt of the form of transfer and surrender of the relevant Definitive Certificate. Delivery of new Definitive Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery and surrender of such form of transfer and Definitive Certificate or, as the case may be, surrender of such Definitive Certificate, shall have been made or, at the option of the relevant Holder and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Definitive Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c)(ii), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

***(d) Rule 144A***

Each Note that is initially sold in the United States to a QIB will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be sold, pledged or otherwise transferred, except (w) in accordance with Rule 144A to a person that the Holder and any person acting on its behalf reasonably believe is a QIB that is acquiring the Notes for its own account or for the account of one or more QIBs, (x) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the U.S. Securities Act, (y) pursuant to an exemption from registration under Rule 144 under the U.S. Securities Act, if available or (z) pursuant to an effective registration statement under the U.S. Securities Act, in each case, in accordance with any applicable securities laws of any state of the United States.

So long as any Notes are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, the Issuer will, during the period in which the Issuer is neither subject to Section 13 or 15(d) of the U.S. Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to the Holder or beneficial owner thereof, or to any prospective purchaser thereof designated by such Holder or beneficial owner upon request of such Holder, beneficial owner or prospective purchaser the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act.

## 3 Status of the Notes

The Notes constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Holders are subordinated as described in Condition 4.

## 4 Subordination of the Notes

### *(a) Subordination*

In the event of an order being made, or an effective resolution being passed, for the liquidation or winding-up of the Issuer (except, in any such case, a solvent liquidation or winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation of the Issuer or the substitution in place of the Issuer of a successor in business of the Issuer, the terms of which reorganisation, reconstruction, amalgamation or (except in the case of a substitution effected in accordance with Condition 13(c)) substitution (x) have previously been approved by a meeting of Holders in accordance with Condition 13(a) and (y) do not provide that the Notes shall thereby become redeemable or repayable in accordance with these Conditions), the claims of the Holders against the Issuer in respect of or arising under (including, without limitation, any damages awarded for breach of any obligation under) the Notes shall rank (i) junior to all claims of Priority Creditors, (ii) *pari passu* with Parity Obligations and (iii) senior to the rights and claims of all holders of Junior Capital.

Any claim of any Holder in respect of or arising under the Notes (including, without limitation, any claim in relation to any unsatisfied payment obligation of the Issuer subject to enforcement by any Holder pursuant to Condition 12 or in relation to the occurrence of any other Event of Default) shall be subject to, and superseded by, Condition 7, irrespective of whether the relevant Write-down Event has occurred prior to or after the occurrence of an Event of Default or any other event.

### *(b) Definitions*

As used in these Conditions:

"**Junior Capital**" means (i) all classes of paid-in capital in relation to shares (and participation certificates, if any) of the Issuer and (ii) all other obligations of the Issuer which rank, or are expressed to rank, junior to claims in respect of the Notes and/or any Parity Obligation;

"**Parity Obligations**" means (i) all obligations of the Issuer in respect of CSG Tier 1 Instruments (excluding any such obligations that rank, or are expressed to rank, junior to claims in respect of the Notes) and (ii) any other securities or obligations (including any guarantee, credit support agreement or similar undertaking) of the Issuer that rank, or are expressed to rank, *pari passu* with claims in respect of the Notes and/or any Parity Obligation; and

"**Priority Creditors**" means creditors of the Issuer whose claims are in respect of debt and other obligations (including those in respect of bonds, notes, debentures and guarantees) which are unsubordinated, or which are subordinated (including, but not limited to, CSG Tier 2 Instruments) and which do not, or are not expressly stated to, rank *pari passu* with, or junior to, the obligations of the Issuer under the Notes and/or any Parity Obligation.

## 5 Set-off

Subject to applicable law, each Holder, by acceptance of a Note, agrees that it shall not, and waives its right to, exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Notes. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its liquidation, dissolution or winding-up, the liquidator of the Issuer) and, until such time as payment is made, shall hold an

amount equal to such amount in trust for the Issuer (or the liquidator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

## 6 Interest Calculations

### *(a) Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its principal amount from time to time from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Fixed Rate of Interest, such interest being, subject as provided in Condition 6(h), payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 6(f).

### *(b) Interest on Floating Rate Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest on its principal amount from time to time from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Floating Rate of Interest, such interest being, subject as provided in Condition 6(h), payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 6(f).

(ii) *Business Day Convention*

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified in the relevant Pricing Schedule is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Floating Rate of Interest for Floating Rate Notes*

The Floating Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined as provided herein:

(x) The Floating Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) if required pursuant to Condition 6(b)(iii)(y) below, the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time if

the Reference Rate is LIBOR or Brussels time if the Reference Rate is EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the relevant Pricing Schedule as being other than LIBOR or EURIBOR, the Floating Rate of Interest in respect of such Notes will be determined as provided in the relevant Pricing Schedule.

(y) If the Relevant Screen Page is not available or if Condition 6(b)(iii)(x)(1) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Floating Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.

(z) If Condition 6(b)(iii)(y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Floating Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks, or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-

zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Floating Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

***(c) Interest on Fixed/Floating Rate Notes***

Each Fixed/Floating Rate Note bears interest on its principal amount from time to time from (and including) the Interest Commencement Date and during the Fixed Interest Rate Period at the rate per annum (expressed as a percentage) equal to the Fixed Rate of Interest, such interest being paid, subject as provided in Condition 6(h), in arrear on each Interest Payment Date falling in the Fixed Interest Rate Period, and during the Floating Interest Rate Period at the rate per annum (expressed as a percentage) equal to the Floating Rate of Interest, such interest being paid in arrear on each Interest Payment Date falling in the Floating Rate Interest Period. The amount of interest payable shall be determined in accordance with Condition 6(f).

***(d) Accrual of Interest***

(i) Subject to Condition 6(d)(ii), where a Note is to be redeemed pursuant to Condition 8(c), 8(d) or 8(e), interest shall accrue up to (but excluding) the due date for redemption, and shall cease to accrue on such Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the relevant Rate of Interest from time to time in the manner provided in this Condition 6 to the Due Date.

(ii) Upon the occurrence of a Write-down Event, interest shall accrue on the principal amount of each Note up to (but excluding), and shall cease to accrue on each Note with effect from, the date of the relevant Write-down Notice.

***(e) Margin, Maximum/Minimum Rates of Interest and Rounding***

(i) If any Margin is specified in the relevant Pricing Schedule (either (x) generally or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 6(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest is specified in the relevant Pricing Schedule, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down

to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is legal tender.

***(f) Calculations***

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be calculated by reference to the Rate of Interest, the Calculation Amount specified in the relevant Pricing Schedule and the Day Count Fraction for such Interest Accrual Period, unless (as specified in the relevant Pricing Schedule) an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be applied to the period for which interest is required to be calculated.

***(g) Determination and Publication of Rates of Interest and Interest Amounts***

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation under the Conditions, calculate such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date to be notified to the Issuer, each of the Paying Agents, the Holders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 6(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended without notice in the event of an extension or shortening of the Interest Period. If there is a default in payment in respect of the Notes as provided in Condition 12(a), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

***(h) Cancellation of Interest; Prohibited Interest***

(i) The Issuer may, at its discretion, elect to cancel all or part of any payment of interest which is otherwise scheduled to be paid on an Interest Payment Date by giving notice of such election to the Holders in accordance with Condition 17, and to the Principal Paying Agent, not more than 30 nor less than 10 Business Days prior to the relevant Interest Payment Date. This Condition 6(h)(i) is without prejudice to the provisions of Condition 6(h)(ii) and Condition 6(h)(v).

(ii) The Issuer shall be prohibited from making, in whole or in part, any payment of interest on the Notes on the relevant Interest Payment Date if and to the extent that on such Interest Payment Date:

(a) CSG has an amount of Distributable Profits which is less than the sum of (1) the aggregate amount of such interest payment and (2) all other payments (other than redemption payments) made by CSG since the date of the Relevant Accounts (A) on the Notes and (B) on or in respect of any Tier 1 Instruments or Tier 1 Shares, in each case, excluding any portion of such other payments already accounted for in determining the Distributable Profits and, in each case as necessary, translated into CSG's reporting currency at the relevant Prevailing Rate on or around such Interest Payment Date;

(b) the Regulatory Condition is not satisfied or would not be satisfied if such interest payment were made; and/or

(c) the Regulator has required the Issuer not to make such interest payment.

The Issuer shall deliver a certificate signed by the Authorised Signatories to the Principal Paying Agent and shall give notice, in accordance with Condition 17, to the Holders in each case as soon as practicable following any determination that interest is required to be cancelled pursuant to this Condition 6(h)(ii) or, where no such prior determination is made, promptly following any Interest Payment Date on which interest was scheduled to be paid if such interest is being cancelled in accordance with this Condition 6(h)(ii), to such effect setting out brief details as to the amount of interest being cancelled and the reason therefor.

As used herein:

"**Distributable Profits**" means, in respect of any Interest Payment Date, the aggregate amount of (i) net profits carried forward and (ii) freely available reserves (other than reserves for own shares), in each case, less any amounts that must be contributed to legal reserves under applicable law, all in CSG's reporting currency and as appearing in the Relevant Accounts;

"**Regulatory Condition**" means, in respect of any Interest Payment Date, that CSG is, and will be immediately after the relevant payment of interest, in compliance with all applicable minimum capital adequacy requirements of the National Regulations; and

"**Relevant Accounts**" means, in respect of any Interest Payment Date, the audited unconsolidated financial statements of CSG for the financial year ended immediately prior to such Interest Payment Date.

(iii) If, on any Interest Payment Date, any payment of interest scheduled to be made on such date is not made in full by reason of Condition 6(h)(i) (such amount not paid, being "**Unpaid Interest**") or by reason of Condition 6(h)(ii):

(a) CSG shall not, directly or indirectly, resolve, or recommend to holders of its Ordinary Shares, that any dividend or other distribution in cash or in kind (other than in the form of Ordinary Shares) be paid or made on any Ordinary Shares; and

(b) CSG shall not, directly or indirectly, redeem, purchase or otherwise acquire any Ordinary Shares other than in relation to (1) transactions effected by or for the account of customers of CSG or any of its Subsidiaries or in connection with the distribution or trading of, or market making in respect of Ordinary Shares; (2) the satisfaction by CSG or any of its Subsidiaries of its obligations under any employee benefit plans or similar

arrangements with or for the benefit of employees, officers, directors or consultants; (3) a reclassification of the capital stock of CSG or any of its Subsidiaries or the exchange or conversion of one class or series of such capital stock for another class or series of such capital stock; or (4) the purchase of fractional interests in shares of the capital stock of CSG or any of its majority-owned Subsidiaries pursuant to the provisions of any security being converted into or exchanged for such capital stock,

in each case unless and until (x) the interest payment due and payable on the Notes on any subsequent Interest Payment Date has been paid in full (or an amount equal to the same has been paid in full to a designated third party trust account for the benefit of the Holders prior to payment by the trustee thereof to the Holders on such subsequent Interest Payment Date) or, if earlier, (y) all outstanding Notes have been cancelled in accordance with these Conditions.

(iv) Payments of interest on the Notes are not cumulative. Notwithstanding any other provision in these Conditions but without prejudice to Condition 6(h)(v), the cancellation or non-payment of any interest amount by virtue of this Condition 6(h) shall not constitute a default for any purpose (including, without limitation, Condition 12(a)) on the part of the Issuer. Any interest payment not paid by virtue of this Condition 6(h) shall not accumulate or be payable at any time thereafter, and Holders shall have no right thereto.

(v) Notwithstanding any other provision in these Conditions, if the ordinary shareholders of CSG resolve to make or pay a dividend or other distribution in cash or in kind (other than in the form of Ordinary Shares) on the Ordinary Shares in respect of a financial year or other specified period during which there has arisen any Unpaid Interest on one or more occasions, the Issuer shall, subject as provided below, pay to the Holders, within five Business Days of such distribution or dividend being paid or made, an amount equal to the aggregate amount of all Unpaid Interest which has arisen during such financial year or other specified period. For the avoidance of doubt, if the ordinary shareholders do not resolve to make or pay a distribution or dividend on the Ordinary Shares as described in this Condition 6(h)(v), no amount shall be payable in respect of Unpaid Interest under this Condition 6(h)(v).

***(i) Definitions***

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or

(ii) in the case of euro, a day on which the TARGET System is operating (a "**TARGET Business Day**"); and/or

(iii) in the case of a currency and/or one or more Financial Centres specified in the relevant Pricing Schedule a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in such Financial Centre(s) or, if no currency is indicated, generally in each of such Financial Centres.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual—ISDA**" is specified in the relevant Pricing Schedule, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the relevant Pricing Schedule, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/360**" is specified in the relevant Pricing Schedule, the actual number of days in the Calculation Period divided by 360;

(iv) if "**Actual/Actual-ICMA**" is specified in the relevant Pricing Schedule:

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

"**Determination Date**" means the date(s) specified as such in the relevant Pricing Schedule or, if none is so specified, the Interest Payment Date(s); and

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Pricing Schedule, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**$M_2$**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$D_1$**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**$D_2$**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30.

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Fixed Interest Rate Period**" means the period specified as such in the relevant Pricing Schedule.

"**Fixed Rate of Interest**" means the rate of interest payable from time to time in respect of a Fixed Rate Note or during the Fixed Interest Rate Period in respect of a Fixed/Floating Rate Note and that is either specified in the relevant Pricing Schedule or calculated in accordance with the provisions in the relevant Pricing Schedule.

"**Floating Interest Rate Period**" means the period specified as such in the relevant Pricing Schedule.

"**Floating Rate of Interest**" means the rate of interest payable from time to time in respect of a Floating Rate Note or during the Floating Interest Rate Period in respect of a Fixed/Floating Rate Note and that is either specified in the relevant Pricing Schedule or calculated in accordance with the provisions in the relevant Pricing Schedule.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the relevant Pricing Schedule, shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Pricing Schedule as being payable on the Interest Payment Date ending in the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date specified in the relevant Pricing Schedule or such other date as may be specified in the relevant Pricing Schedule.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Pricing Schedule or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"**Interest Payment Date**" means, in respect of the Notes, the date or dates specified as such, or determined as provided, in the relevant Pricing Schedule.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified in the relevant Pricing Schedule.

"**Rate of Interest**" means the Fixed Rate of Interest and/or Floating Rate of Interest, as the case may be.

"**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified in the relevant Pricing Schedule.

"**Reference Rate**" means the rate specified as such in the relevant Pricing Schedule.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Pricing Schedule.

"**Specified Currency**" means the currency in which the Notes are denominated.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

### *(j) Calculation Agent*

The Issuer shall ensure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Pricing Schedule and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## 7 Write-down

### *(a) Write-down Event*

(i) *Write-down Event*

If a Contingency Event or, subject to Condition 7(c), a Viability Event (any such event, a "**Write-down Event**") occurs at any time while the Notes are outstanding and prior to a

Statutory Loss Absorption Date (if any), a Write-down shall, subject to and as provided in this Condition 7, occur on the relevant Write-down Date.

(ii) *Contingency Event*

As used in these conditions, a "**Contingency Event**" means the giving of a Contingency Event Notice in accordance with this Condition 7(a)(ii).

CSG, or, following any substitution under Condition 13(c), the Substitute Issuer or CSG shall give a notice (the "**Contingency Event Notice**") to the Holders in accordance with Condition 17 in the event that as at any Reporting Date, the sum of (x) the CET1 Ratio contained in the relevant Financial Report and (y) the Higher Trigger Capital Ratio is below the Threshold Ratio; *provided*, *however*, that no Contingency Event Notice shall be given, and no Contingency Event in relation thereto shall be deemed to have occurred, if the Regulator, at the request of CSG, has agreed on or prior to the publication of the relevant Financial Report that a Write-down shall not occur because it is satisfied that actions, circumstances or events have had, or imminently will have, the effect of restoring the CET1 Ratio to a level above the Threshold Ratio that the Regulator and CSG deem, in their absolute discretion, to be adequate at such time.

Any Contingency Event Notice shall:

(A) state that, with the giving of such notice, a Contingency Event has occurred and a Write-down will take place;

(B) specify the relevant Write-down Date; and

(C) be given on the date that is the later of (x) five Business Days after the date of publication of the relevant Financial Report and (y) the latest effective date on which all Higher Trigger Capital Instruments that were outstanding on the relevant Reporting Date, if any, are irrevocably assured to be converted into equity and/or written-down/off (or otherwise operated on to increase the CET1 Amount), whether through an irrevocable notice being given to the holders thereof or otherwise.

(iii) *Viability Event*

As used in these conditions, a "**Viability Event**" means that either:

(A) the Regulator has notified CSG that it has determined that a write-down of the Notes, together with the conversion or write down/off of holders' claims in respect of any and all other Progressive Component Capital Instruments, Buffer Capital Instruments, Tier 1 Instruments and Tier 2 Instruments that, pursuant to their terms or by operation of law, are capable of being converted into equity or written down/off at that time is, because customary measures to improve CSG's capital adequacy are at the time inadequate or unfeasible, an essential requirement to prevent CSG from becoming insolvent, bankrupt or unable to pay a material part of its debts as they fall due, or from ceasing to carry on its business; or

(B) customary measures to improve CSG's capital adequacy being at the time inadequate or unfeasible, CSG has received an irrevocable commitment of extraordinary support from the Public Sector (beyond customary transactions and arrangements in the ordinary course) that has, or imminently will have, the effect of improving CSG's capital adequacy and without which, in the determination of the Regulator, CSG would have

become insolvent, bankrupt, unable to pay a material part of its debts as they fall due or unable to carry on its business.

CSG, or, following any substitution under Condition 13(c), the Substitute Issuer or CSG shall give a notice (the "**Viability Event Notice**") to the Holders in accordance with Condition 17 following the occurrence of a Viability Event, which notice shall (x) state that a Viability Event has occurred and a Write-down shall take place, (y) specify the relevant Write-down Date and (z) be given no later than three Business Days after the occurrence of the relevant Viability Event.

***(b) Write-down***

Following the occurrence of a Write-down Event, on the relevant Write-down Date,

(i) the full principal amount of each Note will be written down to zero and all references to the principal amount of the Notes in these Conditions shall be construed accordingly;

(ii) the Holders will be deemed to have irrevocably waived their rights to, and will no longer have any rights against the Issuer with respect to, repayment of the aggregate principal amount of the Notes, and the Holders will be deemed to have agreed to the foregoing (*bedingte Aufhebung einer Forderung durch Übereinkunft*);

(iii) the Issuer will pay to Holders any Accrued Interest on the Notes and any unpaid Additional Amounts relating thereto, in each case, if and only to the extent accrued prior to the date of the relevant Write-down Notice; and

(iv) except as described in sub-clause (iii) above, all rights of any Holder for payment of any amounts under or in respect of the Notes (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Event of Default) will become null and void, irrespective of whether such amounts have become due and payable or such claims have arisen prior to the occurrence of the Write-down Event, the date of the Write-down Notice or the Write-down Date.

Upon payment of the amounts, if any, described in sub-clause (iii) above against presentation of the Certificate representing the relevant Note(s), such Certificate and Notes shall forthwith be permanently cancelled.

***(c) Alternative loss absorption***

In the event of the implementation of any new, or amendment to or change in the interpretation of any existing, laws or components of National Regulations, in each case occurring after the Issue Date, that alone or together with any other law(s) or regulation(s) has, in the joint determination of CSG and the Regulator, or, following any substitution under Condition 13(c), CSG, the Substitute Issuer and the Regulator, the effect that Condition 7(a)(iii) could cease to apply to the Notes without giving rise to a Capital Event by reason of paragraph (a) of the definition thereof, then the Issuer shall give notice to the Holders no later than five Business Days after such joint determination stating that such provisions shall cease to apply from the date of such notice (the "**Statutory Loss Absorption Date**"), and from the date of such notice, such provisions shall cease to apply to the Notes.

## 8 Redemption, Substitution, Variation and Purchase

### *(a) No Fixed Redemption Date*

The Notes are perpetual securities in respect of which there is no fixed redemption date. Unless previously redeemed or purchased and cancelled as provided in these Conditions and subject to Condition 8(f), each Note is perpetual and shall only be redeemed or purchased as specified in this Condition 8.

### *(b) Conditions to Redemption, Substitution, Variation and Purchase*

Any redemption, substitution, variation or purchase of the Notes in accordance with Condition 8(c), (d), (e), (g) or (h) is subject to the Issuer or, following any substitution under Condition 13*(c)*, the Substitute Issuer and CSG, receiving the prior approval of the Regulator, if then required.

Prior to the publication of any notice of redemption pursuant to Conditions 8(d) or 8(e) or notice of substitution or variation pursuant to Condition 8(h), the Issuer shall deliver to the Principal Paying Agent a certificate signed by two Authorised Signatories stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or, as the case may be, vary is satisfied and the reasons therefor and such certificate shall be conclusive and binding on the Holders. Prior to the publication of any notice of redemption pursuant to Condition 8(d), the Issuer shall deliver an opinion of independent legal advisers of recognised standing to the Principal Paying Agent to the effect that circumstances entitling the Issuer to exercise its rights of redemption under Condition 8(d) have arisen.

### *(c) Optional Redemption*

If Optional Redemption is specified in the Pricing Schedule as being applicable, then, subject to Conditions 8(b) and 8(f), the Issuer may elect by giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent, the Registrar, the Transfer Agent and, in accordance with Condition 17, the Holders (which notice shall, subject to Conditions 8(b) and 8(f), be irrevocable) to redeem in accordance with these Conditions all, but not some only, of the Notes on the First Optional Redemption Date specified in the applicable Pricing Schedule or any other Optional Redemption Date specified for this purpose in the applicable Pricing Schedule at their principal amount, together with any accrued but unpaid interest to (but excluding) the relevant redemption date. Upon the expiry of such notice, the Issuer shall, subject to Conditions 8(b) and 8(f), redeem the relevant Notes as aforesaid.

### *(d) Redemption due to Taxation*

If, prior to the giving of the notice referred to below, a Tax Event has occurred and is continuing, then the Issuer may, subject to Conditions 8(b) and 8(f) and having given not less than 30 nor more than 60 days' notice to the Principal Paying Agent, the Registrar, the Transfer Agent and, in accordance with Condition 17, the Holders (which notice shall, subject to Conditions 8(b) and 8(f), be irrevocable), redeem in accordance with these Conditions at any time all, but not some only, of the Notes at their principal amount, together with any accrued but unpaid interest to (but excluding) the relevant redemption date. Upon the expiry of such notice, the Issuer shall, subject to Conditions 8(b) and 8(f), redeem the Notes as aforesaid.

### *(e) Redemption for Capital Event*

If, prior to the giving of the notice referred to below, a Capital Event has occurred and is continuing, then the Issuer may, subject to Conditions 8(b) and 8(f) and having given not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 17, the Principal Paying Agent, the

Registrar and the Transfer Agent (which notice shall, subject to Conditions 8(b) and 8(f), be irrevocable), redeem in accordance with these Conditions at any time specified for the purpose in the Pricing Schedule all, but not some only, of the Notes at their principal amount (in relation to a redemption following the occurrence of the event described in paragraph (a) of the definition of Capital Event) or at their Capital Event (b) Redemption Amount (in relation to a redemption following the occurrence of the event described in paragraph (b) of the definition of Capital Event), in either case together with any accrued but unpaid interest to (but excluding) the relevant redemption date. Upon the expiry of such notice, the Issuer shall, subject to Conditions 8(b) and 8(f), redeem the Notes as aforesaid.

***(f) No redemption following a Write-down Event***

Notwithstanding the other provisions of this Condition 8, the Issuer may not give a notice of redemption of the Notes or redeem the Notes pursuant to this Condition 8 if a Write-down Event shall have occurred prior to the date of such notice or the relevant redemption date, as the case may be.

***(g) Purchases***

The Issuer (or any Subsidiary of CSG) may, subject to Condition 8(b), at any time purchase or procure others to purchase beneficially for its account Notes in any manner and at any price.

***(h) Substitution or Variation upon a Capital Event or a Tax Event***

If a Capital Event or a Tax Event has occurred and is continuing, then the Issuer may, subject to Condition 8(b) and having given not less than 30 days' notice to the Holders in accordance with Condition 17 (which notice shall, subject as provided in Condition 8(f), be irrevocable), without any requirement for the consent or approval of the Holders unless so required by the mandatory provisions of Swiss law, either substitute all, but not some only, of the Notes for, or vary the terms of the Notes in such manner that they remain or, as appropriate, become, Compliant Securities (and provided such Tax Event or, as the case may be, Capital Event, no longer continues following, and no other Tax Event or Capital Event arises as a result of, such substitution or variation). Upon the expiry of the notice required by Condition 8(b), the Issuer shall, subject as provided below, either vary the terms of, or substitute, the Notes, as the case may be, in accordance with this Condition 8(h).

Notwithstanding the other provisions of this Condition 8(h), the Issuer may not give a notice of substitution or variation of the Notes or substitute or vary the Notes pursuant to this Condition 8(h) if a Write-down Event shall have occurred prior to the date of such notice or the relevant date set for such substitution or variation, as the case may be.

In connection with any substitution or variation in accordance with this Condition 8(h), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

***(i) Cancellation***

All Notes redeemed by the Issuer pursuant to this Condition 8 will forthwith be cancelled. All Notes purchased by or on behalf of the Issuer or any Subsidiary of CSG may be held, reissued, resold or, at the option of the Issuer or any such Subsidiary, surrendered for cancellation to the Principal Paying Agent. Notes so surrendered shall be cancelled forthwith. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged upon such cancellation of such Notes.

## 9 Payments

### *(a) Notes*

(i) All payments required to be made to Holders in respect of the Notes shall be made available in good time in freely disposable U.S. dollars and be placed at the free disposal of the Principal Paying Agent on behalf of the Holders. All payments required to be made to Holders in respect of the Notes (including any Additional Amounts) shall be made to the Holders in U.S. dollars without collection costs, without any restrictions and whatever the circumstances may be, irrespective of nationality, domicile or residence of the relevant Holder and without certification, affidavit or the fulfilment of any other formality, save in respect of taxation to the extent provided in these Conditions. In the case of Definitive Certificates, such payments shall only be made upon the presentation of such Definitive Certificate(s), or surrender of such Definitive Certificate(s) in the case of redemption or payment of any Accrued Interest and Additional Amounts in connection with a Write-down, at (i) the specified office of the relevant Paying Agent or (ii) the specified office(s) of any other agent(s) appointed for this purpose by the Principal Paying Agent and notified to the Holders pursuant to Condition 17, as a condition to receipt of any such payment.

(ii) Payments of interest to be made to Holders in respect of Notes due on an Interest Payment Date shall be paid to the person shown on the Register at the close of business on the Business Day before the due date for payment thereof (the "**Record Date**").

### *(b) Payments subject to Fiscal Laws*

All payments are subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or described in any agreement between any Tax Jurisdiction and the United States relating to the foreign account provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any agreement, law, regulation, or other official guidance implementing an intergovernmental approach thereto (collectively, "**FATCA**").

### *(c) Appointment of Agents*

The Principal Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, Calculation Agents, Registrars or Transfer Agents, provided that there shall at all times be (i) a Principal Paying Agent, (ii) a Registrar in relation to Notes, (iii) a Transfer Agent in relation to Notes, (iv) one or more Calculation Agent(s) where these Conditions so require, (v) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC of 3 June 2003 or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 (the "**EU Savings Tax Directive**"), (vi) for so long as any Notes are listed on the SIX Swiss Exchange, a Paying Agent having (a) an office in Switzerland and (b) a banking licence or securities dealer licence or being (x) otherwise subject to supervision by the FINMA or (y) the Swiss national bank, to perform the

functions assigned to the Swiss Paying Agent in the Agency Agreement and (vii) such other agents as may be required by any stock exchange on which the Notes may at any time be listed (if any).

In addition, the Issuer shall in the event that it would be obliged to pay Additional Amounts on or in respect of any Note pursuant to Condition 10 by virtue of such Note being presented for payment in Switzerland, appoint, and at all times thereafter maintain, a Paying Agent in a jurisdiction within Europe (other than Switzerland) and which otherwise complies with the foregoing provisions of this Condition 9(c).

Notice of any such change or any change of any specified office shall promptly be given to the Holders in accordance with Condition 17.

***(d) Non-Business Days***

If any date for payment in respect of any Note is not a business day, the Holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation (where presentation and surrender is required pursuant to these Conditions), in such jurisdictions (if any) as shall be specified as "**Financial Centres**" in the relevant Pricing Schedule and:

(i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

## 10 Taxation

All payments of principal, premium (if any) and/or interest to Holders by or on behalf of the Issuer in respect of the Notes shall be made without withholding or deduction for or on account of any present or future tax, duty, assessment or governmental charge of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of any Tax Jurisdiction or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event the Issuer shall pay such additional amounts ("**Additional Amounts**") as will result (after such withholding or deduction) in receipt by the Holders of the sums which would have been receivable (in the absence of such withholding or deduction) from it in respect of their Notes; except that no such Additional Amounts shall be payable with respect to any Note on account of:

(a) any such taxes, duties, assessments or other governmental charges imposed in respect of such Note by reason of the Holder having some connection with a Tax Jurisdiction other than the mere holding of such Note; or

(b) any such taxes, duties, assessments or other governmental charges imposed in respect of such Note presented for payment more than 30 days after the Due Date except to the extent that the Holder would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day assuming that day to have been a business day (as defined in Condition 9(d)); or

(c) any such taxes, duties, assessments or other governmental charges imposed in respect of such Note where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the EU Savings Tax Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any

law implementing or complying with, or introduced in order to conform to, such Directive (including, but not limited to, the Agreement between the European Community and the Confederation of Switzerland dated 26 October 2004); or

(d) any such taxes, duties, assessments or other governmental charges imposed on a payment in respect of the Notes required to be made pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down in the draft legislation released by the Swiss Federal Council on 24 August 2011 altering the Swiss federal withholding tax system, in particular the principle to have a person other than the Issuer withhold or deduct tax, such as, without limitation, any Paying Agent; or

(e) any such taxes, duties, assessments or other governmental charges imposed in respect of such Note presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union; or

(f) any withholding or deduction that is required to be made pursuant to any agreement between Switzerland and other countries on final withholding taxes (*internationale Quellensteuern*) levied by a paying agent in Switzerland in respect of an individual resident in the other country on interest or capital gain paid, or credited to an account, relating to a Note; or

(g) where such withholding or deduction is imposed on any payment by reason of FATCA; or

(h) any combination of two or more of the items set out at (a) to (g) above.

## 11 Prescription

Claims against the Issuer for payment in respect of the Notes shall become time-barred after a period of 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Due Date in respect of them.

## 12 Events of Default

### *(a) Events of Default*

An event of default ("**Event of Default**") will occur in the following circumstances:

(i) the Issuer fails to make any payment of principal in respect of the Notes for a period of 10 days or more after the date such payment is due, or the Issuer fails to make any payment of interest in respect of the Notes for a period of 30 days or more after the date on which such payment is due;

(ii) an involuntary case or other proceeding shall be commenced against the Issuer, with respect to the Issuer or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the Issuer or for any substantial part of the property and assets of the Issuer, and such involuntary case or other proceedings shall remain undismissed and unstayed for a period of 60 days, except that the issuance of a writ of payment (*Zahlungsbefehl*) under the Swiss debt enforcement and bankruptcy laws shall not constitute such involuntary case or proceeding for the purpose of this Condition 12(a); or an order for relief shall be entered against the Issuer for the purpose of this Condition 12(a); or an order for relief shall be entered against the Issuer under any bankruptcy, insolvency or other similar law now or hereafter in effect; or

(iii) the Issuer (x) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (y) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Issuer for all or substantially all of the property and assets of the Issuer, or (z) effects any general assignment for the benefit of creditors.

Upon the occurrence of an Event of Default and subject to Condition 7, the payment obligations under the Notes (being, in the case of an Event of Default referred to in Condition 12(a)(i) relating to any failure of the Issuer to meet any payment obligation under the Notes, such payment obligation (and such payment obligation only) and, in the case of an Event of Default referred to in Condition 12(a)(ii) or (iii), as described below) shall be deemed due and payable (*fällige*) payment obligations of the Issuer, and if such payment has not been made within the statutory period after the Holder has formally requested payment and a writ of payment (*Zahlungsbefehl*) has been issued as provided by the Swiss insolvency laws, such Holder may institute proceedings against the Issuer in Switzerland (but not elsewhere) to enforce its rights under Swiss insolvency laws.

Upon the occurrence of an Event of Default referred to in Condition 12(a)(ii) or (iii), Holders will have a claim on a subordinated basis as described in Condition 4 for an amount equal to the principal amount of their Notes together with any accrued but unpaid interest thereon and the Issuer shall not (i) after having received the writ of payment (*Zahlungsbefehl*), argue or plead that the payment obligations are not due and payable by the Issuer and (ii) prior to the declaration of bankruptcy (or similar proceeding under Swiss insolvency laws), make any payment to the Holder.

***(b) Extent of Holder's remedy***

No remedy against the Issuer other than as referred to in this Condition 12, shall be available to the Holders for the recovery of amounts owing in respect of the Notes.

## 13 Meetings of Holders, Modification and Substitution

***(a) Meetings of Holders***

The provisions on bondholder meetings contained in Article 1157 et seq. of the Swiss Federal Code of Obligations shall apply in relation to meetings of Holders.

So long as the Notes are represented by one or more Global Certificates deposited with a custodian on behalf of DTC and/or with a common depository for Euroclear and Clearstream, Luxembourg, although the Holders are the only persons entitled to participate in, and vote at, any meeting of the Holders, the Holder of each Global Certificate shall (i) obtain instructions from the relevant Indirect Holders in respect of any meeting of Holders, (ii) vote at such meeting of Holders in respect of each Note represented by such Global Certificate in accordance with the instructions received from the relevant Indirect Holder and (iii) abstain from representing any Note at a meeting of Holders for which it has not received an instruction from the relevant Indirect Holder. Only the Notes for which the Holder received an instruction by the relevant Indirect Holder to take part at a meeting of Holders shall be deemed to be present or represented at such meeting.

***(b) Modifications***

Notwithstanding Condition 13(a), the Issuer may, subject to mandatory provisions of Swiss law, without the consent or approval of the Holders, make such amendments to the terms of the Notes and the Agency Agreement as it considers necessary or desirable to give effect to the provisions of

Condition 7(c), Condition 8(h) and Conditions 13(c) and (d) and such other changes that in its opinion are of a formal, minor or technical nature or made to correct a manifest or proven error, or that in its opinion are not materially prejudicial to the interests of the Holders.

***(c) Issuer Substitution***

The Issuer may, without the consent of the Holders, substitute any Subsidiary of CSG (whether or not such entity is organised under the laws of Switzerland) (such substitute entity, the "**Substitute Issuer**") for itself as principal debtor under the Notes upon giving no more than 30 and no less than 10 days' notice to the Holders in accordance with Condition 17, *provided* that:

(i) at least 95 per cent. of the Substitute Issuer's capital and voting rights are held, directly or indirectly, by CSG;

(ii) the Issuer is not in default in respect of any amount payable under the Notes at the time of such substitution;

(iii) the Issuer and the Substitute Issuer enter into such documents (the "**Substitution Documents**") as are necessary to give effect to such substitution and pursuant to which the Substitute Issuer undertakes in favour of each Holder to be bound by these Conditions as the principal debtor (on a subordinated basis corresponding to Condition 4) under the Notes in place of the Issuer and procure that all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Substitution Documents and the Notes represent valid, legally binding and enforceable obligations of the Substitute Issuer have been taken, fulfilled and done and are in full force and effect;

(iv) if the Substitute Issuer's residence for tax purposes is in a jurisdiction (the "**New Residence**") other than that in which the Issuer prior to such substitution was resident for tax purposes (the "**Former Residence**"), the Substitution Documents contain an undertaking by the Substitute Issuer and/or such other provisions as may be necessary to ensure that each Holder has the benefit of an undertaking in terms corresponding to the provisions of Condition 10 in relation to the payment of all amounts due and payable under, or in respect of, the Notes and in relation to the guarantee referred to in (vi) below, with, in the case of the Notes but not such guarantee, the substitution of references to the Former Residence with references to the New Residence, and an undertaking by the Substitute Issuer to indemnify each Holder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the New Residence and, if different, the jurisdiction of the Substitute Issuer's organisation with respect to any Note and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to such substitution;

(v) the Issuer and the Substitute Issuer have obtained all necessary governmental and other approvals and consents for such substitution and for the performance by the Substitute Issuer of its obligations under the Substitution Documents;

(vi) CSG irrevocably and unconditionally guarantees to the Holders, on a subordinated basis corresponding *mutatis mutandis* to Conditions 4 and 5, the due and punctual payment of all amounts due and payable by the Substitute Issuer under, or in respect of, the Notes pursuant to article 111 of the Swiss Federal Code of Obligations and on terms whereby Conditions 12 and 13 and, as applicable, the Direct Enforcement Rights Schedule shall apply to CSG and to its obligations under the guarantee with any necessary consequential amendments;

(vii) if the Substitute Issuer is not organised under the laws of Switzerland, the Substitute Issuer has appointed a process agent as its agent in Switzerland to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes;

(viii) if the Substitute Issuer is not organised under the laws of England, the Substitute Issuer has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Agency Agreement;

(ix) legal opinions addressed to the Holders shall have been delivered to them (care of the Principal Paying Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (iv) above and in Switzerland and England as to the fulfilment of the preceding conditions of this Condition 13(c); and

(x) such substitution does not give rise to a Tax Event or a Capital Event.

Upon any substitution pursuant to this Condition 13(c), the Substitute Issuer shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes with the same effect as if the Substitute Issuer had been named as Issuer in these Conditions, and the Issuer shall be released from its obligations under the Notes.

***(d) Issuing Branch Substitution***

Prior to any substitution under Condition 13(c), CSG may, without the consent of the Holders, upon giving no more than 30 and no less than 10 days' notice to the Holders in accordance with Condition 17, at any time after the Issue Date (i) cease to make payments of principal, interest and any other amounts due under the Notes and fulfil any of its other obligations and exercise any of its other rights and power in respect of, or arising under, the Notes through its Zurich head office and (ii) commence making such payments, fulfilling such other obligations and exercising such powers and rights through one of its branches (whether or not in Switzerland) ("**Issuing Branch Substitution**"), *provided* that (A) the Issuer is not in default of any amount payable under the Notes, (B) the Issuer would not be required to pay any Additional Amounts under these Conditions after giving effect to such Issuing Branch Substitution that it would not have been required to pay if such Issuing Branch Substitution were not to occur and (iii) the Regulator has approved such Issuing Branch substitution in writing.

Upon an Issuing Branch Substitution taking place pursuant to this Condition 13(d), references to the "Issuer" in these Conditions, the Certificates and the Agency Agreement shall be construed as references to the Issuer acting through such branch, and references to "Tax Jurisdiction" in these Conditions shall, unless the context otherwise requires, be construed as references to both Switzerland and the jurisdiction in which the relevant branch is domiciled.

## 14 Currency Indemnity

Any amount received or recovered in a currency other than the Specified Currency in which payment under the relevant Note is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Holder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Specified Currency of payment under the relevant Note that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, the Issuer shall indemnify it against any loss sustained by it as a result. In any event,

the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 14, it shall be sufficient for the Holder to demonstrate that it would have suffered a loss had an actual purchase been made. This indemnity constitutes a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

## 15 Replacement of Certificates

If a Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Registrar, or such other Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Holders, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Certificates) and otherwise as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

## 16 Further Issues

The Issuer may, from time to time, without the consent of the Holders, create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 16 and forming a single series with the Notes.

## 17 Notices

So long as the Notes are listed on the SIX Swiss Exchange, notices to Holders shall be given by the Listing Agent (a) by means of electronic publication on the internet website of the SIX Swiss Exchange (www.six-swiss-exchange.com), where notices are currently published under the address www.six-swiss-exchange.com/news/official_notices/search_en.html or (b) otherwise in accordance with the regulations of the SIX Swiss Exchange.

If the Notes are for any reason no longer listed on the SIX Swiss Exchange, notices to Holders shall be valid if published (a) in a leading daily newspaper published in Switzerland (which is expected to be the *Neue Zuercher Zeitung*) and (b) on the website of CSG. Any such notice shall be deemed to be validly given on the date of such publication or, if published more than once, on the date of the first such publication as provided above.

While the Notes are represented by one or more Global Certificates deposited with a custodian on behalf of DTC and/or with a common depository for Euroclear and Clearstream, Luxembourg, notices to Indirect Holders shall also be given through the Principal Paying Agent to DTC, Euroclear and Clearstream, Luxembourg for forwarding to the holders of the Notes. Any such notice shall be deemed to be validly given on the date of delivery to DTC, Euroclear or Clearstream, Luxembourg, as applicable.

## 18 Definitions

The following capitalised terms shall have the following meanings:

"**Accrued Interest**" means, in the case of a Write-down Event, interest accrued but unpaid on the Notes, if any, from (and including) the Interest Payment Date immediately preceding the date of the relevant Write-down Notice (or, if none, from the Issue Date) to (but excluding) the date of such Write-down Notice;

"**Additional Amounts**" has the meaning ascribed thereto in Condition 10;

"**Additional Tier 1 Capital**" means, at any time, any or all items constituting additional tier 1 capital within the meaning of the Basel III Document, as implemented and amended pursuant to BIS Regulations applicable at such time;

"**Alternative Clearing System**" has the meaning ascribed thereto in Condition 1(b)(i);

"**Auditor**" means the accounting firm appointed by the Board of Directors or shareholders of CSG, as the case may be, to provide, inter alia, audit and review opinions on CSG's financial statements;

"**Authorised Signatories**" means any two authorised officers of the Issuer signing jointly;

"**Basel III Document**" means the Basel Committee on Banking Supervision document "Basel III: A global regulatory framework for more resilient banks and banking systems" published in December 2010, as revised in June 2011;

"**BIS Regulations**" means the capital adequacy standards and guidelines applicable from time to time and promulgated by the Basel Committee on Banking Supervision, as implemented by CSG in a manner agreed with the Regulator and/or its Auditor for the purpose of financial reporting and disclosure, *inter alia*, in the Quarterly Financial Report;

"**Buffer Capital**" means, at any time, any or all items that, pursuant to National Regulations at such time, are eligible to be treated as buffer capital (*Eigenmittelpuffer*) under the Capital Adequacy Ordinance;

"**Buffer Capital Instruments**" means, at any time, any or all securities and other instruments issued by CSG or any other member of the Group, as the case may be, that are, at such time, eligible to be treated as Buffer Capital, other than Common Equity Tier 1 Capital;

"**Business Day**" has the meaning ascribed thereto in Condition 6(i);

"**Capital Adequacy Ordinance**" means the Ordinance concerning Capital Adequacy and Risk Diversification for Banks and Securities Dealers (Capital Adequacy Ordinance), which entered into force on 1 January 2013, as may be amended from time to time;

a "**Capital Event**" is deemed to have occurred if:

(a) a change in National Regulations and/or BIS Regulations occurs on or after the Issue Date having the effect that the Notes cease to be eligible in their entirety to be treated as both (i) Additional Tier 1 Capital under BIS Regulations and (ii) Progressive Component Capital under National Regulations (whether due to the elimination of Progressive Component Capital or otherwise); or

(b) a change in National Regulations occurs on or after the Issue Date that does not result in a Capital Event under paragraph (a) above, but has the effect that the Minimum Progressive Component Capital Amount is reduced or eliminated, and the Progressive Component Capital Amount as at any Reporting Date falling during the period of 180 days following such change taking effect, less any amount that is included therein as a result of the allocation by CSG of Common Equity Tier 1 Capital to Progressive

Component Capital pursuant to and in accordance with the Capital Adequacy Ordinance, exceeds the Minimum Progressive Component Capital Amount;

"**Certificate**" means a Global Certificate or a Definitive Certificate, as the case may be;

"**CET1 Amount**" means, at any time, as calculated by CSG in respect of the Group and expressed in CSG's reporting currency, the sum of all amounts (whether positive or negative) of Common Equity Tier 1 Capital of the Group as at such time (for the avoidance of doubt, net of any amounts of Common Equity Tier 1 Capital that have been allocated by CSG to Progressive Component Capital pursuant to and in accordance with the Capital Adequacy Ordinance at such time);

"**CET1 Ratio**" means the ratio (expressed as a percentage) of CET1 Amount divided by the RWA Amount as at the relevant Reporting Date, in each case calculated by CSG and appearing in the relevant Financial Report as "BIS Common Equity Tier 1 Ratio", "BIS CET1 Ratio" or any such other term having the same meaning;

"**Clearstream, Luxembourg**" means Clearstream Banking, *société anonyme*;

"**Common Equity Tier 1 Capital**" means all items that constitute common equity tier 1 capital, or deductions from common equity tier 1 capital, in each case within the meaning of these terms in the Basel III Document as amended by, and as determined by CSG pursuant to, BIS Regulations applicable at the relevant time;

"**Compliant Securities**" means securities issued directly by CSG or by a Subsidiary of CSG and guaranteed by CSG that:

(a) have economic terms not materially less favourable to a Holder than these Conditions (as reasonably determined by the Issuer, and provided that a certification to such effect of the Authorised Signatories shall have been delivered to the Principal Paying Agent prior to the issue of the relevant securities), provided that such securities (i) include terms which provide for the same Interest Rate and principal from time to time applying to the Notes; (ii) rank *pari passu* with the Notes; and (iii) preserve any existing rights under these Conditions to any accrued but unpaid interest which has not been satisfied; and

(b) where the Notes which have been substituted or varied were listed immediately prior to their substitution or variation, the relevant securities are listed on (i) the SIX Swiss Exchange or (ii) such other internationally recognised stock exchange as selected by the Issuer; and

(c) where the Notes which have been substituted or varied were rated by a Rating Agency immediately prior to their substitution or variation, each such Rating Agency has ascribed, or announced its intention to ascribe and publish, an equal or higher rating to the relevant securities;

"**Contingency Event**" has the meaning ascribed thereto in Condition 7(a)(ii);

"**Contingency Event Notice**" has the meaning ascribed thereto in Condition 7(a)(ii);

"**CS**" means Credit Suisse AG;

"**CSG**" means Credit Suisse Group AG;

"**CSG Tier 1 Instruments**" means any and all shares, securities, participation securities or other obligations issued (a) by the Issuer (whether or not acting through a branch) but excluding Tier 1 Shares or (b) by a Subsidiary of the Issuer and having the benefit of a guarantee, credit support agreement or similar undertaking of the Issuer, each of which shares, securities or other obligations under (a) and (b) qualify, or are issued in respect of a security that qualifies, as Tier 1 Capital of CSG and/or the Group (without regard to quantitative limits on such capital) on a consolidated (*Finanzgruppe*) or on an unconsolidated (*Einzelinstitut*) basis;

"**CSG Tier 2 Instruments**" means any and all securities or other obligations issued (a) by the Issuer (whether or not acting through a branch) or (b) by a Subsidiary of the Issuer and having the benefit of a guarantee, credit support agreement or similar undertaking of the Issuer, each of which securities or other obligations under (a) and (b) qualify, or are issued in respect of a security that qualifies, as Tier 2 Capital of CSG and/or the Group (without regard to quantitative limits on such capital) on a consolidated (*Finanzgruppe*) or on an unconsolidated (*Einzelinstitut*) basis;

"**Custodian**" has the meaning ascribed thereto in Condition 1(b)(i);

"**Definitive Certificate**" has the meaning ascribed thereto in Condition 1(b)(ii);

"**Direct Rights Election Notice**" has the meaning ascribed thereto in Condition 1(b)(i);

"**DTC**" means The Depository Trust Company;

"**Due Date**" in respect of any payment on any Note, means the date on which such payment first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount required to be paid is made or, in the case where presentation is required pursuant to these Conditions, (if earlier) the date seven days after that on which notice is duly given to the Holders that, upon further presentation of the Certificate being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation;

"**EU Savings Tax Directive**" has the meaning ascribed thereto in Condition 9(c);

"**Euroclear**" means Euroclear Bank S.A./N.V;

"**Event of Default**" has the meaning ascribed thereto in Condition 12(a);

"**FINMA**" means the Swiss Financial Market Supervisory Authority FINMA;

"**Financial Report**" means a Quarterly Financial Report or an Interim Capital Report, as the case may be;

"**Global Certificates**" has the meaning ascribed thereto in Condition 1(b)(i);

"**Group**" means CSG together with, from time to time, its consolidated Subsidiaries and any and all other entities included in its consolidated capital adequacy reports prepared pursuant to National Regulations or, as appropriate, BIS Regulations to which it is subject at such time;

"**Higher Trigger Capital Amount**" means, at any time, the aggregate principal amount of all Higher Trigger Capital Instruments (if any), as calculated by CSG in respect of the Group and expressed in CSG's reporting currency;

"**Higher Trigger Capital Instruments**" means, at any time, all securities and instruments (including Buffer Capital Instruments), if any, issued by CSG or any other member of the Group, as the case may be, to holders that are not members of the Group, that pursuant to their terms or by operation of law are capable at such time of being converted into equity and/or written-down/off, or otherwise operating to increase the CET1 Amount, as a consequence of the CET1 Ratio being below a level that is higher than the Threshold Ratio;

"**Higher Trigger Capital Ratio**" means, as at a Reporting Date, the ratio (expressed as a percentage) of the Higher Trigger Capital Amount divided by the RWA Amount, in each case as at such Reporting Date, as calculated by CSG;

"**Holder**" means, with respect to any Note, (a) so long as such Note is represented by a Global Certificate, the person in whose name such Global Certificate is registered in the Register, and (b) if such Note is represented by a Definitive Certificate, the person in whose name such Definitive Certificate is registered in the Register. No other person, including any Indirect Holder, shall be a Holder for the purpose of these Conditions or

(except as otherwise provided herein) have any rights, or be owed any obligations by the Issuer, under the Notes;

"**Independent Financial Adviser**" means an independent financial institution of international repute appointed at its own expense by CSG;

"**Indirect Holder**" means, with respect to any Note represented by a Global Certificate, any person (other than the Holder) that owns a beneficial interest in such Note through a bank, broker or other financial institution that (a) participates in the book-entry system of DTC, Euroclear, Clearstream, Luxembourg and/or any Alternative Clearing System or (b) holds an interest in such Note through a participant in the book-entry system of DTC, Euroclear, Clearstream, Luxembourg and/or any Alternative Clearing System. Subject to the enforcement rights described in Condition 1(b)(i), no Indirect Holder shall have any rights, or be owed any obligations, under the Notes;

"**Interest Payment Date**" has the meaning ascribed thereto in Condition 6(i);

"**Interim Capital Report**" means a report based on the financial accounts of CSG and the Group containing, *inter alia*, the CET1 Ratio prepared by CSG upon request of the Regulator in respect of the Notes and with respect to which the Auditor has performed procedures in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements;

"**Interim Report Date**" means the date as at which the CET1 Ratio set out in an Interim Capital Report has been prepared;

"**Minimum Progressive Component Capital Amount**" means, at any time, as calculated by CSG and expressed in CSG's reporting currency, the minimum aggregate amount of Progressive Component Capital of the Group required pursuant to National Regulations at such time;

"**National Regulations**" means the prevailing national banking and capital adequacy laws directly applicable to CSG and prevailing capital adequacy regulations promulgated by the Regulator and applicable to CSG;

"**Ordinary Shares**" means the registered ordinary shares of Credit Suisse Group AG with a par value of CHF 0.04 each;

a "**person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity);

"**Prevailing Rate**" means, in respect of any currencies on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12 noon (Zurich time) on that date as appearing on or derived from the Reference Page or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12 noon (Zurich time) on the immediately preceding day on which such rate can be so determined or, if such rate cannot be so determined by reference to the Reference Page, the rate determined in such other manner as an Independent Financial Adviser shall in good faith prescribe;

"**Progressive Component Capital**" means, at any time, any or all items that are eligible at such time to be treated as progressive component capital (*progressive Komponente*) pursuant to the Capital Adequacy Ordinance;

"**Progressive Component Capital Amount**" means, at any time, as calculated by CSG and expressed in CSG's reporting currency, the sum of all amounts of Progressive Component Capital of the Group at such time;

"**Progressive Component Capital Instruments**" means, at any time, any or all securities or other instruments issued by CSG or any other member of the Group, as the case may be, that are, at such time, eligible to be treated as Progressive Component Capital;

"**Public Sector**" means the federal or central government or central bank in CSG's country of incorporation;

"**QIB**" has the meaning ascribed thereto in Condition 1(b)(i);

"**Quarterly Financial Report**" means the financial accounts and disclosures of CSG and the Group in respect of a calendar quarter reporting period contained in a customary financial report published by CSG;

"**Rating Agency**" means the rating agency specified for this purpose in the Pricing Schedule;

"**Record Date**" has the meaning ascribed thereto in Condition 9(a)(ii);

"**Reference Page**" means the relevant page on Bloomberg or such other information service provider that displays the relevant information;

"**Register**" has the meaning ascribed thereto in Condition 2(a)(i);

"**Regulation S Global Certificate**" has the meaning ascribed thereto in Condition 1(b)(i);

"**Regulator**" means the national regulator body having the leading authority to supervise and regulate CSG with respect to its consolidated capital adequacy at the relevant time being, at the Issue Date, FINMA;

"**Reporting Date**" means, with respect to any Financial Report, (a) in the case of a Quarterly Financial Report, the date of the financial statements contained in such Quarterly Financial Report, and (b) in the case of an Interim Capital Report, the relevant Interim Report Date;

"**Rule 144A**" has the meaning ascribed thereto in Condition 1(b)(i);

"**Rule 144A Global Certificate**" has the meaning ascribed thereto in Condition 1(b)(i);

"**RWA Amount**" means, as at any date, the aggregate amount of all risk-weighted assets of the Group, calculated by CSG pursuant to BIS Regulations applicable at such time, expressed in CSG's reporting currency;

"**Specified Currency**" has the meaning ascribed thereto in Condition 6(i);

"**Statutory Loss Absorption Date**" has the meaning ascribed thereto in Condition 7(c);

"**Subsidiary**" means a direct or indirect subsidiary within the meaning of applicable Swiss law;

"**TARGET Business Day**" has the meaning ascribed thereto in Condition 6(i);

a "**Tax Event**" is deemed to have occurred if in making any payments on the Notes, the Issuer has paid or will or would on the next payment date be required to pay Additional Amounts or has paid, or will or would be required to pay, any additional tax in respect of the Notes being in issue, in each case under the laws or regulations of a Tax Jurisdiction, or any political subdivision or authority therein or thereof having the power to tax, including any treaty to which a Tax Jurisdiction is a party, or any generally published application or interpretation of such laws, including a decision of any court or tribunal, or the generally published application or interpretation of such laws by any relevant tax authority or any generally published pronouncement by any tax authority, and the Issuer cannot avoid the foregoing by taking measures reasonably available to it;

"**Tax Jurisdiction**" means Switzerland;

"**Threshold Ratio**" means, at any time, 5.125 per cent.;

"**Tier 1 Capital**" means Additional Tier 1 Capital together with Common Equity Tier 1 Capital;

"**Tier 1 Instruments**" means any and all shares, securities, participation securities or other obligations issued (a) by CSG or CS (in either case whether or not acting through a branch), but excluding Tier 1 Shares or (b) by any Subsidiary of CSG and having the benefit of a guarantee, credit support agreement or similar undertaking of CSG or CS, each of which shares, securities or other obligations under (a) and (b) qualify, or are issued in respect of a security that qualifies, as Tier 1 Capital of CSG, CS and/or the Group (without regard to quantitative limits on such capital) on a consolidated (*Finanzgruppe*) or on an unconsolidated (*Einzelinstitut*) basis;

"**Tier 1 Shares**" means all classes of paid-in capital in relation to shares and participation certificates, if any, of CSG or any Subsidiary of CSG that qualify as Tier 1 Capital of CSG on a consolidated (*Finanzgruppe*) or on an unconsolidated (*Einzelinstitut*) basis;

"**Tier 2 Capital**" means any or all items constituting tier 2 capital under National Regulations or BIS Regulations, as the case may be;

"**Tier 2 Instruments**" means any and all securities or other obligations issued (a) by CSG or CS (in either case whether or not acting through a branch) or (b) by any Subsidiary of CSG and having the benefit of a guarantee, credit support agreement or similar undertaking of CSG or CS, each of which securities or other obligations under (a) and (b) qualify, or are issued in respect of a security that qualifies, as Tier 2 Capital of CSG, CS and/or the Group (without regard to quantitative limits on such capital) on a consolidated (*Finanzgruppe*) or on an unconsolidated (*Einzelinstitut*) basis;

"**U.S. Exchange Act**" has the meaning ascribed thereto in Condition 1(b)(ii)(A);

"**U.S. Securities Act**" has the meaning ascribed thereto in Condition 1(b)(i);

"**Viability Event**" has the meaning ascribed thereto in Condition 7(a)(iii);

"**Viability Event Notice**" has the meaning ascribed thereto in Condition 7(a)(iii);

"**Write-down**" means the events set out in Condition 7(b);

"**Write-down Date**" means the date specified as such in the relevant Write-down Notice, which date shall be:

(a) in the case of a Viability Event, the date falling ten Business Days after the date of the relevant Viability Event Notice or such earlier date specified therein; or

(b) in the case of a Contingency Event, (i) if no Higher Trigger Capital Instruments are outstanding at the relevant Reporting Date, the date falling ten Business Days after the date of the relevant Contingency Event Notice or such earlier date specified therein, or (ii) if any Higher Trigger Capital Instruments are outstanding at the relevant Reporting Date, the latest effective date on which all such Higher Trigger Capital Instruments have been converted into equity or written down/off (or otherwise have operated to increase the CET1 Amount);

"**Write-down Event**" has the meaning ascribed thereto in Condition 7(a)(i); and

"**Write-down Notice**" means a Contingency Event Notice or a Viability Event Notice, as the case may be.

In these Conditions, capitalised terms have the respective meanings given to them in the relevant Pricing Schedule, the absence of any such meaning indicating that such term is not applicable to the Notes.

References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such statutory modification or re-enactment.

Unless the context otherwise requires, references to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes and all other amounts in the nature of principal payable pursuant to these Conditions or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include any Accrued Interest and in any such case shall be deemed to include any Additional Amounts that may be payable under Condition 10 or any undertaking given in addition to or in substitution for it pursuant to Condition 14 in respect of any such amount.

## 19 Governing Law and Jurisdiction

### *(a) Governing Law*

These Conditions, the Notes and the Certificates shall be governed by, and construed in accordance with, the laws of Switzerland.

### *(b) Jurisdiction*

Any dispute which might arise based on these Conditions, the Notes and the Certificates shall fall within the exclusive jurisdiction of the courts of the city of Zurich and, if permitted, the Commercial Court of the Canton of Zurich, the place of jurisdiction being Zurich 1.

The above-mentioned jurisdiction is also exclusively valid for the declaration of cancellation of the Notes.

## PART B
## Pricing Schedule

**relating to Credit Suisse Group AG**

**U.S.$2,250,000,000 7.500 per cent. Tier 1 Capital Notes**

This Pricing Schedule supplements, and forms an integral part of, the Terms and Conditions of the Notes.

| | | |
|---|---|---|
| 1 | Issuer: | Credit Suisse Group AG |
| 2 | Series Number: | 1 |
| 3 | Specified Currency or Currencies: | U.S.$ |
| 4 | Aggregate Nominal Amount: | |
| | (i) Series: | U.S.$2,250,000,000 |
| | (ii) Tranche: | U.S.$2,250,000,000 |
| 5 | (i) Specified Denomination: | U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof |
| | (ii) Calculation Amount: | U.S.$1,000 |
| 6 | Issue Date: | 11 December 2013 |
| 7 | Interest Commencement Date: | Issue Date |
| 8 | Interest Basis: | Fixed Rate (further particulars specified below) |
| 9 | Redemption/Payment Basis: | 100 per cent. of principal amount (further particulars specified below) |
| 10 | Change of Interest or Payment Basis: | See item 11 below |

**PROVISIONS RELATING TO INTEREST PAYABLE**

| | | |
|---|---|---|
| 11 | **Fixed Rate Note Provisions** | Applicable |
| | (i) Fixed Rate of Interest: | 7.500 per cent. per annum payable semi-annually in arrear from (and including) the Issue Date to (but excluding) the First Optional Redemption Date. From (and including) the First Optional Redemption Date, at the applicable Reset Interest Rate per annum.<br>"**Mid Market Swap Rate**" means the 5-year U.S.$ mid market swap rate (the "**5-year Mid Swap Rate**") displayed on ISDAFIX1 (Reuters page "USDSFIX") (or such other page as may replace that page on ISDAFIX, or such other service as may be nominated by the person providing or sponsoring the information appearing there for the purposes of displaying comparable rates) at 11.00 a.m. (New York time) on the Interest Determination Date. If the |

| | | |
|---|---|---|
| | | 5-year Mid Swap Rate does not appear on that page, it shall be determined by the Principal Paying Agent on the basis of (i) quotations provided by the principal office of each of four major banks in the U.S.$ swap market of the rates at which swaps for a 5 year period in U.S.$ are offered by it at approximately 11.00 a.m. (New York time) on the Interest Determination Date to participants in the U.S.$ swap market; and (ii) the arithmetic mean rounded, if necessary, to the nearest 0.00001 (0.000005 being rounded upwards) of such quotations.<br>"**Reset Date**" means the First Optional Redemption Date and every fifth anniversary thereafter.<br>"**Reset Interest Period**" means each period from (and including) any Reset Date and ending on (but excluding) the next Reset Date.<br>"**Reset Interest Rate**" means, in relation to a Reset Interest Period, the rate equal to the Mid Market Swap Rate in relation to that Reset Interest Period plus 4.598 per cent. |
| | (ii) Day Count Fraction: | 30/360 |
| | (iii) Interest Payment Date(s): | 11 June and 11 December in each year, commencing on 11 June 2014 |
| 12 | **Fixed/Floating Rate Provisions** | Not Applicable |
| 13 | **Floating Rate Note Provisions** | Not Applicable |
| 14 | **Fixed/Floating Rate Notes** | Not Applicable |

**PROVISIONS RELATING TO REDEMPTION**

| | | |
|---|---|---|
| 15 | **Optional Redemption** | Applicable |
| | First Optional Redemption Date: | 11 December 2023 |
| | Other Optional Redemption Dates: | Each Reset Date after the First Optional Redemption Date |
| 16 | **Redemption due to Taxation** | |
| | Tax redemption dates: | At any time in accordance with Condition 8(d) |
| 17 | **Redemption for Capital Event** | |
| | Capital Event (b) Redemption Amount: | 103 per cent. of principal amount |
| | Capital Event redemption dates: | At any time in accordance with Condition 8(e) |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

| | | |
|---|---|---|
| 18 | Financial Centre(s) or other special provisions relating to payment dates: | None |
| 19 | Ratings: | Fitch Italia S.p.A.: BB+ |

| | | |
|---|---|---|
| | | Standard & Poor's Credit Market Services Europe Limited: BB- |
| 20 | Listing: | SIX Swiss Exchange |
| 21 | Listing Agent: | Credit Suisse AG |
| 22 | Swiss Paying Agent: | Credit Suisse AG |
| 23 | Swiss Security Number: | Regulation S: 23059334<br>Rule 144A: 23059119 |
| 24 | Common Code: | Regulation S: 098939458<br>Rule 144A: 100338467 |
| 25 | ISIN Code: | Regulation S: XS0989394589<br>Rule 144A: US22546DAB29 |
| 26 | CUSIP: | Regulation S: H9200R AA9<br>Rule 144A: 22546D AB2 |

## PART C
## Direct Enforcement Rights Schedule

Capitalised terms used but not defined herein shall have the meaning assigned to such terms in Part A of the Terms and Conditions of the Notes of which this Schedule forms a part.

**1** **Interpretation:** In this Schedule, the following capitalised terms shall have the following meanings with respect to any Global Certificate:

"**Clearing System Operator**" means (i) in the case of a Regulation S Global Certificate, the operator of each of Euroclear and Clearstream, Luxembourg and, if relevant, the Alternative Clearing System, and (ii) in the case of a Rule 144A Global Certificate, the operator of DTC or, if relevant, the Alternative Clearing System;

"**Direct Rights**" means the rights referred to in paragraph 2 of this Schedule;

"**Entry**" means any entry relating to the relevant Global Certificate (or to the relevant part of it) or the Notes represented by it which is or has been made in the securities account of any account holder with a Clearing System Operator and "**Entries**" shall have a corresponding meaning;

"**Principal Amount**" means, in respect of any Entry, the amount which would be due to the holder of the account in which such Entry is credited were the prevailing principal amount of the relevant Global Certificate or the Notes represented by it in respect of which such Entry was made to be paid in full on such date as the Notes are to be redeemed in accordance with the Conditions;

"**Relevant Account Holder**" means the holder of any account with a Clearing System Operator which at the Relevant Time has credited to its securities account with such Clearing System Operator an Entry or Entries in respect of the relevant Global Certificate (or the relevant part of it) or the Notes represented by it except for a Clearing System Operator in its capacity as an account holder of another Clearing System Operator; and

"**Relevant Time**" means the time when Direct Rights take effect as contemplated by Condition 1(b)(i) and paragraph 2 of this Schedule.

**2** **Direct Rights:** Upon delivery of a Direct Rights Election Notice to the Principal Paying Agent by a Holder of a Global Certificate in accordance with the terms of Condition 1(b)(i), such Holder shall be deemed to have agreed to assign and transfer, and shall thereby assign and transfer to the extent permitted by applicable law, to each Relevant Account Holder all of its rights, title and claims under such Global Certificate in an aggregate principal amount equal to the Principal Amount of the relevant Entry, including, without limitation, the right to receive all payments due at any time in respect of such Global Certificate, other than payments corresponding to any already made under such Global Certificate.

**3** **Evidence:** The records of each Clearing System Operator shall, in the absence of manifest error, be conclusive evidence of the identity of the Relevant Account Holders, the number of Entries credited to the securities account of each Relevant Account Holder with such Clearing System Operator at the Relevant Time and the Principal Amount of an Entry. For the purposes of this paragraph a statement issued by a Clearing System Operator stating:

(i) the name of the Relevant Account Holder to or in respect of which it is issued;

(ii) the number of Entries credited to the securities account of such Relevant Account Holder with such Clearing System Operator as at the opening of business on the first day on which the Clearing System Operator is open for business following the Relevant Time; and

(iii) the Principal Amount of any Entry in the accounts of such Clearing System Operator,

shall be conclusive evidence of the records of such Clearing System Operator at the Relevant Time (but without prejudice to any other means of producing such records in evidence). In the event of a dispute, in the absence of manifest error, the determination of the Relevant Time by a Clearing System Operator shall be final and conclusive for all purposes in connection with the Relevant Account Holders with securities accounts with such Clearing System Operator.

Any Relevant Account Holder may, in any proceedings relating to the relevant Global Certificate, protect and enforce its rights arising out of this Schedule in respect of any Entry to which it is entitled upon the basis of a statement by a Clearing System Operator as provided in this paragraph and a copy of the relevant Global Certificate certified as being a true copy by a duly authorised officer of any Clearing System Operator or the Principal Paying Agent without the need for production in such proceedings or in any court of the actual records or the relevant Global Certificate. Any such certification shall be binding, except in the case of manifest error or as may be ordered by any court of competent jurisdiction, upon the Issuer and all Relevant Account Holders. This paragraph shall not limit any right of any Relevant Account Holder to the production of the originals of such records or documents in evidence.

**4** **Title to Entries:** Any Relevant Account Holder may protect and enforce its rights arising out of the relevant Global Certificate in respect of any Entry to which it is entitled in its own name without the necessity of using the name of or obtaining any authority from any predecessor in title. Any Relevant Account Holder is entitled to receive payment of the Principal Amount of its Entry and of all other sums referable to its Direct Rights to the exclusion of any other person and payment in full by the Issuer to such Relevant Account Holder shall discharge the Issuer from all obligations in respect of such Entry and such Direct Rights.

**5** **Principal Amount:** The principal amount of Notes in respect of which Direct Rights have arisen under the relevant Global Certificate is shown in the records of the relevant Clearing System Operator.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### 1 Initial Issue of Certificate

The Global Certificates representing the Notes have been registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") or in the name of a nominee for DTC, as applicable.

Upon the registration of the Regulation S Global Certificate in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg credited each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it had subscribed and paid.

Upon the initial deposit of a Rule 144A Global Certificate in respect of, and registration of, Notes in the name of a nominee for DTC and delivery of the Rule 144A Global Certificate to the Custodian for DTC, DTC will credit each participant with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

### 2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, DTC, SIX SIS AG or any other clearing system (SIX SIS AG or any such other clearing system, an "**Alternative Clearing System**") as the holder of a Note represented by the Global Certificates must look solely to Euroclear, Clearstream, Luxembourg, DTC or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the holder of the Global Certificates and in relation to all other rights arising under the Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, DTC or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by the Global Certificates and such obligations of the Issuer will be discharged by payment to the holder of the Global Certificates in respect of each amount so paid.

## BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but neither the Issuer nor the Managers take any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

### Book-entry Systems

*DTC*

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange LLC, NYSE Amex LLC and the Financial Industry Regulatory Authority, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC makes book-entry transfers of registered notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("**DTC Notes**") as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the SEC. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("**Beneficial Owners**") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Beneficial Owners. Accordingly, although Beneficial Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess registered notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of

Direct Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an omnibus proxy to the Issuer as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the omnibus proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by the Direct or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Direct or Indirect Participants and not of DTC, the Principal Paying Agent, the Registrar or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium (if any) and interest, if any, on the Notes to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive registered notes, which it will distribute direct to its Participants in accordance with their proportionate entitlements and which will be legended as set forth under "*Transfer Restrictions and Selling Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Beneficial Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such Notes, will be required to withdraw its registered notes from DTC.

*Euroclear and Clearstream, Luxembourg*

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping,

administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

**Book-entry Ownership of and Payments in respect of DTC Notes**

Upon the issue of the Rule 144A Global Certificate, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Rule 144A Global Certificate to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Manager. Ownership of beneficial interests in such a Rule 144A Global Certificate will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Certificate, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in the Rule 144A Global Certificate accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Rule 144A Global Certificate will be made to the order of DTC or its nominee as the registered holder of such Note.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by the Direct Participants or Indirect Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Direct or Indirect Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

**Transfers of Notes Represented by Global Certificates**

Transfers of any interests in the Notes will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Global Certificate to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Rule 144A Global Certificate accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Global Certificate accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct or Indirect Participant in the DTC system.

Transfers at any time by a holder of a book-entry interest in a Rule 144A Global Certificate to a transferee who takes delivery of such book-entry interest through a Regulation S Global Certificate for the

Notes will only be made upon delivery to the Registrar of a certificate setting forth compliance with the provisions of Regulation S. Prior to the expiration of the distribution compliance period (the period that ends 40 days after the later of (i) the date on which the offering of this security commenced to persons other than the distributors in reliance on Regulation S and (ii) the date of issuance of such security), ownership of book-entry interests in a Regulation S Global Certificate will be limited to persons that have accounts with Euroclear, Clearstream, Luxembourg and/or DTC or persons who hold such book-entry interest through Euroclear, Clearstream, Luxembourg and/or DTC, and any sale or transfer of such book-entry interest to, or for the account or benefit of, a U.S. person (within the meaning of Regulation S) shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A. Transfers at any time by a holder of a book-entry interest in a Regulation S Global Certificate to a transferee who takes delivery of such book-entry interest through a Rule 144A Global Certificate will only be made upon receipt by the Registrar of a written certificate from the transferor of such book-entry interest to the effect that such transfer is being made to a person whom such transferor, and any person acting on its behalf, reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions and Selling Restrictions*" and in accordance with any applicable securities laws of any state of the United States.

Subject to compliance with the transfer restrictions applicable to the Notes described under "*Transfer Restrictions and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian ("**Notes Custodian**") with whom the relevant Global Certificates have been deposited.

On or after the Issue Date for the Notes, transfers of Notes between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Global Certificate will be effected through the Registrar, the Principal Paying Agent and the Notes Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Certificates among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Paying Agents, Transfer Agent or the Managers will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial interests.

## USE OF PROCEEDS

The net proceeds from the Notes, amounting to U.S.$2,205,000,000, will be used by the Issuer for its general corporate purposes, which could include investments in its subsidiaries.

## CREDIT SUISSE GROUP AG

### History and Structure

The history of CSG and its subsidiaries dates back to the formation of Schweizerische Kreditanstalt, founded in 1856. The first branch opened in Basel in 1905 and the first branch outside of Switzerland opened in New York in 1940. In 1978, a co-operation with First Boston, Inc. began and, in 1990, CSG acquired a controlling stake. CSG purchased a controlling stake in Bank Leu in 1990, Schweizerische Volksbank in 1993, Neue Aargauer Bank in 1994 and Winterthur in 1997. In addition, CSG acquired Donaldson, Lufkin & Jenrette Inc. in 2000. In 2006, CSG sold Winterthur, allowing it to focus on its banking operations.

On 13 May 2005, the two Swiss bank legal entities Credit Suisse and Credit Suisse First Boston merged. The merged bank, CS, is a Swiss bank and joint stock corporation established under Swiss law and is a wholly-owned subsidiary of CSG. The structure of CS and CSG is described below under "Business".

### Business

CSG is a global financial services company domiciled in Switzerland. CS is a wholly-owned subsidiary of CSG and its business is substantially the same as that of CSG.

For more information on the differences between CSG and CS refer to *"II—Operating and Financial review—Credit Suisse—Differences between Group and Bank"* in the Credit Suisse Annual Report 2012.

All references to CSG in the description of the business set out below are describing the consolidated businesses carried on by CSG and its subsidiaries.

In November 2012, CSG announced an alignment of its organisation and the integration of its former Private Banking and Asset Management divisions into a single, new Private Banking & Wealth Management division, including the majority of its securities trading and sales business in Switzerland, which was transferred from the Investment Banking division. Substantially all of CSG's operations are now conducted through the two operating divisions of Private Banking & Wealth Management and Investment Banking. The information in and incorporated by reference into this Information Memorandum reflects that operational and management structure.

#### Private Banking & Wealth Management

Private Banking & Wealth Management offers comprehensive advice and a wide range of financial solutions to private, corporate and institutional clients. The Private Banking & Wealth Management division comprises the Wealth Management Clients, Corporate & Institutional Clients and Asset Management businesses.

In Wealth Management Clients, CSG serves ultra-high-net-worth and high-net-worth individuals around the globe and private clients in Switzerland. CSG's Corporate & Institutional Clients business serves the needs of corporations and institutional clients, mainly in Switzerland. Asset Management offers a wide range of investment products and solutions across diverse asset classes and investment styles, serving governments, institutions, corporations and individuals worldwide.

#### Investment Banking

Investment Banking provides a broad range of financial products and services, including global securities sales, trading and execution, prime brokerage and capital raising services, corporate advisory and comprehensive investment research, with a focus on businesses that are client-driven, flow-based and capital-efficient. Clients include corporations, governments, institutional investors, including hedge funds, and

private individuals around the world. CSG delivers its investment banking capabilities via regional and local teams based in major global financial centres. Strongly anchored in CSG's integrated model, Investment Banking works closely with Private Banking & Wealth Management to provide clients with customized financial solutions.

## Management of CSG

### Board of Directors of CSG (the "Board")

As of the date of this Information Memorandum, the members of the Board are:

| Name | Business address | Position held |
|---|---|---|
| Urs Rohner | Credit Suisse Group AG<br>Paradeplatz 8<br>8001 Zurich<br>Switzerland | Full-time Chairman of the Board and of the Chairman's and Governance Committee since the Annual General Meeting 2011. From 2009 until April 2011, he was full-time Vice-Chairman of the Board and a member of the Chairman's and Governance Committee and the Risk Committee. Member of the Executive Boards of CSG and CS from 2004 to 2009, General Counsel of CSG from 2004 to 2009 and Chief Operating Officer and General Counsel of CS from 2006 to 2009. Expiration of Term of Office/Re-election: Annual General Meeting 2015. The Board has determined him to be independent under CSG's independence standards.<br><br>Urs Rohner is the chairman of the Board of Trustees of the Credit Suisse Foundation and the Credit Suisse Research Institute. He is a board member of the Institute of International Finance and the Institute International d'Etudes Bancaires, a member of the European Financial Services Roundtable and the European Banking Group, the Co-Chair of the International Advisory Board of the Moscow International Finance Center and serves on the International Business Leaders Advisory Council of the Mayor of Beijing. Mr. Rohner is also a board member of Avenir Suisse, Economiesuisse and International Institute for Management Development (IMD) Foundation. He is also the chairman of the Advisory Board of the University of Zurich's Department of Economics and a board member of the Zurich Opera House and the Lucerne Festival. |

| Name | Business address | Position held |
|---|---|---|
| Peter Brabeck-Letmathe | Nestlé S.A.<br>Avenue Nestlé 55<br>1800 Vevey<br>Switzerland | Vice-Chairman of the Board since 2008 (a function he held from 2000 to 2005). Member of the Board since 1997. Member of the Chairman's and Governance Committee since 2008 (also from 2003 to 2005), from 2008 to 2011 and from 2000 to 2005 he was a member of the Compensation Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2014.<br><br>Chairman of Nestlé S.A., Vevey, since 2005, member of the Board since 1997, Vice-Chairman from 2001 to 2005 and Chief Executive Officer from 1997 to 2008.<br><br>Mr. Brabeck-Letmathe has been Vice-Chairman of the Board of Directors of L'Oréal SA, Paris, since 1997, and has been a board member of Exxon Mobil Corporation and Delta Topco (Formula 1), both since 2010, and assumed the role of Chairman of Delta Topco (Formula 1) in 2012. He is also a member of the Foundation Board of the World Economic Forum and a member of the European Round Table of Industrialists. |
| Jassim Bin Hamad J.J. Al Thani | Credit Suisse Group AG<br>Paradeplatz 8<br>8001 Zurich<br>Switzerland | Member of the Board since 2010. His term expires at the AGM in 2016. The Board has determined him to be not independent under the Group's independence standards.<br><br>Chairman of the Board of Directors of Qatar Islamic Bank (QIB) since April 2005. Chairman of QInvest, Qatar; of QIB(UK); of Damaan Islamic Insurance Co (BEEMA); and of Q-RE LLC, an insurance and reinsurance company. CEO of Al Mirqab Capital LLC, Qatar, a family enterprise, Member of the Board of Directors of Qatar Navigation Company, Qatar Insurance Company and Arcapita Bank, Bahrain. |
| Iris Bohnet | Harvard Kennedy School<br>Harvard University<br>Cambridge,<br>Massachusetts<br>USA | Member of the Board since the AGM 2012 and thereafter appointed to the Compensation Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2015.<br><br>Professor of Public Policy at the Harvard Kennedy School, Cambridge, Massachusetts, since 2006, and Academic Dean of the |

| Name | Business address | Position held |
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| | | Harvard Kennedy School since 2011. Ms. Bohnet also serves as the Director of the Women and Public Policy Program at the Harvard Kennedy School.<br>Ms. Bohnet is currently a member of the Advisory Board of the Vienna University of Economics and Business Administration, the Global Agenda Council on Women's Empowerment of the World Economic Forum, and the World Knowledge Dialogue, Villars-sur-Ollon. She chairs the Kennedy School's executive program for the World Economic Forum's Young Global Leaders. |
| Noreen Doyle | Credit Suisse Group AG<br>Paradeplatz 8<br>8001 Zurich<br>Switzerland | Member of the Board since 2004. Member of the Risk Committee since 2009. Since 2012, Ms. Doyle also serves as a non-executive director on, and as of 2013 chairs, the boards of Credit Suisse International and Credit Suisse Securities (Europe) Limited, two of the Group's UK subsidiaries. She served on the Audit Committee (2007 to 2008) and the Risk Committee (2004 to 2007). Expiration of Term of Office/Re-election: Annual General Meeting 2016.<br>First Vice President and Head of Banking of the European Bank for Reconstruction and Development (EBRD) from 2001 to 2005. Other board memberships include Newmont Mining Corporation and QinetiQ Group plc. Further, she is a member of the Advisory Board of the Macquarie European Infrastructure Fund and the Macquarie Renaissance Infrastructure Fund. Ms. Doyle was a member of the board of Rexam Plc, a global consumer packaging company (2005 to 2012). Ms. Doyle chairs the Board of Governors of the Marymount International School, London, since 2010, and is also a patron of the Women in Banking and Finance in London. |
| Jean-Daniel Gerber | Credit Suisse Group AG<br>Paradeplatz 8<br>8001 Zurich<br>Switzerland | Member of the Board since the AGM 2012 and thereafter appointed to the Audit Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2015.<br>Jean-Daniel Gerber was State Secretary and |

| Name | Business address | Position held |
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| | | Head of the Swiss State Secretariat for Economic Affairs between 2004 and 2011. From 1994 until 2004 he served as Director of the Swiss Federal Office of Migration and from 1993 to 1997, he served as Executive Director at the World Bank Group in Washington D.C.<br>He is a Member of the Board of Directors of the Lonza Group AG as well as Chairman of the Board of the Swiss Investment Fund for Emerging Markets (SIFEM). Mr. Gerber is also a member of the Swiss Society for Public Good. |
| Walter B. Kielholz | Swiss Reinsurance Company AG<br>Mythenquai 50/60<br>8022 Zurich<br>Switzerland | Member of the Board since 1999, a member of the Compensation Committee since 2009 and a member of the Chairman's and Governance Committee since 2011. He served as Chairman of the Board of Directors and the Chairman's and Governance Committee of CSG from 2003 to April 2009. Expiration of Term of Office: Annual General Meeting 2014, at which time he will retire, have served on the Board of Directors for 15 years.<br>Chief Executive Officer of Swiss Re from 1997 until 2002, member of the Board since 1998, Executive Vice-Chairman since 2003, Vice-Chairman since 2007 and Chairman of the Board since May 2009. Mr. Kielholz is a member and Chairman and Vice Chairman of the European Financial Services Roundtable and Vice Chairman of the Institute of International Finance, respectively. He is also a member of the Advisory Board of Corsair Capital Ltd., a member of the Monetary Authority of Singapore and the International Business Leader Advisory Council of the Mayor of Shanghai and the World Economic Forum International Business Council. In addition, Mr. Kielholz is a member and former Chairman of the Supervisory Board of Avenir Suisse and a senior advisor to the Credit Suisse Research Institute. He is a member of the Lucerne Festival Foundation Board and Chairman of the Zürcher |

| Name | Business address | Position held |
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| | | Kunstgesellschaft (Zurich Art Society), which runs Zurich's Kunsthaus museum. |
| Andreas N. Koopmann | Credit Suisse Group AG<br>Paradeplatz 8<br>8001 Zurich<br>Switzerland | Member of the Board and member of the Risk Committee (since 2009). Since the AGM 2013 he is also a member of the Compensation Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2015.<br><br>Former CEO of Bobst Group S.A., Lausanne from 1995 to May 2009 and member of the Board from 1998 to 2002. Mr. Koopmann has been a member of the Board of Directors of Georg Fischer AG since 2010 and assumed the role of President of the Board of Directors in March 2012. He is also a member of the Board of Directors of the CSD Group, an engineering consultancy enterprise in Switzerland. Since 2003, Mr. Koopmann has been a member of the Board of Directors of Nestlé SA, its Vice-Chairman and a member of its Chairman's and Corporate Governance Committee. He was the Chairman of the Board of Directors of Alstom (Suisse) SA (2010 to 2012) and served as the Vice-Chairman of Swissmem (1994 to 2012), the association of Swiss Mechanical and Electrical Engineering Industries. He served as a member of the Credit Suisse's Advisory Board (1999 to 2007) and Board of Directors of Credit Suisse First Boston (1995 to 1999). |
| Jean Lanier | Credit Suisse Group AG<br>Paradeplatz 8<br>8001 Zurich<br>Switzerland | Member of the Board and the Audit Committee since 2005. Chairman of the Compensation Committee since the AGM 2013 (member since 2011) and a member of the Chairman's and Governance Committee since the AGM 2013. Expiration of Term of Office/Re-election: Annual General Meeting 2014.<br><br>Former Chairman of the Managing Board and Group Chief Executive Officer of Euler Hermes, Paris, from 1998 to 2004. He is Chairman of the Boards of Directors for Swiss RE Europe SA, Swiss RE International SE and Swiss RE Europe Holdings SA and also serves on their respective audit and risk |

| Name | Business address | Position held |
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| | | committees. He is a Chevalier de la Légion d'Honneur in France and Chairman of the Board of the Foundation "La Fondation Internationale de l'Arche". |
| Kai S. Nargolwala | Credit Suisse Group AG<br>Paradeplatz 8<br>8001 Zurich<br>Switzerland | Member of the Board since the AGM 2013 and thereafter appointed to the Risk Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2016.<br><br>Mr. Kai S. Nargolwala is a member of the Board of Directors (Lead Independent Director) of Singapore Telecommunications Ltd., Singapore's largest publicly listed company; a member of the Board of Directors of Prudential plc, a global financial services company headquartered in the UK; and a member of the Board of Directors of PSA International Pte. Ltd. in Singapore, a company supported by the government of Singapore that provides financing of foreign projects for companies in Singapore. Finally, he is Chairman of the Duke-NUS Graduate Medical School of Singapore. From 2008 to 2010, Mr. Nargolwala was a member of the Credit Suisse Executive Board and CEO of the Asia-Pacific region; from 2010 to 2011, he was the Non-Executive Chairman of Credit Suisse's Asia-Pacific region. In line with the Independence standards of the Group, he has been declared non-independent by the Board. |
| Anton van Rossum | Credit Suisse Group AG<br>Paradeplatz 8<br>8001 Zurich<br>Switzerland | Member of the Board of Directors since 2005. Member of the Risk Committee since 2008. From 2005 to 2008, he served on the Compensation Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2014.<br><br>Chief Executive Officer of Fortis from 2000 to 2004. Mr. van Rossum is a member of the Supervisory Board of Munich Re AG and chairs the Supervisory Board of Royal Vopak NV, Rotterdam. In addition, he is a member of the Board of Directors of Solvay SA, Brussels and chairs the Supervisory Board of Erasmus University, Rotterdam. He also chairs the Board of Trustees of the |

| Name | Business address | Position held |
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| | | Netherlands Economics Institute and sits on the boards of several cultural, philanthropic and educational institutions. Mr. van Rossum was a member of the Supervisory Board of Rodamco Europe NV, Amsterdam, a commercial real estate investment group (2007 to 2011). |
| Richard E. Thornburgh | Corsair Capital LLC<br>717 Fifth Avenue<br>New York, NY<br>10022, USA | Member of the Board since 2006. Chairman of the Risk Committee since April 2009 (member since 2006) and member of the Chairman's and Governance Committee since 2009. Since 2011 he is also a member of the Audit Committee. As of 2013, Mr. Thornburgh also serves as a non-executive director of Credit Suisse International and Credit Suisse Securities (Europe) Limited, two of the Group's UK subsidiaries. Expiration of Term of Office/Re-election: Annual General Meeting 2015.<br><br>Vice-Chairman of Corsair Capital, a private equity investment company (since 2006).<br><br>Member of the Executive Board of Credit Suisse First Boston (from 1997 to 2005). In 2004, he was appointed Executive Vice Chairman of Credit Suisse First Boston.<br><br>Member of the Group Executive Board from 1997 to 2005. Chief Risk Officer of Credit Suisse Group AG from 2003 to July 2004.<br><br>Other board memberships include Reynolds American Inc (and member of the audit committee) and The McGraw-Hill Companies (and member of the audit committee), both since 2011. Member of the board and lead director of New Star Financial Inc., Boston since 2006. Furthermore, he serves on the Executive Committee of the University of Cincinnati Foundation and the Investment Committee of the University of Cincinnati. |
| John Tiner | Resolutions Operations LLP<br>23 Savile Row<br>London W1S 2ET | Member of the Board and member of the Audit Committee since April 2009. Since the Annual General Meeting in 2011, he is the Chairman of the Audit Committee and a member of the Chairman's and Governance |

| Name | Business address | Position held |
|---|---|---|
| | | Committee and the Risk Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2015.<br>Former CEO of Resolution Operations LLP from 2008 to 2013. Former CEO of the UK Financial Services Authority (FSA) from 2003 to 2007. Member of the board of directors of Lucida Plc, UK and Friends Life Group Plc, K. He is also a member of the Advisory Board of Corsair Capital, a private equity investment company. |
| Honorary Chairman of the Board of CSG<br>Rainer E. Gut | Credit Suisse Group AG<br>Paradeplatz 8<br>8001 Zurich<br>Switzerland | Honorary Chairman of the Board of Credit Suisse Group AG since 2000.<br>Chairman of the Board of Credit Suisse Group AG from 1986 to 2000. |

The Board consists solely of Directors who have no executive functions within the Group. As of the date of this Information Memorandum, all but two members of the board were independent. The composition of the Boards of Directors of CSG and CS are identical.

### Executive Board of CSG (the "Executive Board")

The Executive Board is responsible for the day-to-day operational management of CSG. It develops and implements the strategic business plans for the Group overall as well as for the principal businesses subject to approval by the Board of Directors. It further reviews and co-ordinates significant initiatives, projects and business developments in the divisions and regions or in the Shared Services functions and establishes Group-wide policies.

As at the date of this Information Memorandum, the members of the Executive Board are:

- Brady W. Dougan (Chief Executive Officer)
- Gaël de Boissard
- Romeo Cerutti
- Tobias Guldimann[1]
- David R. Mathers
- Hans-Ulrich Meister
- Robert S. Shafir
- Pamela A. Thomas-Graham
- Eric M. Varvel

[1] On July 1, 2013, CSG announced that Joachim Oechslin will succeed Tobias Guldimann as Chief Risk Officer of CSG and a member of the Executive Board effective as of January 1, 2014.

The composition of the Executive Boards of CSG and CS are identical. Information concerning each of the members of the Executive Board is set out below:

| Name | Business address | Position held |
|---|---|---|
| Brady W. Dougan | Credit Suisse Group AG<br>Paradeplatz 8<br>8001 Zurich<br>Switzerland | Chief Executive Officer of CSG and CS since May 2007. Prior to this he was Chief Executive Officer Investment Banking at CS and Chief Executive Officer Credit Suisse Americas region.<br>Chief Executive Officer of Credit Suisse First Boston from 2004 to 2005. Co-President, Institutional Securities of Credit Suisse First Boston from 2002 to July 2004.<br>Member of the Board of Directors of Humacyte Inc, a biotechnology company, since 2005.<br>Member of the Executive Board since 2003. |
| Gaël de Boissard | Credit Suisse Group AG<br>One Cabot Square<br>London E14 4QJ<br>United Kingdom | G. de Boissard jointly leads the Investment Banking division together with E. Varvel with responsibility for the Fixed Income business. He is also the Chief Executive Officer of the EMEA region. Gaël de Boissard was appointed as a member of the Executive Board, effective 1 January 2013. Prior to his appointment to the Executive Board, Mr. de Boissard spent four years as the Co-Head of Global Securities.<br>Mr. de Boissard currently chairs the Association of Financial Markets in Europe, an industry organization that engages with policymakers on financial regulation.<br>Member of the Executive Board since 2013. |
| Romeo Cerutti | Credit Suisse Group AG<br>Paradeplatz 8<br>8001 Zurich<br>Switzerland | General Counsel and a member of the Executive Board of CSG and CS since April 2009. General Counsel of the Private Banking division from 2006 to 2009. Global Co-Head Compliance Credit Suisse from 2008 to 2009.<br>Mr. Cerutti has represented Credit Suisse on the Board of the Swiss Bankers Association since December 2012. |
| Tobias Guldimann | Credit Suisse Group AG<br>Paradeplatz 8<br>8001 Zurich<br>Switzerland | Group Chief Risk Officer since July 2004. Chief Risk Officer of CS since June 2009.<br>Member of the Executive Board since 2004. |

| Name | Business address | Position held |
|---|---|---|
| | | Member of the International Financial Risk Institute ("IFRI") since 2010 and Member of the IFRI Executive Committee since 2011. |
| David R. Mathers | Credit Suisse Group AG<br>Paradeplatz 8<br>8001 Zurich<br>Switzerland | Chief Financial Officer since October 2010 and also responsible for the Group's global IT and global operations function. Prior to this he was Head of Finance and the COO for Investment Banking in New York and London from 2007 to 2010.<br>Member of the Executive Board since October 2010.<br>Member of the Council of the British Swiss Chamber of Commerce since 2011. |
| Hans-Ulrich Meister | Credit Suisse Group AG<br>Paradeplatz 8<br>8001 Zurich<br>Switzerland | H.-U. Meister jointly leads the Private Banking & Wealth Management division together with R. Shafir, with responsibility for the Private Banking business. He is also CEO of the Swiss region. Prior to this he was CEO of Private Banking (2011-2012) and from 2008 onwards the CEO of the Swiss region.<br>Member of the Executive Board since September 2008.<br>Member of the Foundation Board of the Swiss Finance Institute since 2008. |
| Robert S. Shafir | Credit Suisse Group AG<br>11 Madison Avenue<br>New York<br>NY 10010<br>United States | Robert Shafir jointly leads the Private Banking & Wealth Management division together with Hans-Ulrich Meister, with responsibility for Private Banking & Wealth Management Products. He is also the Chief Executive Officer of the Americas region. Prior to this he was Chief Executive Officer Asset Management from 2008 to 2012.<br>Member of the Executive Board since 2007.<br>Member of the Board of Directors of the Cystic Fibrosis Foundation. |
| Pamela A. Thomas-Graham | Credit Suisse Group AG<br>11 Madison Avenue<br>New York<br>NY 10010<br>United States | Chief Talent, Branding and Communications Officer at CS and CSG since January 2010.<br>Member of the Executive Board since January 2010.<br>Member of the Board of Directors of the Clorox Company and a member of the Board of Governors of the Parsons School of Design. |

| Name | Business address | Position held |
|---|---|---|
| Eric M. Varvel | Credit Suisse Group AG<br>11 Madison Avenue<br>New York<br>NY 10010<br>United States | Eric Varvel jointly leads the Investment Banking division together with Gaël de Boissard, with responsibility for the Equities & Investment Banking business. He is also the Chief Executive Officer of Asia Pacific region. Prior to this he was CEO of Investment Banking and served as acting CEO from September 2009 until July 2010. From 2008 to 2010, Mr. Varvel was CEO Credit Suisse Europe, Middle East and Africa Region.<br>He is a member of the Board of Directors of the Qatar Exchange.<br>Member of the Executive Board since February 2008. |

There are no conflicts of interest between the private interests or other duties of the Directors and members of the Executive Board listed above and their respective duties to CSG.

## Audit Committee

The Audit Committee of CSG (the "**Audit Committee**") consists of not less than three members, all of whom must be independent pursuant to its charter. The current members of the Audit Committee are:

- John Tiner (Chairman)
- Jean Lanier
- Richard E. Thornburgh
- Jean-Daniel Gerber

The Audit Committee has its own charter, which has been approved by the Board. In accordance with its charter, the members of the Audit Committee are subject to additional independence requirements, exceeding those that apply to other members of the Board. None of the Audit Committee members may be an affiliated person of the Group or may, directly or indirectly, accept any consulting, advisory or other compensatory fees from the Group other than their regular compensation as members of the Board and its committees. The Audit Committee charter stipulates that all Audit Committee members must be financially literate. In addition, they may not serve on the audit committee of more than two other companies, unless the Board deems that such membership would not impair their ability to serve on the CSG or CS Audit Committee.

## Corporate Governance

CSG fully adheres to the principles set out in the Swiss Code of Best Practice, including its appendix stipulating recommendations on the process for setting compensation for the Board of Directors and the Executive Board. CSG also adapts its practices for developments in corporate governance principles and practices in jurisdictions outside Switzerland. Regulators' interest in compensation practices at financial firms

in 2011 has resulted in additional requirements governing remuneration practices, policies and disclosures. These changes are reflected in CSG's compensation disclosure.

For further information, refer to "*IV—Corporate Governance—Compensation*" in the Credit Suisse Annual Report 2012.

In connection with CSG's primary listing on the SIX Swiss Exchange it is subject to the SIX Swiss Exchange Directive on Information Relating to Corporate Governance. CSG's shares are also listed on the New York Stock Exchange ("**NYSE**") in the form of American Depositary Shares ("**ADS**"). As a result CSG is subject to certain U.S. rules and regulations. Moreover, the Group adheres to the NYSE's Corporate Governance Listing Standards, with a few exceptions where the rules are not applicable to foreign private issuers.

## Incorporation, Legislation, Legal Form, Duration, Name, Registered Office, Headquarters

CSG was incorporated under Swiss law as a corporation (*Aktiengesellschaft*) with unlimited duration under the name "CS Holding" on 3 March 1982 in Zurich, Switzerland, and is registered with the Commercial Registrar of the Canton of Zurich under the number CH-020.3.906.075-9. As of 6 May 2008, CSG changed its name to "Credit Suisse Group AG". Its registered and principal executive office is located at Paradeplatz 8, CH-8001, Zurich, Switzerland; its telephone number is +41 44 212 1616.

## Business Purpose

Article 2 of CSG's Articles of Association dated as of 30 April 2013 states:

"1. The purpose of the Company is to hold direct or indirect interests in all types of businesses in Switzerland and abroad, in particular in the areas of banking, finance, asset management and insurance. The Company has the power to establish new businesses, acquire a majority or minority interest in existing businesses and provide related financing.

2. The Company has the power to acquire, mortgage and sell real estate properties, both in Switzerland and abroad."

## Dividends

The following table outlines the dividends paid by CSG for the years ended 31 December:

| **Dividend per ordinary share** | **CHF** | **U.S.$**[(1)] |
|---|---|---|
| 2012[(2)] | 0.75 | 0.80[(3)] |
| 2011[(4)] | 0.75 | 0.78 |
| 2010[(5)] | 1.30 | 1.48 |
| 2009 | 2.00 | 1.78 |
| 2008 | 0.10 | 0.10 |

Notes:

(1) Represents the distribution on each ADS, rounded to the nearest U.S.$ 0.01. For further information, refer to www.credit-suisse.com/dividend.

(2) Paid out of reserves from capital contributions. Consisted of a cash distribution of CHF 0.10 per share and a distribution of new shares (stock dividend). Shareholders received a non-tradable right to the receipt of a given number of new shares for free. Following the distribution, the rights were automatically exchanged for new shares at the ratio 41:1 as determined by the Board of Directors. The Board of Directors set the subscription ratio so that the theoretical value of each right was approximately CHF 0.65.

(3) The equivalent amount per ADS in U.S.$ was determined by the U.S.$/CHF exchange rate applied to the cash distribution at the payment date on 13 May 2013.

(4) Paid out of reserves from capital contributions. Shareholders were entitled to receive new shares of Credit Suisse Group, a cash distribution or a combination thereof.

(5) Paid out of reserves from capital contributions.

For further information relating to dividends, refer to "*III—Treasury, Risk, Balance sheet and Off-balance sheet—Capital management*" in the Credit Suisse Annual Report 2012.

## Auditor

CSG's statutory auditor is KPMG AG ("**KPMG**"), Badenerstrasse 172, 8004 Zurich, Switzerland. CSG's consolidated financial statements as of 31 December 2012 and 2011 and for each of the years in the three-year period ended 31 December 2012 were audited by KPMG in accordance with Swiss law, Swiss Auditing Standards and the standards of the Public Company Accounting Oversight Board (United States). The auditor of CSG is independent in accordance with Swiss Auditing Standards and the standards of the Public Company Accounting Oversight Board (United States) as stated in its audit report included in the Credit Suisse Annual Report 2012 which is incorporated by reference in this Information Memorandum. KPMG assumed audit services for CSG for the business year 2009 following an internal restructuring of KPMG in Switzerland, pursuant to which KPMG Klynveld Peat Marwick Goerdeler SA, Zurich ("**KPMG Klynveld**") ceased to provide audit services to public companies. The audit mandate was first given to KPMG Klynveld for the business year 1989/1990.

The lead engagement partners are Anthony Anzevino, Global Lead Partner (since 2012), Simon Ryder, Group Engagement Partner (since 2010) and auditor in-charge (since 2012) and Mirko Liberto, Leading Bank Auditor (since 2012).

In addition, CSG has mandated BDO AG, Zurich, as special auditor for the purposes of issuing the legally required report for capital increases in accordance with Article 652f of the Swiss Code of Obligations. KPMG and BDO AG are both licensed by the Federal Audit Oversight Authority, which is responsible for the licensing and supervision of audit firms and individuals which provide audit services in Switzerland.

## Share Capital

As of 31 December 2012, CSG had fully paid and issued share capital of CHF 52,833,197 comprised of 1,320,829,922 registered shares with a nominal value of CHF 0.04 each. As of 31 December 2012, CSG had conditional share capital in the amount of CHF 20,199,532.68, comprised of 504,988,317 registered shares with a nominal value of CHF 0.04 each. Conditional share capital consisted of pursuant to Article 26 of CSG's Articles of Association, conditional share capital in the amount of CHF 19,340,245.08 through the issue of a maximum of 483,506,127 registered shares with a par value of CHF 0.04 reserved for the purpose of increasing share capital through the conversion of bonds or other financial market instruments of CSG, or any of its Group companies, that allow for contingent compulsory conversion into CSG's shares and that are issued in order to fulfil or maintain compliance with regulatory requirements of CSG and/or any of its Group companies (contingent convertible bonds). Moreover, up to CHF 4,000,000 of the conditional capital pursuant

to Article 26 of CSG's Articles of Association was also available for share capital increases executed through the voluntary or compulsory exercise of conversion rights and/or warrants granted in connection with bonds or other financial market instruments of CSG or any of its Group companies (equity-related financial market instruments). Furthermore, CSG's conditional share capital included CHF 859,287.60 through the issue of a maximum of 21,482,190 shares reserved for employees. In addition, as of 31 December 2012, CSG had conversion capital in the amount of CHF 8,000,000.00 through the issue of a maximum of 200,000,000 registered shares, to be fully paid in, each with a par value of CHF 0.04, through the compulsory conversion upon occurrence of the trigger event of claims arising out of contingent convertible bonds of CSG or any of its Group companies, or other financial market instruments of CSG or any of its Group companies, that provide for a contingent or unconditional compulsory conversion into shares of CSG. As of 31 December 2012, CSG had authorised share capital in the amount of CHF 3,692,632.00 authorising the Board of Directors of CSG to issue at any time until 29 April 2013 up to 92,315,800 registered shares with a nominal value of CHF 0.04 each.

As of 30 September 2013, CSG had fully paid and issued share capital of CHF 63,817,355.92, comprised of 1,595,433,898 registered shares with a nominal value of CHF 0.04 each. The Board of Directors of CSG is authorised, at any time until 26 April 2015, to increase the share capital of CSG by a maximum of CHF 4,497,908.52 through the issuance of a maximum of 112,447,713 registered shares, to be fully paid up, with a par value of CHF 0.04, of which 12,447,713 registered shares are reserved exclusively for issuance to shareholders in connection with a stock dividend. Additionally as of 30 September 2013, CSG had conditional share capital in the amount of CHF 16,469,401.96, comprised of 411,735,049 registered shares with a nominal value of CHF 0.04 each. Conditional share capital consists of, pursuant to Art. 26 of CSG's Articles of Association, conditional share capital in the amount of CHF 16,000,000.00 through the issue of a maximum of 400,000,000 registered shares with a par value of CHF 0.04 reserved for the purpose of increasing share capital through the conversion of bonds or other financial market instruments of CSG, or any of its Group companies, that allow for contingent compulsory conversion into CSG's shares and that are issued in order to fulfil or maintain compliance with regulatory requirements of CSG and/or any of its Group companies (contingent convertible bonds). Moreover, up to CHF 4,000,000.00 of the conditional capital pursuant to Art. 26 of CSG's Articles of Association shall also be available for share capital increases executed though the voluntary or compulsory exercise of conversion rights and/or warrants granted in connection with bonds or other financial market instruments of CSG or any of its Group companies (equity-related financial market instruments). Furthermore, CSG's conditional share capital includes CHF 469,401.96 through the issue of a maximum of 11,735,049 registered shares with a par value of CHF 0.04 reserved for employees. In addition, as of 30 September 2013, CSG had conversion capital in the amount of CHF 6,000,000.00 through the issue of a maximum of 150,000,000 registered shares, to be fully paid in, each with a par value of CHF 0.04, through the compulsory conversion upon occurrence of the trigger event of claims arising out of contingent convertible bonds of CSG or any of its Group companies, or other financial market instruments of CSG or any of its Group companies, that provide for a contingent or unconditional compulsory conversion into shares of CSG.

As of 30 September 2013, CSG, together with its subsidiaries, held 3,032,833 of its own shares, representing 0.20 per cent. of its outstanding shares.

## Legal Proceedings

CSG and its subsidiaries are involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of their businesses. Some of these proceedings have been brought on behalf of various classes of claimants and seek damages of material and/or indeterminate amounts.

For further information regarding legal proceedings and the Group's litigation provisions as of the end of 2012, see "*Note 37—Litigation*" in "*V—Consolidated Financial Statements*" in the Credit Suisse Annual Report 2012. For further information regarding legal proceedings and CSG's litigation provisions as of 31 March, 30 June 2013 and 30 September 2013, respectively, see "*Note 29— Litigation*" in "*III—Notes to the Condensed Consolidated Financial Statements—unaudited*" in the Credit Suisse Financial Report 1Q13, Credit Suisse Financial Report 2Q13 and the Credit Suisse Financial Report 3Q13.

## Additional Information about CSG

CSG is a publicly held corporation and its registered shares have been listed and traded on the SIX Swiss Exchange and as ADS in New York. Since 4 May 2009, the date on which the trading in Swiss blue chips was transitioned from SWX Europe Ltd. to the newly created SIX Swiss Exchange "Swiss Blue Chip Segment", trading in the shares of CSG is again on the SIX Swiss Exchange. Prior to 4 May 2009, the registered shares of CSG had traded on SWX Europe Ltd. (formerly known as virt-x) since 25 June 2001. The Group's ADS are traded on the New York Stock Exchange.

The Swiss Commercial Gazette (*Schweizerisches Handelsamtsblatt*) is the official medium for publication of notices and announcements by CSG. Announcements for and notices to shareholders and others are published in the Swiss Commercial Gazette, except where the law prescribes some other manner of notification.

### *Financial statements*

CSG prepares its consolidated financial statements in accordance with U.S. generally accepted accounting principles ("**U.S. GAAP**"). CSG does not prepare its accounts in accordance with International Financial Reporting Standards.

For further information about CSG, refer to the Credit Suisse Annual Report 2011, the Credit Suisse Annual Report 2012, the Credit Suisse Financial Report 1Q13, the Credit Suisse Financial Report 2Q13 and the Credit Suisse Financial Report 3Q13, incorporated by reference in this Information Memorandum.

### *Annual General Meeting of 26 April 2013*

The shareholders of CSG approved all of the proposals put forward by the Board of Directors at the Annual General Meeting on 26 April 2013. These proposals included:

(i) the 2012 financial year stock dividend (see "*—Dividends*" above for more details);

(ii) an increase in authorised capital by CHF4,965,683.52 to CHF6,000,000, which was approved by 92.77 per cent. of the votes represented at the Annual General Meeting, and an increase in conditional capital by CHF1,093,621.32 to CHF1,200,000, which was approved by 75.26 per cent. of the votes represented at the Annual General Meeting (see "*—Share Capital*" above for more details on CSG's authorised and conditional capital);

(iii) the election of Kai S. Nargolwala, and the re-election of Noreen Doyle and Jassim Bin Hamad J.J. Al Thani, to the Board (see "*—Management of CSG—Board of Directors of CSG*" above for more information on the Board); and

(iv) approval of the 2012 Compensation Report, which was approved (in a consultative vote) by 87.98 per cent. of the votes represented at the Annual General Meeting.

***Press Release dated 21 November 2013***

*CSG published a press release announcing its program to evolve the Group's legal entity structure on 21 November 2013, which is reprinted below. References in the following section to "Group" and "Credit Suisse" are to CSG, unless the context otherwise requires.*

Since 2012, Credit Suisse has been developing a program to evolve the Group's legal entity structure to meet developing and future regulatory requirements. This has been prepared in discussion with FINMA and will address regulations in Switzerland (Banking Ordinance), the United States (the Federal Reserve's Enhanced Prudential Standards for Foreign Banking Organizations) and the United Kingdom (Recovery and Resolution Planning).

Credit Suisse's legal entity structure currently consists of a global branch network, primarily used for its Private Banking business, and three main subsidiaries, primarily used for its Investment Banking business. In the future, Credit Suisse will more closely align the booking of its Investment Banking business to the region in which it originates from a client and risk management perspective.

These changes are designed to both meet future requirements for global recovery and resolution planning and result in a substantially less complex and more efficient operating infrastructure for the bank. Furthermore, Swiss banking law provides for the possibility of a limited reduction in capital requirements in the event of an improvement in resolvability which this program intends to deliver.

The key components are:

(i) In Switzerland, Credit Suisse plans to create a subsidiary for its Swiss-booked business (primarily wealth management, retail and corporate and institutional clients as well as the product and sales hub in Switzerland).

(ii) Credit Suisse's UK operations will remain the hub of its European investment banking business while Credit Suisse is planning that its two principal UK operating subsidiaries (Credit Suisse Securities (Europe) Ltd and Credit Suisse International) will be consolidated into one single subsidiary. The program will look to align non-European business to the appropriate entities in the Americas, primarily Credit Suisse Securities (USA) LLC, and in Asia Pacific, through the Singapore Branch of Credit Suisse AG.

(iii) In the United States, Credit Suisse's existing broker-dealer subsidiary, Credit Suisse Securities (USA) LLC is planned to remain a subsidiary of Credit Suisse USA Inc., a US holding company. Credit Suisse USA Inc., which will hold its US-based operating businesses, will be subject to the Federal Reserve's final rules for Enhanced Supervision of Foreign Banking Organizations in the US. Additionally, subject to US regulatory approvals, the US derivatives businesses, currently booked in London in Credit Suisse International, are anticipated to be transferred to the US broker-dealer.

(iv) Credit Suisse intends to create a separately capitalized global infrastructure legal entity in Switzerland and a US subsidiary of Credit Suisse USA Inc. In principle, these will include all Shared Services functions.

(v) Once the final legal framework is agreed, Credit Suisse plans to issue bail-in eligible debt out of the group holding company, Credit Suisse Group AG, to enable a single point of entry bail-in resolution strategy.

This program has been approved by the Board of Directors of Credit Suisse Group AG, but is subject to final approval by the Swiss Financial Market Supervisory Authority, FINMA. Implementation of the program is well underway, with a number of key components to be implemented from mid-2015.

## SELECTED FINANCIAL INFORMATION OF CSG

The following tables set out, in summary form, the consolidated statements of operations, comprehensive income, balance sheets, changes in equity and cash flows, and the parent company statements of income and balance sheets, relating to CSG and its subsidiaries. These tables were derived from the audited consolidated balance sheets of CSG and its subsidiaries as of 31 December 2012 and 2011, and the related consolidated statements of operations, changes in equity, comprehensive income and cash flows, and notes thereto, for each of the years in the three-year period ended 31 December 2012, and the audited balance sheets of CSG as of 31 December 2012 and 2011, and the income statements and notes for each of the years in the two-year period ended 31 December 2012, as included in the Credit Suisse Annual Report 2012 or the Credit Suisse Annual Report 2011, as applicable, and the unaudited condensed consolidated balance sheets of CSG and its subsidiaries as of 30 September 2013 and the related unaudited condensed consolidated statements of operations, comprehensive income and cash flows for the nine-month periods ended on 30 September 2013 and 30 September 2012 and the unaudited condensed consolidated statement of changes in equity for the nine-month period ended on 30 September 2013, as included in the Credit Suisse Financial Report 3Q13, as applicable, incorporated by reference herein. The information was derived from and should be read in conjunction with the full audited financial statements and the notes set out in the Credit Suisse Annual Report 2012 and the Credit Suisse Annual Report 2011 and the unaudited condensed consolidated financial statements set out in the Credit Suisse Financial Report 3Q13, as applicable, incorporated by reference herein.

The audited consolidated financial statements as included in the Credit Suisse Annual Report 2012 and unaudited condensed consolidated financial statements as included in the Credit Suisse Financial Report 3Q13 were prepared in accordance with U.S. GAAP, whereas the CSG parent company only financial statements as included in the Credit Suisse Annual Report 2012 and the Credit Suisse Annual Report 2011 were prepared in accordance with Swiss law.

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS OF CSG

| Year ended 31 December (CHF million) | 2012 | 2011 | 2010 |
|---|---|---|---|
| Net interest income | 7,150 | 6,433 | 6,541 |
| Commissions and fees | 13,073 | 12,952 | 14,078 |
| Trading revenues | 1,195 | 5,020 | 9,338 |
| Other revenues | 2,548 | 1,820 | 1,429 |
| **Net revenues** | 23,966 | 26,225 | 31,386 |
| **Provision for credit losses** | 170 | 187 | (79) |
| Compensation and benefits | 12,530 | 13,213 | 14,599 |
| Other operating expenses | 9,085 | 9,364 | 9,379 |
| **Total operating expenses** | 21,615 | 22,577 | 23,978 |
| **Income from continuing operations before taxes** | 2,181 | 3,461 | 7,487 |
| Income tax expense | 496 | 671 | 1,548 |
| **Income from continuing operations** | 1,685 | 2,790 | 5,939 |
| Income/(loss) from discontinued operations, net of tax | 0 | 0 | (19) |
| **Net income** | 1,685 | 2,790 | 5,920 |
| Net income attributable to noncontrolling interests | 336 | 837 | 822 |
| **Net income attributable to shareholders** | 1,349 | 1,953 | 5,098 |
| of which from continuing operations | 1,349 | 1,953 | 5,117 |
| of which from discontinued operations | 0 | 0 | (19) |
| **Basic earnings per share, in CHF** | | | |
| Basic earnings per share from continuing operations | 0.82 | 1.37 | 3.93 |
| Basic earnings per share | 0.82 | 1.37 | 3.91 |
| **Diluted earnings per share, in CHF** | | | |
| Diluted earnings per share from continuing operations | 0.81 | 1.36 | 3.91 |
| Diluted earnings per share | 0.81 | 1.36 | 3.89 |

As reported in the Credit Suisse Annual Report 2012. The results of operations of the businesses sold in 3Q13 and the related reclassifications to income/(loss) from discontinued operations in the consolidated statements of operations have not been reflected for the relevant periods presented.

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS OF CSG – (CONTINUED)

| Nine months ended 30 September (CHF million) | 9M13 | 9M12 |
|---|---|---|
| Net interest income | 6,372 | 5,210 |
| Commissions and fees | 9,855 | 9,321 |
| Trading revenues | 2,444 | 1,343 |
| Other revenues | 1,104 | 2,088 |
| **Net revenues** | 19,775 | 17,962 |
| **Provision for credit losses** | 114 | 100 |
| Compensation and benefits | 8,488 | 9,706 |
| Other operating expenses | 6,760 | 6,445 |
| **Total operating expenses** | 15,248 | 16,151 |
| **Income from continuing operations before taxes** | 4,413 | 1,711 |
| Income tax expense | 1,335 | 373 |
| **Income from continuing operations** | 3,078 | 1,338 |
| Income from discontinued operations, net of tax | 159 | 15 |
| **Net income** | 3,237 | 1,353 |
| Net income attributable to noncontrolling interests | 435 | 267 |
| **Net income attributable to shareholders** | 2,802 | 1,086 |
| of which from continuing operations | 2,643 | 1,071 |
| of which from discontinued operations | 159 | 15 |
| **Basic earnings per share, in CHF** | | |
| Basic earnings per share from continuing operations | 1.48 | 0.69 |
| Basic earnings per share | 1.57 | 0.70 |
| **Diluted earnings per share, in CHF** | | |
| Diluted earnings per share from continuing operations | 1.46 | 0.68 |
| Diluted earnings per share | 1.55 | 0.69 |

As reported in the Credit Suisse Financial Report 3Q13. The results of operations of the businesses sold in 3Q13 have been reflected in income/(loss) from discontinued operations in the unaudited condensed consolidated statements of operations for 9M13 and 9M12.

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME OF CSG

| Year ended 31 December (CHF million) | 2012 | 2011 | 2010 |
|---|---|---|---|
| Net income | 1,685 | 2,790 | 5,920 |
| Other comprehensive income/(loss), net of tax | (894) | (534) | (3,796) |
| **Comprehensive income** | 791 | 2,256 | 2,124 |
| **Comprehensive income attributable to noncontrolling interests** | 211 | 882 | 78 |
| **Comprehensive income attributable to shareholders** | 580 | 1,374 | 2,046 |

| Nine months ended 30 September (CHF million) | 9M13 | 9M12 |
|---|---|---|
| Net income | 3,237 | 1,353 |
| Other comprehensive income/(loss), net of tax | (329) | (83) |
| **Comprehensive income** | 2,908 | 1,270 |
| Comprehensive income attributable to noncontrolling interests | 382 | 248 |
| **Comprehensive income attributable to shareholders** | 2,526 | 1,022 |

## CONDENSED CONSOLIDATED BALANCE SHEETS OF CSG

| As of (CHF million) | 30 September 2013 | 31 December 2012 | 31 December 2011 |
|---|---|---|---|
| **Assets** | | | |
| Cash and due from banks | 69,600 | 61,763 | 110,573 |
| Interest-bearing deposits with banks | 1,664 | 1,945 | 2,272 |
| Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions | 161,876 | 183,455 | 236,963 |
| Securities received as collateral, at fair value | 24,640 | 30,045 | 30,191 |
| Trading assets, at fair value | 244,422 | 256,399 | 279,553 |
| Investment securities | 2,768 | 3,498 | 5,160 |
| Other investments | 11,082 | 12,022 | 13,226 |
| Net loans | 245,232 | 242,223 | 233,413 |
| Premises and equipment | 5,287 | 5,618 | 7,193 |
| Goodwill | 8,114 | 8,389 | 8,591 |
| Other intangible assets | 210 | 243 | 288 |
| Brokerage receivables | 56,699 | 45,768 | 43,446 |
| Other assets | 63,529 | 72,912 | 78,296 |
| Assets of discontinued operations held-for-sale | 46 | - | - |
| **Total assets** | 895,169 | 924,280 | 1,049,165 |
| **Liabilities and equity** | | | |
| Due to banks | 27,481 | 31,014 | 40,147 |
| Customer deposits | 328,244 | 308,312 | 313,401 |
| Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions | 94,193 | 132,721 | 176,559 |
| Obligation to return securities received as collateral, at fair value | 24,640 | 30,045 | 30,191 |
| Trading liabilities, at fair value | 92,350 | 90,816 | 127,760 |
| Short-term borrowings | 20,094 | 18,641 | 26,116 |
| Long-term debt | 128,821 | 148,134 | 162,655 |
| Brokerage payables | 78,445 | 64,676 | 68,034 |
| Other liabilities | 51,884 | 57,637 | 63,217 |
| Liabilities of discontinued operations held-for-sale | 6 | - | - |
| **Total liabilities** | 846,158 | 881,996 | 1,008,080 |
| **Total shareholders' equity** | 42,162 | 35,498 | 33,674 |
| Noncontrolling interests | 6,849 | 6,786 | 7,411 |
| **Total equity** | 49,011 | 42,284 | 41,085 |
| **Total liabilities and equity** | 895,169 | 924,280 | 1,049,165 |

The assets and liabilities of discontinued operations in 3Q13 for which the sale has not yet been completed are presented as assets of discontinued operations held-for-sale and liabilities of discontinued operations held-for-sale, respectively, and prior periods are not reclassified.

# CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY OF CSG

| (CHF million) | Common shares | Additional paid-in capital | Retained earnings | Treasury shares, at cost | Accumulated other comprehensive income | Total shareholders' equity | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| **Balance at 31 December 2009** | 47 | 24,706 | 25,258 | (856) | (11,638) | 37,517 | 10,811 | 48,328 |
| Net transactions in subsidiary shares with noncontrolling interests, changing ownership | — | (20) | — | — | — | (20) | (36) | (56) |
| Net transactions in subsidiary shares with noncontrolling interests, not changing ownership | — | — | — | — | — | — | (152) | (152) |
| Net income/(loss) | — | — | 5,098 | — | — | 5,098 | 822 | 5,920 |
| Cumulative effect of accounting changes, net of tax | — | — | (2,384) | — | 135 | (2,249) | — | (2,249) |
| Other comprehensive income/(loss), net of tax | — | — | — | — | (3,052) | (3,052) | (744) | (3,796) |
| Issuance of common shares | — | 9 | — | — | — | 9 | — | 9 |
| Transactions in treasury shares, net | — | 19 | — | (2,116) | — | (2,097) | — | (2,097) |
| Share-based compensation, net of tax | — | (1,593) | — | 2,420 | — | 827 | 9 | 836 |
| Financial instruments indexed to own shares | — | (95) | — | — | — | (95) | — | (95) |
| Dividends paid | — | — | (2,656) | — | — | (2,656) | (144) | (2,800) |
| Change in scope of consolidation | — | — | — | — | — | — | (911) | (911) |
| Other | — | — | — | — | — | — | 78 | 78 |
| **Balance at 31 December 2010** | 47 | 23,026 | 25,316 | (552) | (14,555) | 33,282 | 9,733 | 43,015 |
| Net transactions in subsidiary shares with noncontrolling interests, changing ownership | — | (1) | — | — | — | (1) | (99) | (100) |
| Net transactions in subsidiary shares with noncontrolling interests, not changing ownership | — | — | — | — | — | — | (2,520) | (2,520) |
| Net income/(loss) | — | — | 1,953 | — | — | 1,953 | 788 | 2,741 |
| Other comprehensive income/(loss), net of tax | — | — | — | — | (579) | (579) | 45 | (534) |
| Issuance of common shares | 2 | 1,125 | — | — | — | 1,127 | — | 1,127 |
| Transactions in treasury shares, net | — | (102) | — | 165 | — | 63 | — | 63 |
| Share-based compensation, net of tax | — | (145) | — | 297 | — | 152 | — | 152 |
| Financial instruments indexed to own shares | — | 164 | — | — | — | 164 | — | 164 |
| Dividends paid | — | (1,646) | (216) | — | — | (1,862) | (86) | (1,948) |
| Change in redeemable noncontrolling interests | — | (625) | — | — | — | (625) | (140) | (765) |
| Change in scope of consolidation, net | — | — | — | — | — | — | (310) | (310) |
| **Balance at 31 December 2011** | 49 | 21,796 | 27,053 | (90) | (15,134) | 33,674 | 7,411 | 41,085 |
| Net transactions in subsidiary shares with noncontrolling interests, changing ownership | — | 44 | — | — | — | 44 | (4) | 40 |
| Net transactions in subsidiary shares with noncontrolling interests, not changing ownership[1, 2] | — | — | — | — | — | — | (693) | (693) |
| Net income/(loss) | — | — | 1,349 | — | — | 1,349 | 347[3] | 1,696 |
| Other comprehensive income/(loss), net of tax | — | — | — | — | (769) | (769) | (125) | (894) |
| Issuance of common shares | 4 | 1,926 | — | — | — | 1,930 | — | 1,930 |
| Transactions in treasury shares, net | — | (3) | — | (501) | — | (504) | — | (504) |
| Share-based compensation, net of tax | — | 932[4] | — | 132 | — | 1,064 | — | 1,064 |
| Financial instruments indexed to own shares[5] | — | (9) | — | — | — | (9) | — | (9) |
| Dividends paid | — | (1,011)[6] | (231) | — | — | (1,242) | (54) | (1,296) |
| Change in redeemable noncontrolling interests | — | (7)[7] | — | — | — | (7) | — | (7) |
| Change in scope of consolidation, net | — | — | — | — | — | — | (96) | (96) |
| Other | — | (32) | — | — | — | (32) | — | (32) |
| **Balance at 31 December 2012** | 53 | 23,636 | 28,171 | (459) | (15,903) | 35,498 | 6,786 | 42,284 |

Notes:

(1) Distributions to owners in funds include the return of original capital invested and any related dividends.

(2) Transactions with and without ownership changes related to fund activity are all displayed under "not changing ownership".

(3) Net income attributable to noncontrolling interests excludes CHF 11 million due to redeemable noncontrolling interests.

(4) Includes a net tax benefit of CHF 41 million from the excess fair value of shares delivered over recognised compensation expense.

(5) The Group had purchased certain call options on its own shares to economically hedge share-based compensation awards. In accordance with U.S. GAAP, these call options were designated as equity instruments and, as such, were initially recognised in shareholders' equity at their fair values and not subsequently remeasured.

(6) Paid out of reserves from capital contributions.

(7) Represents the accrued portion of the redemption value of redeemable noncontrolling interests in Credit Suisse Hedging-Griffo Investimentos S.A.

# CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY OF CSG - (CONTINUED)

| (CHF million) | Common shares | Additional paid-in capital | Retained earnings | Treasury shares, at cost | Accumulated other comprehensive income | Total shareholders' equity | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| **Balance at 31 December 2012** | 53 | 23,636 | 28,171 | (459) | (15,903) | 35,498 | 6,786 | 42,284 |
| Net transactions in subsidiary shares from noncontrolling interests, not changing ownership[1][2] | — | — | — | — | — | — | (234) | (234) |
| Net income/(loss) | — | — | 2,802 | — | — | 2,802 | 438[3] | 3,240 |
| Total other comprehensive income/(loss), net of tax | — | — | — | — | (276) | (276) | (53) | (329) |
| Issuance of common shares | 11 | 4,204 | — | — | — | 4,215 | — | 4,215 |
| Transactions in treasury shares, net | — | (44) | — | 215 | — | 171 | — | 171 |
| Share-based compensation, net of tax | — | (95)[4] | — | 159 | — | 64 | — | 64 |
| Financial instruments indexed to own shares[5] | — | 79 | — | — | — | 79 | — | 79 |
| Dividends paid | — | (269)[6] | (114) | — | — | (383) | (40) | (423) |
| Changes in redeemable noncontrolling interests | — | (8) | — | — | — | (8) | — | (8) |
| Change in scope of consolidation, net | — | — | — | — | — | — | (48) | (48) |
| **Balance at 30 September 2013** | 64 | 27,503 | 30,859 | (85) | (16,179) | 42,162 | 6,849 | 49,011 |

Notes:

(1) Distributions to owners in funds include the return of original capital invested and any related dividends.

(2) Transactions with and without ownership changes related to fund activity are all displayed under "not changing ownership".

(3) Net income attributable to noncontrolling interests excludes CHF (3) million due to redeemable noncontrolling interests.

(4) Includes a net tax charge of CHF 26 million from the excess recognized compensation expense over fair value of shares delivered.

(5) The Group had purchased certain call options on its own shares to economically hedge share-based compensation awards. In accordance with US GAAP, these call options were designated as equity instruments and, as such, were initially recognized in shareholders' equity at their fair values and not subsequently remeasured.

(6) Paid out of reserves from capital contributions.

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS OF CSG

| Year ended 31 December (CHF million) | 2012 | 2011 | 2010 |
|---|---|---|---|
| **Operating activities of continuing operations** | | | |
| **Net income** | 1,685 | 2,790 | 5,920 |
| (Income)/loss from discontinued operations, net of tax | 0 | 0 | 19 |
| **Income from continuing operations** | 1,685 | 2,790 | 5,939 |
| Total adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities of continuing operations | (14,359) | 35,840 | 2,289 |
| **Net cash provided by/(used in) operating activities of continuing operations** | (12,674) | 38,630 | 8,228 |
| **Investing activities of continuing operations** | | | |
| (Increase)/decrease in interest-bearing deposits with banks | 184 | (732) | (98) |
| (Increase)/decrease in central bank funds sold, securities purchased under resale agreements and securities borrowing transactions | 46,952 | (15,221) | (27,518) |
| Purchase of investment securities | (480) | (1,542) | (2,752) |
| Proceeds from sale of investment securities | 936 | 2,118 | 988 |
| Maturities of investment securities | 1,626 | 2,462 | 3,748 |
| Investments in subsidiaries and other investments | (2,039) | (1,782) | (1,674) |
| Proceeds from sale of other investments | 3,104 | 6,784 | 2,467 |
| (Increase)/decrease in loans | (10,885) | (17,242) | 3,970 |
| Proceeds from sale of loans | 1,090 | 689 | 817 |
| Capital expenditures for premises and equipment and other intangible assets | (1,242) | (1,739) | (1,689) |
| Proceeds from sale of premises and equipment and other intangible assets | 26 | 11 | 17 |
| Other, net | 3,683 | 222 | 275 |
| **Net cash provided by/(used in) investing activities of continuing operations** | 42,955 | (25,972) | (21,449) |
| **Financing activities of continuing operations** | | | |
| Increase/(decrease) in due to banks and customer deposits | (13,055) | 27,935 | 26,391 |
| Increase/(decrease) in short-term borrowings | (7,840) | 4,098 | 10,934 |
| Increase/(decrease) in central bank funds purchased, securities sold under repurchase agreements and securities lending transactions | (39,958) | 7,182 | (7,097) |
| Issuances of long-term debt | 38,405 | 34,234 | 57,910 |
| Repayments of long-term debt | (55,936) | (37,127) | (51,390) |
| Issuances of common shares | 1,930 | 1,127 | 9 |
| Sale of treasury shares | 8,355 | 11,853 | 24,749 |
| Repurchase of treasury shares | (8,859) | (11,790) | (26,846) |
| Dividends paid/capital repayments | (1,296) | (1,948) | (2,800) |
| Excess tax benefits related to share-based compensation | 0 | 0 | 615 |
| Other, net | 394 | (2,508) | 553 |
| **Net cash provided by/(used in) financing activities of continuing operations** | (77,860) | 33,056 | 33,028 |
| **Effect of exchange rate changes on cash and due from banks** | (1,231) | (633) | (6,155) |
| **Net cash provided by/(used in) discontinued operations** | 0 | 25 | (42) |
| **Net increase/(decrease) in cash and due from banks** | (48,810) | 45,106 | 13,610 |
| **Cash and due from banks at beginning of period** | 110,573 | 65,467 | 51,857 |
| **Cash and due from banks at end of period** | 61,763 | 110,573 | 65,467 |

As reported in the Credit Suisse Annual Report 2012. The cash flows of the businesses sold in 3Q13 and the related reclassifications to net cash provided by/(used in) discontinued operations in the consolidated statements of cash flows have not been reflected for the relevant periods presented..

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS OF CSG - (CONTINUED)

| Nine months ended 30 September (CHF million) | 9M13 | 9M12 |
|---|---|---|
| **Operating activities of continuing operations** | | |
| **Net income** | 3,237 | 1,353 |
| (Income)/loss from discontinued operations, net of tax | (159) | (15) |
| **Income from continuing operations** | 3,078 | 1,338 |
| Total adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities of continuing operations | 21,642 | (33,419) |
| **Net cash provided by/(used in) operating activities of continuing operations** | 24,720 | (32,081) |
| **Investing activities of continuing operations** | | |
| (Increase)/decrease in interest-bearing deposits with banks | 401 | (125) |
| (Increase)/decrease in central bank funds sold, securities purchased under resale agreements and securities borrowing transactions | 18,584 | 31,666 |
| Purchase of investment securities | (374) | (330) |
| Proceeds from sale of investment securities | 127 | 665 |
| Maturities of investment securities | 809 | 1'537 |
| Investments in subsidiaries and other investments | (1,137) | (1,550) |
| Proceeds from sale of other investments | 2,442 | 1,653 |
| (Increase)/decrease in loans | (6,020) | (9,597) |
| Proceeds from sale of loans | 1,280 | 791 |
| Capital expenditures for premises and equipment and other intangible assets | (687) | (927) |
| Proceeds from sale of premises and equipment and other intangible assets | 8 | 10 |
| Other, net | 11 | 2,498 |
| **Net cash provided by/(used in) investing activities of continuing operations** | 15,444 | 26,291 |
| **Financing activities of continuing operations** | | |
| Increase/(decrease) in due to banks and customer deposits | 18,638 | 4,855 |
| Increase/(decrease) in short-term borrowings | 5,616 | 466 |
| Increase/(decrease) in central bank funds purchased, securities sold under repurchase agreements and securities lending transactions | (38,141) | (7,349) |
| Issuances of long-term debt | 32,448 | 30,297 |
| Repayments of long-term debt | (50,937) | (46,072) |
| Issuances of common shares | 958 | 1,914 |
| Sale of treasury shares | 6,923 | 5,978 |
| Repurchase of treasury shares | (7,298) | (6,484) |
| Dividends paid/capital repayments | (423) | (1,167) |
| Excess tax benefits related to share-based compensation | 0 | 0 |
| Other, net | 505 | (90) |
| **Net cash provided by/(used in) financing activities of continuing operations** | (31,711) | (17,652) |
| **Effect of exchange rate changes on cash and due from banks** | (611) | (156) |
| **Net cash provided by/(used in) discontinued operations** | (5) | 2 |
| **Net increase/(decrease) in cash and due from banks** | 7,837 | (23,596) |
| **Cash and due from banks at beginning of period** | 61,763 | 110,573 |
| **Cash and due from banks at end of period** | 69,600 | 86,977 |

As reported in the Credit Suisse Financial Report 3Q13. The cash flows of the businesses sold in 3Q13 have been reflected in net cash provided by/(used in) discontinued operations in the unaudited condensed consolidated statements of cash flows for 9M13 and 9M12.

Credit Suisse Group AG parent company financial statements are prepared in accordance with Swiss law.

## CONDENSED STATEMENTS OF INCOME OF CSG

| Year ended 31 December (CHF million) | 2012 | 2011 |
|---|---|---|
| **Income** | | |
| Dividend income from investments in group companies | 272 | 362 |
| Other financial income | 82 | 156 |
| Gain on sale of noncurrent assets | 145 | 41 |
| Other income | 167 | 195 |
| **Total income** | 666 | 754 |
| **Expenses** | | |
| Financial expenses | 223 | 167 |
| Compensation and benefits | 60 | 68 |
| Other expenses | 43 | 41 |
| Valuation adjustments, write-offs and provisions | 0 | 2 |
| Tax expense | 16 | 20 |
| **Total expenses** | 342 | 298 |
| **Net income** | 324 | 456 |

## CONDENSED BALANCE SHEETS OF CSG

| As of (CHF million) | 31 December 2012 | 31 December 2011 |
|---|---|---|
| **Assets** | | |
| Cash with group companies | 19 | 13 |
| Receivables, accrued income and prepaid expenses | 169 | 233 |
| **Total current assets** | 188 | 246 |
| Investments in group companies | 38,534 | 35,005 |
| Long-term loans to group companies | 4,459 | 5,859 |
| Financial investments | 51 | 41 |
| **Total noncurrent assets** | 43,044 | 40,905 |
| **Total assets** | 43,232 | 41,151 |
| **Liabilities and shareholders' equity** | | |
| Payables to group companies | 3,376 | 4,310 |
| All other payables, accrued expenses and deferred income | 113 | 143 |
| **Total short-term liabilities** | 3,489 | 4,453 |
| Long-term loans from group companies | 812 | 2,087 |
| Provisions | 312 | 312 |
| **Total long-term liabilities** | 1,124 | 2,399 |
| **Total liabilities** | 4,613 | 6,852 |
| Share capital | 53 | 49 |
| General legal reserve | 19,471 | 15,479 |
| Reserves for own shares | 3,929 | 3,929 |
| Free reserves | 10,500 | 10,500 |
| Retained earnings | 4,666 | 4,342 |
| **Total shareholders' equity** | 38,619 | 34,299 |
| **Total liabilities and shareholders' equity** | 43,232 | 41,151 |

# TAXATION

## Switzerland

*The following discussion of taxation under the heading "Switzerland" in this section is only an indication of certain tax implications currently in force under the laws of Switzerland as they may affect investors. It applies only to persons who are beneficial owners of the Notes and may not apply to certain classes of person. The summary contains general information only; it is not exhaustive and does not constitute legal or tax advice and is based on taxation law and practice at the date of this Information Memorandum and a tax ruling with the Swiss Federal Tax Administration. Potential investors should be aware that tax law and interpretation, as well as the level and bases of taxation, may change from those described and that changes may alter the benefits of investment in, holding or disposing of, Notes. The Issuer makes no representations as to the completeness of the information nor undertakes any liability of whatsoever nature for the tax implications for investors. Potential investors are strongly advised to consult their own professional advisers on the implications of making an investment in, holding or disposing of, Notes under the laws of the countries in which they are liable to taxation and in light of their particular circumstances.*

### *Swiss Federal Withholding Tax*

Payments by the Issuer in respect of the Notes are exempt under 5a of the Swiss federal withholding tax act (*Bundesgesetz über die Verrechnungssteuer*) from Swiss federal withholding tax (*Verrechnungssteuer*).

### *Swiss Federal Securities Turnover Tax*

The issue of the Notes and their sale and delivery on the Issue Date to initial Holders of the Notes is not subject to Swiss federal securities turnover tax (*Umsatzabgabe*) (primary market).

The trading of Notes in the secondary market is subject to Swiss federal securities turnover tax at a rate of 0.15% of the consideration paid for the Notes traded, however, only if a Swiss securities dealer, as defined in the Swiss federal stamp tax act (*Bundesgesetz über die Stempelabgaben*), is a party or an intermediary to the transaction and no exemption applies. Where both the seller and the purchaser of the Notes are not residents of Switzerland or the Principality of Liechtenstein, no Swiss federal stamp securities turnover tax will apply.

### *Swiss Income Taxation*

*(i) Classification and Coupon Split*

The Notes classify as transparent structured financial products composed of a bond and one or more options or similar rights the yield-to-maturity of which predominantly derives from periodic interest payments and not from a one-time interest payment such as an original issue discount or a repayment premium (*Obligationen ohne überwiegende Einmalverzinsung*; non-IUP).

The Interest Amount in respect of any Note is therefore split into two components for tax purposes:

(1) a taxable interest payment (hereinafter for purposes of this section, the "**Embedded Interest Amount**") equal to:

(i) [●] per cent. per annum of the Calculation Amount (U.S.$[●]) from (and including) the Issue Date to (but excluding) the First Optional Redemption Date;

(ii) a percentage rate per annum corresponding to the Reset Interest Rate minus [●] per cent. per annum of the Calculation Amount for each Reset Interest Period; and

(2) a non-taxable option premium amount (hereinafter for purposes of this section, the "**Embedded Premium Amount**") equivalent to [●] per cent. per annum of the Calculation Amount (U.S.$ [●]).

*(ii) Notes held by Non-Swiss Holders*

Holders who are not residents of Switzerland for tax purposes and who during the taxable year have not held Notes through a permanent establishment or a fixed place of business within Switzerland are not subject to any Swiss income tax in respect of their Notes. See "*—Final Foreign Withholding Taxes*" below for a summary of the taxation treatment of individuals holding Notes in an account or deposit with a Swiss paying agent. See "*—EU Savings Directive and Associated Arrangements with Switzerland*" below for a summary of the taxation treatment of EU resident individuals receiving payments on the Notes from a Swiss paying agent.

*(iii) Notes held as Private Assets by Swiss Resident Holders*

An individual who resides in Switzerland and holds Notes as private assets is required to include all payments of Embedded Interest Amounts on the Notes, converted at the exchange rate prevailing at the time of payment, in his or her personal income tax return for the relevant tax period and is taxable on any net taxable income (including the Embedded Interest Amounts) for such tax period at the then prevailing tax rates. The payment of Embedded Premium Amounts on the Notes and gain realised on the sale or other disposal of Notes, *inter alia*, in respect of the option(s) or similar right(s) embedded in the Notes, interest accrued or foreign exchange rate or interest rate fluctuation, is a tax-free private capital gain. The same applies for gain realised upon the redemption of Notes, except when Notes are redeemed early, in which case compensation for interest accrued paid by the Issuer to a Holder constitutes a taxable interest amount. Conversely, a loss, including in respect of foreign exchange rate or interest rate fluctuation realised on the sale or other disposal or redemption of Notes or a loss resulting from a Write-down is a private capital loss which is not tax deductible. See *"—Notes held as Assets of a Trade or Business in Switzerland"* for a summary of the taxation treatment of Swiss resident individuals who, for income tax purposes, are classified as "professional securities dealers".

*(iv) Notes held as Assets of a Trade or Business in Switzerland*

Individuals who hold Notes through a business in Switzerland, and Swiss-resident corporate taxpayers, and corporate taxpayers residing abroad holding Notes through a permanent establishment or a fixed place of business situated in Switzerland, are required to recognise payments of Embedded Interest Amounts and Embedded Premium Amounts and gains or losses realised on the disposal or redemption of Notes, and, as the case may be, losses realised on the Write-down of the Notes in their income statement for the relevant tax period, and will be taxable on any net taxable earnings for such tax period at the then prevailing tax rates. The same taxation treatment also applies to Swiss-resident individuals who, for Swiss income tax purposes, classify as "professional securities dealers" for reasons of, *inter alia*, frequent dealings, or leveraged transactions, in securities.

### *Final Foreign Withholding Taxes*

On 1 January 2013, treaties on final withholding taxes entered into by Switzerland with the United Kingdom and Austria came into force (each a "**Contracting State**"). The treaties require a Swiss paying agent, as defined in the treaties, to levy a flat-rate final withholding tax at rates specified in the treaties on certain capital gains and income items (including Embedded Interest Amounts and Embedded Premium Amounts), all as defined in the treaties, deriving from assets, including the Notes, held in accounts or deposits with a Swiss paying agent by (i) an individual resident in a Contracting State, or (ii) if certain requirements are met, by a domiciliary company (*Sitzgesellschaft*), an insurance company in connection with a so-called

insurance wrapper (*Lebensversicherungsmantel*) or other individuals if the beneficial owner is an individual resident in a Contracting State. Under the treaty with the UK, the tax rate for individuals resident and domiciled in the UK is 43% on interest payments and 27% on capital gains, and, under the treaty with Austria, 25% on interest payments and capital gains. The flat-rate tax withheld substitutes the ordinary capital gains tax and income tax on the relevant capital gains and income items in the Contracting State where the individuals are tax resident, unless the individuals elect for the flat-rate tax withheld to be treated as if it were a credit allowable against the income tax or, as the case may be, capital gains tax, due for the relevant tax year in the relevant Contracting State. Alternatively, instead of paying the flat-rate tax, such individuals may opt for a disclosure of the relevant capital gains and income items to the tax authorities of the Contracting State where they are tax residents. Switzerland may conclude similar treaties with other European countries, and negotiations are currently being conducted with Greece and Italy.

**EU Savings Directive and associated arrangements with Switzerland**

*(i) EU Member States and non-EU countries and territories excluding Switzerland*

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**"), EU Member States are required, from 1 July 2005, to provide to the tax authorities of another EU Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to (or for the benefit of) an individual resident in that other EU Member State or to certain limited types of entities established in that other EU Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories agreed to adopt similar measures to the EU Savings Directive.

In April 2013, the Luxembourg government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive. Furthermore, the European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above. If these changes are implemented, the position of Holders in relation to the EU Savings Directive could be different to that set out above.

For the avoidance of doubt, should the Issuer or any institution with which the Notes are deposited be required to withhold any amount as a direct or indirect consequence of the EU Savings Directive, then, there is no requirement for the Issuer to pay any Additional Amounts pursuant to Condition 10 relating to such withholding.

*(ii) Switzerland*

Under the agreement of 26 October 2004 between the European Community and Switzerland on the taxation of savings income, pursuant to which Switzerland, from 1 July 2005, adopted measures on the taxation of savings income in the form of interest payments equivalent to those of the EU Savings Directive, payments by Swiss paying agents in respect of the Notes are exempt from EU savings tax.

## United States

### *General*

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a beneficial owner of the Notes. For purposes of this summary, a "**U.S. holder**" means a citizen or resident of the United States, a domestic corporation or a holder that is otherwise subject to U.S. federal income tax on a net income basis in respect of the Notes. A "**Non-U.S. holder**" means a holder that is not a U.S. holder. This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Notes. In particular, the summary deals only with holders that will acquire Notes as part of the initial offering and will hold them as capital assets. It does not address the tax treatment of holders that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, tax-exempt entities, financial institutions, traders in securities that elect to use the mark-to-market method of accounting for their securities, persons subject to the alternative minimum tax, partnerships that hold the Notes or partners therein, non-U.S. persons who are individuals present in the United States for 183 days or more within a taxable year, or persons that hedge their exposure in our securities or will hold the Notes as a position in a "straddle" or "conversion" transaction or as part of a "synthetic security" or other integrated financial transaction.

This discussion does not address U.S. state, local and non-U.S. tax consequences. You should consult your tax adviser with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, owning or disposing of the Notes in your particular circumstances.

*To ensure compliance with U.S. Treasury Department Circular 230, prospective investors are hereby notified that: (a) any discussion of U.S. federal tax issues in this Information Memorandum is not intended or written to be relied upon, and cannot be relied upon, by Holders for the purpose of avoiding penalties that may be imposed on Holders under the U.S. Internal Revenue Code; (b) the discussion is included herein in connection with the promotion or marketing (within the meaning of Circular 230) by the Issuer of the transactions or matters addressed herein; and (c) Holders should seek advice based on their particular circumstances from an independent tax advisor.*

### *Characterisation of the Notes*

***The Notes should be treated as equity of CSG for U.S. federal income tax purposes, and the following discussion assumes that they will. U.S. Holders***

*Tax Treatment of Payments on the Notes*

Subject to the discussion below under "*—PFIC Rules*", payments of stated interest on the Notes will be treated as distributions on stock of CSG and as dividends to the extent paid out of the current or accumulated earnings and profits of CSG, as determined under U.S. federal income tax principles. Because CSG does not expect to maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that distributions paid to U.S. holders generally will be reported as dividends.

Subject to certain exceptions for short-term and hedged positions and the discussion below under "*—PFIC Rules*", the U.S. dollar amount of dividends received by a noncorporate holder generally will be eligible to be taxed at preferential rates if the dividends are "qualified dividends". Dividends on the Notes should be the type of dividend that is eligible to be a qualified dividend.

Payments received by a U.S. holder that are treated as dividends generally will be foreign-source income and will not be eligible for the dividends-received deduction generally allowed to corporate U.S. holders. The amount of a payment on the Notes will include amounts, if any, withheld in respect of Swiss taxes. See "*Taxation — Switzerland*" and "*Risk Factors — Potential changes in Swiss withholding tax*

*legislation.*" Subject to limitations, Swiss income taxes withheld from payments on the Notes to a U.S. holder generally will give rise to a foreign tax credit or deduction for U.S. federal income tax purposes. Payments treated as dividends generally will constitute "passive category income" for purposes of the foreign tax credit (or in the case of certain U.S. holders, "general category income"). The rules governing foreign tax credits are complex. You should consult your own tax advisors regarding the creditability of foreign taxes in your particular circumstances.

*Sale, Exchange, Redemption or Write-down of the Notes*

Subject to the discussion below under "*—PFIC Rules*", a U.S. holder will recognise capital gain or loss upon the sale, exchange, redemption or other disposition of Notes or a Write-down of Notes in an amount equal to the difference between the amount realised on such disposition (or zero in the case of a Write-down) and the U.S. holder's adjusted tax basis in the Notes. Your tax basis in a Note generally will be the price you paid for the Note. Any capital gain or loss will be long term if the Notes have been held for more than one year. The deductibility of capital losses is subject to limitations.

Any capital gain or loss recognized by a U.S. holder generally will be U.S.-source.

*PFIC Rules*

Special U.S. federal income tax rules apply to U.S. persons owning shares of a "passive foreign investment company," or "**PFIC**". If CSG is treated as a PFIC for any year, U.S. holders may be subject to adverse tax consequences upon a sale, exchange, or other disposition of the Notes, or upon the receipt of certain "excess distributions" in respect of the Notes. Dividends paid by a PFIC are not qualified dividends eligible to be taxed at preferential rates. Based on audited consolidated financial statements, we believe that CSG was not treated as a PFIC for U.S. federal income tax purposes with respect to its 2011 or 2012 taxable years. In addition, based on a review of the audited consolidated financial statements of CSG and our current expectations regarding the value and nature of its assets and the sources and nature of its income, we do not anticipate CSG becoming a PFIC for the 2013 taxable year.

*Issuer or Issuing Branch Substitution*

If the Issuer substitutes a different entity or branch as the principal debtor under the Notes, a U.S. holder may be treated as if it had exchanged its Notes for equity in the Substitute Issuer or substitute branch for U.S. federal income tax purposes, and as a result may be required to recognise gain or loss as described above under "*—Sale, Exchange, Redemption or Write-down of the Notes*". U.S. holders should consult their own advisors with respect to the tax consequences of such a substitution.

*Backup Withholding and Information Reporting*

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and to backup withholding unless (1) you are a corporation or other exempt recipient or (2) in the case of backup withholding, you provide a correct taxpayer identification number and certify that you are not subject to backup withholding. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your U.S. federal income tax liability, provided the required information is furnished to the IRS.

*Specified Foreign Financial Assets*

Individual U.S. holders that own "specified foreign financial assets" with an aggregate value in excess of $50,000 are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include

the Notes) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations have been proposed that would extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. holders who fail to report the required information could be subject to substantial penalties. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in the Notes, including the application of the rules to their particular circumstances.

***Non-U.S. Holders***

A Non-U.S. holder generally will not be subject to U.S. federal income tax, by withholding or otherwise, on payments on the Notes, or gain realised in connection with the sale or other disposition of Notes. A Non-U.S. Holder may be required to comply with certification and identification procedures in order to establish its exemption from information reporting and backup withholding.

***Foreign Account Tax Compliance Act***

Starting at the earliest on 1 January 2017, the Issuer and other non-U.S. financial institutions through which payments are made (including the Paying Agents) may be required pursuant to FATCA to withhold U.S. tax on payments on the Notes made to an investor who does not provide information sufficient for a non-U.S. financial institution through which payments are made to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of such institution, or to an investor that is, or holds the Notes directly or indirectly through, a non-U.S. financial institution that is not in compliance with FATCA. If an amount of, or in respect of, such withholding taxes were to be deducted or withheld from any payments in respect of the Notes as a result of an investor or intermediary's failure to comply with these rules, no additional amounts will be paid on the Notes held by such investor as a result of the deduction or withholding of such tax. Holders should consult their own tax advisors on how the FATCA rules may apply to payments they receive in respect of the Notes.

## TRANSFER RESTRICTIONS AND SELLING RESTRICTIONS

### Subscription and Sale

Credit Suisse Securities (Europe) Limited, Barclays Capital Inc., ING Bank N.V., Lloyds Bank plc, Natixis Securities Americas LLC, Wells Fargo Securities, LLC, Banco Bilbao Vizcaya Argentaria, S.A., Banco Bradesco BBI S.A., BB Securities Limited, BMO Capital Markets Corp., BNY Mellon Capital Markets, LLC, Capital One Securities, Inc., CIBC World Markets Corp., Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Credit Agricole Securities (USA) Inc., Deutsche Bank Securities Inc., Itau BBA USA Securities, Inc., Merrill Lynch International, Morgan Stanley & Co. LLC, Nordea Bank Danmark A/S, RBC Capital Markets, LLC, Santander Investment Securities Inc., Scotia Capital (USA) Inc., SG Americas Securities, LLC, SunTrust Robinson Humphrey, Inc., Swedbank AB (publ), TD Securities (USA) LLC, U.S. Bancorp Investments, Inc. and VTB Capital plc (the "**Managers**") have, pursuant to a Subscription Agreement dated 9 December 2013 ("**Subscription Agreement**"), severally and not jointly agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Notes. The Issuer has agreed to pay certain commissions to the Managers and reimburse the Managers for certain of its expenses in connection with the issue of the Notes. The Subscription Agreement entitles the Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

Certain of the Managers are not broker-dealers registered with the SEC, and therefore may not make sales of any Notes in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent that any such Manager intends to effect sales of the Notes in the United States, it will do so only through one or more affiliated U.S. registered broker dealers, or otherwise as permitted by applicable U.S. law.

### Transfer Restrictions

As a result of the following restrictions, purchasers of the Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Notes by accepting delivery of this Information Memorandum and the Notes will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware and each beneficial owner of such Note has been advised that any sale to it is being made in reliance on Rule 144A or (b) it is outside the United States and is not a U.S. person;

(ii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(iii) that the Issuer has no obligation to register the Notes under the Securities Act;

(iv) that, unless it holds an interest represented by the Regulation S Global Certificate and is a person located outside the United States and is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is six months after the later of the Issue Date of the Notes and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its

own account or for the account of one or more QIBs in a transaction meeting the requirements of Rule 144A, or (c) in an offshore transaction to a non-U.S. person in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;

(v) that, save as otherwise provided in the Terms and Conditions of the Notes, it and any subsequent transferee of any Note (or any interest therein) will be deemed by their purchase or acquisition of any such Note (or any interest therein) to have represented and warranted, on each day from the date on which the purchaser or transferee acquires such Note (or any interest therein) through and including the date on which the purchaser or transferee disposes of such Note (or any interest therein), either that (a) it is not and is not acting directly or indirectly on behalf of, and for so long as it holds the Note (or any interest therein) will not be, and will not be acting directly or indirectly on behalf of, a Plan, and no portion of the assets used to acquire the Note (or any interest therein) constitutes plan assets of any Plan or (b) its acquisition, holding and disposition of such Note (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Law;

(vi) that it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iv) above, if then applicable;

(vii) that Rule 144A Notes initially offered in the United States to QIBs will be represented by the Rule 144A Global Certificates and that Regulation S Notes offered outside the United States in reliance on Regulation S will be represented by the Regulation S Global Certificate;

(viii) that the Rule 144A Notes represented by a Rule 144A Global Certificate and Rule 144A Definitive Certificates will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT PRIOR TO THE DATE WHICH IS SIX MONTHS AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) IN AN OFFSHORE TRANSACTION TO A NON-U.S. PERSON IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS

LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALES OF THE SECURITY.

THIS SECURITY AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

EXCEPT AS OTHERWISE PROVIDED IN THE TERMS AND CONDITIONS OF THE NOTES, BY ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (A) IT IS NOT, AND IS NOT ACTING DIRECTLY OR INDIRECTLY ON BEHALF OF, AND FOR SO LONG AS IT HOLDS THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING DIRECTLY OR INDIRECTLY ON BEHALF OF, (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (ERISA) THAT IS SUBJECT TO TITLE I OF ERISA, (II) A PLAN, ACCOUNT OR OTHER ARRANGEMENT SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE CODE), (III) A PLAN, (SUCH AS A GOVERNMENTAL PLAN (AS DEFINED IN SECTION 3(32) OF ERISA), A NON-U.S. PLAN (AS DESCRIBED IN SECTION 4(B)(4) OF ERISA) AND CERTAIN CHURCH PLANS (AS DEFINED IN SECTION 3(33) OF ERISA AND THAT HAVE MADE NO ELECTION UNDER SECTION 410(D) OF THE CODE)), ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE (SIMILAR LAW), OR (IV) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED FOR PURPOSES OF ERISA, THE CODE OR ANY SIMILAR LAW TO INCLUDE, "PLAN ASSETS" OF ANY SUCH EMPLOYEE BENEFIT PLAN OR OTHER PLAN, ACCOUNT OR ARRANGEMENT, EACH AS DESCRIBED IN (I), (II) OR (III), AND NO PORTION OF THE ASSETS USED TO ACQUIRE THIS NOTE (OR ANY INTEREST HEREIN) CONSTITUTES "PLAN ASSETS" OF ANY SUCH EMPLOYEE BENEFIT PLAN OR OTHER PLAN, ACCOUNT OR ARRANGEMENT OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR A VIOLATION OF ANY SUCH SIMILAR LAW).";

(ix) if it is outside the United States and is not a U.S. person, that if it should reoffer, resell, pledge or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of (i) the date on which the offering of this security commenced to persons other than the distributors in reliance on Regulation S and (ii) the date of issuance of such security), it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 of Regulation S under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws;

(x) that the Regulation S Notes represented by a Regulation S Global Certificate will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE LATER OF (i) THE DATE ON WHICH THE OFFERING OF THIS SECURITY COMMENCED TO PERSONS OTHER THAN THE DISTRIBUTORS IN RELIANCE ON REGULATION S AND (ii) THE DATE OF ISSUANCE OF SUCH SECURITY, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE (i) OUTSIDE THE UNITED STATES PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (ii) TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN, AND IN TRANSACTIONS PURSUANT TO, RULE 144A UNDER THE SECURITIES ACT.

EXCEPT AS OTHERWISE PROVIDED IN THE TERMS AND CONDITIONS OF THE NOTES, BY ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (A) IT IS NOT, AND IS NOT ACTING DIRECTLY OR INDIRECTLY ON BEHALF OF, AND FOR SO LONG AS IT HOLDS THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING DIRECTLY OR INDIRECTLY ON BEHALF OF, (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (ERISA) THAT IS SUBJECT TO TITLE I OF ERISA, (II) A PLAN, ACCOUNT OR OTHER ARRANGEMENT AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE CODE), (III) A PLAN, (SUCH AS A GOVERNMENTAL PLAN (AS DEFINED IN SECTION 3(32) OF ERISA), A NON-U.S. PLAN (AS DESCRIBED IN SECTION 4(B)(4) OF ERISA) AND CERTAIN CHURCH PLANS (AS DEFINED IN SECTION 3(33) OF ERISA AND THAT HAVE MADE NO ELECTION UNDER SECTION 410(D) OF THE CODE)), ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE (SIMILAR LAW), (IV) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED FOR PURPOSES OF ERISA, THE CODE OR ANY SIMILAR LAW TO INCLUDE, "PLAN ASSETS" OF ANY SUCH EMPLOYEE BENEFIT PLAN OR OTHER PLAN, ACCOUNT OR ARRANGEMENT, EACH AS DESCRIBED IN (I), (II) OR (III), AND NO PORTION OF THE ASSETS USED TO ACQUIRE THIS NOTE (OR ANY INTEREST HEREIN) CONSTITUTES "PLAN ASSETS" OF ANY SUCH EMPLOYEE BENEFIT PLAN OR OTHER PLAN, ACCOUNT OR ARRANGEMENT, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR A VIOLATION OF ANY SUCH SIMILAR LAW)."; and

(xi) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment

discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Managers may arrange for the resale of Notes that they initially purchase to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Managers are relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S. $200,000 (or the approximate equivalent in another Specified Currency).

**Selling Restrictions**

**UNITED STATES**

*(Regulation S Category 2; Rule 144A eligible)*

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this section have the meanings given to them by Regulation S under the Securities Act.

Each Manager and any person acting on its behalf represents and agrees in the Subscription Agreement that, except as permitted in the Subscription Agreement and as described below, it has not offered and sold the Notes and will not offer and sell the Notes (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of (A) the date on which the offering of this security commenced to persons other than the distributors in reliance on Regulation S and (B) the date of issuance of such security, within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells the Notes from it during the distribution compliance period (other than resales pursuant to Rule 144A under the Securities Act) a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

The Subscription Agreement provides that the Managers may directly or may, through their respective U.S. broker-dealer affiliates, arrange for the offer and resale of the Notes that they initially purchase in the United States only to QIBs in reliance on Rule 144A.

No sale of legended notes in the United States to any one purchaser will be for less than U.S.$200,000 (or its foreign currency equivalent) principal amount and no legended note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person (or whom it is acting on behalf of) must purchase at least U.S.$200,000 (or its foreign currency equivalent) principal amount of the Notes.

Managers may arrange for the resale of the Notes that they initially purchase to QIBs pursuant to Rule 144A and each such purchaser of the Notes is hereby notified that the Managers are relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of the Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.$200,000 (or its foreign currency equivalent).

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States or to, or for the account or benefit of, a U.S. person by any Manager whether or not participating in the offering of the Notes may violate the registration requirements of the Securities Act

if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Credit Suisse Securities (Europe) Limited, an affiliate of the Issuer, may (but is not obligated to) engage in secondary market transactions for purposes of making a market in the Notes. For purposes of the Securities Act, any sale of the Notes by the Issuer or its affiliates (including Credit Suisse Securities (Europe) Limited) in connection with such activities may be considered an issuance of the Notes, with the result that a new 40-day distribution compliance period might commence pursuant to Regulation S. Accordingly, neither the Issuer nor any of its affiliates (including Credit Suisse Securities (Europe) Limited) will sell the Notes in connection with any such activities within the United States or to, or for the account or benefit of, a U.S. person and in connection with any sale to a dealer, the Issuer and its affiliates will include in the confirmation relating to such sale a notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons that would be applicable to such dealer if a new distribution compliance period had commenced for purposes of Regulation S.

**UNITED KINGDOM**

In relation to the Notes, each Manager has represented, warranted and agreed in the Subscription Agreement that:

(a) *Financial Promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not or, in the case of the Issuer, would not if it was not an authorised person, apply to the Issuer; and

(b) *Global Compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

**JAPAN**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and each Manager has represented and agreed in the Subscription Agreement that it will not offer or sell the Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

**GENERAL**

Persons who receive this Information Memorandum are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession or distribute such offering material and to obtain any consent, approval or permission required by them for the purchase, offer, sale or delivery by them of the Notes under the law and regulations in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries, in all cases at their own expense, and neither the Issuer nor any Manager shall have responsibility therefor. In accordance with the above, the Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances

which would result in the Issuer being obliged to register any further information memorandum or corresponding document relating to the Notes in such jurisdiction.

In particular, but without limiting the generality of the preceding paragraph, and subject to any amendment or supplement which may be agreed with the Issuer, each purchaser of the Notes must comply with the restrictions described above, except to the extent that, as a result of changes in, or in the official interpretation of, any applicable legal or regulatory requirements, non-compliance would not result in any breach of the requirements set forth in the preceding paragraph.

## ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of the Notes by (i) employee benefit plans subject to Title I of ERISA, (ii) plans, accounts and other arrangements that are subject to Section 4975 of the Code, (iii) plans (such as governmental plans (as defined in Section 3(32) of ERISA), non-U.S. plans (as described in Section 4(b)(4) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA and that have made no election under Section 410(d) of the Code) that are subject to Similar Law and (iv) entities whose underlying assets are considered to include plan assets of any such employee benefit plan or other plan, account or arrangement, each as described in (i), (ii) or (iii) (each, a "**Plan**").

This summary is based on the provisions of ERISA and the Code and related guidance in effect as of the date of this Information Memorandum. This summary is general in nature and does not attempt to be a complete summary of these considerations. Future legislation, court decisions, administrative regulations or other guidance may change the requirements summarised in this section. Any of these changes could be made retroactively and could apply to transactions entered into before the change is enacted.

Unless otherwise provided in the Terms and Conditions of the Notes, the Notes should be eligible for purchase by a Plan, subject to consideration of the issues described in this section.

### General Considerations

ERISA and the Code impose certain requirements on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an "**ERISA Plan**"). Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice to such an ERISA Plan for a fee or other compensation, is generally considered a fiduciary of the ERISA Plan.

In considering an investment in the Notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to the fiduciary's duties to the Plan, including without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Law. The prudence of a particular investment must be determined by a fiduciary by taking into account the Plan's particular circumstances and all of the facts and circumstances of the investment, including, but not limited to, the matters discussed under Risk Factors.

### Prohibited Transaction Considerations

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan and certain persons or entities (referred to as "**parties in interest or disqualified persons**") having certain relationships to such ERISA Plan, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person, including a fiduciary, who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

The Issuer, its respective affiliates or any other party to the transactions entered into in connection with the offering and sale of the Notes may be parties in interest or disqualified persons with respect to many ERISA Plans. Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if any of the Notes is acquired or held by a ERISA Plan with respect to which the Issuer, its respective affiliates or any other party to such transactions is a party in interest or a disqualified person. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of

the Code may be applicable. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to transactions between a person that is a party in interest or a disqualified person (other than a fiduciary or an affiliate that has or exercises discretionary authority or control or renders investment advice with respect to assets involved in the transaction) solely by reason of providing services to the plan, provided that there is adequate consideration for the transaction), Prohibited Transaction Class Exemption ("**PTCE**") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by independent qualified professional asset managers), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by in-house asset managers). Each of these exemptions contains conditions and limitations on its application. Prospective Investors should consult with their advisors regarding the prohibited transaction rules and these exceptions. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving any Notes.

Those Plans subject to Similar Law, while not subject to Title I of ERISA or Section 4975 of the Code, may nevertheless be subject to similar prohibited transaction restrictions.

Because of the foregoing, the Notes should not be purchased or held by any person investing plan assets of any Plan, unless such purchase and holding will not constitute or result in a non-exempt prohibited transaction under ERISA and the Code or a violation of any applicable Similar Law.

**Plan Asset Considerations**

The U.S. Department of Labor has promulgated a regulation, 29 C.F.R. section 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Asset Regulation**") describing what constitutes the plan assets of an ERISA Plan with respect to the ERISA Plan's investment in an entity. Under the Plan Asset Regulation, if an ERISA Plan invests in an equity interest of an entity that is neither a publicly-offered security nor a security issued by an investment company registered under the Investment Company Act, the ERISA Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless one of the exceptions to such treatment described in the Plan Asset Regulation applies. Under the Plan Asset Regulation, a security which is in debt form may be considered an equity interest if it has substantial equity features. If the Issuer were deemed under the Plan Asset Regulation to hold plan assets by reason of an ERISA Plan's investment in any of the Notes, such plan assets would include an undivided interest in the assets held by the Issuer, and transactions by the Issuer would result in, among other things, (i) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by the Issuer, and (ii) the possibility that certain transactions that the Issuer might enter into, or may have entered into, in the ordinary course of business might constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code. The Issuer believes that the Notes should not be treated as equity interests for the purposes of the Plan Asset Regulation.

**Representation**

Save as otherwise provided in the Terms and Conditions of the Notes, each purchaser and subsequent transferee of any Note (or any interest therein) will be deemed by their purchase or acquisition of any such Note (or any interest therein) to have represented and warranted, on each day from the date on which the purchaser or transferee acquires such Note (or any interest therein) through and including the date on which the purchaser or transferee disposes of such Note (or any interest therein), either that (a) it is not and is not acting directly or indirectly on behalf of, and for so long as it holds the Note (or any interest therein) will not be acting directly or indirectly on behalf of, a Plan, and no portion of the assets used to acquire the Note (or any interest therein) constitutes plan assets of any Plan or (b) its acquisition, holding and disposition of such

Note (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Law.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the Notes on behalf of, or with the assets of, any Plan (including governmental plans, non-U.S. plans and certain church plans not subject to the requirements of Title I of ERISA or Section 4975 of the Code), consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Law to such investment and whether an exemption would be applicable to the acquisition and holding of the Notes.

The sale of any Notes to a Plan is in no respect a representation by the Issuer, its respective affiliates or any other party to the transactions that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

Any further ERISA considerations with respect to Notes may be found in the Terms and Conditions of the Notes.

## GENERAL INFORMATION

### 1 Authorisation

The issue of Notes has been duly authorised by the Chief Financial Officer of the Issuer as of 4 December 2013.

### 2 Approval, Listing and Admission to Trading

In accordance with Article 43 of the Listing Rules of the SIX Swiss Exchange, the Issuer has appointed Credit Suisse AG as its representative to lodge the listing application with the Regulatory Board of the SIX Swiss Exchange.

### 3 Documents Available

So long as the Notes have been listed on the SIX Swiss Exchange, copies of the following documents will, when published, be available from the registered office of the Issuer:

(a) the constitutional documents (with an English translation thereof) of the Issuer;

(b) the Credit Suisse Annual Report 2011;

(c) the Credit Suisse Annual Report 2012;

(d) the Credit Suisse Financial Report 1Q13;

(e) the Credit Suisse Financial Report 2Q13;

(f) the Credit Suisse Financial Report 3Q13;

(g) the documents incorporated by reference herein as described under "*Documents Incorporated by Reference*"; and

(h) a copy of this Information Memorandum.

### 4 Clearing Systems

The Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg, DTC and SIX SIS AG (which are the entities in charge of keeping the records). The International Securities Identification Number ("**ISIN**"), Swiss Security Number, Common Code and Committee on the Uniform Security Identification Procedure ("**CUSIP**") for the Regulation S Notes are XS0989394589, 23059334, 098939458 and H9200R AA9. The ISIN, Swiss Security Number, Common Code and CUSIP for the Rule 144A Notes are US22546DAB29, 23059119, 100338467 and 22546D AB2. The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels; the address of Clearstream, Luxembourg is Clearstream Banking, *société anonyme*, 42 Avenue JF Kennedy, L-1855 Luxembourg; the address of DTC is 55 Water Street, New York, New York 10041, U.S.A.; and the address of SIX SIS AG is Baslerstrasse 100, CH-4600 Olten, Switzerland.

### 5 Significant or Material Change

Save as disclosed herein, there have been no material changes that have occurred in the Issuer's assets and liabilities, financial position or profits and losses since 30 September 2013.

## 6 Court, Arbitral and Administrative Proceedings

Save as disclosed herein, there are no pending or threatened court, arbitral or administrative proceedings that are of material importance to the Issuer's assets and liabilities or profits and losses.

## 7 Conflicts of Interest

Credit Suisse Securities (Europe) Limited, acting as the sole book-running manager, is an indirect subsidiary of the Issuer. Furthermore, certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer and its affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates or any entity related to the Notes. Certain of the Managers and their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the avoidance of doubt, the term "affiliates" includes also parent companies.

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