



Credit Suisse AG

Preference Share-Linked Securities (Andrea Preference Share-Linked Securities) Base Prospectus

Pursuant to the Structured Products Programme for the issuance of Notes, Certificates and Warrants

This Base Prospectus

This document is a base prospectus (the "**Base Prospectus**") prepared for the purposes of Article 5.4 of Directive 2003/71/EC, as amended from time to time, including by Directive 2010/73/EU (the "**Prospectus Directive**") in respect of all Securities other than Exempt Securities. It is valid for one year and may be supplemented from time to time under the terms of the Prospectus Directive. It should be read together with (i) any supplements to it from time to time, (ii) any other documents incorporated by reference into it (see "Documents Incorporated by Reference" below) and (iii) in relation to any particular Securities (other than Exempt Securities), the "Final Terms" document relating to those Securities.

References in this Base Prospectus to "Exempt Securities" are to Securities for which no prospectus is required to be published under the Prospectus Directive. The *Commission de Surveillance du Secteur Financier* (the "CSSF") has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Securities.

The Programme

This Base Prospectus is one of a number of base prospectuses and other offering documents under the Structured Products Programme for the issuance of Notes, Certificates and Warrants (the "**Programme**") of Credit Suisse AG and Credit Suisse International.

The Issuer

Securities under this Base Prospectus will be issued by Credit Suisse AG ("**CS**"), acting through its London Branch, Nassau Branch or Singapore Branch (the "**Issuer**"). This Base Prospectus contains information relating to the business affairs and financial condition of the Issuer.

The Securities

Under this Base Prospectus, the Issuer may issue securities which are linked to certain preference shares (the "**Securities**" or the "**Preference Share-Linked Securities**"). The terms and conditions of any particular issuance of Securities will comprise:

- the "General Terms and Conditions of Notes" at pages 98 to 113 of this Base Prospectus, together with the "Additional Provisions" beginning on page 114 of this Base Prospectus, if specified to be applicable in the relevant Issue Terms;
- the economic or "payout" terms of the Securities set forth in the "Product Conditions" at pages 116 to 120 of this Base Prospectus which are specified to be applicable in the relevant Issue Terms; and
- the issue specific details relating to such Securities as set forth in a separate "Issue Terms" document, as described below.

The Preference Shares

The economic or "payout" terms of the Securities are linked to movements in certain preference shares (the "**Preference Shares**"), which are in turn linked to one or more underlying asset(s) which may include, but will not be limited to, equity, debt or derivative securities, indices, investments, funds, exchange traded funds, commodities, baskets of securities or indices, currencies, portfolios and trading strategies.

Final Terms

A separate "Final Terms" document will be prepared in respect of each issuance of Securities (other than Exempt Securities) and will set out the specific details of the Securities. For example, the relevant Final Terms will specify the issue date, the maturity date, the preference shares to which the Securities are linked and the applicable "Product Conditions". The relevant Final Terms shall not replace or modify the "General Terms and Conditions of Notes" and the "Product Conditions".

In addition, if required under the Prospectus Directive, an issue-specific summary will be annexed to the relevant Final Terms for each tranche of Securities (other than Exempt Securities), which will contain a summary of key information relating to the Issuer, the Securities, the risks relating to the Issuer and the Securities, and other information relating to the Securities.

In relation to any particular Securities (other than Exempt Securities), you should read this Base Prospectus (including the documents which are incorporated by reference) together with the relevant Final Terms.

Pricing Supplement

A separate "**Pricing Supplement**" document will be prepared for each issuance of Exempt Securities and will set out the specific details of the Securities. For example, the relevant Pricing Supplement will specify the issue date, the maturity date, the preference shares to which the Securities are linked and the applicable "Product Conditions". The relevant Pricing Supplement may replace or modify any of the "General Terms and Conditions of Notes" and the "Product Conditions" to the extent so specified or to the extent inconsistent with the same.

In relation to any particular Exempt Securities, you should read this Base Prospectus (including the documents which are incorporated by reference) together with the relevant Pricing Supplement.

Issue Terms

"**Issue Terms**" means either (a) where the Securities are not Exempt Securities, the relevant Final Terms or (b) where the Securities are Exempt Securities, the relevant Pricing Supplement.

Potential for Discretionary Determinations by the Issuer and the Calculation Agent under the Securities and by the Preference Share Issuer and the Preference Share Calculation Agent under the Preference Shares

Under the terms and conditions of the Securities, following the occurrence of certain events outside of its control, the Issuer or the Calculation Agent may determine in its discretion to take one or more of the actions available to it in order to deal with the impact of such event on the Securities or the Issuer or both. It is possible that any such discretionary determinations by the Issuer or the Calculation Agent could have a material adverse impact on the value of and return on the Securities.

The terms and conditions of the Preference Shares (to which the Securities are linked) may also allow the Preference Share Issuer or the Preference Share Calculation Agent to make certain discretionary determinations following the occurrence of certain events outside of its control. It is possible that any such discretionary determinations by the Preference Share Issuer or the Preference Share Calculation Agent could have a material adverse impact on the value of the Preference Shares, and consequently, the value of and return on the Securities.

An overview of the potential for discretionary determinations by the Issuer and the Calculation Agent under the Securities and by the Preference Share Issuer and the Preference Share Calculation Agent under the Preference Shares is set forth in the section headed "Overview of the Potential for Discretionary Determinations" on pages 90 to 96 of this Base Prospectus.

Risk Factors

Investing in the Securities involves certain risks, including that you may lose some or all of your investment in certain circumstances.

Before purchasing Securities, you should consider, in particular, "Risk Factors" at pages 30 to 69 of this Base Prospectus. You should ensure that you understand the nature of the Securities and the extent of your exposure to risks and consider carefully, in the light of your own financial circumstances, financial condition and investment objectives, all the information set forth in this Base Prospectus and any documents incorporated by reference herein.

11 December 2017

TABLE OF CONTENTS

	Page
IMPORTANT NOTICES	4
SUMMARY	7
RISK FACTORS	30
1. General considerations	31
2. Risks associated with the creditworthiness of the Issuer	32
3. Risks relating to the Securities generally	45
4. General risks relating to Preference Share-Linked Securities.....	51
5. Risks associated with conflicts of interest between the Issuer, the Calculation Agent, the Preference Share Calculation Agent, the Dealer and holders of the Securities	66
6. Taxation	68
DOCUMENTS INCORPORATED BY REFERENCE	70
GENERAL DESCRIPTION OF THE PROGRAMME	86
USE OF PROCEEDS.....	89
OVERVIEW OF THE POTENTIAL FOR DISCRETIONARY DETERMINATIONS.....	90
OVERVIEW OF PROVISIONS RELATING TO SECURITIES WHILE IN GLOBAL FORM.....	97
GENERAL TERMS AND CONDITIONS OF NOTES	98
1. Form, Denomination and Title.....	99
2. Transfers of Registered Securities.....	99
3. Status.....	100
4. Interest.....	100
5. Redemption, Purchase and Options	105
6. Payments	106
7. Prescription	107
8. Events of Default.....	108
9. Meetings of Securityholders.....	108
10. Modification.....	108
11. Substitution of the Issuer	109
12. Taxation	109
13. Further Issues	109
14. Notices	109
15. Replacement of Certificates	110
16. Calculations and Determinations	110
17. Third Parties.....	111
18. Miscellaneous Definitions.....	111
19. Governing Law and Jurisdiction	113
ADDITIONAL PROVISIONS	114
PRODUCT CONDITIONS.....	116
DESCRIPTION OF THE PREFERENCE SHARE ISSUER AND THE PREFERENCE SHARES.....	121
FORM OF FINAL TERMS.....	123
FORM OF PRICING SUPPLEMENT	141
CLEARING ARRANGEMENTS	152
CREDIT SUISSE AG	154
TAXATION	156
OFFERS	175
SELLING RESTRICTIONS	176
GENERAL INFORMATION	180

IMPORTANT NOTICES

The Issuer may issue Securities on the terms set out in this Base Prospectus and in the relevant Issue Terms.

The relevant Issue Terms will specify whether the Issuer is issuing the Securities through its London Branch, its Nassau Branch or its Singapore Branch. Investors should be aware that certain tax and regulatory consequences may follow from issuing Securities through a particular branch, including whether payments on the Securities are subject to withholding tax (see the section headed "Taxation" below). A branch located in a particular jurisdiction will also be subject to certain regulatory requirements and rules, breach of which may result in regulatory sanction and, possibly, investor claims. Investors should be aware that a branch is not a subsidiary and does not comprise a separate legal entity and that, in respect of any Securities issued by the Issuer, obligations under such Securities are those of the Issuer only, and investors' claims under such Securities are against the Issuer only, notwithstanding the branch through which it will have issued such Securities.

Credit Suisse AG, Singapore Branch is licensed as a wholesale bank under the Banking Act, Chapter 19 of Singapore and is subject to restrictions on the acceptance of deposits in Singapore dollars. The Securities do not constitute or evidence a debt repayable by Credit Suisse AG, Singapore Branch on demand to the Securityholders and the value of the Securities, if sold on the secondary market, is subject to market conditions prevailing at the time of the sale. Please refer to the sections headed "General Terms and Conditions of Notes" and "Product Conditions" together with the relevant Issue Terms for the terms and conditions under which the Securityholders may recover amounts payable or deliverable to them on the Securities from the Issuer.

The final terms relevant to an issue of Securities will be set out in a Final Terms document (or, in the case of Exempt Securities, a Pricing Supplement document). The relevant Final Terms shall not replace or modify the "General Terms and Conditions of Notes" or the "Product Conditions". The relevant Final Terms will be provided to investors and, where so required under the Prospectus Directive, filed with the CSSF and any other relevant Member State and made available, free of charge, to the public at the registered office of the Issuer and at the offices of the relevant Distributors and/or Paying Agents.

In the case of Exempt Securities, the relevant Pricing Supplement may replace or modify any of the "General Terms and Conditions of Notes" and the "Product Conditions" to the extent so specified or to the extent inconsistent with the same. The relevant Pricing Supplement will only be obtainable by a Securityholder holding one or more Exempt Securities and such Securityholder must produce evidence satisfactory to the Issuer and the relevant Distributors and/or Paying Agents as to its holding of such Exempt Securities and identity.

IMPORTANT – EEA RETAIL INVESTORS

If the Issue Terms in respect of the Securities includes a legend entitled "Prohibition of Sales to EEA Retail Investors", with effect from 1 January 2018, the Securities are not intended to be offered, sold or otherwise made available to and may not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA Retail Investor**"). For these purposes, an EEA Retail Investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to EEA Retail Investors has been prepared and therefore offering or selling such Securities or otherwise making them available to any EEA Retail Investor may be unlawful under the PRIIPs Regulation.

No Investment Advice

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Base Prospectus. The Issuer is acting solely in the capacity of an arm's length contractual counterparty and not as an investor's financial adviser or fiduciary in any transaction. The purchase of Securities involves substantial risks and an investment in Securities is only suitable for investors who (either alone or in conjunction with an appropriate financial adviser) fully evaluate the risks and merits of such an investment in the Securities and who have sufficient resources to be able to bear any losses that may result therefrom. Therefore, before making an investment decision, prospective investors of Securities should ensure that they understand the nature of the Securities and the extent of their exposure to risks and consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in this Base Prospectus and any documents incorporated by reference herein. This Base Prospectus cannot

disclose whether the Securities are a suitable investment in relation to any investor's particular circumstances; therefore investors should consult their own financial, tax, legal or other advisers if they consider it appropriate to do so and carefully review and consider such an investment decision in the light of the information set forth in this Base Prospectus.

CREST Depository Interests

The Issuer gives notice that investors may hold indirect interests in certain Securities through CREST through the issuance of dematerialised depository interests ("**CDIs**"). CDIs are independent securities (distinct from the Securities issued by the Issuer) constituted under English law and transferred through CREST and will be issued by CREST Depository Limited or any successor thereto pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated). Please refer to the section headed "Clearing Arrangements" for more information.

No other person is authorised to give information on the Securities

In connection with the issue and sale of the Securities, no person is authorised by the Issuer to give any information or to make any representation not contained in this Base Prospectus and/or the relevant Issue Terms, and the Issuer does not accept responsibility for any information or representation so given that is not contained within the Base Prospectus and the relevant Issue Terms.

The distribution of this Base Prospectus is restricted

The distribution of this Base Prospectus and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, such restrictions. For a description of certain restrictions on offers or sales of the Securities and the distribution of this document and other offering materials relating to the Securities, please refer to the section headed "Selling Restrictions".

United States restrictions

The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act and applicable state securities laws. A further description of the restrictions on offers and sales of the Securities in the United States or to U.S. persons and certain hedging restrictions is set out in the section headed "Selling Restrictions" in this Base Prospectus.

Ratings

The credit ratings of CS referred to in this Base Prospectus have been issued, for the purposes of Regulation (EC) No 1060/2009, as amended by Regulation (EU) No 513/2011 and Regulation (EC) No 462/2013 (the "**CRA Regulation**"), by Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**"), Fitch Ratings Limited ("**Fitch**") and Moody's Deutschland GmbH ("**Moody's**").

Standard & Poor's, Fitch and Moody's are all established in the European Union and are registered under the CRA Regulation, as set out in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority ("**ESMA**") – <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>. ESMA's website and its content do not form part of this Base Prospectus.

CS has a long-term counterparty credit rating of "A" from Standard & Poor's, a long-term issuer default rating of "A" from Fitch and a long-term issuer rating of "A1" from Moody's.

Explanation of ratings as of the date of this document:

"A" by Standard & Poor's: An obligor rated "A" has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

"A" by Fitch: An "A" rating denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

"A1" by Moody's: Obligations rated "A" are judged to be upper-medium grade and are subject to low credit risk; the modifier "1" indicates that the obligation ranks in the higher end of its generic rating category.

Important Notices

ISDA Definitions

Where any interest and/or other amount payable under the Securities is calculated by reference to an ISDA Rate, investors should consult the Issuer if they require an explanation of such ISDA Rate.

[Certain provisions of this summary appear in square brackets. Such information will be completed or, where not relevant, deleted, in relation to a particular series (a "**Series**") of Securities and the completed summary in relation to such Series shall be appended to the relevant Final Terms.]

SUMMARY

Summaries are made up of disclosure requirements known as "**Elements**". These Elements are numbered in sections A – E (A.1 – E.7).

This Summary contains all the Elements required to be included in a summary for these types of Securities and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of Securities and Issuer, it is possible that no relevant information can be given regarding such Element. In this case a short description of the Element is included in the summary and marked as "Not applicable".

Section A – Introduction and Warnings		
A.1	Introduction and Warnings:	<p>This Summary should be read as an introduction to the Base Prospectus. Any decision to invest in Securities should be based on consideration of the Base Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the relevant Member State, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>Civil liability only attaches to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Securities.</p>
A.2	Consent(s):	<p>[Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "Non-exempt Offer"), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("Authorised Offeror(s)"), during the offer period and subject to the conditions, as provided as follows:</p> <p>(a) Name and address of [Give details] [(the "Distributor[s]")]</p> <p>(b) Offer period for which use of the Base Prospectus is authorised by the Authorised Offeror(s): An offer of the Securities will be made in [jurisdiction(s)] during the period from, and including, [date] to, and including, [time] on [date] [Give details]</p> <p>(c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s): The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. [Insert any other conditions]</p>
		<p>If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, the Base Prospectus does not contain any information relating to such arrangements. The terms and conditions of such offer should be provided to you by that</p>

		<p>Authorised Offeror at the time the offer is made. Neither the Issuer nor any dealer has any responsibility or liability for such information provided by that Authorised Offeror.]</p> <p>[Not applicable; the Issuer does not consent to the use of the Base Prospectus for any subsequent resale of the Securities.]</p>												
Section B – Issuer														
B.1	Legal and commercial name of the Issuer:	Credit Suisse AG (" CS "), acting through its [London]/[Nassau]/[Singapore] Branch (the " Issuer ").												
B.2	Domicile and legal form of the Issuer, legislation under which the Issuer operates and country of incorporation of Issuer:	The Issuer is a bank and joint stock corporation established under Swiss law and operates under Swiss law. Its registered head office is located at Paradeplatz 8, CH-8001, Switzerland.												
B.4b	Known trends with respect to the Issuer and the industries in which it operates:	Not applicable - there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of the Issuer for its current financial year.												
B.5	Description of group and Issuer's position within the group	The Issuer is a wholly owned subsidiary of Credit Suisse Group AG. The Issuer has a number of subsidiaries in various jurisdictions.												
B.9	Profit forecast or estimate:	Not applicable; no profit forecasts or estimates have been made by the Issuer.												
B.10	Qualifications in audit report on historical financial information:	Not applicable; there were no qualifications in the audit report on historical financial information.												
B.12	Selected key financial information; no material adverse change and description of significant change in financial position of the Issuer:	<p>The tables below set out summary information relating to the Issuer which is derived from the audited consolidated balance sheets of the Issuer as of 31 December 2016 and 2015, and the related audited consolidated statements of operations for each of the years in the two year period ended 31 December 2016, and the unaudited condensed consolidated balance sheets of CS as of 30 September 2017, and the related unaudited condensed consolidated statements of operations for the three month periods ended 30 September 2017 and 2016.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Summary information - consolidated statements of operations</th> </tr> <tr> <th style="text-align: left;"><i>In CHF million</i></th> <th colspan="2" style="text-align: center;"><i>Year ended 31 December (audited)</i></th> </tr> <tr> <th></th> <th style="text-align: center;"><i>2016</i></th> <th style="text-align: center;"><i>2015</i></th> </tr> </thead> <tbody> <tr> <td>Net revenues</td> <td style="text-align: center;">19,802</td> <td style="text-align: center;">23,211</td> </tr> </tbody> </table>	Summary information - consolidated statements of operations			<i>In CHF million</i>	<i>Year ended 31 December (audited)</i>			<i>2016</i>	<i>2015</i>	Net revenues	19,802	23,211
Summary information - consolidated statements of operations														
<i>In CHF million</i>	<i>Year ended 31 December (audited)</i>													
	<i>2016</i>	<i>2015</i>												
Net revenues	19,802	23,211												

	Provision for credit losses	216	276
	Total operating expenses	22,354	25,873
	Income/(loss) from continuing operations before taxes	(2,768)	(2,938)
	Income tax expense	357	439
	Income/(loss) from continuing operations	(3,125)	(3,377)
	Net income/(loss)	(3,125)	(3,377)
	Net income/(loss) attributable to noncontrolling interests	(6)	(7)
	Net income/(loss) attributable to shareholders	(3,119)	(3,370)
	<i>In CHF million</i>		
	<i>Three month period ended 30 September</i>		
		2017	2016 (restated) ⁽¹⁾
	Net revenues	4,974	5,530
	Provision for credit losses	32	55
	Total operating expenses	4,694	5,196
	Income/(loss) before taxes	248	279
	Net income/(loss)	116	67
	Net income/(loss) attributable to shareholders	111	72
	Summary information – consolidated balance sheet		
		<i>Nine months ended 30 September 2017</i>	<i>31 December 2016 (restated)⁽¹⁾</i>
		<i>31 December 2016</i>	
	Total assets	791,146	822,065
	Total liabilities	745,390	778,207
	Total shareholders' equity	44,923	42,789
	Noncontrolling interests	833	1,069
	Total equity	45,756	43,858
	Total liabilities and equity	791,146	822,065
	⁽¹⁾ The statement of operations of the Issuer for the three months ended 30 September 2016 and the balance sheet of the Issuer for the year ended 31 December 2016 have been restated to reflect the fact that the equity stakes in Neue Aargauer Bank AG, BANK-now AG and Swisscard AECS GmbH previously held by Credit Suisse Group AG were transferred to Credit Suisse (Schweiz) AG, which is a wholly owned subsidiary of the Issuer during the six months ended 30 June 2017.		

Summary

		<p>There has been no material adverse change in the prospects of the Issuer and its consolidated subsidiaries since 31 December 2016.</p> <p>Not applicable; there has been no significant change in the financial position of the Issuer and its consolidated subsidiaries since 30 September 2017.</p>
B.13	Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency:	Not applicable; there are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.
B.14	Issuer's position in its corporate group and dependency on other entities within the corporate group:	<p>See Element B.5 above.</p> <p>Not applicable; The Issuer is not dependent upon other members of its group.</p>
B.15	Issuer's principal activities:	The Issuer's principal activities are the provision of financial services in the areas of investment banking, private banking and asset management.
B.16	Ownership and control of the Issuer:	CS is a wholly owned subsidiary of Credit Suisse Group AG.
Section C – Securities		
C.1	Type and class of securities being offered and security identification number(s):	<p>The securities (the "Securities" or the "Preference Share-Linked Securities") are notes linked to the Preference Shares.</p> <p>The Securities of a Series will be uniquely identified by ISIN: [●]; Common Code: [●]; [other security identification number].</p>
C.2	Currency:	The currency of the Securities will be [currency] (the " Settlement Currency ").
C.5	Description of restrictions on free transferability of the Securities:	<p>The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act and applicable state securities laws.</p> <p>No offers, sales or deliveries of the Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations.</p>
C.8	Description of rights attached to the securities, ranking of the securities and limitations to rights:	<p>Rights: The Securities will give each holder of Securities (a "Securityholder") the right to receive a potential return on the Securities (see Element C.18 below). The Securities will also give each Securityholder the right to vote on certain amendments.</p> <p>Ranking: The Securities are unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and with all other unsubordinated and unsecured obligations of the Issuer from time to time</p>

		<p>outstanding.</p> <p>Limitation to Rights:</p> <ul style="list-style-type: none"> The Issuer may redeem the Securities early for illegality reasons and will redeem the Securities early if the Issuer receives notice from the Preference Share Issuer that the Preference Shares are to be redeemed prior to the specified Maturity Date. The Securities may be redeemed early following an event of default [<i>Include as applicable</i>: and may also be redeemed before the specified Maturity Date if there is an ["Extraordinary Event" (such as a [merger,][tender offer,][nationalisation] [or][insolvency event][relating to the Preference Share Issuer]) [or] ["Additional Disruption Event" (such as a [change in law,][or] [hedging disruption] [relating to the Issuer] [or][an insolvency filing in respect of the Preference Share Issuer]).] [<i>Include if "Redemption at the Option of the Issuer" is applicable</i>: In addition, the Issuer may redeem all of the relevant Securities, prior to the specified Maturity Date of such Securities, on the Optional Redemption Date (see Element C.18 below).] In such cases, the amount payable on such early redemption will be equal to, in respect of each Security, an amount in the Settlement Currency calculated by the Calculation Agent on the same basis as the Redemption Amount as set out in Element C.18 below except that, for this purpose, "Share Final" shall mean the Preference Share Value on the relevant date on which the Securities are scheduled to be redeemed (or such earlier date only to the extent necessary to allow the calculation of the Preference Share Value prior to the redemption of the Securities). The terms and conditions of the Securities contain provisions for convening meetings of Securityholders to consider any matter affecting their interests, and any resolution passed by the relevant majority at a meeting will be binding on all Securityholders, whether or not they attended such meeting or voted for or against the relevant resolution. In certain circumstances, the Issuer may modify the terms and conditions of the Securities without the consent of Securityholders. The Securities are subject to the following events of default: if the Issuer fails to pay any amount due in respect of the Securities within 30 days of the due date, or if any events relating to the insolvency or winding up of the Issuer occur. The Issuer may at any time, without the consent of the Securityholders, substitute for itself as Issuer under the Securities any company with which it consolidates, into which it merges or to which it sells or transfers all or substantially all of its property. <p>Governing Law: The Securities are governed by English law.</p>
C.11	Admission to trading:	<p>[Application [has been]/[will be] made to admit the Securities to trading on the [regulated market of the] [Luxembourg Stock Exchange]/[specify exchange].]</p> <p>[Not applicable; the Securities will not be admitted to trading on any exchange.]</p>
C.15	Effect of the underlying instrument(s) on value of investment:	<p>The value of the Securities and the Redemption Amount payable in respect of the Securities being redeemed on the Maturity Date will depend on the performance of the Preference Shares which, in turn, depends on the performance of the Preference Share Underlying(s) to which the Preference Shares give investment exposure.</p>

Summary

		See Elements C.18 and C.20 below for details on the Preference Shares and the Preference Share Underlying(s) and how the value of the Securities is affected by the value of the Preference Shares which is in turn affected by the value of the Preference Share Underlying(s).
C.16	Maturity Date:	The Maturity Date of the Securities is [the Valuation Date]/[specify other if relevant].
C.17	Settlement Procedure:	<p>The Securities will be delivered by the Issuer [against]/[free of] payment of the issue price. Settlement procedures will depend on the clearing system for the Securities and local practices in the jurisdiction of the investor.</p> <p>The Securities are cleared through [Euroclear Bank S.A./N.V.] [and] [Clearstream Banking, <i>société anonyme</i>]/[CREST]/[SIX SIS Ltd.]/[specify other].</p>
C.18	Return on Derivative Securities:	<p>The return on the Securities will derive from:</p> <ul style="list-style-type: none"> • [the Interest Amount(s) payable (if any);] • the potential payment of an [include if the Securities are not fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus apply: Unscheduled Termination Amount]/[include if the Securities are fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus apply: Early Payment Amount] following early redemption of the Securities as a result of an event of default or for illegality reasons or if the Issuer receives notice from the Preference Share Issuer that the relevant Preference Shares are to be redeemed prior to the specified Maturity Date[or if there is an ["Extraordinary Event" (such as a [merger,][tender offer,][nationalisation] [or][insolvency event][relating to the Preference Share Issuer]) [or]] ["Additional Disruption Event" (such as a [change in law,][or][hedging disruption] [relating to the Issuer] [or][an insolvency filing in respect of the Preference Share Issuer]]); [and] • [Include if "Redemption at the Option of the Issuer" and/or "Redemption at the Option of Securityholders" is applicable: the potential payment of an Optional Redemption Amount following early redemption of the Securities due to the exercise by the [Issuer]/[Securityholder] of its [call]/[put] option; [and]] • unless the Securities have been previously redeemed or purchased and cancelled, the payment of the Redemption Amount on the Maturity Date of the Securities. <p style="text-align: center;">[INTEREST AMOUNT(S)]</p> <p>[Include if the Securities do not bear interest: The Securities shall not bear interest.]</p> <p>[Include if the Securities bear fixed rate interest: The Securities shall bear interest at [the rate of [rate] per cent. per annum]/[[specify amount] per Security]/[[the rate of interest]/[an interest amount] specified in the table below in respect of each interest period ending on (but excluding) the relevant [fixed] Interest Payment Date]. Interest will accrue from, and including, [the issue date]/[date] to, but excluding, [the Maturity Date]/[date], such interest being payable in arrear on each [fixed] Interest Payment Date. The [fixed] Interest Payment Date(s) will be [date(s)]/[as specified in the table below].</p> <p style="text-align: center;">[Interest Payment Date_n [Rate of Interest_n]/[Interest Amount_n]]</p>

		<p>1. [●] [●]</p> <p>(Repeat as necessary)</p> <p>[Include if the Securities bear floating rate interest: The Securities shall bear interest at a per annum rate equal to [the product of (a)] [specify the floating rate option] with a designated maturity of [specify designated maturity] on [screen page][,] [+/-] [specify spread] per cent. per annum [and (b) [specify the rate multiplier]], subject to [a maximum equal to the Maximum Rate of Interest] [and] [a minimum equal to the Minimum Rate of Interest]] and interest will accrue from, and including, [the issue date]/[date] to, but excluding, the [Maturity Date]/[date], such interest being payable in arrear on each [floating] Interest Payment Date. The [floating] Interest Payment Date(s) will be [date(s)].]</p> <p>[Include if "Redemption at the Option of the Issuer" and/or "Redemption at the Option of Securityholders" is applicable:</p> <p style="text-align: center;">OPTIONAL REDEMPTION AMOUNT</p> <p>Unless the Securities have been previously redeemed or purchased and cancelled, [the Issuer may exercise its call option [on an Optional Redemption Exercise Date] and redeem all [or some of] the Securities on the relevant Optional Redemption Date at the Optional Redemption Amount by giving notice to the Securityholders [on or before such Optional Redemption Exercise Date]]/[the Securityholder may exercise its put option by giving notice to the Issuer and the Issuer shall redeem such Securities on the relevant Optional Redemption Date at the Optional Redemption Amount].</p> <p>Where:</p> <ul style="list-style-type: none"> • [Currency Business Day: a day which is a banking day in the Financial Centre(s) (if any) and on which (unless the Settlement Currency is euro) commercial banks and foreign exchange markets are generally open to settle payments in the city or cities determined by the Issuer to be the principal financial centre(s) for the Settlement Currency and, if the Settlement Currency is euro, which is also a TARGET Business Day.] • [Financial Centre(s): [●]/[Not Applicable].] • Optional Redemption Amount: in respect of each Security, an amount in the Settlement Currency calculated by the Calculation Agent on the same basis as the Redemption Amount as set out below except that, for this purpose, "Share Final" shall mean the Preference Share Value on the Optional Redemption Valuation Date. • Optional Redemption Date(s): [[date(s)], or, if any such day is not a Currency Business Day, the next following Currency Business Day]]/[specify number] Currency Business Days following the Optional Redemption Exercise Date on which the Issuer has exercised the call option]/[As specified in the table below]. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 50%;"></th> </tr> <tr> <th style="text-align: center;">[Optional Redemption Exercise Date_n]</th> <th style="text-align: center;">[Optional Redemption Date_n]</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1. [●]</td> <td style="text-align: center;">[●]</td> </tr> </tbody> </table> <p>(Repeat as necessary)</p> <ul style="list-style-type: none"> • [Optional Redemption Exercise Date: [date(s)]/[As specified in the table above].] 			[Optional Redemption Exercise Date_n]	[Optional Redemption Date_n]	1. [●]	[●]
[Optional Redemption Exercise Date_n]	[Optional Redemption Date_n]							
1. [●]	[●]							

	<ul style="list-style-type: none"> • Optional Redemption Valuation Date: the date on which the Securities are scheduled to be redeemed in accordance with the [Issuer's call option]/[Securityholder's put option] (or such earlier date only to the extent necessary to allow the calculation of the Preference Share Value prior to the redemption of the Securities).] • [TARGET Business Day: means a day on which the TARGET2 System or any successor thereto is operating, where "TARGET2 System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.]] <p><i>[Include if the Securities are not fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus apply: UNSCHEDULED TERMINATION AMOUNT]/[Include if the Securities are fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus apply: EARLY PAYMENT AMOUNT]</i></p> <p>Unless the Securities have been previously redeemed or purchased and cancelled:</p> <ul style="list-style-type: none"> (a) if an event of default has occurred and is continuing, then a Securityholder may by notice declare its Security or Securities immediately due and payable, whereupon such Security or Securities shall become redeemable at its or their [Unscheduled Termination Amount]/[Early Payment Amount] unless prior to receipt of such notice all events of default have been cured; and (b) the Issuer will redeem the Securities at the [Unscheduled Termination Amount]/[Early Payment Amount] if the Issuer receives notice from the Preference Share Issuer that the relevant Preference Shares are to be redeemed prior to the specified Maturity Date; and (c) the Issuer may redeem the Securities at the [Unscheduled Termination Amount]/[Early Payment Amount] for illegality reasons [or if there is an [Extraordinary Event (such as a [merger,][tender offer,][nationalisation] [or][insolvency event] [relating to the Preference Share Issuer]) [or][Additional Disruption Event (such as a [change in law][or][hedging disruption] [relating to the Issuer] [or][an insolvency filing in respect of the Preference Share Issuer]])] <i>[Include as applicable]</i>. <p>Where</p> <ul style="list-style-type: none"> • [Early Payment Amount]/[Unscheduled Termination Amount]: in respect of each Security, <i>[Include if the Securities are fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus, the 25 August 2014 Base Prospectus, the 5 December 2014 Base Prospectus, the 2015 Base Prospectus or the 2016 Base Prospectus apply:</i> an amount in the Settlement Currency calculated by the Calculation Agent on the same basis as the Redemption Amount as set out below except that, for this purpose, "Share Final" shall mean the Preference Share Value on the Early Redemption Valuation Date.]/<i>[Include if the terms and conditions from the 2017 Base Prospectus apply: (a) if the Security is redeemed early following an event of default, an amount (which may be greater than or equal to zero) equal to the value of such Security immediately prior to it becoming due and payable following such event of default, as calculated by the Calculation Agent using its then prevailing internal models and methodologies, provided that the Unscheduled Termination Amount shall not take account of any additional or immediate impact of the event of default itself on the Issuer's creditworthiness (including, but not limited to, an actual or</i>
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		<p>anticipated downgrade in its credit rating), or (b) in all other cases, an amount in the Settlement Currency calculated by the Calculation Agent on the same basis as the Redemption Amount as set out below except that, for this purpose, "Share Final" shall mean the Preference Share Value on the Early Redemption Valuation Date.]</p> <ul style="list-style-type: none"> • Early Redemption Valuation Date: the date on which the Securities are scheduled to be redeemed (or such earlier date only to the extent necessary to allow the calculation of the Preference Share Value prior to the redemption of the Securities). <p style="text-align: center;">REDEMPTION AMOUNT</p> <p>Unless the Securities have been previously redeemed or purchased and cancelled, the Issuer shall redeem the Securities on the Maturity Date at the Redemption Amount.</p> <p>Where:</p> <ul style="list-style-type: none"> • Calculation Agent: [Credit Suisse International, One Cabot Square, London E14 4QJ.]/[●]. • [Currency Business Day: a day which is a banking day in the Financial Centre(s) (if any) and on which (unless the Settlement Currency is euro) commercial banks and foreign exchange markets are generally open to settle payments in the city or cities determined by the Issuer to be the principal financial centre(s) for the Settlement Currency and, if the Settlement Currency is euro, which is also a TARGET Business Day.] • Financial Centre(s): [●]/[Not Applicable]. • Initial Valuation Date: the [issue date]/[specify tranche 1 issue date] or, if such day is not a Currency Business Day, the immediately succeeding Currency Business Day. • Nominal Amount: the Specified Denomination. • Preference Share Value: [Include if the Securities are not fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus or the 25 August 2014 Base Prospectus apply: in respect of any day, the fair market value of a Preference Share at the Valuation Time on such day as determined by the Calculation Agent using its internal models and methodologies and taking into account such factor(s) as the Calculation Agent determines appropriate, including but not limited to: (a) the time remaining to maturity of the Preference Shares; (b) the interest rates at which banks lend to each other; (c) the interest rate at which the [Preference Share] Issuer (or its affiliates) would be charged to borrow cash; (d) if the Preference Shares are linked to one or more underlying assets, the value, expected future performance and/or volatility of such underlying asset(s); and (e) any other information which the Calculation Agent determines relevant. Following such determination, the Preference Share Value is scheduled to be published by the Issuer on each Currency Business Day on the Information Source or such widely available replacement price source as is specified by notice to the holders of the Securities.] /[Include if the Securities are fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus or the 25 August 2014 Base Prospectus apply: in respect of any day, the fair market value of a Preference Share at the Valuation Time on such day as determined by the Calculation Agent in its sole and absolute
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		<p>discretion. The Preference Share Value is scheduled to be published on each Currency Business Day on the Information Source or such widely available replacement price source as is specified by notice to the holders of the Securities.]</p> <ul style="list-style-type: none"> • [Preference Share Valuation Date: [date] [insert if auto-call feature applies to the Preference Shares: or, if the Preference Shares are subject to redemption as a result of the auto-call feature being triggered on any Preference Share Trigger Barrier Observation Date(s), the date on which the auto-call feature is triggered], provided that if any date used for the valuation or any determination of the Preference Share Underlying(s) (or any part thereof) for the purposes of the Preference Shares which falls on or around such day is delayed or to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a non-scheduled trading day, an adjustment or a disrupted day, the Preference Share Valuation Date shall be the latest delayed date on which any valuation or determination is made.] • [Preference Share Trigger Barrier Observation Date(s): [date(s).] • Redemption Amount: in respect of each Security of the Specified Denomination, an amount in the Settlement Currency determined by the Calculation Agent in accordance with the following formula, [rounded down to the nearest transferable unit of the Settlement Currency]/[rounded up to the nearest fourth decimal place]: $\text{Nominal Amount} \times \left(\frac{\text{Share Final}}{\text{Share Initial}} \right)$ • Specified Denomination: [●]. • Share Final: the Preference Share Value on the Valuation Date. • Share Initial: the Preference Share Value on the Initial Valuation Date. • [TARGET Business Day: means a day on which the TARGET2 System or any successor thereto is operating, where "TARGET2 System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.] • Valuation Date: [●] Currency Business Days following the Preference Share Valuation Date. • Valuation Time: [●]/[5.00 pm (London time)].
<p>C.19</p>	<p>Final reference price of underlying:</p>	<p>The Share Final is the Preference Share Value on the Valuation Date.</p>
<p>C.20</p>	<p>Type of underlying:</p>	<p>Amounts payable at maturity in respect of the Securities will be calculated by reference to the performance of a single Preference Share in the Preference Share Company issued in respect of the protected Cell of the Preference Share Company (the "Preference Share Issuer").</p> <p>A copy of the Preference Share Issuer's constitutional documents and the applicable terms and conditions of the class of Preference Shares (the "Preference Share Terms and Conditions") are available to investors in the Securities on written request (free of charge) from the registered office of the Preference Share Issuer at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands and from the [D]/[d]istributor(s) of the Securities. [If</p>

	<p><i>specified in the Final Terms</i>: The Preference Share Terms and Conditions will also be available on the following website: [●].</p> <p>The performance of each Preference Share is, in turn, linked to the performance of one or more underlying asset(s) which may include, but will not be limited to, equity, debt or derivative securities, indices, investments, funds, exchange traded funds, commodities, baskets of securities or indices, currencies, portfolios and trading strategies and which may change over time as a result of performance, the exercise of investment management discretion or other factors (each a "Preference Share Underlying"). The Preference Share Terms and Conditions will provide that the Preference Shares will be redeemable on their final redemption date at a defined amount as determined in accordance with the Preference Share Terms and Conditions. The value of the Preference Shares is scheduled to be published by the Issuer on each Currency Business Day on the Information Source.</p> <p>The Preference Share Terms and Conditions are expected to provide that the Preference Share Issuer may redeem the Preference Shares early if: (a) the Preference Share Calculation Agent determines that, for reasons beyond the Preference Share Issuer's control, the performance of the Preference Share Issuer's obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; (b) the Preference Share Calculation Agent determines that certain events which affect the Preference Share Issuer's hedging arrangements and/or the Preference Share Underlying(s) have occurred, and no adjustment to the terms and conditions of the Preference Shares will achieve a commercially reasonable result; (c) the Preference Share Calculation Agent determines that there is a change in applicable law or regulation that in the determination of the Preference Share Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in the Preference Share Issuer being required to be regulated by any additional regulatory authority, or being subject to any additional legal requirement or regulation or tax considered by the Preference Share Issuer to be materially onerous to it; or (d) the Preference Share Issuer is notified by the Issuer of a financial product that is linked to the value of the Preference Shares that such financial product has become subject to early redemption or is cancelled.</p> <p>Where:</p> <ul style="list-style-type: none"> • Bloomberg Code: [●]. • Cell: [●]. • Information Source: [●]/[Bloomberg Code [CSSN]//[website]] <i>[specify the applicable price source for the publication of the Preference Share Value and, if publication is not scheduled to be made on Bloomberg on each Currency Business Day or such other specified date(s), details of such other interval and/or widely available information service on which the Preference Share Value will be scheduled to be published].</i> • Preference Share Company: Andrea Investments (Jersey) PCC, which was established under the name Andrea IV Investments (Jersey) Limited as a closed-ended investment company, incorporated with limited liability in Jersey under the Companies (Jersey) Law 1991 on 30 October 2001 (with registered number 81180) and which was converted on 16 November 2007 into a protected cell company and had its name changed to Andrea Investments (Jersey) PCC. The Preference Share Company is established under the laws of Jersey and has its registered office at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands. • Preference Shares: Series [●] Preference Shares - Class [●]
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		[<i>title</i>] Preference Shares issued by the Preference Share Issuer in respect of the Cell.
Section D – Risks		
D.2	Key risks that are specific to the Issuer:	<p>The Securities are general unsecured obligations of the Issuer. Investors in the Securities are exposed to the risk that the Issuer could become insolvent and fail to make the payments owing by it under the Securities.</p> <p>The Issuer is exposed to a variety of risks that could adversely affect its results of operations and/or financial condition, including, among others, those described below:</p> <p>All references to the Issuer set out below are describing the consolidated businesses carried out by Credit Suisse Group AG ("CSG") and its subsidiaries (including the Issuer) and therefore should also be read as references to Credit Suisse Group AG.</p> <p>Liquidity risk:</p> <ul style="list-style-type: none"> • The Issuer's liquidity could be impaired if it is unable to access the capital markets or sell its assets, and the Issuer expects its liquidity costs to increase. • The Issuer's businesses rely significantly on its deposit base for funding. • Changes in the Issuer's ratings may adversely affect its business. <p>Market risk:</p> <ul style="list-style-type: none"> • The Issuer may incur significant losses on its trading and investment activities due to market fluctuations and volatility. • The Issuer'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. • The Issuer may incur significant losses in the real estate sector. • Holding large and concentrated positions may expose the Issuer to large losses. • The Issuer's hedging strategies may not prevent losses. • Market risk may increase the other risks that the Issuer faces. <p>Credit risk:</p> <ul style="list-style-type: none"> • The Issuer may suffer significant losses from its credit exposures. • Defaults by one or more large financial institutions could adversely affect financial markets generally and the Issuer specifically. • The information that the Issuer uses to manage its credit risk may be inaccurate or incomplete. <p>Risks relating to Credit Suisse Group AG's strategy:</p> <ul style="list-style-type: none"> • Credit Suisse Group AG and its subsidiaries including the Issuer may not achieve all of the expected benefits of its strategic

		<p>initiatives.</p> <ul style="list-style-type: none"> • Credit Suisse Group AG has announced a programme to evolve its legal entity structure and cannot predict its final form or potential effects. <p>Risks from estimates and valuations:</p> <ul style="list-style-type: none"> • Estimates are based upon judgment and available information, and the Issuer's actual results may differ materially from these estimates. • To the extent the Issuer's models and processes become less predictive due to unforeseen market conditions, illiquidity or volatility, the Issuer's ability to make accurate estimates and valuations could be adversely affected. <p>Risks relating to off-balance sheet entities:</p> <ul style="list-style-type: none"> • If the Issuer is required to consolidate a special purpose entity, its assets and liabilities would be recorded on its consolidated balance sheets and it 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. <p>Country and currency exchange risk:</p> <ul style="list-style-type: none"> • Country risks may increase market and credit risks the Issuer faces. • The Issuer may face significant losses in emerging markets. • Currency fluctuations may adversely affect the Issuer's results of operations. <p>Operational risk:</p> <ul style="list-style-type: none"> • The Issuer is exposed to a wide variety of operational risks, including information technology risk. • The Issuer may suffer losses due to employee misconduct. • The Issuer's risk management procedures and policies may not always be effective. <p>Legal and regulatory risks:</p> <ul style="list-style-type: none"> • The Issuer's exposure to legal liability is significant. • Regulatory changes may adversely affect the Issuer's business and ability to execute its strategic plans. • Swiss resolution proceedings and resolution planning requirements may affect the Issuer's shareholders and creditors. • Changes in monetary policy are beyond the Issuer's control and difficult to predict. • Legal restrictions on its clients may reduce the demand for the Issuer's services. <p>Competition risk:</p> <ul style="list-style-type: none"> • The Issuer faces intense competition in all financial services
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		<p>markets and for the products and services it offers.</p> <ul style="list-style-type: none"> • The Issuer's competitive position could be harmed if its reputation is damaged. • The Issuer must recruit and retain highly skilled employees. • The Issuer faces competition from new trading technologies.
<p>D.6</p>	<p>Key risks that are specific to the Securities and risk warning that investors may lose value of entire investment or part of it:</p>	<p>Investors may lose some or all of their investment in the Securities.</p> <p>The Securities are subject to the following key risks:</p> <ul style="list-style-type: none"> • The issue price or the offer price of the Securities may be more than the market value of such Securities as at the issue date, and more than the price at which the Securities can be sold in secondary market transactions. The issue price or the offer price of the Securities may take into account, where permitted by law, fees, commissions or other amounts relating to the issue, distribution and sale of the Securities, or the provision of introductory services, expenses incurred by the Issuer in creating, documenting and marketing the Securities and amounts relating to the hedging of its obligations under the Securities. • A secondary market for the Securities may not develop and, if it does, it may not provide the investors with liquidity and may not continue for the life of the Securities. Illiquidity may have an adverse effect on the market value of the Securities. The price in the market for a Security may be less than its issue price or its offer price even though the value of the Preference Shares may not have changed since the issue date and may reflect a commission or a dealer discount, which would further reduce the proceeds you would receive for your Securities. • The market value of the Securities will be affected by many factors beyond the control of the Issuer (including, but not limited to, the creditworthiness of the Issuer, the interest rates and yield rates in the market, the volatility of the Preference Shares and the Preference Share Underlying(s), etc.). Some or all of these factors will influence the value of the Securities in the market. • Investors should be aware that the Securities are capital at risk investments and that they are exposed to the performance of the Preference Shares which are, in turn, exposed to the performance of the Preference Share Underlying(s). If the performance of the Preference Shares is zero or negative then investors in the Securities may lose some or all of their investment. • Investors in the Securities should conduct such independent investigation and analysis regarding the Preference Shares, the Preference Share Terms and Conditions, the Preference Share Underlying(s) and the Preference Share Issuer as they deem appropriate to evaluate the merits and risks of an investment in the Securities and should consult with their own professional advisers if they consider it necessary. • A Security does not represent a claim against the relevant Preference Share Issuer and, in the event of any loss, a Securityholder will not have recourse to the Preference Share Issuer. • The value or level of the Preference Share Underlying(s) (and, if applicable, of any constituent of the Preference Share Underlying(s)) and therefore the value of the Preference Shares may go down as well as up. Such fluctuations will affect the

		<p>value of and return on the Securities. The value or level of the Preference Share Underlying(s) at any specific date may not reflect the prior or future performance of the Preference Share Underlying(s) or the Preference Shares. There can be no assurance as to the future performance of the Preference Share Underlying(s) or the Preference Shares. Accordingly, before investing in the Securities, investors should carefully consider whether an investment linked to the Preference Shares which are in turn linked to the Preference Share Underlying(s) is suitable for them.</p> <ul style="list-style-type: none"> • A Preference Share Underlying is subject to its own unique nature, characteristics and risks in relation to its application as a reference asset to which the amount payable on the Preference Shares and, in turn, the Securities is dependent. Before purchasing Securities, investors should ensure that they understand such nature, characteristics and risks, and how the value of the Securities could be affected by such Preference Share Underlying. • A Preference Share and its exposure to the Preference Share Underlying(s) may involve complex risks, which include, among other things, share price risks, credit risks, commodity risks, foreign exchange risks, interest rate risks, political risks, tax risks, inflation risks and/or issuer risks. If the Preference Shares are linked to a Preference Share Underlying in an emerging market country there may be additional risks, including event, market, liquidity, regulatory, settlement and holder risks and investors should note that the risk of occurrence and the severity of the consequences of such matters may be greater than they would otherwise be in relation to more developed countries. • <i>[Include if any amount payable under the Preference Shares is subject to a cap:</i> If the Preference Shares provide that any amount payable is subject to a cap, the ability of a holder of Preference Share-Linked Securities to participate in any change in the value of the Preference Share Underlying(s) over the term of the Preference Share-Linked Securities will be limited notwithstanding any positive performance of the Preference Share Underlying(s) above such cap. <i>[Accordingly, the return on the Preference Share-Linked Securities may be significantly less than if an investor had purchased the Preference Share Underlying(s) directly.]]</i> • <i>[Include if "participation" of the Preference Shares is greater than 100 per cent.:</i> If the redemption amount or any other amount payable (as applicable) under the Preference Shares depends on the performance of the Preference Share Underlying(s) and is multiplied by a "participation" factor which is greater than 100 per cent., the Preference Shares, and in turn, the Securityholders, may participate disproportionately in the performance of the Preference Share Underlying(s). <i>[Due to this leverage effect, such Preference Share-Linked Securities will represent a very speculative and risky form of investment since any loss in the value of the Preference Share Underlying(s) carries the risk of a correspondingly higher loss in the Preference Shares and, in turn, the Preference Share-Linked Securities.]]</i> • <i>[Include if "participation" of the Preference Shares is less than 100 per cent.:</i> If the redemption amount or any other amount payable (as applicable) under the Preference Shares depends on the performance of the Preference Share Underlying(s) and is multiplied by a "participation" factor which is less than 100 per cent., the Preference Shares, and in turn, the Securityholders, will not participate fully in the performance (whether positive or negative) of the Preference Share Underlying(s). The return on
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		<p>the Preference Shares and, in turn, the Preference Share-Linked Securities, will be disproportionately lower than any positive performance of the Preference Share Underlying(s), and may be significantly less than if you had purchased the Preference Share Underlying(s) directly.]</p> <ul style="list-style-type: none"> • The market value of the Securities and the amount payable at maturity depend on the performance of the Preference Shares, which in turn depend on the performance of the relevant Preference Share Underlying(s). The performance of the Preference Share Underlying(s) may be subject to sudden and large unpredictable changes over time (known as "volatility"), which may be affected by national or international, financial, political, military or economic events or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of the Preference Shares, and, in turn, value of and return on the Securities. • The Redemption Amount payable at the maturity of the Securities is dependent upon the change in the value of the Preference Shares to which the Securities are exposed during their investment term. The value of the Preference Shares may fluctuate up or down depending on (a) the performance of the Preference Share Underlying(s) as set out in the Preference Share Terms and Conditions and (b) the financial condition and standing of the Preference Share Issuer. If, as a result of the performance of the Preference Share Underlying(s), the performance of the Preference Shares is negative the value of the Securities will be adversely affected. Purchasers of Securities risk losing some or all of their investment if the value of the Preference Shares declines over the investment term of such Securities. • The Securities are linked to the performance of the Preference Shares issued by the Preference Share Issuer. Investors bear the credit risk of the Preference Share Issuer. The value of the Securities is dependent on the value of the Preference Share, which is dependent on the creditworthiness of the Preference Share Issuer, which may vary over the term of the Securities. The Preference Share Issuer is not an operating company. Its sole business activity is the issue of redeemable preference shares. The Preference Share Issuer does not have any trading assets and does not generate any significant net income. As its funds are limited, any misappropriation of funds or other fraudulent action by the Preference Share Issuer or a person acting on its behalf would have a significant effect on the value of the Preference Shares which would affect the value of and return on the Securities. • [Where [the Securities are issued at the beginning of an offer period]/[the relevant distributor(s) may only confirm the amount or number of Securities sold to investors after the Securities have been issued], the Issuer may cancel some of the Securities if the amount or number of Securities subscribed for or purchased is less than the aggregate nominal amount or number of Securities (as applicable) issued on the issue date. The market for the Securities may be limited.] • The total size of Securities being issued on the issue date may be greater than the amount subscribed or purchased by investors as the dealer may retain some of the Securities as part of its issuing, market-making and/or trading arrangements or for the purposes of meeting future investor demand. The issue size of the Securities should not be regarded as indicative of the depth or liquidity of the market, or the demand, for the Securities.
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		<ul style="list-style-type: none"> • The levels and basis of taxation on the Securities and any reliefs from such taxation will depend on an investor's individual circumstances and could change at any time. The tax and regulatory characterisation of the Securities may change over the life of the Securities. This could have adverse consequences for investors. Potential Securityholders will therefore need to consult their tax advisers to determine the specific tax consequences of the purchase, ownership, transfer and redemption or enforcement of the Securities. • In certain circumstances (for example, if the Issuer determines that its obligations under the Securities have become unlawful or illegal, upon certain events having occurred in relation to the Preference Shares or the Preference Share Issuer or following an event of default) the Securities may be redeemed prior to their scheduled maturity. In such circumstances, the [Unscheduled Termination Amount]/[Early Payment Amount] payable may be less than the original purchase price and could be as low as zero. • In the event that the Securities are redeemed early, investors in Securities may lose some or all of their investment. Also, following any such early redemption of the Securities, investors may not be able to reinvest the redemption proceeds in an investment having a comparable rate of return. • [<i>Include if "Redemption at the Option of the Issuer" is applicable:</i> During any period when the Issuer may elect to redeem Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem Securities when its cost of borrowing is lower than the interest rate payable on the Securities. As such, an investor would generally not be able to reinvest the redemption proceeds at a comparable rate of return and/or at an effective interest rate as high as the interest rate or yield on the Securities being redeemed.] • An investment in the Securities is not the same as an investment in the Preference Shares, the relevant Preference Share Underlying(s), or any securities or other constituent constituting the relevant Preference Share Underlying(s). Investors will have no rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to the Preference Shares or the Preference Share Underlying(s) (or any constituent of the Preference Share Underlying(s)). • Investors may be exposed to currency risks affecting the performance of the Preference Share Underlying(s). Investors will also be exposed to currency risks if the Securities are denominated or the Preference Shares and/or the Preference Share Underlying(s) are denominated in currencies other than the currency of the country in which the investor is resident. The value of the Securities may therefore increase or decrease based on fluctuations in these currencies. • [<i>Include if the Securities will be listed:</i> The Issuer is not obliged to maintain the listing of the Securities. [If the regulated market or other market in respect of which the Securities are listed and/or admitted to trading closes, or if the relevant regulated market in respect of which the Securities are admitted to trading is replaced with a market that is not a regulated market, the Issuer may de-list the Securities or may (but is not obliged to) consent to the Securities to be admitted to trading on such replacement
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		<p>market instead.]</p> <ul style="list-style-type: none"> • <i>[Include if averaging is applicable to the Preference Shares:</i> The amount(s) payable on the Preference Shares (whether at maturity or otherwise) will be based on the average of the applicable values of the Preference Share Underlying(s) on the specified averaging dates. If the value of the Preference Share Underlying(s) dramatically surged on one or more of such averaging dates, the amount payable on the Preference Shares and, in turn, the Preference Share-Linked Securities, may be significantly less than it would have been had the amount payable been linked only to the value of the Preference Share Underlying(s) on a single date.] • <i>[Include if Preference Shares have a "Worst of" exposure to Preference Share Underlying(s):</i> Holders of Preference Shares will be exposed to the performance of each Preference Share Underlying and, in particular, to the Preference Share Underlying which has the worst performance. This means that, irrespective of how the other Preference Share Underlying(s) perform, if any one or more Preference Share Underlying(s) fail to meet the specified threshold or barrier, this could adversely affect the value of the Preference Shares and, in turn, the value of and return on the Preference Share-Linked Securities. Securityholders could lose some or all of their initial investment.] • <i>[Include if the Preference Shares are linked to one or more emerging market underlying asset(s):</i> Emerging market countries may lack the economic, political and social stability of more developed countries. Preference Share Underlying(s) in emerging market countries may present higher risks such as political instability, economic volatility, risk of default and regulatory uncertainty, etc. compared to Preference Share Underlying(s) in more developed countries.] • <i>[Include if the Preference Shares are linked to one or more shares:</i> The performance of a share is dependent upon macroeconomic factors which may adversely affect the value of and return on the Preference Shares and, in turn, the Preference Share-Linked Securities. The issuer of a share has no obligation to any Securityholder or any holder of Preference Shares and may take any actions in respect of such share without regard to the interests of the Securityholders or the holders of Preference Shares, and any of these actions could adversely affect the market value of and return on the Preference Shares and, in turn, the Preference Share-Linked Securities. The Securityholders and the holders of Preference Shares will not participate in dividends or other distributions paid on such share.] • <i>[Include if the Preference Shares are linked to one or more equity indices:</i> The performance of an index is dependent upon macroeconomic factors which may adversely affect the value of and return on the Preference Shares and, in turn, the Preference Share-Linked Securities. An investment in the Preference Shares is not the same as a direct investment in futures or option contracts on such index nor any or all of the constituents included in each index and the Securityholders and the holders of Preference Shares will not have the benefit of any dividends paid by the components of such index, unless the index rules provide otherwise. A change in the composition or discontinuance of an index could adversely affect the value of and return on the Preference Shares and, in turn, the Preference Share-Linked Securities.] • <i>[Include if the Preference Shares are linked to one or more commodities:</i> Commodity prices are affected by many factors
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		<p>that are unpredictable and may be more volatile than other types of underlying assets. Commodity contract prices may be subject to "limit prices" which may adversely affect the value of and return on the Preference Shares and, in turn, the Preference Share-Linked Securities. Legal and regulatory changes affecting commodities may affect the ability of the Issuer, the Preference Share Issuer and/or any of their affiliates to hedge its obligations under the Preference Shares or the Preference Share-Linked Securities and could lead to the early redemption of the Preference Shares (and therefore the Preference Share-Linked Securities) or to the adjustment of the terms and conditions of the Preference Shares.]</p> <ul style="list-style-type: none"> • <i>[Include if the Preference Shares are linked to one or more currency exchange rates:</i> The performance of currency exchange rates are dependent upon the supply and demand for currencies in the international foreign exchange markets. Financial uncertainty and/or government policies or actions may cause currency exchange rates to fluctuate sharply and may adversely affect the value of and return on the Preference Shares and, in turn, the Preference Share-Linked Securities.] • <i>[Include if the Preference Shares are linked to one or more ETFs:</i> An ETF will not accurately track its underlying share or index and the holders of Preference Shares and, in turn, the Securityholders, may receive a lower return than if they had invested directly in the share or the index underlying such ETF. The adviser or administrator of an ETF has no obligation to any Securityholders or any holders of Preference Shares and may take any actions in respect of such ETF without regard to the interests of the Securityholders or the holders of Preference Shares, and any of these actions could adversely affect the market value of and return on the Preference Shares and, in turn, the Preference Share-Linked Securities.] • <i>[Include if the Preference Shares are linked to one or more inflation indices:</i> The level of an inflation index may not track the actual level of inflation in the relevant jurisdiction. The value of and return on the Preference Shares and, in turn, the Preference Share-Linked Securities [is]/[may be] linked to the level of an inflation index for a month which is several months prior to the date of payment of the Preference Shares and could be substantially different from the level of inflation at the time of payment of the Preference Shares.] • <i>[Include if the Preference Shares are linked to one or more proprietary indices sponsored by a third party:</i> The rules of a proprietary index may be amended by the relevant index creator at any time and the index creator has no obligation to take into account the interests of the Securityholders or the holders of Preference Shares when calculating such proprietary index. A proprietary index may also include deductions which will act as a drag on its performance and adversely affect the value of and return on the Preference Shares and, in turn, the Preference Share-Linked Securities.] • <i>[Include if the Preference Shares are linked to a basket of Preference Share Underlying(s):</i> If the basket constituents are highly correlated, any move in the performance of the basket constituents will exaggerate the impact on the value of and return on the Preference Shares and, in turn, the Preference Share-Linked Securities. Even in the case of a positive performance by one or more of the basket constituents, the performance of the basket as a whole may be negative if the performance of one or more of the other basket constituents is negative to a greater
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		<p>extent.]</p> <ul style="list-style-type: none"> • <i>[Include if the Preference Shares are linked to one or more "benchmarks": "Benchmarks" are subject to recent national, international and other regulatory reforms, which may cause such "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Preference Shares linked to a "benchmark" and, in turn, the Preference Share-Linked Securities.]</i> • The Issuer may modify the terms and conditions of the Securities without the consent of Securityholders for the purposes of (a) curing any ambiguity or correcting or supplementing any provision if the Issuer determines it to be necessary or desirable, provided that such modification is not prejudicial to the interests of Securityholders, or (b) correcting a manifest error. • <i>[Include if the Securities are not fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus or the 25 August 2014 Base Prospectus apply: The Preference Share Issuer may adjust the terms and conditions of the Preference Shares following certain events affecting the Preference Share Issuer's hedging arrangements and/or the Preference Share Underlying(s) or, if it determines that any such adjustment would not achieve a commercially reasonable result, it may redeem the Preference Shares at their fair market value less any costs associated with the early redemption of the Preference Shares including, if specified to be applicable in the terms and conditions of the Preference Shares, the costs of unwinding any hedging arrangements relating to the Preference Shares or the Securities. Additionally, the Preference Shares may be redeemed early due to an early redemption event. The Securities will be subject to early redemption at the Unscheduled Termination Amount if the Preference Shares are redeemed early, which may be less (and, in certain circumstances, significantly less) than investors' initial investment in the Securities.]</i> • <i>[Include if the Securities are fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus or the 25 August 2014 Base Prospectus apply: The Preference Share Issuer may adjust the terms and conditions of the Preference Shares following certain events affecting the Preference Share Underlying(s) or, if it determines that it is unable to make any such adjustment, it may redeem the Preference Shares at their market value less any costs associated with the early redemption of the Preference Shares including the costs of unwinding any hedging arrangements relating to the Preference Shares or the Securities. Additionally, the Preference Shares may be redeemed early due to an early redemption event. The Securities will be subject to early redemption at the <i>[Include if the Securities are fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus apply: Early Payment Amount]</i><i>[Include if the Securities are fungible issuances (or any other Series of Securities) where the terms and conditions from the 25 August 2014 Base Prospectus apply: Unscheduled Termination Amount]</i> if the Preference Shares are redeemed early, which may be less (and, in certain circumstances, significantly less) than investors' initial investment in the Securities.]</i> • In making discretionary determinations under the terms and conditions of the Securities, the Issuer and the Calculation Agent may take into account the impact on the relevant hedging
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		<p>arrangements. Such determinations could have a material adverse effect on the value of and return on the Securities and could result in their early redemption.</p> <ul style="list-style-type: none"> • The Issuer may be substituted without the consent of Securityholders in favour of any affiliate of the Issuer or another company with which it consolidates, into which it merges or to which it sells or transfers all or substantially all of its property. • [Due to the ongoing deterioration of the sovereign debt of several Euro zone countries, there are a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union. Events and developments arising from the Euro zone sovereign debt crisis may have a negative impact on the Securities.] • The Issuer, the Calculation Agent, Credit Suisse International in its capacity as the calculation agent and/or determination agent in respect of the Preference Shares (the "Preference Share Calculation Agent"), the dealer(s) and their affiliates (and any of their employees) (together, the "Relevant Parties") are subject to a number of potential conflicts of interest, including: (a) in making certain calculations and determinations, there may be a difference of interest between the investors and the Relevant Parties or any of them, (b) in the ordinary course of its business the Issuer (or an affiliate) or another Relevant Party may effect transactions for its own account and may enter into hedging transactions with respect to the Securities or the related derivatives (including in respect of the Preference Share Underlying), which may affect the market price, liquidity or value of the Securities, and (c) the Issuer (or an affiliate) or another Relevant Party may have confidential information in relation to the Securities, the Preference Shares or the Preference Share Underlying or any derivative instruments referencing them, but which the Issuer or such other Relevant Party is under no obligation (and may be subject to legal prohibition) to disclose. • If there is a disruption event that affects the ability to value the Preference Share Underlying(s) on any day that a valuation is required for the purposes of the relevant Preference Shares, the fallback provisions in the terms and conditions of the relevant Preference Shares will apply. Such fallbacks may include postponement of the relevant valuation or determination by Credit Suisse International in its capacity as the calculation agent and/or the determination agent in respect of the Preference Shares, each of which may have an adverse effect on the value of and return on the relevant Preference Shares and, in turn, such Preference Shares-Linked Securities.
Section E – Other		
E.2b	Reasons for the offer and use of proceeds:	[Not applicable; the net proceeds from the issue of the Securities will be used by the Issuer to hedge its obligations under the Securities and for general corporate purposes.]/[The Issuer intends to use the net proceeds from the offer of the Securities for the following purpose[s]: [<i>specify use of proceeds</i>].]
E.3	Terms and conditions of the offer:	<p>[The Securities have been offered to the dealer at the issue price. The Securities are not being publicly offered.]</p> <p>[Not applicable; the offer of the Securities is not subject to any conditions.]</p> <p>[An offer of the Securities will be made in [<i>jurisdiction(s)</i>] during the period from, and including, [<i>date</i>] to, and including, [[<i>time</i>] on] [<i>date</i>] (the "Offer Period"). [The Offer Period may be discontinued at any time.] The offer</p>

		<p>price will be equal to [specify price]/[give details].]</p> <p>[The Securities are offered subject to the following conditions:</p> <p>[The offer of the Securities is conditional on their issue.]</p> <p>[The offer may be cancelled if the [Aggregate Nominal Amount]/[aggregate number of Securities] purchased is less than [●], or if the Issuer or the [relevant] Distributor determines that certain circumstances have arisen that makes it illegal, impossible or impractical, in whole or part, to complete the offer or that there has been a material adverse change in the market conditions.]</p> <p>[The Issuer reserves the right to withdraw the offer and/or to cancel the issue of the Securities for any reason at any time on or prior to the issue date.]</p> <p>[Description of the application process: [●]]</p> <p>[Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [●]]</p> <p>[The [maximum]/[minimum] [number]/[amount] of Securities each individual investor may subscribe for is [●].]/[There is no minimum amount of application.]</p> <p>[Payments for the Securities shall be made to the [relevant] Distributor [on [●]/[such date as the [relevant] Distributor may specify]]/[in accordance with the arrangements existing between the [relevant] Distributor and its customers relating to the subscription of securities generally].]</p> <p>[Manner in and date on which results of the offer are to be made public: [●].]</p> <p>[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [●].]</p>
<p>E.4</p>	<p>Interests material to the issue/offer:</p>	<p>[Fees shall be payable to the [dealer(s)]/[D]/[d]istributor(s)]. The Issuer and other Relevant Parties are subject to potential conflicts of interest between their own interests and those of holders of Securities, as described in Element D.6 above.</p>
<p>E.7</p>	<p>Estimated expenses charged to the investor by the Issuer/offeror:</p>	<p>[Not applicable; there are no estimated expenses charged to the purchaser by the [Issuer][and][D]/[d]istributor(s)]./</p> <p>[The [D]/[d]istributor(s) will charge purchasers [a]/[an] [fee]/[commission]/[amount]/[specify other] of [●]/[up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount] per Security./</p> <p>[The dealer will pay [a]/[an] [fee]/[commission]/[amount]/[specify other] to the [D]/[d]istributor(s) in connection with the [offer]/[issue] of [●]/[up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount] per Security upfront] [and] [[up to] [●]] per cent. of the [Specified Denomination]/[Nominal Amount] per Security per annum.] [The [issue]/[offer] price [and the terms] of the Securities take[s] into account such [fee]/[commission]/[amount]/[specify other] [and may be more than the market value of the Securities on the issue date]./</p> <p>[The Securities will be sold by the dealer to the [D]/[d]istributor(s) at a discount of [up to] [●] per cent. of the [issue]/[offer] price. Such discount represents the [fee]/[commission]/[amount]/[specify other] retained by the [D]/[d]istributor(s) out of the [issue]/[offer] price paid by investors. [The [issue]/[offer] price [and the terms] of the Securities take[s] into account such [fee]/[commission]/[amount]/[specify other] [and may be more than the market value of the Securities on the issue date]./</p> <p>[The dealer will either pay [a]/[an] [fee]/[commission]/[amount]/[specify</p>

		<p><i>other</i>] to the [D]/[d]istributor(s) in connection with the [offer]/[issue] of [●]/[[up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount] per Security up front] or the Securities may be sold by the dealer to the [D]/[d]istributor(s) at a discount of [up to] [●] per cent. of the [issue]/[offer] price. Such discount represents the [fee]/[commission]/[amount]/[specify other] retained by the [D]/[d]istributor(s) out of the [issue]/[offer] price paid by investors. [The [issue]/[offer] price [and the terms] of the Securities take[s] into account such [fee]/[commission]/[amount]/[specify other] [and may be more than the market value of the Securities on the issue date].]</p> <p>[The amount of the fee paid by the [dealer]/[Issuer] or its affiliates on the basis of the tenor of the Securities is up to [●] per cent. per annum of the [Specified Denomination]/[Nominal Amount] per Security.]</p> <p>[The [issue]/[offer] price [and the terms] of the Securities [also] take[s] into account a fee of [●]/[[up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount] per Security] which relates to introductory services [provided by [●]].]</p> <p>[specify other fee arrangement]</p>
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RISK FACTORS

You should read "1. General Considerations" below for an explanation of this section and of the risk factors provided.

*****Warning:** The terms and conditions of the Securities issued under this Base Prospectus do not provide for scheduled repayment in full of the issue or purchase price at maturity. You may therefore lose some or all of your investment.

In addition, you will be exposed to the credit risk of the Issuer and will lose up to the entire value of your investment if the Issuer either fails or is otherwise unable to meet its payment obligations. The Securities are not deposits and are not protected under any deposit insurance or protection scheme.

You may also lose some or all of your investment if:

- you sell your Securities prior to maturity in the secondary market at an amount that is less than your initial purchase price; or
- your Securities are redeemed early under their terms and conditions at the discretion of the Issuer and the **Unscheduled Termination Amount** paid to you is less than the initial purchase price.

Risk Factors	Page
1 General considerations	31
2 Risks associated with the creditworthiness of the Issuer	32
(a) General risks	32
(b) Risks relating to the Issuer	32
3 Risks relating to the Securities generally	45
(a) Potential loss of some or all of the investment	45
(b) Limited liquidity	45
(c) No obligation to maintain listing	45
(d) The Issue Price or the Offer Price may be more than the market value of the Securities	46
(e) The market value of the Securities will be affected by many factors and cannot be predicted	46
(f) The market value of the Securities may be highly volatile	47
(g) Over-issuance of Securities by the Issuer	47
(h) In certain circumstances, the Issuer may redeem the Securities prior to their scheduled maturity. The Unscheduled Termination Amount payable on such early redemption may be less than the issue price or the purchase price and investors may therefore lose some or all of their investment and may not be able to reinvest the proceeds in another investment offering a comparable rate of return	47
(i) The Issuer of Securities may be substituted without the consent of Securityholders	48
(j) Proposed Financial Transactions Tax	48
(k) Issue of further Securities	49
(l) Risk of withdrawal of offering and/or cancellation of issue of Securities	49

(m)	The terms and conditions of the Securities may be modified without the consent of Securityholders	49
(n)	CREST Depository Interests ("CDIs")	49
(o)	Risks relating to the Euro and the Euro zone	50
(p)	Optional redemption by the Issuer	50
(q)	Interest rate risks	51
4	General risks relating to Preference Share-Linked Securities	51
(a)	General risks	51
(b)	Risks relating to the Preference Share Underlying(s)	52
(c)	Past performance of a Preference Share Underlying is not an indicator of future performance	62
(d)	No rights of ownership in the Preference Shares or the relevant Preference Share Underlying(s)	63
(e)	Exposure to currency risks	63
(f)	Emerging market risks	63
(g)	Substitute Dividend and Dividend Equivalent Payments	66
5	Risks associated with conflicts of interest between the Issuer, the Calculation Agent, the Preference Share Calculation Agent, the Dealer and holders of the Securities	66
(a)	Business relationships	66
(b)	Hedging and dealing activities	66
(c)	Reliance on Credit Suisse International	67
(d)	Conflicts of interest	67
(e)	Calculations and determinations	68
(f)	Credit and fraud risk of the Preference Share Issuer	68
6	Taxation	68

1. General considerations

The purchase of Securities involves substantial risks and an investment in the Securities is only suitable for investors who have the knowledge and experience in financial and business matters necessary to enable them (either alone or in conjunction with an appropriate financial adviser) to evaluate the risks and merits of an investment in the Securities and who have sufficient resources to be able to bear any losses that may result therefrom. The Issuer is acting solely in the capacity of an arm's length contractual counterparty and not as an investor's financial adviser or fiduciary in any transaction.

Before making any investment decision, prospective investors in the Securities should ensure that they understand the nature of the Securities and the extent of their exposure to the risks involved.

The Issuer believes that the factors described below may affect its ability to fulfil its obligations under the Securities. Most of these factors are contingencies which may or may not occur and which could have a material adverse effect on the Issuer's businesses, operations, financial condition or prospects, which, in turn, could have a material adverse effect on the return investors will receive on the Securities. The Issuer does not express a view on the likelihood of any such contingency occurring.

The Issuer believes that the factors described below are material for the purpose of assessing the market risks associated with the Securities and represent the material risks inherent in investing in the Securities, but these are not the only risks that the Issuer faces or that may arise under the Securities. There will be other risks that the Issuer does not currently consider to be material, or risks that the Issuer is currently not aware of, or risks that arise due to circumstances specific to the investor, and the Issuer does not represent that the statements below regarding the risks of holding any Securities are exhaustive of all such risks.

More than one investment risk may have simultaneous effect with regard to the value of the Securities and the effect of any single investment risk may not be predictable. In addition, more than one investment risk may have a compounding effect and no assurance can be given as to the effect that any combination of investment risks may have on the value of Securities.

2. **Risks associated with the creditworthiness of the Issuer**

(a) **General risks**

The Securities are general, unsecured obligations of the Issuer. Securityholders are exposed to the credit risk of the Issuer. The Securities will be adversely affected in the event of (i) a default, (ii) a reduced credit rating of the Issuer, (iii) increased credit spreads charged by the market for taking credit risk on the Issuer or (iv) a deterioration in the solvency of the Issuer.

If the Issuer either fails or is otherwise unable to meet its payment obligations, you may lose up to the entire value of your investment. The Securities are not deposits and are not protected under any deposit insurance or protection scheme.

The profitability of the Issuer will be affected by, among other things, liquidity risk, market risk, credit risk, risks relating to its strategy, risks from estimates and valuations, risks relating to off-balance sheet entities, country and currency exchange risk, operational risk, legal and regulatory risks and competition risk. These risks are discussed in further detail below.

These risk factors should be read together with the risk factors listed under risk factor 2(b) (*Risks relating to the Issuer*). Such risk factors are risk factors that are material to the Securities in order to assess the market risk associated with them or which may affect the Issuer's ability to fulfil its obligations under them.

(b) **Risks relating to the Issuer**

The Issuer is a wholly-owned subsidiary of Credit Suisse Group AG ("**CSG**"). CSG and the Issuer are both exposed to a variety of risks that could adversely affect their results of operations or financial condition, including, among others, those described below. All references to the Issuer in the risk factors set out below on pages 32 to 45 inclusive are describing the consolidated businesses carried on by CSG and its subsidiaries and therefore should also be read as references to CSG.

(i) **Liquidity risk**

Liquidity, or ready access to funds, is essential to the Issuer's business, particularly the Issuer's investment banking businesses. The Issuer seeks to maintain available liquidity to meet its obligations in a stressed liquidity environment. For information on the Issuer's liquidity management, refer to "*III—Treasury, Risk, Balance sheet and Off-balance sheet*" in the Group Annual Report 2016 and "*II—Treasury, risk, balance sheet and off-balance sheet*" in the Financial Report 1Q17, Financial Report 2Q17 and Financial Report 3Q17.

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

The Issuer'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 the Issuer, certain of its counterparties or the banking sector as a whole, including the Issuer'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 the Issuer's liquidity. In challenging credit markets, the Issuer's funding costs may increase or it may be unable to raise funds to support or expand its businesses, adversely affecting its results of

operations. Following the financial crisis in 2008 and 2009, its costs of liquidity have been significant, and the Issuer expects to incur additional costs as a result of regulatory requirements for increased liquidity and the continued challenging economic environment in Europe, the United States, Asia and elsewhere. If the Issuer is unable to raise needed funds in the capital markets (including through offerings of equity and regulatory capital securities), it may need to liquidate unencumbered assets to meet its liabilities. In a time of reduced liquidity, the Issuer 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.

The Issuer's businesses rely significantly on its deposit base for funding

The Issuer'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, the Issuer'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 the Issuer'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. In January 2016, Moody's Investors Service Ltd lowered its senior long-term debt ratings of the Issuer and Credit Suisse Group AG by one notch. Although Moody's Investors Service Ltd upgraded the senior long-term debt ratings of the Issuer and Credit Suisse Group AG by one notch in December 2016, future downgrades by Moody's Investors Service Ltd or Moody's Deutschland GmbH (or such other Moody's entity providing the rating of the Issuer) or any other rating agency of the ratings assigned to Credit Suisse Group AG or the Issuer are possible. Any downgrades in the Issuer's assigned ratings, including in particular their credit ratings, could increase the Issuer's borrowing costs, limit their access to capital markets, increase their cost of capital and adversely affect the ability of their businesses to sell or market their products, engage in business transactions – particularly longer-term and derivatives transactions – and retain their clients.

(ii) **Market risk**

The Issuer may incur significant losses on its trading and investment activities due to market fluctuations and volatility

Although the Issuer continued to strive to reduce its balance sheet and made significant progress in implementing CSG's strategy in 2016, the Issuer 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 the Issuer 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 the Issuer's net long positions. Conversely, to the extent that the Issuer 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 the Issuer 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 the Issuer's positions and its results of operations. Adverse market or economic conditions or trends have caused, and in the future may cause, a significant decline in the Issuer's net revenues and profitability.

The Issuer'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, the Issuer's businesses are materially affected by conditions in the financial markets and economic conditions generally in Europe, the

United States, Asia and elsewhere around the world. The recovery from the economic crisis of 2008 and 2009 continues to be sluggish in several key developed markets. The European sovereign debt crisis as well as United States' debt levels and the federal budget process have not been permanently resolved. In addition, significantly higher market volatility, low commodity prices and concerns about emerging markets, in particular slower economic growth in China, have recently affected financial markets. The Issuer'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 the Issuer 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. Concerns about weaknesses in the economic and fiscal condition of certain European countries have continued, especially with regard to how such weaknesses might affect other economies as well as financial institutions (including the Issuer) which lent funds to or did business with or in those countries. For example, sanctions have been imposed on certain individuals and companies in Russia.

Continued concern about European economies, including the refugee crisis and political uncertainty, including in relation to the UK's withdrawal from the EU, could cause disruptions in market conditions in Europe and around the world. On 23rd June 2016, the UK voted through a referendum in favour of leaving the EU. UK Prime Minister Theresa May initiated the two-year process of negotiations for withdrawal from the EU in March 2017, with an expected date of withdrawal in early 2019. The results of this negotiation and the macroeconomic impact of this decision are difficult to predict and are expected to remain uncertain for a prolonged period. Among the significant global implications of the referendum was the increased uncertainty concerning a potentially more persistent and widespread imposition by central banks of negative interest rate policies. The Issuer cannot accurately predict the impact that the UK leaving the EU will have on the Group and such impact may negatively affect the Issuer's future results of operations and financial condition. The environment of political uncertainty in continental Europe may also affect the Group's business. The increased popularity of nationalistic sentiments and the upcoming elections in France and Germany may result in significant shifts in national policy and a move away from European integration and the Eurozone. Similar uncertainties exist regarding the impact and potential effects of the new U.S. presidential administration.

Economic disruption in other countries, even in countries in which the Issuer does not currently conduct business or have operations, could 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 currency exchange rates, the risk of geopolitical events, fluctuations in commodity prices and concerns about European stagnation have affected financial markets and the economy. In recent years, the low interest rate environment has adversely affected the Issuer's net interest income and the value of its trading and non-trading fixed income portfolios. Future changes in interest rates, including increasing interest rates or changes in the current negative short-term interest rates in the Issuer's home market, could adversely affect its businesses and results. In addition, movements in equity markets have affected the value of the Issuer's trading and non-trading equity portfolios, while the historical strength of the Swiss franc has adversely affected the Issuer's revenues and net income. Further, diverging monetary policies among the major economies in which the Issuer operates, in particular among the U.S. Federal Reserve (the "**Fed**"), the European Central Bank and the Swiss National Bank (the "**SNB**") may adversely affect its results.

Such adverse market or economic conditions may reduce the number and size of investment banking transactions in which the Issuer 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 the Issuer executes for customers and may adversely affect the net revenues it receives from commissions and spreads. In addition, several of the Issuer's businesses engage in transactions with, or trade in obligations of, governmental entities, including supranational, national, state, provincial, municipal and local authorities. These activities can expose the Issuer 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 the Issuer's financial condition and results of operations.

Unfavourable market or economic conditions have affected the Issuer's businesses over the last years, including the low interest rate environment, continued cautious investor behaviour and changes in market structure, particularly in the Issuer's macro businesses. These negative factors have been reflected in lower commissions and fees from the Issuer's client-flow sales and trading and asset management activities, including commissions and fees that are based on the value of the Issuer'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. There has been a fundamental shift in client demand away from more complex products and significant client deleveraging, and the Issuer's results of operations related to private banking and asset management activities have been and could continue to be adversely affected as long as this continues.

Adverse market or economic conditions have also negatively affected Issuer's private equity investments since, if a private equity investment substantially declines in value, the Issuer may not receive any increased share of the income and gains from such investment (to which the Issuer 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 addition to the macroeconomic factors discussed above, other events beyond the Issuer'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 the Issuer's businesses and results.

The Issuer may incur significant losses in the real estate sector

The Issuer 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 2016, the Issuer's real estate loans as reported to the SNB totalled approximately CHF 143 billion. The Issuer 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 mortgage-backed securities and residential mortgage-backed securities ("**RMBS**"). The Issuer's real estate-related businesses and risk exposures could be adversely affected by any 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 in certain areas of Switzerland could have a material adverse effect on the Issuer's real estate-related businesses.

Holding large and concentrated positions may expose the Issuer to large losses

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

The Issuer has significant risk concentration in the financial services industry as a result of the large volume of transactions it routinely conducts with broker-dealers, banks, funds and other financial institutions, and in the ordinary conduct of the Issuer's business it may be subject to risk concentration with a particular counterparty. The Issuer, 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 the Issuer's 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 Group Annual Report 2016 and "*II—Treasury, risk, balance sheet and off-balance sheet – Capital management – Regulatory Capital Framework*" in the Financial Report 1Q17, Financial Report 2Q17 and Financial Report 3Q17.

Risk concentration may cause the Issuer to suffer losses even when economic and market conditions are generally favourable for others in its industry.

The Issuer's hedging strategies may not prevent losses

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

Market risk may increase the other risks that the Issuer faces

In addition to the potentially adverse effects on the Issuer's businesses described above, market risk could exacerbate the other risks that the Issuer faces. For example, if the Issuer 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, the Issuer's customers and counterparties could also incur substantial losses of their own, thereby weakening their financial condition and increasing the Issuer's credit and counterparty risk exposure to them.

(iii) **Credit risk**

The Issuer may suffer significant losses from its credit exposures

The Issuer's businesses are subject to the fundamental risk that borrowers and other counterparties will be unable to perform their obligations. The Issuer'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, currency exchange and other transactions. The Issuer'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 the Issuer'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 the Issuer'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 Group Annual Report 2016 and "*I—Treasury, risk, balance sheet and off-balance sheet—Risk management*" in the Financial Report 1Q17, Financial Report 2Q17 and Financial Report 3Q17.

The Issuer'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.

The Issuer's management's determination of the provision for loan losses is subject to significant judgment. The Issuer'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—Risk coverage and management*" and "*Note 1—Summary of significant accounting policies*", "*Note 10—Provision for credit losses*" and "*Note 19—Loans, allowance for loan losses and credit quality*", each in "*V—Consolidated financial statements—Credit Suisse Group*" in the Group Annual Report 2016 and "*II—Treasury, risk, balance sheet and off-balance sheet—Risk management*", "*Note 9—Provision for credit losses*" and "*Note 16 – Loans, allowance for loan losses and credit quality*" each in "*III—Condensed consolidated financial statements – unaudited*" in the Financial Report 1Q17, Financial Report 2Q17 and Financial Report 3Q17.

Under certain circumstances, the Issuer may assume long-term credit risk, extend credit against illiquid collateral and price derivative instruments aggressively based on the credit risks that the Issuer takes. As a result of these risks, the Issuer's capital and liquidity requirements may continue to increase.

Defaults by one or more large financial institutions could adversely affect financial markets generally and the Issuer 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 2016 and could continue to lead to losses or defaults by financial institutions and financial intermediaries with which the Issuer interacts on a daily basis, such as clearing agencies, clearing houses, banks, securities firms and exchanges. The Issuer's credit risk exposure will also increase if the collateral it holds cannot be realised or can only be liquidated at prices insufficient to cover the full amount of exposure.

The information that the Issuer uses to manage its credit risk may be inaccurate or incomplete

Although the Issuer 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. The Issuer may also lack correct and complete information with respect to the credit or trading risks of a counterparty or risk associated with specific industries, countries and regions or misinterpret such information that is received or otherwise incorrectly assess a given risk situation. Additionally, there can be no assurance that measures instituted to manage such risk will be effective in all instances.

(iv) **Risks relating to CSG's strategy**

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

In October 2015, CSG announced a comprehensive new strategic direction, structure and organisation of Credit Suisse Group AG and its consolidated subsidiaries (the "**Group**"), which it updated in 2016. CSG's ability to implement its new strategic direction, structure and organisation is based on a number of key assumptions regarding the future economic environment, the economic growth of certain geographic regions, the regulatory landscape, its ability to meet certain ambitions, goals and targets, anticipated interest rates and central bank action, among other things. If any of these assumptions (including but not limited to its ability to meet certain ambitions, goals and targets) prove inaccurate in whole or in part, CSG's ability to achieve some or all of the expected benefits of this strategy could be limited, including its ability to meet its stated financial objectives, keep related restructuring charges within the limits currently expected and retain key employees. Factors beyond CSG's control, including but not limited to the market and economic conditions, changes in laws, rules or regulations, execution risk related to the implementation of its strategy and other challenges and risk factors discussed in this Base Prospectus, could limit its ability to achieve some or all of the expected benefits of this strategy. The breadth of the changes that CSG announced increases the execution risk of its strategy as it continues to work to change the strategic direction of the Group. If CSG is unable to implement this strategy successfully in whole or in part or should the components of the strategy that are implemented fail to produce the expected benefits, CSG's financial results and its share price may be materially and adversely affected. For further information on CSG's strategic direction, refer to "*I—Information on the Company—Strategy*" in the Group Annual Report 2016 and "*Note 3 – Business developments*" in "*III—Condensed consolidated financial statements—unaudited*" in the Financial Report 1Q17.

Additionally, part of CSG's strategy involves a change in focus within certain areas of its business, which may have unanticipated negative effects in other areas of the business and may result in an adverse effect on its business as a whole.

The implementation of CSG's strategy may increase its exposure to certain risks, including but not limited to, credit risks, market risks, operational risks and regulatory risks. CSG also seeks to achieve certain cost savings, which may or may not be successful. Furthermore, changes to the organisational structure of the Issuer's business, as well as changes in personnel and management, may lead to temporary instability of its operations.

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. CSG also faces the risk that unsuccessful acquisitions will ultimately result in it having to write-down or write-off any goodwill associated with such transactions. For example, CSG's results for the fourth quarter of 2015 included a goodwill impairment charge of CHF 3,797 million, the most significant component of which arose from the acquisition of Donaldson, Lufkin & Jenrette Inc. in 2000. CSG continues to have a significant amount of goodwill relating to this and other transactions recorded on its balance sheet that could result in additional goodwill impairment charges.

CSG may also seek to engage in new joint ventures (within the Group and with external parties) 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.

CSG has announced a programme to evolve its legal entity structure and cannot predict its final form or potential effects

In 2013, CSG announced key components of its programme to evolve its legal entity structure. The execution of the programme evolving the Group's legal entity structure, to meet developing and future regulatory requirements has continued to progress and CSG has reached a number of significant milestones over the course of the year. This programme remains subject to a number of uncertainties that may affect its feasibility, scope and timing. In addition, significant legal and regulatory changes affecting CSG and its operations may require it to make further changes in its legal structure. The implementation of these changes will require significant time and resources and may potentially increase operational, capital, funding and tax costs as well as CSG's counterparties' credit risk. For further information on CSG's legal entity structure, refer to "*I—Information on the Company—Strategy—Evolution of legal entity structure*" in the Group Annual Report 2016 and "*I—Credit Suisse results—Credit Suisse—Evolution of Legal Entity Structure*" in the Financial Report 1Q17, Financial Report 2Q17 and Financial Report 3Q17.

(v) **Risks from estimates and valuations**

The Issuer 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, modelling its risk exposure and calculating expenses and liabilities associated with its pension plans. These estimates are based upon judgement and available information, and the Issuer'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 Group Annual Report 2016.

The Issuer'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 the Issuer or impact the value of assets. To the extent the Issuer'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.

(vi) **Risks relating to off-balance sheet entities**

The Issuer enters into transactions with special purpose entities ("**SPEs**") in its normal course of business, and certain SPEs with which the Issuer transacts business are not consolidated and their assets and liabilities are off-balance sheet. The Issuer may have to exercise significant management judgement in applying relevant accounting consolidation standards, either initially or after the occurrence of certain events that may require the Issuer to reassess whether consolidation is required. Accounting standards relating to consolidation, and their interpretation, have changed and may continue to change. If the Issuer is required to consolidate an SPE, its assets and liabilities would be recorded on its consolidated balance sheets and the Issuer 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 the Issuer's transactions with and commitments to SPEs, refer to "*III—Treasury, Risk, Balance sheet and Off-balance sheet—Balance sheet, off-balance sheet and other contractual obligations—off-balance sheet*" in the Group Annual Report 2016 and "*II—Treasury, risk, balance sheet and off-balance sheet—Balance sheet and off-balance sheet—off-balance sheet*" in the Financial Report 1Q17, Financial Report 2Q17 and Financial Report 3Q17.

(vii) **Country and currency exchange risk**

Country risks may increase market and credit risks the Issuer faces

Country, regional and political risks are components of market and credit risk. Financial markets and economic conditions generally have been and may in the future 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 the Issuer, which in turn may have an adverse impact on the Issuer's results of operations.

The Issuer may face significant losses in emerging markets

A key element of the Issuer's strategy is to scale up its private banking businesses in emerging market countries. The Issuer's implementation of that strategy will necessarily increase its existing exposure to economic instability in those countries. The Issuer monitors these risks, seeks diversity in the sectors in which it invests and emphasises client-driven business. The Issuer's efforts at limiting emerging market risk, however, may not always succeed. In addition, various emerging market countries, in particular China and Brazil during 2016, have experienced and may continue to experience severe economic and financial disruptions or slower economic growth than in prior years. The possible effects of any such disruptions may include an adverse impact on the Issuer's businesses and increased volatility in financial markets generally.

Currency fluctuations may adversely affect the Issuer's results of operations

The Issuer is exposed to risk from fluctuations in exchange rates for currencies, particularly the U.S. dollar. In particular, a substantial portion of the Issuer's assets and liabilities are denominated in currencies other than the Swiss franc, which is the primary currency of its financial reporting. The Issuer's capital is also stated in Swiss francs and it does not fully hedge its capital position against changes in currency exchange rates. Despite some weakening, the Swiss franc remained strong against the U.S. dollar in 2017. The Swiss franc has weakened against the euro in 2017.

As the Issuer incurs a significant part of its expenses in Swiss francs while it generates a large proportion of its revenues in other currencies, its earnings are sensitive to changes in the exchange rates between the Swiss franc and other major currencies. Although the Issuer has implemented a number of measures designed to offset the impact of exchange rate fluctuations on its results of operations, the appreciation of the Swiss franc in particular and exchange rate volatility in general have had an adverse

impact on the Issuer's results of operations and capital position in recent years and may have such an effect in the future.

(viii) **Operational risk**

The Issuer is exposed to a wide variety of operational risks, including information technology risk

Operational risk is the risk of financial loss arising from inadequate or failed internal processes, people or systems or from external events. In general, although it has business continuity plans, the Issuer'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 well as from the interconnectivity of multiple financial institutions with central agents, exchanges and clearing houses. As a global financial services company, the Issuer relies heavily on its financial, accounting and other data processing systems, which are varied and complex. The Issuer'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. The Issuer is exposed to operational risk arising from errors made in the execution, confirmation or settlement of transactions or from 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 the Issuer's businesses. Despite the Issuer'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. The Issuer could also be affected by risks to the systems and information of clients, vendors, service providers, counterparties and other third parties. In addition, the Issuer may introduce new products or services or change processes, resulting in new operational risk that the Issuer may not fully appreciate or identify.

These threats may derive from human error, fraud or malice, or may result from accidental technological failure. There may also be attempts to fraudulently induce employees, clients, third parties or other users of the Issuer's systems to disclose sensitive information in order to gain access to the Issuer's data or that of its clients.

Given the Issuer's global footprint and the high volume of transactions the Issuer processes, the large number of clients, partners and counterparties with which the Issuer does business, our growing use of digital, mobile and internet-based services, and the increasing sophistication of cyber-attacks, a cyber-attack could occur without detection for an extended period of time. In addition, the Issuer expects that any investigation of a cyber-attack will be inherently unpredictable and it may take time before any investigation is complete. During such time, the Issuer may not know the extent of the harm or how best to remediate it and certain errors or actions may be repeated or compounded before they are discovered and rectified, all or any of which would further increase the costs and consequences of a cyber-attack.

If any of the Issuer'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, the Issuer 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 the Issuer to expend significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures.

The Issuer may suffer losses due to employee misconduct

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

Risk management

The Issuer 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. The Issuer 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 the Issuer'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 the Issuer's risk management, refer to "III—Treasury, Risk, Balance sheet and Off-balance sheet—Risk management" in the Group Annual Report 2016 and "II—Treasury, risk, balance sheet and off-balance sheet –Risk management" in the Financial Report 1Q17, Financial Report 2Q17 and Financial Report 3Q17.

(ix) **Legal and regulatory risks**

The Issuer's exposure to legal liability is significant

The Issuer 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 continue to increase in many of the principal markets in which it operates.

The Issuer 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 the Issuer'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 the Issuer's investment banking and other businesses, refer to "Note 39—Litigation" in "V—Consolidated Financial Statements—Credit Suisse Group" in the Group Annual Report 2016 and "Note 30—Litigation" in "III—Condensed consolidated financial statements – unaudited" in the Financial Report 1Q17, Financial Report 2Q17 and Financial Report 3Q17.

It is inherently difficult to predict the outcome of many of the legal, regulatory and other adversarial proceedings involving the Issuer'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. The Issuer'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 Group Annual Report 2016.

Regulatory changes may adversely affect the Issuer's business and ability to execute its strategic plans

As a participant in the financial services industry, the Issuer 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 the Issuer operates around the world. Such regulation is 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 and may increase further. These regulations often serve to limit the Issuer's activities, including through the application of increased capital, leverage and liquidity requirements, customer protection and market conduct regulations and direct or indirect restrictions on the businesses in which the Issuer may operate or invest. Such limitations can have a negative effect on the Issuer's business and its ability to implement strategic initiatives. To the extent the Issuer 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, including potentially ring-fencing certain activities and operations within specific legal entities. The Issuer is already subject to extensive regulation in many areas of its business and expects to face increased regulation and regulatory scrutiny and enforcement. These various regulations and requirements could require the Issuer to reduce assets held in certain subsidiaries, inject capital into or otherwise change its operations or the structure of its subsidiaries and the Group. The Issuer 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 affect 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 the Issuer, 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 Basel III, together with more stringent requirements imposed by the Swiss "Too Big To Fail" legislation and its implementing ordinances and related actions by the Issuer's regulators, have contributed to its 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 Group Annual Report 2016 and in "*II—Treasury, risk, balance sheet and off-balance sheet – Capital management – Regulatory Capital Framework*" in the Financial Report 1Q17, Financial Report 2Q17 and Financial Report 3Q17, have imposed, and will continue to impose, new regulatory burdens on certain of the Issuer'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. New Commodity Futures Trading Commission and the U.S. Securities and Exchange Commission ("**SEC**") rules could materially increase the operating costs, including compliance, information technology and related costs, associated with its derivatives businesses with United States persons, while at the same time making it more difficult for the Issuer to transact derivatives business outside the United States. Further, in 2014, the Fed adopted a final rule under the Dodd-Frank Act that created a new framework for regulation of the United States operations of foreign banking organisations such as the Issuer's. Although the final impact of the new rule cannot be fully predicted at this time, it is expected to result in the Issuer incurring additional costs and to affect the way it conducts its business in the United States, including through its U.S. intermediate holding company.

Certain of these proposals are not final, and the ultimate impact of any final requirements cannot be predicted at this time. Further, already enacted and possible future cross-border tax regulation with extraterritorial effect, such as the U.S. Foreign Account Tax Compliance Act, and other bilateral or multilateral tax treaties and agreements on the automatic exchange of information in tax matters, impose detailed reporting obligations and increased compliance and systems-related costs on the Issuer's businesses. Additionally, implementation of the European Market Infrastructure Regulation ("**EMIR**"), and its Swiss counterpart, the Federal Act on Financial Market Infrastructure and Market Conduct in Securities and Derivatives Trading, the Capital Requirements Directive IV and Capital Requirements Regulation ("**CRD IV**") and the Revised Markets in Financial Instruments Directive ("**MiFID II**") reforms may negatively affect the Issuer's business activities. If Switzerland does not pass legislation that is deemed equivalent to MiFID II in a timely manner, or if Swiss regulation already passed is not deemed equivalent to EMIR, Swiss banks, including the Issuer, may be limited from participating in businesses regulated by such laws. Finally, the Issuer expects that new total loss-absorbing capacity ("**TLAC**") requirements, which have been implemented in Switzerland and are being or have been finalised in many other jurisdictions, as well as expected new requirements and rules with respect to the internal TLAC of global systemically important banks, may increase the Issuer's cost of funding and restrict its ability to deploy capital and liquidity on a global basis as needed. Further, following the formal notification by the UK of its decision to leave the EU, negotiations have commenced on the withdrawal agreement. This may include the renegotiation, during the transitional period or thereafter of a number of regulatory and

other arrangements between the EU and the UK that directly impact the Group's business. Adverse changes to any of these arrangements, and even uncertainty over potential changes during any period of negotiation, could potentially impact the Group's results.

The Issuer expects the financial services industry and its members, including the Issuer, to continue to be affected by the significant uncertainty over the scope and content of regulatory reform in 2017 and beyond. The uncertainty about the United States regulatory agenda of the new presidential administration, which includes a variety of proposals to change existing regulations or the approach to regulation of the financial industry, potential changes in regulation following a UK withdrawal from the EU and the results of national elections in Europe may result in significant changes in the regulatory direction and policies applicable to the Group. Changes in laws, rules or regulations, or in their interpretation or enforcement, or the implementation of new laws, rules or regulations, may adversely affect the Issuer's results of operations.

Despite the Issuer'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 the Issuer, 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 the Issuer's results of operations and seriously harm its reputation.

For a description of the Issuer's regulatory regime 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 Group Annual Report 2016. For information regarding the Issuer's current regulatory framework and expected changes to this framework affecting capital and liquidity standards, refer to "*Liquidity and funding management*" and "*Capital management*", each in "*III—Treasury, Risk, Balance sheet and Off-balance sheet*" in the Group Annual Report 2016 and "*II—Treasury, risk, balance sheet and off-balance sheet – Liquidity and funding management*" in the Financial Report 1Q17, Financial Report 2Q17 and Financial Report 3Q17.

Swiss resolution proceedings and resolution planning requirements may affect the Issuer's shareholders and creditors

Pursuant to Swiss banking laws, FINMA has broad powers and discretion in the case of resolution proceedings with respect to a Swiss bank, such as the Issuer or Credit Suisse (Schweiz) AG, and, since 1 January 2016, to a Swiss parent company of a financial group, such as Credit Suisse Group AG. These broad powers include the power to open restructuring proceedings with respect to the Issuer, Credit Suisse (Schweiz) AG or Credit Suisse Group AG and, in connection therewith, cancel the outstanding equity of the entity subject to such proceedings, convert such entity's debt instruments and other liabilities into equity and/or cancel such debt instruments and other liabilities, in each case, in whole or in part, and stay (for a maximum of two business days) certain rights under contracts to which such entity is a party, as well as the power to order protective measures, including the deferment of payments, and institute liquidation proceedings with respect to the Issuer, Credit Suisse (Schweiz) AG or Credit Suisse Group AG. The scope of such powers and discretion and the legal mechanisms that would be utilised are subject to development and interpretation.

The Issuer is currently subject to resolution planning requirements in Switzerland, the United States and the United Kingdom and may face similar requirements in other jurisdictions. If a resolution plan is determined by the relevant authority to be inadequate, relevant regulations may allow the authority to place limitations on the scope or size of the Issuer's business in that jurisdiction, require it to hold higher amounts of capital or liquidity, require it to divest assets or subsidiaries or to change its legal structure or business to remove the relevant impediments to resolution.

For a description of the current resolution regime under Swiss banking laws as it currently applies to the Issuer, Credit Suisse (Schweiz) AG and Credit Suisse Group AG see "*—Recent regulatory developments and proposals —Switzerland*" and "*—Regulatory framework—Switzerland—Resolution regime*" each in "*I—Information on the Company—Regulation and Supervision*" in the Group Annual Report 2016.

Changes in monetary policy are beyond the Issuer's control and difficult to predict

The Issuer 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 SNB and other central banking authorities directly impact the Issuer's cost of funds for lending, capital raising and investment activities and may impact the value of financial instruments the Issuer holds and the competitive and operating environment for the financial services industry. Many central banks have implemented significant changes to their monetary policy and may implement further changes. The Issuer 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 the Issuer's control and difficult to predict.

Legal restrictions on its clients may reduce the demand for the Issuer's services

The Issuer may be materially affected not only by regulations applicable to it as a financial services company, but also by regulations and changes in enforcement practices applicable to its clients. The Issuer'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 further asset outflows from the Issuer's private banking businesses.

(x) **Competition**

The Issuer faces intense competition

The Issuer faces intense competition in all financial services markets and for the products and services it offers. Consolidation through mergers, acquisitions, alliances and cooperation, including as a result of financial distress, has increased 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 the Issuer, 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 the Issuer does, or offer such products at more competitive prices. Current market conditions have resulted in significant changes in the competitive landscape in the Issuer'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. The Issuer can give no assurance that its results of operations will not be adversely affected.

The Issuer'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 the Issuer's performance, including its ability to attract and retain clients and employees. The Issuer'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 more information, refer to "III—Treasury, risk, balance sheet and off-balance sheet—Risk management—Risk coverage and management—Reputational Risk" in the Group Annual Report 2016.

The Issuer must recruit and retain highly skilled employees

The Issuer's performance is largely dependent on the talents and efforts of highly skilled individuals. Competition for qualified employees is intense. The Issuer has devoted considerable resources to recruiting, training and compensating employees. The Issuer'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 the Issuer's ability to attract and retain highly skilled employees. In particular, limits on the amount and form of executive compensation imposed by regulatory initiatives, including the Swiss Ordinance Against Excessive Compensation with respect to Listed Stock Corporations (Compensation Ordinance Against Excessive Compensation) in Switzerland and the implementation of CRD IV in the UK, could potentially have an adverse impact on the Issuer's ability to retain certain of its most highly skilled employees and hire new qualified employees in certain businesses.

The Issuer faces competition from new trading technologies

The Issuer's businesses face competitive challenges from new trading technologies, including trends towards direct access to automated and electronic markets, and the move to more automated trading platforms. Such technologies and trends 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. The Issuer 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.

3. Risks relating to the Securities generally

(a) Potential loss of some or all of the investment

The Securities do not provide for scheduled repayment in full of an amount at least equal to the issue or purchase price of the Securities. Investors are exposed to a return that is linked to the performance of the Preference Shares and may lose some or all of their investment. In addition, investors are also exposed to the credit risk of the Issuer and will lose up to the entire value of their investment if the Issuer either fails or is otherwise unable to meet its payment obligations.

The Securities are not deposits, and are not covered by any deposit insurance or protection scheme.

(b) Limited liquidity

A secondary market for the Securities may not develop and if one does develop, it may not provide the holders of the Securities with liquidity or may not continue for the life of the Securities. A decrease in the liquidity of the Securities may cause, in turn, an increase in the volatility associated with the price of such Securities. Illiquidity may have a severe adverse effect on the market value of the Securities.

The Issuer may, but is not obliged to, purchase the Securities at any time at any price in the open market or by tender or private treaty and may hold, resell or cancel them. The market for the Securities may be limited. The only way in which a Securityholder can realise value from a Security prior to its maturity or expiry is to sell it at its then market price in the market which may be less than the amount initially invested. The price in the market for a Security may be less than its Issue Price or its Offer Price even though the value of the Preference Share and/or the Preference Share Underlying(s) may not have changed since the Issue Date. Further, the price at which a Securityholder sells its Securities in the market may reflect a commission or a dealer discount, which would further reduce the proceeds such Securityholder would receive for its Securities.

Any secondary market price quoted by the Issuer may be affected by several factors including, without limitation, prevailing market conditions, credit spreads and the remaining time to maturity of the Securities. The Securities are also subject to selling restrictions and/or transfer restrictions that may limit a Securityholder's ability to resell or transfer its Securities. Accordingly, the purchase of Securities is suitable only for investors who can bear the risks associated with a lack of liquidity in the Securities and the financial and other risks associated with an investment in the Securities. Any investor in the Securities must be prepared to hold such Securities for an indefinite period of time or until redemption.

(c) No obligation to maintain listing

Investors should note that where the Securities are (i) listed or admitted to trading on a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments (as amended, varied or replaced from time to time including through the implementation of Directive 2014/65/EU) or (ii) listed on a market not regulated for such purpose, the Issuer will not be obliged to maintain the listing of the Securities. Securities may be suspended from trading and/or de-listed at any time in accordance with applicable rules and regulations of the relevant stock exchange(s).

If the regulated market or other market in respect of which the Securities are listed and/or admitted to trading closes, or if the relevant regulated market in respect of which the Securities are admitted to trading is replaced with a market that is not a regulated market, the Issuer may de-list the Securities or may (but is not obliged to) consent to the Securities to be admitted to trading on such replacement market instead.

(d) **The Issue Price or the Offer Price may be more than the market value of the Securities**

The Issue Price or the Offer Price in respect of any Securities specified in the relevant Issue Terms may be more than the market value of such Securities as at the Issue Date, and more than the price, if any, at which the Dealer or any other person is willing to purchase such Securities in secondary market transactions. In particular, the Issue Price or the Offer Price in respect of any Securities and the terms of such Securities may take into account, where permitted by law, fees, commissions or other amounts relating to the issue, distribution and sale of such Securities, or the provision of introductory services. Such fees, commissions or other amounts may be paid directly to the relevant distributor or, if the Securities are sold to the relevant distributor at a discount, may be retained by the relevant distributor out of the Issue Price or the Offer Price paid by investors. In addition, the Issue Price or the Offer Price in respect of the Securities and the terms of such Securities may also take into account (i) the expenses incurred by the Issuer in creating, documenting and marketing the Securities (including its internal funding costs) and (ii) amounts relating to the hedging of the Issuer's obligations under such Securities.

(e) **The market value of the Securities will be affected by many factors and cannot be predicted**

The market value of the Securities will be affected by many factors beyond the control of the Issuer, including, but not limited to, the following:

- (i) the creditworthiness of the Issuer (whether actual or perceived), including actual or anticipated downgrades in its credit rating;
- (ii) the remaining time to maturity of the Securities;
- (iii) interest rates and yield rates in the market;
- (iv) the volatility (i.e., the frequency and size of changes in the value) of the Preference Shares and Preference Share Underlying(s);
- (v) the value of the Preference Shares to which the Securities are linked;
- (vi) the value of the Preference Share Underlying(s) to which the Preference Shares are linked;
- (vii) if the Preference Shares are linked to a share, the dividend rate on such share or if the Preference Shares are linked to an index, the dividend rate on the components underlying such index;
- (viii) if the Preference Shares are linked to a commodity, supply and demand trends and market prices at any time for such commodity or the futures contracts on such commodity;
- (ix) national and international economic, financial, regulatory, political, military, judicial and other events that affect the value of the Preference Shares and/or Preference Share Underlying (s) or the relevant market(s) generally; and

- (x) the exchange rate between the currency in which the Preference Shares are denominated and the currency in which the Preference Share Underlying(s) are denominated.

Some or all of the above factors will influence the value of and return on the Securities in the market. Some of these factors are inter-related in a complex way, and as a result, the effect of any one factor may be offset or magnified by the effect of another factor. If you sell your Securities prior to maturity, the price you will receive may be substantially lower than the original purchase price and you may lose some or all of your investment.

(f) **The market value of the Securities may be highly volatile**

The Securityholders are exposed to the performance of the Preference Shares which are, in turn, exposed to the performance of the relevant Preference Share Underlying(s). The price, performance or investment return of the relevant Preference Share Underlying(s) may be subject to sudden and large unpredictable changes over time and this degree of change is known as "volatility". The volatility of the relevant Preference Share Underlying(s) may be affected by national and international economic, financial, regulatory, political, military, judicial or other events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of and return on the relevant Preference Shares and, in turn, the Securities, which are linked to such Preference Shares.

(g) **Over-issuance of Securities by the Issuer**

The total size of Securities being issued on the issue date may be greater than the amount subscribed or purchased by investors as the dealer may retain some of the Securities as part of its issuing, market-making and/or trading arrangements or for the purposes of meeting future investor demand. The issue size of the Securities should not be regarded as indicative of the depth or liquidity of the market, or the demand, for the Securities.

(h) **In certain circumstances, the Issuer may redeem the Securities prior to their scheduled maturity. The Unscheduled Termination Amount payable on such early redemption may be less than the issue price or the purchase price and investors may therefore lose some or all of their investment and may not be able to reinvest the proceeds in another investment offering a comparable rate of return**

The Securities may be redeemed prior to their scheduled maturity in certain circumstances – for example, (i) if the Issuer determines that its obligations under the Securities or its hedging arrangements have become unlawful or illegal, (ii) following an event of default, (iii) following certain events having occurred in relation to the Preference Shares, or (iv) following receipt by the Issuer from the Preference Share Issuer that the Preference Shares will be redeemed early (the circumstances pursuant to which the Preference Shares may be redeemed early are described below under "Preference Share Early Redemption Event"). In such case, the Securities may be redeemed early prior to their scheduled maturity for an amount equal to the Unscheduled Termination Amount.

The Unscheduled Termination Amount will be equal to: (i) if the Securities are redeemed early following an event of default, the value of the Securities immediately prior to them becoming due and payable following such event of default, as calculated by the Calculation Agent using its then prevailing internal models and methodologies, and which amount may be based on or may take account of, amongst other factors, (A) the time remaining to maturity of the Securities, (B) the interest rates at which banks lend to each other, (C) the interest rate at which the Issuer (or its affiliates) is charged to borrow cash, (D) the value, expected future performance and/or volatility of the Preference Shares, (E) the creditworthiness of the Issuer (including, but not limited to, an actual or anticipated downgrade in its credit rating), and (F) any other information which the Calculation Agent deems relevant, provided that such calculation shall not take account of any additional or immediate impact of the event of default itself on the Issuer's creditworthiness (including, but not limited to, an actual or anticipated downgrade in its credit rating), or (ii) in all other cases, an amount calculated by the Calculation Agent on the same basis as the Redemption Amount, except that, for this purposes, the value of the Preference Shares on the date on which the Securities are scheduled to be early redeemed (or such earlier date to the extent necessary) will be used in place of the value of the Preference Shares on the scheduled valuation date.

The Unscheduled Termination Amount may be less (and, in certain circumstances, significantly less) than the initial investment in the Securities, and investors may lose some or all of their investment.

Following any such early redemption of Securities, the holders of such Securities may be unable to reinvest the redemption proceeds in an investment having a comparable rate of return. Investors in Securities should consider such reinvestment risk in light of other investments available at that time.

In making any such determinations, the Issuer in such capacity will (whether or not already expressed to be the case in the Conditions) act in good faith and in a commercially reasonable manner, and (where there is a corresponding applicable regulatory obligation) shall take into account whether fair treatment is achieved by any such adjustments or determinations in accordance with its applicable regulatory obligations.

Preference Share Early Redemption Event

The Preference Share Issuer may redeem the Preference Shares early following the occurrence of certain events in relation to the Preference Shares or the Preference Share Issuer (such as, (i) if the performance of the Preference Share Issuer's obligations under the Preference Shares or its related hedging arrangements become or will become illegal, (ii) a change in law occurs that results in the Preference Share Issuer being subject to additional regulatory supervision or subject to any additional materially onerous legal requirements, regulations or taxes, (iii) an external event affecting the Preference Share Underlying(s), or (iv) an external event which affects the Preference Share Issuer's hedging arrangements or the obligor of any financial product linked to the Preference Shares). In such case, the Preference Share Issuer may redeem the Preference Shares at their fair market value less any costs associated with the early redemption of the Preference Shares including, if specified to be applicable in the terms and conditions of the Preference Shares, the costs of unwinding any hedging arrangements relating to the Preference Shares or the Preference Share-Linked Securities.

Please refer to the section headed "Overview of the Potential for Discretionary Determinations" for more information.

(i) **The Issuer of Securities may be substituted without the consent of Securityholders**

The Issuer of Securities may be substituted without the consent of Securityholders in favour of any affiliate of the Issuer or another company with which it consolidates, into which it merges or to which it sells or transfers all or substantially all of its property, subject to certain conditions being fulfilled.

(j) **Proposed Financial Transactions Tax**

The European Commission has published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transaction tax ("**FTT**") which is currently being considered by Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (i) by transacting with a person established in a participating Member State or (ii) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective investors in Securities are advised to seek their own professional advice in relation to the FTT.

(k) **Issue of further Securities**

If additional securities or options with the same terms and conditions or linked to the same Preference Share Underlying(s) as the Securities are subsequently issued, either by the Issuer or another issuer, the supply of securities with such terms and conditions or linked to such Preference Share Underlying(s) in the primary and secondary markets will increase and may cause the secondary market price of the Securities to decline.

(l) **Risk of withdrawal of offering and/or cancellation of issue of Securities**

In the case of public offers, the Issuer may provide in the relevant Final Terms that it is a condition of the offer that the Issuer reserves the right to withdraw the offer and/or cancel the issue of Securities at any time. The Issuer may determine to withdraw the offer and/or cancel the issue of Securities for reasons beyond its control, such as extraordinary events, substantial change of the political, financial, economic, legal, monetary or market conditions at national or international level and/or adverse events regarding the financial or commercial position of the Issuer and/or the other relevant events that in the determination of the Issuer may be prejudicial to the offer and/or issue of the Securities. In such circumstances, the offer will be deemed to be null and void. In such case, where an investor has already paid or delivered subscription monies for the relevant Securities, the investor will be entitled to reimbursement of such amounts, but will not receive any interest that may have accrued in the period between their payment or delivery of subscription monies and the reimbursement of the amount paid for such Securities.

(m) **The terms and conditions of the Securities may be modified without the consent of Securityholders**

The terms and conditions of the Securities may be modified without the consent of Securityholders for the purposes of (i) curing any ambiguity or correcting or supplementing any provision if the Issuer determines it to be necessary or desirable, provided that such modification is not prejudicial to the interests of Securityholders, or (ii) correcting a manifest error.

(n) **CREST Depository Interests ("CDIs")**

Investors in CDIs will not be the legal owners of the Securities to which such CDIs relate (such Securities being "**Underlying Securities**"). CDIs are separate legal instruments from the Underlying Securities and represent indirect interests in the interests of the CREST Nominee in such Underlying Securities. CDIs will be issued by the CREST Depository to investors and will be governed by English law.

The Underlying Securities (as distinct from the CDIs representing indirect interests in such Underlying Securities) will be held in an account with a custodian. The custodian will hold the Underlying Securities through the relevant Clearing System. Rights in the Underlying Securities will be held through custodial and depository links through the relevant Clearing System. The legal title to the Underlying Securities or to interests in the Underlying Securities will depend on the rules of the relevant Clearing System in or through which the Underlying Securities are held.

Rights in respect of the Underlying Securities cannot be enforced by holders of CDIs except indirectly through the CREST Depository and CREST Nominee who in turn can enforce rights indirectly through the intermediary depositaries and custodians described above. The enforcement of rights in respect of the Underlying Securities will therefore be subject to the local law of the relevant intermediary.

These arrangements could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Securities in the event of any insolvency or liquidation of the relevant intermediary, in particular where the Underlying Securities held in clearing systems are not held in special purpose accounts

and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

If a matter arises that requires a vote of Securityholders, Credit Suisse AG may make arrangements to permit the holders of CDIs to instruct the CREST Depository to exercise the voting rights of the CREST Nominee in respect of the Underlying Securities. However, there is no guarantee that it will be possible to put such voting arrangements in place for holders of CDIs.

Holders of CDIs will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to the CREST International Manual (June 2015) (which forms part of the CREST Manual issued by Euroclear UK & Ireland Limited and as amended, modified, varied or supplemented from time to time (the "**CREST Manual**")) and the CREST Rules (contained in the CREST Manual) applicable to the CREST International Settlement Links Service. Holders of CDIs must comply in full with all obligations imposed on them by such provisions.

Investors in CDIs should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by holders of CDIs and limitations on the liability of the CREST Depository as issuer of the CDIs. Holders of CDIs may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them.

Investors in CDIs should note that holders of CDIs may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Underlying Securities through the CREST International Settlement Links Service.

Investors in CDIs should note that none of the Issuer, any Dealer or any Agent will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders acting in connection with CDIs or for the respective obligations of such intermediaries, participants or accountholders under the rules and procedures governing their operations.

(o) **Risks relating to the Euro and the Euro zone**

The ongoing deterioration of the sovereign debt of several countries, in particular Greece, together with the risk of contagion to other, more stable, countries, such as France and Germany, has raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Euro zone.

Concerns persist regarding the risk that other Euro zone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Cyprus, Greece, Ireland, Italy, Spain and Portugal, together with the risk that some countries could leave the Euro zone (either voluntarily or involuntarily). The impact of these events on Europe and the global financial system could be severe and could have a negative impact on the Securities.

Furthermore, concerns that the Euro zone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Euro zone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. The departure or risk of departure from the Euro by one or more Euro zone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Issuer and the Securities (including the risks of currency losses arising out of redenomination). Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro-denominated Securities would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Securities. It is difficult to predict the final outcome of the Euro zone crisis. Investors should carefully consider how changes to the Euro zone may affect their investment in the Securities.

(p) **Optional redemption by the Issuer**

Any call option of the Issuer in respect of the Securities may negatively impact their market value. During any period when the Issuer may elect to redeem Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem Securities when its cost of borrowing is lower than the interest rate payable on the Securities. At those times, an investor may not be able to reinvest the redemption proceeds at a comparable rate of return and/or at an effective interest rate as high as the interest rate or yield on the Securities being redeemed. The investor will not be able to participate in the performance of the Preference Shares or relevant Preference Share Underlying following the effective date of the Issuer call option.

(q) **Interest rate risks**

Where Securities bear interest at a fixed rate, subsequent changes in market interest rates may adversely affect the value of the Securities.

Where interest on Securities is subject to floating rates of interest that will change subject to changes in market conditions, such changes could adversely affect the interest amount(s) received on the Securities. As the interest income on Securities which bear interest at a floating rate will vary, it is not possible to determine a fixed yield on such Securities at the time of investment and to compare the return on investment of such Securities with investments bearing interest at a fixed rate. If the terms and conditions of the Securities provide for frequent interest payment dates, a Securityholder may only be able to reinvest the interest amount(s) paid to it at the prevailing interest rates, which may be lower if market interest rates decline. Further, if the floating rate becomes negative, any positive margin specified to be applicable to a floating rate will be reduced accordingly, and as such, the resulting rate of interest on the Securities may be less than the positive margin, or may be zero (or such other minimum rate of interest), as specified in the relevant Issue Terms.

4. **General risks relating to Preference Share-Linked Securities**

(a) **General risks**

The Redemption Amount payable at the maturity of each series of Preference Share-Linked Securities is dependent upon the change in the value of the relevant Preference Shares to which the Securities of the relevant series are exposed during their investment term. The value of the relevant Preference Shares may fluctuate up or down depending on (i) the performance of the relevant Preference Share Underlying(s) as set out in the terms and conditions of the Preference Shares (the "**Preference Share Terms and Conditions**") and (ii) the financial condition and standing of the Preference Share Issuer. If, as a result of the performance of the Preference Share Underlying(s), the performance of the Preference Shares is negative, the value of the Preference Share-Linked Securities will be adversely affected. If the Preference Share Issuer for a particular Series of Preference Shares cannot meet all its obligations in respect of all Classes of Preference Shares within the Series, then the available funds for the Series will be distributed amongst the shareholders of such Series, pro-rata on the basis of the number of shares held, and the shareholder shall have no further recourse against the Preference Share Issuer. Further, if there are two or more Classes in a Series which have different final redemption dates and the assets of the Series are insufficient to pay in full the payments scheduled to be paid in respect of the Preference Shares of each Class, the percentage of the payment to be received by the shareholders of the Class to be redeemed first will be higher than the ones to be redeemed later. This could negatively affect the value of the Preference Share of the relevant Class and therefore the value of the Securities. Purchasers of Preference Share-Linked Securities risk losing all or a part of their investment if the value of the Preference Shares declines over the investment term of such Securities.

Investors should be aware that the Securities are capital at risk investments and they are exposed to the performance of the Preference Shares which are, in turn, exposed to the performance of the Preference Share Underlying(s).

The Preference Share Terms and Conditions provide that the Preference Shares will be redeemable on their final redemption date (or otherwise in accordance with the Preference Share Terms and Conditions). On redemption, the Preference Shares will

carry preferred rights to receive an amount calculated by reference to the Preference Share Underlying(s).

Investors should review the Preference Share Terms and Conditions and the information memorandum describing the Preference Shares (including the risk factors) and ensure that they understand how the performance of the Preference Shares and Preference Share Underlying(s) will affect the Securities. Investors should consult with their own professional advisers if they consider it necessary.

A Preference Share and its exposure to the Preference Share Underlying(s) may involve complex risks, which include, among other things, share price risks, credit risks, commodity risks, foreign exchange risks, interest rate risks, political risks, tax risks, inflation risks and/or issuer risks, only some of which are referred to above. If the Preference Shares are linked to a Preference Share Underlying in an emerging market country there may be additional risks, including event, market, liquidity, regulatory, settlement and holder risks and investors should note that the risk of occurrence and the severity of the consequences of the matters described herein may be greater than they would otherwise be in relation to more developed countries.

If there is a disruption event that affects the ability to value the Preference Share Underlying on any day that a valuation is required for the purposes of the relevant Preference Shares, the fallback provisions in the terms and conditions of the relevant Preference Shares will apply. Such fallbacks may include postponement of the relevant valuation or determination by Credit Suisse International in its capacity as the calculation agent and/or the determination agent in respect of the Preference Shares (the "**Preference Share Calculation Agent**"), each of which may have an adverse effect on the value of and return on the relevant Preference Shares and, in turn, the Securities linked to such Preference Shares.

Please refer to the section headed "Overview of the Potential for Discretionary Determinations" for more information.

An investment in Preference Share-Linked Securities will entail significant risks not associated with a conventional debt or equity security. Purchasers of Preference Share-Linked Securities should conduct their own investigations and, in deciding whether or not to purchase the Preference Share-Linked Securities, prospective purchasers should form their own views of the merits of an investment related to the Preference Shares based upon such investigations and not in reliance on any information given in this Base Prospectus.

An investment in the Securities is not the same as an investment in the Preference Shares, the relevant Preference Share Underlying(s), or any securities or other components comprising the relevant Preference Share Underlying(s). In addition, investors will not benefit from any voting rights, dividends or other distributions from or in respect of the Preference Shares or any Preference Share Underlying(s) or any income attributable to any securities or other components comprising any relevant Preference Share Underlying.

None of the Issuer, the Calculation Agent, the Dealer or any of their respective affiliates have undertaken any investigation of the Preference Shares or the Preference Share Underlying(s) for or on behalf of any investor in the Securities.

Except for the publication of the Preference Share Value and as otherwise expressly set out in the Conditions of the Securities, the Issuer will not have any obligation to keep the Securityholders informed as to matters arising in relation to the Preference Shares.

(b) **Risks relating to the Preference Share Underlying(s)**

The Preference Share Underlying may include, but will not be limited to, equity, debt or derivative securities, indices, investments, funds, exchange traded funds, commodities, baskets of securities or indices, currencies, portfolios and trading strategies which may change over time as a result of performance, the exercise of investment management discretion or other factors and will be specified in the terms and conditions of the relevant Class of Preference Shares. Investors should carefully consider the following risks associated with these asset classes, on the basis that the Preference Shares to which the Securities are linked will be affected by their exposure to the relevant Preference Share Underlying:

(i) *Risks relating to the manner in which the Preference Shares give exposure to the relevant Preference Share Underlying*

- (A)
- A "participation" factor of over 100 per cent. means that you may participate disproportionately in the performance of the Preference Shares Underlying(s)*

Where the terms and conditions of the Preference Shares provide that the redemption amount or any other amount payable (as applicable) in respect of such Preference Shares is based upon the performance of the Preference Shares Underlying(s) and is multiplied by a "participation" factor which is over 100 per cent., the Preference Shares, and in turn, the Securityholders, may participate disproportionately in any positive performance and/or may have a disproportionate exposure to any negative performance of the Preference Share Underlying(s). Due to this leverage effect, such Preference Share-Linked Securities will represent a very speculative and risky form of investment since any loss in the value of the Preference Share Underlying(s) carries the risk of a correspondingly higher loss in the Preference Shares and, in turn, the Preference Share-Linked Securities.

- (B)
- A "participation" factor of less than 100 per cent. means that the Preference Shares will not participate in the full positive performance of the Preference Share Underlying(s)*

Where the terms and conditions of the Preference Shares provide that the redemption amount or other amount payable (as applicable) in respect of such Preference Shares is based upon the performance of the Preference Share Underlying(s) and is multiplied by a "participation" factor which is less than 100 per cent., the Preference Shares, and in turn, the Securityholders, will not participate fully in the performance (whether positive or negative) of the Preference Share Underlying(s). In such case, the return on the Preference Shares and, in turn, the Preference Share-Linked Securities will be disproportionately lower than any positive performance of the Preference Share Underlying(s), and may be significantly less than if the holder of the Preference Share-Linked Securities had purchased the Preference Share Underlying(s) directly.

- (C)
- The effect of averaging*

If so provided in the applicable terms and conditions of the Preference Shares, the amount payable on the Preference Shares (whether at maturity or otherwise) will be based on the average of the applicable levels, prices, rates or other applicable values of the Preference Share Underlying(s) on each of the specified averaging dates, and not the simple performance of the Preference Share Underlying(s) over the term of the Preference Shares. For example, if the applicable level, price, rate or other applicable value of the particular Preference Share Underlying(s) dramatically surged on the last of five averaging dates, the amount payable on the Preference Shares and, in turn, the Preference Share-Linked Securities may be significantly less than it would have been had the amount payable been linked only to the applicable level, price, rate or other applicable value of the particular Preference Share Underlying(s) on that last averaging date.

- (D)
- "Worst-of" exposure to the Preference Share Underlying*

In certain circumstances Investors will be exposed to the performance of the Preference Share Underlying which has the worst performance. This means that, irrespective of how the other Preference Share Underlying(s) perform, if any one or more Preference Share Underlyings fail to meet the specified threshold or barrier, this could adversely affect the value of the Preference Shares and, in turn, the value of and return on the Securities. Securityholders could lose some or all of their initial investment.

- (E)
- Cap*

Where the terms and conditions of the Preference Shares provide that any amount payable is subject to a cap, the value of the Preference Shares and therefore exposure of a holder of the Preference Share-Linked Securities to any change in the value of the Preference Share Underlying(s) will be limited, no matter how much the level, price, rate or other applicable value of the Preference Share Underlying(s) rises above the cap level over the term of the Preference Shares. Accordingly, the value of or return on the Preference Shares and, in turn, the Preference Share-Linked Securities, may be significantly less than if the holder of the Preference Share-Linked Securities had purchased the Preference Share Underlying(s) directly.

(ii) *Risks associated with shares (including depositary receipts) as the relevant Preference Share Underlying*

(A) *Factors affecting the performance of shares may adversely affect the value of and return on the Preference Shares and, in turn, the Securities*

The performance of shares (including depositary receipts) is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors as well as company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

(B) *Actions by the issuer of a share (including shares represented by depositary receipts) may adversely affect the value of and return on the Preference Shares and, in turn, the Securities*

The issuer of a share (including depositary receipts) will have no involvement in the offer and sale of the Securities and will have no obligation to any Securityholders. The issuer of a share (including depositary receipts) may take any actions in respect of such share without regard to the interests of holders of relevant Preference Shares or the Securityholders in respect of relevant Securities, and any of these actions could adversely affect the market value of and return on the relevant Preference Shares and, in turn, the relevant Securities.

(C) *Loss of return of dividends in respect of Securities where the relevant Preference Share Underlying is a share*

Holders of Securities where the relevant Preference Share Underlying is a share (including depositary receipts) will not participate in dividends or other distributions paid on such share. Therefore, the return on such Securities will not reflect the return a Securityholder would have realised had it actually owned such shares and received the dividends in respect of them.

(D) *Additional risks associated with Securities where the relevant Preference Share Underlying is or includes a depositary receipt*

(I) The performance of a Preference Share Underlying which is or includes depositary receipts may not reflect the return that would be realisable by holding the relevant shares underlying such depositary receipts and receiving the dividends paid in respect of those shares because the price of the depositary receipts on any specified valuation dates may not take into consideration the value of dividends paid on the underlying shares. Accordingly, a Securityholder of Securities where the Preference Share Underlying(s) are or include depositary receipts may receive a lower payment upon redemption of such Securities than such Securityholder would have received if it had invested directly in the shares underlying the depositary receipts.

(II) The legal owner of shares underlying the depositary receipts is the custodian bank which at the same time is the issuing agent of the depositary receipts. Depending on the jurisdiction under which the depositary receipts have been issued and the jurisdiction to which

the custodian agreement is subject, it cannot be ruled out that the corresponding jurisdiction does not recognise the purchaser of the depositary receipts as the actual beneficial owner of the underlying shares. Particularly in the event that the custodian becomes insolvent or that enforcement measures are taken against the custodian, it is possible that an order restricting free transfer is issued with respect to the shares underlying the depositary receipts or that these shares are realised within the framework of an enforcement measure against the custodian. If this is the case, a holder of such a depositary receipt loses any rights under the underlying shares represented by the depositary receipt and this would in turn have an adverse effect on the performance or value of and return on the Preference Shares and, in turn, the Securities in respect of which the Preference Share Underlying(s) is or includes such depositary receipts.

- (III) Depositary receipts often represent shares of issuers based in emerging market jurisdictions. See risk factor 4(f)(*Emerging market risks*) below.
- (IV) The issuer of the underlying shares may make distributions in respect of their shares that are not passed on to the purchasers of its depositary receipts, which can affect the value of the depositary receipts and this would in turn have an adverse effect on the value of and return on the Preference Shares and, in turn, the Securities in respect of which the Preference Share Underlying(s) is or includes such depositary receipts.

(iii) *Risks associated with equity indices as the relevant Preference Share Underlying*

- (A) *Factors affecting the performance of indices may adversely affect the value of and return on the Preference Shares and, in turn, the Securities*

Indices are comprised of a synthetic portfolio of shares or other assets and, as such, the performance of an index is dependent upon the macroeconomic factors relating to the shares or other components that comprise such index, which may include interest and price levels on the capital markets, currency developments, political factors and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

- (B) *Returns on Securities will not be the same as a direct investment in futures or options on the index or in the underlying components of the index*

An investment in the Securities where the Preference Share Underlying is an index is not the same as a direct investment in futures or option contracts on any or all of the relevant indices nor any or all of the constituents included in each index. In particular, investors will not benefit directly from any positive movements in any index nor will investors benefit from any profits made as a direct result of an investment in such index. Accordingly, changes in the performance of any Index may not result in comparable changes in the market value of or return on the Securities where the Preference Share Underlying is an index.

- (C) *Loss of return of dividends in respect of most Securities with equity indices as the relevant Preference Share Underlying*

The rules of an index might stipulate that dividends distributed on its components do not lead to a rise in the index level, for example, if it is a "price" index. As a result, holders of Securities where such index is the Preference Share Underlying would lose the benefit of any dividends paid by the components of the index and such Preference Share Underlying would not perform as well as a position where such holder had invested directly in such components or where they invested in a "total return" version of the index. Even if the rules of the relevant underlying index

provide that distributed dividends or other distributions of the components are reinvested in the index and therefore result in raising its level, in some circumstances the dividends or other distributions may not be fully reinvested in such index.

- (D) *A change in the composition or discontinuance of an index could have a negative impact on the value of and return on the Preference Shares and, in turn, the Securities*

The sponsor of an index can add, delete or substitute the components of such index or make other methodological changes that could change the level of one or more components. The changing of the components of an index may affect the level of such index as a newly added component may perform significantly worse or better than the component it replaces which, in turn, may adversely affect the value of and return on the relevant Preference Share and therefore of the relevant Securities. The sponsor of an index may also alter, discontinue or suspend calculation or dissemination of such index. The sponsor of an index will have no involvement in the offer and sale of the Securities and will have no obligation to any investor in such Securities. The sponsor of an index may take any actions in respect of such index without regard to the interests of the investor in the Securities in respect of which the Preference Share Underlying(s) is or includes such index, and any of these actions could have an adverse effect on the value of and return on the Preference Shares and, in turn, the Securities.

- (iv) *Risks associated with commodities as the relevant Preference Share Underlying*

- (A) *Commodity prices may be more volatile than other asset classes*

Trading in commodities may be extremely volatile. Commodity prices are affected by a variety of factors that are unpredictable including, for example, changes in supply and demand relationships, weather patterns and extreme weather conditions, governmental programmes and policies, national and international political, military, terrorist and economic events, fiscal, monetary and exchange control programmes and changes in interest and exchange rates. Commodities markets may be subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, the participation of entities who are neither end-users nor producers and government regulation and intervention. The current or "spot" prices of physical commodities may also affect, in a volatile and inconsistent manner, the prices of futures contracts in respect of a commodity.

Certain emerging market countries – such as China – have become very significant users of certain commodities. Therefore, economic developments in such jurisdictions may have a disproportionate impact on demand for such commodities.

Certain commodities may be produced in a limited number of countries and may be controlled by a small number of producers. Therefore, developments in relation to such countries or producers could have a disproportionate impact on the prices of such commodities.

In summary, commodity prices may be more volatile than other asset classes and investments in commodities may be riskier than other investments. Any of the circumstances described in this section could adversely affect prices of the relevant commodity, and therefore sharply reduce the value of and return on the Preference Shares and, in turn, the Securities in respect of which the Preference Share Underlying(s) is or includes such commodity.

- (B) *Suspension or disruptions of market trading in commodities and related futures contracts may adversely affect the value of and return on the Securities*

The commodity markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets and government regulation and intervention. In addition, U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in contract prices which may occur during a single business day. These limits are generally referred to as "daily price fluctuation limits" and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a "limit price". Once the limit price has been reached in a particular contract, trading in the contract will follow the regulations set forth by the trading facility on which the contract is listed. Limit prices may have the effect of precluding trading in a particular commodity contract, which could adversely affect the value of a commodity and, therefore, the value of and return on the Preference Shares and, in turn, the Securities in respect of which the Preference Share Underlying(s) is or includes such commodity.

(C) *Legal and regulatory changes*

Commodities are subject to legal and regulatory regimes that may change in ways that could affect the ability of the Issuer and/or any of its affiliates to hedge the Issuer's obligations under the Securities. Such legal and regulatory changes could lead to the early redemption of the Preference Shares and/or the Securities. Commodities are subject to legal and regulatory regimes in the United States and, in some cases, in other countries that may change in ways that could adversely affect the value of and return on the Securities.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which provides for substantial changes to the regulation of the futures and over-the-counter ("**OTC**") derivative markets, was enacted in July 2010. The Dodd-Frank Act requires regulators, including the Commodity Futures Trading Commission (the "**CFTC**"), to adopt regulations in order to implement many of the requirements of the legislation. While the CFTC has adopted many of the final regulations and has proposed certain others, the ultimate nature and scope of all potentially relevant regulations cannot yet be determined. Under the Dodd-Frank Act, the CFTC has re-proposed a rule to impose limits on the size of positions that can be held by market participants in futures and OTC derivatives on physical commodities, after the prior version of such rule was struck down by a U.S. Federal court. While the comment period for such rule has expired, it is unclear when such rule will actually take effect, or if there will be any further changes to the version as re-proposed. In addition, the CFTC has made certain changes to the regulations that may subject certain transactions utilising swaps to regulation as "commodity pools", unless an exemption from registration is available. There is only limited interpretive guidance as to the precise meaning, scope and effect of many such regulations.

While the full impact of such regulations is not yet known, these regulatory changes are likely to restrict the ability of market participants to participate in the commodity, future and swap markets and markets for other OTC derivatives on physical commodities to the extent and at the levels that they have in the past. These factors may have the effect of reducing liquidity and increasing costs in these markets as well as affecting the structure of the markets in other ways. In addition, these legislative and regulatory changes are likely to further increase the level of regulation of markets and market participants, and therefore the costs of participating in the commodities, futures and OTC derivative markets. Amongst other things, these changes will require many OTC derivative transactions to be executed on regulated exchanges or trading platforms and cleared through regulated clearing houses. Swap dealers are required to be registered with the CFTC and, in certain cases, the SEC, and are subject to various regulatory requirements, including capital and margin requirements. In addition, the CFTC and certain other U.S. regulatory authorities have adopted rules with respect to the posting and collecting of initial and variation margin, which will apply to many derivative transactions that are not cleared on a regulated exchange or

trading platform. In general, the required margin levels for such uncleared derivatives is higher than would apply if such transaction were centrally cleared. While such rules are being phased in over time, they are already applicable in respect of derivative exposures in excess of specified amounts. The various legislative and regulatory changes, and the resulting increased costs and regulatory oversight requirements, could result in market participants being required to, or deciding to, limit their trading activities, which could cause reductions in market liquidity and increases in market volatility. These consequences could adversely affect the prices of commodities, which could in turn adversely affect the value of and return on the Preference Shares and, in turn, the Securities in respect of which the Preference Share Underlying(s) is or includes such commodity.

The adoption of any changes in law, which may include (but not be limited to) position limit regulations and other measures which may interfere with the ability of the Issuer (or any of its affiliates) to hedge its obligations under the Securities, may result in the occurrence of a "Change in Law" or a "Hedging Disruption", each of which is an Additional Disruption Event.

The Markets in Financial Instruments Directive (as amended, varied or replaced from time to time including through the implementation of Directive 2014/65/EU) ("**MIFID II**") and the Markets in Financial Instruments Regulation ("**MIFIR**") impose a number of key changes aimed at reducing systemic risk, combating disorderly trading and reducing speculative activity in commodity derivatives markets through the imposition of new position limits and management powers by trading venues and national regulators and the grant of additional intervention powers to ESMA. These apply from 3 January 2018 and could have an adverse effect on the prices of commodities and the return on and value of the Preference Shares and, in turn, the Securities in respect of which the Preference Share Underlying(s) is or includes such commodity.

The European Market Infrastructure Regulation (Regulation (EU) No 648/2012) ("**EMIR**") requires mandatory clearing of certain OTC derivative contracts, reporting of derivatives and risk mitigation techniques (including margin requirements) for uncleared OTC derivative contracts. EMIR will likely impact a number of market participants and may increase the cost of transacting certain derivatives. As and when implementing measures in relation to this regulation are adopted or if other regulations or implementing measures in relation to these regulations are adopted in the future, they could have an adverse impact on the price of a commodity, and the value of and return on the Preference Shares and, in turn, the Securities in respect of which the Preference Share Underlying(s) is or includes such commodity.

(v) *Risks associated with foreign exchange rates as the relevant Preference Share Underlying*

(A) *Factors affecting the performance of the relevant foreign exchange rate may adversely affect the value of and return on the Securities*

The performance of foreign exchange rates, currency units or units of account are dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates as well as the availability of a specified currency. Any

such measures could have a negative impact on the value of and return on the Preference Shares and, in turn, the Securities.

(B) *Currency exchange risks are likely to be heightened in periods of financial uncertainty*

Currency exchange risks can be expected to heighten in periods of financial turmoil. In periods of financial turmoil, capital can move quickly out of regions that are perceived to be more vulnerable to the effects of the crisis than others with sudden and severely adverse consequences to the currencies of those regions. In addition, governments around the world have recently made, and may be expected to continue to make, very significant interventions in their economies, and sometimes directly in their currencies. It is not possible to predict the effect of any future legal or regulatory action relating to exchange rates. Further interventions, other government actions or suspensions of actions, as well as other changes in government economic policy or other financial or economic events affecting the currency markets - including the replacement of entire currencies with new currencies - may cause currency exchange rates to fluctuate sharply in the future, which could have a negative impact on the value of and return on the Preference Shares and, in turn, the Securities.

(vi) *Risks associated with exchange traded funds as the relevant Preference Share Underlying*

(A) *Where the relevant Preference Share Underlying is or includes an exchange traded fund, there is a risk that such exchange traded fund will not accurately track its underlying share or index*

Where the relevant Preference Share Underlying(s) in respect of the Securities is or includes an exchange traded fund ("ETF") and the investment objective of such ETF is to track the performance of a share or an index, the investors of such Securities are indirectly exposed to the performance of such ETF rather than the underlying share or index such ETF tracks. For certain reasons, including to comply with certain tax and regulatory constraints, an ETF may not be able to track or replicate the constituent securities of the underlying share or index, which could give rise to a difference between the performance of the underlying share or index and such ETF. Accordingly, investors who purchase Securities in respect of which the relevant Preference Share Underlying(s) is or includes an ETF may receive a lower return than if such investors had invested directly in the share or the index underlying such ETF.

(B) *Action by fund adviser, fund administrator or sponsor of an ETF may adversely affect the Securities*

The fund adviser, fund administrator or sponsor of an ETF will have no involvement in the offer and sale of Securities in respect of which the Preference Share Underlying(s) is or includes such ETF and will have no obligation to any investor in such Securities. The fund adviser, fund administrator or sponsor of an ETF may take any actions in respect of such ETF without regard to the interests of the Securityholders, and any of these actions could adversely affect the value of and return on the Preference Shares and, in turn, the Securities.

(vii) *Risks associated with inflation indices as the relevant Preference Share Underlying*

The level of an inflation index may lag or otherwise not track the actual level of inflation in the relevant jurisdiction. Inflation indices may not correlate with other indices and may not correlate perfectly with the rate of inflation experienced by investors in the Securities in such jurisdiction. The value of the Securities in respect of which the relevant Preference Share Underlying is or includes an inflation index may be based on a calculation made by reference to such inflation index for a month which is several months prior to the date of payment on the

Securities and therefore could be substantially different from the level of inflation at the time of the payment on the Securities.

(viii) *Risks associated with Proprietary Indices as the relevant Preference Share Underlying*

Where a Preference Share Underlying is an index composed or sponsored by the Issuer, one of its affiliates or a third party (the "**Index Creator**") (a "**Proprietary Index**"), Securityholders should be aware of the following risks associated with a Proprietary Index:

- (A) The rules of a Proprietary Index may be amended by the Index Creator. No assurance can be given that any such amendment would not be prejudicial to Securityholders. The Index Creator has no obligation to take into account the interests of Securityholders when determining, composing or calculating such Proprietary Index and the Index Creator can at any time, and in its sole discretion, modify or change the method of calculating such Proprietary Index or cease its calculation, publication or dissemination. Accordingly, actions and omissions of the Index Creator may affect the value of such Proprietary Index and, consequently, the value of and return on the relevant Preference Shares and, in turn, the Securities. The Index Creator is under no obligation to continue the calculation, publication and dissemination of a Proprietary Index.
- (B) The value of a Proprietary Index is published subject to the provisions in the rules of such Proprietary Index. None of the Issuer, the Index Creator or the relevant publisher is obliged to publish any information regarding such Proprietary Index other than as stipulated in the rules of such Proprietary Index.
- (C) A Proprietary Index may be calculated so as to include certain deductions or adjustments that synthetically reflect certain factors which may include (I) the transaction and servicing costs that a hypothetical investor would incur if such hypothetical investor were to enter into and maintain a series of direct investment positions to provide the same exposure to the constituents of such Proprietary Index, or (II) a notional fee representing the running and maintenance costs of such Proprietary Index. Such deductions will act as a drag on the performance of a Proprietary Index such that the level of such Proprietary Index would be lower than it would otherwise be, and this may result in an adverse effect on the value of and return on the Preference Shares and, in turn, the Securities.

(ix) *Regulation and reform of "benchmarks", including LIBOR, EURIBOR and other interest rate, equity, commodity, foreign exchange rate and other types of benchmarks*

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate, equity, commodity, foreign exchange rate and other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform. Following any such reforms, benchmarks may perform differently than in the past or disappear entirely, or there could be other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Preference Shares linked to such a "benchmark" (and, in turn, the Securities).

Key regulatory proposals and initiatives in this area include (amongst others) IOSCO's Principles for Financial Market Benchmarks, published in July 2013 (the "**IOSCO Benchmark Principles**"), the EU Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**"), and the transition, proposed by the UK's Financial Conduct Authority (the "**FCA**"), away from LIBOR to one or more alternative benchmarks.

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability as well as the quality and transparency of benchmark design and methodologies. Subsequent implementation reviews

have found that widespread efforts are being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed. However, the reviews also note that, as the "benchmarks industry" is in a state of flux, IOSCO may need to take further steps in the future - although it is not yet clear what these steps might be.

The Benchmark Regulation entered into force in June 2016 and will become fully applicable in the EU on 1 January 2018 (save that certain provisions, including those related to "critical benchmarks", took effect as at 30 June 2016), subject to certain transitional provisions. The Benchmark Regulation applies to "contributors" to, "administrators" of, and "users" of benchmarks in the EU. When fully applicable (from 1 January 2018), it will, among other things, (a) require EU benchmark administrators to be authorised or registered and to comply with requirements relating to the administration of benchmarks, (b) prohibit the use in the EU of benchmarks provided by EU administrators which are not authorised or registered in accordance with the Benchmark Regulation, and (c) prohibit the use in the EU of benchmarks provided by non-EU administrators which are not (i) authorised or registered and subject to supervision in a jurisdiction in respect of which an "equivalence" decision has been adopted in accordance with the Benchmark Regulation, or (ii) where such equivalence decision is pending, "recognised" by the competent authorities of the applicable EU Member State(s). An exception to this is that a benchmark provided by a non-EU administrator can itself be endorsed for use in the EU by an EU authorised or registered administrator or an EU-based supervised entity, following authorisation of the endorsement by the relevant competent authority.

The scope of the Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices such as EURIBOR, will, when fully applicable, apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices. This will include "proprietary" indices or strategies where these are used to (i) determine the amount payable under, or the value of, certain financial instruments (including securities or OTC derivatives listed on an EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF) or traded via a systematic internaliser), (ii) determine the amount payable under certain financial contracts, or (iii) measure the performance of an investment fund. The requirements of the Benchmark Regulation vary depending on the category of benchmark in question. In particular, a lighter touch regime applies to benchmarks which are not interest rate or commodity benchmarks where the total average value of financial instruments, financial contracts or investment funds referencing the benchmark over a period of six months is less than €50bn (subject to further conditions).

The Benchmark Regulation could have a material impact on Preference Shares linked to a "benchmark" rate or index, including in any of the following circumstances:

- a rate or index which is a benchmark could be prohibited from being used in the EU if (subject to applicable transitional provisions) its administrator is (i) based in the EU and does not obtain authorisation or registration, or (ii) based in a non-EU jurisdiction which does not satisfy the "equivalence" conditions and is not "recognised" pending an equivalence decision. In such event, depending on the particular "benchmark" and the applicable terms of the Securities and/or the Preference Shares, the Securities and/or the Preference Shares could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted; and
- the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could reduce or increase the rate or level or affect the volatility of the published rate or level, and could lead to adjustments to the terms of the Securities and/or the Preference Shares, including the Calculation Agent determination of the rate or level in its discretion.

In a speech in July 2017, the Chief Executive of the FCA committed the FCA to begin planning a transition away from LIBOR to alternative reference rates that are based on actual transactions, such as SONIA (the Sterling Over Night Index

Average). The speech envisaged the current LIBOR arrangements continuing until at least the end of 2021.

Ongoing international and/or national reform initiatives and the increased regulatory scrutiny of benchmarks generally could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any applicable regulations or requirements. Such factors may discourage market participants from continuing to administer or contribute to benchmarks, trigger changes in the rules or methodologies used in respect of benchmarks, and/or lead to the disappearance of benchmarks, including LIBOR. This could result in adjustment to the terms and conditions, early redemption, discretionary valuation by the Calculation Agent, delisting or other consequence in relation to Securities or Preference Shares linked to such "benchmark". Any such consequence could have a material adverse effect on the value of and return on any such Securities.

(x) *Risks associated with Securities where the Preference Shares give exposure to a Preference Share Underlying that comprises or includes a basket*

(A) *If the basket constituents are highly correlated, any move in the performance of the basket constituents will exaggerate the impact on the value of the Preference Shares and, in turn, the Securities*

Correlation of basket constituents indicates the level of interdependence among the individual basket constituents with respect to their performance. If, for example, all of the basket constituents originate from the same sector and the same country, a high positive correlation may generally be assumed. Past rates of correlation may not be determinative of future rates of correlation. Investors should be aware that, though basket constituents may not appear to be correlated based on past performance, they may nevertheless suffer the same negative performance following a general downturn.

(B) *The negative performance of a single basket constituent may outweigh a positive performance of one or more other basket constituents*

Even in the case of a positive performance by one or more of the basket constituents, the performance of the basket as a whole may be negative if the performance of one or more of the basket constituents is negative to a greater extent, depending on the terms and conditions of the relevant Preference Shares.

(C) *A small basket, or an unequally weighted basket, will generally leave the basket more vulnerable to changes in the value of any particular basket constituent*

The performance of a basket that includes a fewer number of basket constituents will generally be more affected by changes in the value of any particular basket constituent than a basket that includes a greater number of basket constituents.

(D) *A change in composition of a basket may have an adverse effect on basket performance*

Where the terms and conditions of the Preference Shares grant the Preference Share Issuer the right, in certain circumstances, to adjust the composition of the basket, investors should be aware that any replacement basket constituent may perform differently from the original basket constituent, which may have an adverse effect on the performance of the basket and therefore the performance of the Preference Shares and, in turn, the Preference Share-Linked Securities.

(c) **Past performance of a Preference Share Underlying is not an indicator of future performance**

Any information about the past performance of a Preference Share Underlying at the time of the issuance of the Securities should not be regarded as a reliable indicator of

the range of, or trends in, fluctuations in such Preference Share Underlying that may occur in the future. The level, price, rate or other applicable value of a Preference Share Underlying(s) (and, if applicable, of any constituent of such Preference Share Underlying(s)) may go down as well as up throughout the term of the Preference Shares and Securities. Such fluctuations will affect the value of and return on the Preference Shares and, in turn, the Securities. There can be no assurance as to the future performance or movement of any Preference Share Underlying(s) or the Preference Shares. Accordingly, before investing in the Securities, investors should carefully consider whether any investment giving exposure to the relevant Preference Share Underlying(s) is suitable for them.

(d) **No rights of ownership in the Preference Shares or the relevant Preference Share Underlying(s)**

Potential investors in the Securities should be aware that the Securities are unsecured obligations of the Issuer and that neither the relevant Preference Shares nor the relevant Preference Share Underlying will be held by the Issuer for the benefit of the Securityholders of such Securities and, as such, Securityholders will have no rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to any Preference Shares or the relevant Preference Share Underlying(s).

(e) **Exposure to currency risks**

Investors may be exposed to currency risks affecting the performance of the relevant Preference Share Underlying(s). Investors will also be exposed to currency risks if the Securities are denominated or the Preference Shares and/or the Preference Share Underlying(s) are denominated in currencies other than the currency of the country in which the investor is resident. The value of the Securities may therefore increase or decrease as a result of fluctuations in those currencies.

(f) **Emerging market risks**

The relevant Preference Share Underlying may include an exposure to emerging markets. Emerging market countries possess one or more of the following characteristics: a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns or a financial market that is still at the development state or a weak economy. Emerging markets investments usually result in higher risks such as event risk, political risk, economic risk, credit risk, currency rate risk, market risk, regulatory/legal risk and trade settlement, processing and clearing risks as further described below. Investors should note that the risk of occurrence and the severity of the consequences of such risks may be greater than they would otherwise be in relation to more developed countries:

(i) *Event risk*

On occasion, a country or region will suffer an unforeseen catastrophic event (for example, a natural disaster) which causes disturbances in its financial markets, including rapid movements in its currency, that will affect the value of securities in, or which relate to, that country. Furthermore, the performance of the relevant Preference Share Underlying can be affected by global events, including events (political, economic or otherwise) occurring in a country other than that in which the relevant Preference Share Underlying is issued or traded.

(ii) *Political risk*

Many emerging market countries are undergoing, or have undergone in recent years, significant political change which has affected government policy, including the regulation of industry, trade, financial markets and foreign and domestic investment. The relative inexperience with such policies and instability of these political systems leave them more vulnerable to economic hardship, public unrest or popular dissatisfaction with reform, political or diplomatic developments, social, ethnic, or religious instability or changes in government policies. Such circumstances, in turn, could lead to a reversal of some or all political reforms, a backlash against foreign investment, and possibly even a movement away from a market-oriented economy. The results may include confiscatory taxation, exchange controls, compulsory re-acquisition,

nationalisation or expropriation of foreign-owned assets without adequate compensation or the restructuring of particular industry sectors in a way that could adversely affect investments in those sectors. Any perceived, actual or expected disruptions or changes in government policies of a country, by elections or otherwise, can have a major impact on the performance of the relevant Preference Share Underlying and, in turn, the Preference Shares linked to such Preference Share Underlying.

(iii) *Economic risk*

The economies of emerging market countries are by their nature in early or intermediate stages of economic development, and are therefore more vulnerable to rising interest rates and inflation. In fact, in many emerging market countries, high interest and inflation rates are the norm. Rates of economic growth, corporate profits, domestic and international flows of funds, external and sovereign debt, dependence on international trades, and sensitivity to world commodity prices play key roles in economic development, yet vary greatly from one emerging market country to another. Businesses and governments in these emerging market countries may have a limited history of operating under market conditions. Accordingly, when compared to more developed countries, businesses and governments of emerging market countries are relatively inexperienced in dealing with market conditions and have a limited capital base from which to borrow funds and develop their operations and economies. In addition, the lack of an economically feasible tax regime in certain countries poses the risk of sudden imposition of arbitrary or excessive taxes, which could adversely affect the relevant Preference Share Underlying. Furthermore, many emerging market countries lack a strong infrastructure and banks and other financial institutions may not be well-developed or well regulated. All of the above factors, as well as others, can affect the proper functioning of the economy and have a corresponding adverse effect on the performance of the relevant Preference Share Underlying exposed to one or more emerging market countries.

(iv) *Credit risk*

Emerging market sovereign and corporate debt tends to be riskier than sovereign and corporate debt in established markets. Issuers and obligors of debt in these emerging market countries are more likely to be unable to make timely interest or principal payments, thereby causing the underlying debt or loan to go into default. The sovereign debt of some countries is currently in technical default and there are no guarantees that such debt will eventually be restructured allowing for a more liquid market in that debt. The measure of a company's or government's ability to repay its debt affects not only the market for that particular debt, but also the market for all securities related to that company or country.

Additionally, evaluating credit risk for foreign bonds involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult. Many debt securities are simply unrated and may already be in default or considered distressed. There is often less publicly available business and financial information about foreign issuers in emerging market countries than those in developed countries. Furthermore, foreign companies are often not subject to uniform accounting, auditing and financial reporting standards. Also, some emerging market countries may have accounting standards that bear little or no resemblance to, or may not even be reconcilable with, generally accepted accounting principles.

(v) *Currency risk*

The Securities and the Preference Shares may be denominated in a currency other than U.S. dollars, euro or pounds sterling. The weakening of a country's currency relative to the U.S. dollar or other benchmark currencies will negatively affect the value (in U.S. dollar or such other benchmark currency) of an instrument denominated in that currency. Currency valuations are linked to a host of economic, social and political factors and can fluctuate greatly, even during intra-day trading. It is important to note that some countries have foreign exchange controls which may include the suspension of the ability to exchange

or transfer currency, or the devaluation of the currency. Hedging can increase or decrease the exposure to any one currency, but may not eliminate completely exposure to changing currency values.

(vi) *Market risk*

The emerging equity and debt markets of many emerging market countries, like their economies, are in the early stages of development. These financial markets generally lack the level of transparency, liquidity, efficiency and regulation found in more developed markets. It is important, therefore, to be familiar with secondary market trading in emerging markets securities and the terminology and conventions applicable to transactions in these markets.

Price volatility in many of these markets can be extreme. Price discrepancies can be common as can market dislocation. Additionally, as news about a country becomes available, the financial markets may react with dramatic upswings and/or downswings in prices during a very short period of time. These emerging market countries also might not have regulations governing manipulation and insider trading or other provisions designed to "level the playing field" with respect to the availability of information and the use or misuse thereof in such markets. It may be difficult to employ certain risk management practices for emerging markets securities, such as forward currency exchange contracts, stock options, currency options, stock and stock index options, futures contracts and options on futures contracts.

(vii) *Regulatory/legal risk*

In emerging market countries there is generally less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers and issuers than in more developed countries. Whatever supervision is in place may be subject to manipulation or control. Many emerging market countries have mature legal systems which are comparable to those of more developed countries, whilst others do not. The process of regulatory and legal reform may not proceed at the same pace as market developments, which could result in confusion and uncertainty and, ultimately, increased investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain areas, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary application or interpretation and may be changed with retroactive effect. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. Judges and courts in many countries are generally inexperienced in the areas of business and corporate law. Companies are exposed to the risk that legislatures will revise established law solely in response to economic or political pressure or popular discontent. There is no guarantee that a foreign Securityholder would obtain a satisfactory remedy in local courts in case of a breach of local laws or regulations or a dispute over ownership of assets. A Securityholder may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in foreign courts.

(viii) *Trade Settlement, processing and clearing*

Many emerging market countries have different clearance and settlement procedures from those in more developed countries. For many emerging markets securities, there is no central clearing mechanism for settling trades and no central depository or custodian for the safekeeping of securities. Custodians can include domestic and foreign custodian banks and depositaries, among others. The registration, record keeping and transfer of securities may be carried out manually, which may cause delays in the recording of ownership. There are times when settlement dates are extended, and during the interim the market price of any Preference Share Underlying, any Preference Shares and, in turn, the value of the Securities, may change. Moreover, certain markets have experienced times when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. Because of the lack of standardised settlement procedures, settlement risk is more prominent than in more mature markets. In addition, Securityholders may be subject to operational

risks in the event that Securityholders do not have in place appropriate internal systems and controls to monitor the various risks, funding and other requirements to which Securityholders may be subject by virtue of their activities with respect to emerging market securities.

(g) **Substitute Dividend and Dividend Equivalent Payments**

Under section 871(m) of the United States Internal Revenue Code of 1986 (the "**Code**") and regulations thereunder, a payment on a financial instrument that references a US equity or an index that includes a US equity may be treated as a "dividend equivalent" payment. Such payments generally will be subject to US withholding tax at a rate of 30 per cent. If withholding applies, the Issuer will not pay any additional amounts with respect to amounts withheld. The relevant Issue Terms may indicate if the Issuer has determined that a Security is a transaction subject to withholding under section 871(m). Although the Issuer's determination generally is binding on holders, it is not binding on the IRS. The IRS may successfully argue that a Security is subject to withholding under section 871(m), notwithstanding the Issuer's determination to the contrary. Holders should consult their tax advisors regarding the U.S. federal income tax consequences to them of section 871(m) and regulations thereunder, and whether payments or deemed payments on the Securities constitute dividend equivalent payments.

5. **Risks associated with conflicts of interest between the Issuer, the Calculation Agent, the Preference Share Calculation Agent, the Dealer and holders of the Securities**

(a) **Business relationships**

Each of the Issuer, the Calculation Agent, the Preference Share Calculation Agent, the Dealer or any of their respective affiliates may have existing or future business relationships with each other and the Preference Share Issuer (including, but not limited to, lending, depository, derivative counterparty, risk management, advisory and banking relationships), and when acting in such other capacities the Issuer, the Calculation Agent, the Preference Share Calculation Agent, the Dealer or any of their respective affiliates may pursue actions and take steps that it deems necessary or appropriate to protect its interests arising therefrom without regard to the consequences for any particular Securityholder.

(b) **Hedging and dealing activities**

In the ordinary course of its business the Issuer and/or any of its affiliates may effect transactions for its own account or for the account of its customers and may enter into one or more hedging transactions with respect to the Securities or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions in or in respect of the Preference Share Underlying(s) or related derivatives which may affect the market price, liquidity or value of and return on the Securities and which could be adverse to the interest of the relevant Securityholders.

For example, the Issuer (itself or through an affiliate) may hedge the Issuer's obligations under the Securities by purchasing futures and/or other instruments linked to the relevant Preference Share Underlying(s) or (if an index) the stocks or other components underlying the relevant Preference Share Underlying(s). The Issuer (or affiliate) may adjust its hedge by, among other things, purchasing or selling any of the foregoing, and perhaps other instruments linked to the relevant Preference Share Underlying(s) or (if applicable) the components, at any time and from time to time, and may unwind the hedge by selling any of the foregoing on or before the maturity date for the Securities. The Issuer (or affiliate) may also enter into, adjust and unwind hedging transactions relating to other securities whose returns are linked to changes in the level, price, rate or other applicable value of the relevant Preference Share Underlying(s) or (if applicable) the components. Any of these hedging activities may adversely affect the level, price, rate or other applicable value of the relevant Preference Share Underlying(s) – directly or (if applicable) indirectly by affecting the level, price, rate or other applicable value of underlying components – and therefore the value of and return on the Preference Shares and, in turn, the Securities. It is possible that the Issuer (or affiliate) could receive substantial returns with respect to such hedging activities while the value of and return on the Securities may decline.

Moreover, the Issuer (or affiliate) may also engage in trading in one or more of the relevant Preference Share Underlying(s) or (if applicable) the components or instruments whose returns are linked to the relevant Preference Share Underlying(s) or (if applicable) the components, for its proprietary accounts, for other accounts under its management or to facilitate transactions, including block transactions, on behalf of customers. Any of these activities of the Issuer (or affiliate) could adversely affect the level, price, rate or other applicable value of the relevant Preference Share Underlying(s) – directly or (if applicable) indirectly by affecting the level, price, rate or other applicable value of the components – and, therefore, the value of and return on the Preference Shares and, in turn, the Securities. The Issuer (or affiliate) may issue or underwrite other securities or financial or derivative instruments with returns linked to changes in the level, price, rate or other applicable value of the Preference Share Underlying(s) or (if applicable) one or more of the components, as applicable. By introducing competing products into the marketplace in this manner, the Issuer (or affiliate) could adversely affect the value of and return on the Preference Shares and, in turn, the Securities.

(c) **Reliance on Credit Suisse International**

Credit Suisse International acts as Calculation Agent in relation to the Securities and is expected to act as the Preference Share Calculation Agent. If there is any default by Credit Suisse International in its obligations in such capacities, the Securities are likely to be adversely affected. In particular, there may be a delay in calculations and determinations in respect of the Securities being made.

(d) **Conflicts of interest**

The Issuer, the Calculation Agent, the Preference Share Calculation Agent, the Dealer and their affiliates (and any of their employees) may from time to time possess, or have access to, information in relation to the Securities, the Preference Shares and/or the Preference Share Underlying(s) and any derivative instruments referencing them. None of the Issuer, the Calculation Agent, the Preference Share Calculation Agent, the Dealer or any of their affiliates will be obliged (and may be subject to legal prohibition) to disclose any such information to an investor in the Securities.

The Issuer, the Calculation Agent, the Preference Share Calculation Agent or the Dealer and/or any of their respective affiliates may invest and/or deal, for their own respective accounts or for accounts for which they have investment discretion, in the Preference Shares and/or the Preference Share Underlying(s). Such investments may have the same or different terms as the Securities.

Credit Suisse International in its capacity as the Calculation Agent in respect of the Securities and in its capacity as Preference Share Calculation Agent is a member of a group of companies collectively referred to as the "**Credit Suisse Group**". As a result, potential conflicts of interest may arise in acting in its respective capacities. Subject to any relevant regulatory obligations, neither the Calculation Agent nor the Preference Share Calculation Agent owes any duty or responsibility to any holder of Preference Share-Linked Securities to avoid any conflict or to act in the interests of any holder of Preference Share-Linked Securities. The Preference Share Issuer may also rely on members of the Credit Suisse Group (including the Preference Share Calculation Agent) or other service providers to perform its operational requirements. In the event any relevant Credit Suisse Group entities or other service providers fail to perform any obligations, this may adversely affect the value of and return on the Preference Shares and potentially the amounts payable under the Preference Share-Linked Securities.

In addition to providing calculation agency services to any Preference Share Issuer, Credit Suisse International or any of its affiliates may perform further or alternative roles relating to the Preference Share Issuer and any Class of Preference Shares including, but not limited to, for example, being involved in arrangements relating to any Preference Share Underlying (for example as a calculation agent). Further, Credit Suisse International or any of its affiliates may contract with the Preference Share Issuer and/or enter into transactions, including hedging transactions, which relate to the Preference Share Issuer, the Preference Shares or any Preference Share Underlying and as a result Credit Suisse International may face a conflict between its obligations as Preference Share Calculation Agent and its and/or its affiliates' interests in other capacities.

(e) **Calculations and determinations**

In making calculations and determinations with regard to the Securities and the Preference Shares, there may be a difference of interest between (i) the investors and (ii) the Issuer, the Calculation Agent or the Preference Share Calculation Agent. Save where otherwise provided in the terms and conditions of the Securities or the Preference Shares (as applicable), the Issuer and the Calculation Agent or the Preference Share Calculation Agent are required to act in good faith and in a commercially reasonable manner but do not have any obligations of agency or trust for any investors and have no fiduciary obligations towards them. In particular, the Issuer, the Calculation Agent and the Preference Share Calculation Agent and their affiliated entities may have interests in other capacities (such as other business relationships and activities). Prospective investors should be aware that any determination made by the Calculation Agent or the Preference Share Calculation Agent may have a negative impact on the value of and return on the Securities.

Please refer to the section headed "Overview of the Potential for Discretionary Determinations" for more information.

(f) **Credit and fraud risk of the Preference Share Issuer**

Preference Share-Linked Securities are linked to the performance of the Preference Shares issued by the relevant Preference Share Issuer. Investors bear the credit risk of the Preference Share Issuer. The value of the Preference Share-Linked Securities is dependent on the value of the Preference Share, which is dependent on the creditworthiness of the Preference Share Issuer, which may vary over the term of the Preference Share-Linked Securities. The Preference Share Issuer is not an operating company. Its sole business activity is the issue of redeemable preference shares. The Preference Share Issuer does not have any trading assets and does not generate any significant net income. As its funds are limited any misappropriation of funds or other fraudulent action by the Preference Share Issuer or person acting on its behalf would have a significant effect on the value of the Preference Shares which would affect the value of the Preference Share-Linked Securities. For more information on the Preference Share Issuer, please see the section of this Base Prospectus headed "Description of the Preference Share Issuer and the Preference Shares".

6. **Taxation**

Potential purchasers and sellers of the Securities should take note of the information set out in the section headed "Taxation" of this Base Prospectus.

Potential investors in the Securities should conduct such independent investigation and analysis regarding the tax treatment of the Securities as they deem appropriate to evaluate the merits and risks of an investment in the Securities in light of their individual circumstances. Tax risks include, without limitation, a change in any applicable law, treaty, rule or regulation or the interpretation thereof by any relevant authority which may adversely affect payments in respect of the Securities.

The level and basis of taxation on the Securities and on the Securityholders and any reliefs from such taxation depend on the Securityholder's individual circumstances and could change at any time. The tax and regulatory characterisation of the Securities may change over the life of the Securities. This could have adverse consequences for Securityholders. Potential Securityholders will therefore need to consult their own tax advisers to determine the specific tax consequences of the purchase, ownership, transfer and redemption or enforcement of the Securities.

Potential investors in CDIs should take note of the information set forth in the section headed "Taxation" of this Base Prospectus.

Potential investors in CDIs should conduct such independent investigation and analysis regarding the tax treatment of the CDIs as they deem appropriate to evaluate the merits and risks of an investment in the CDIs in light of their individual circumstances. Tax risks include, without limitation, a change in any applicable law, treaty, rule or regulation or the interpretation thereof by any relevant authority which may adversely affect payments in respect of the CDIs.

The level and basis of taxation on the CDIs and on the holders of CDIs and any relief from such taxation depend on the individual circumstances of holders of CDIs and could change at any

time. This could have adverse consequences for holders of CDIs. Potential holders of CDIs will therefore need to consult their own tax advisers to determine the specific tax consequences of the purchase, ownership or transfer of CDIs and the redemption or enforcement of Underlying Securities.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents which shall be deemed to be incorporated in, and form part of, this Base Prospectus (other than in respect of any Exempt Securities), save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

1. Documents incorporated by reference

The following documents are incorporated by reference and have been filed with the CSSF:

- (a) the Form 6-K of CSG and CS filed with the United States Securities and Exchange Commission (the "**SEC**") on 24 March 2017 (the "**Form 6-K Dated 24 March 2017**"), which contains a media release containing proposals for the Annual General Meeting of CSG and information regarding a subsequent event related to full year 2016 earnings and an update of full year 2016 results;
- (b) the Form 20-F of CSG and CS filed with the SEC on 24 March 2017 (the "**Form 20-F Dated 24 March 2017**"), which contains the 2016 Annual Report of CSG (the "**Group Annual Report 2016**") attached as an exhibit thereto;
- (c) the Form 6-K of CS filed with the SEC on 26 April 2017 (the "**Form 6-K Dated 26 April 2017**"), which contains the Credit Suisse Earnings Release 1Q17 attached as an exhibit thereto;
- (d) the Form 6-K of CSG and CS filed with the SEC on 28 April 2017 (the "**Form 6-K Dated 28 April 2017**"), which contains a media release regarding the outcome of the Annual General Meeting of Credit Suisse Group AG on 28 April 2017;
- (e) the Form 6-K of CS filed with the SEC on 4 May 2017 (the "**Form 6-K Dated 4 May 2017**"), which contains the Credit Suisse Financial Report 1Q17 attached as an exhibit thereto;
- (f) the Form 6-K of CSG and CS filed with the SEC on 28 July 2017 (the "**Form 6-K Dated 28 July 2017**"), which contains as exhibits, among other things, (i) the Credit Suisse Financial Report 2Q17, and (ii) the Credit Suisse (Bank) Financial Statements 6M17, within which there is unaudited information for CS and its consolidated subsidiaries for the six months ended 30 June 2017, and (iii) additional 2017 six month financial information for CSG and CS;
- (g) the Form 6-K of the CSG and CS filed with the SEC on 2 November 2017 (the "**Form 6-K Dated 2 November 2017**"), which contains as an exhibit the Credit Suisse Financial Report 3Q17;
- (h) the Form 6-K of CSG and CS filed with the SEC on 13 November 2017 (the "**Form 6-K Dated 13 November 2017**") which contains a media release regarding Credit Suisse's settlement with the New York State Department of Financial Services related to the conduct of Credit Suisse's Foreign Exchange Rates business;
- (i) the Form 6-K of CSG and CS filed with the SEC on 30 November 2017 (the "**Form 6-K Dated 30 November 2017**") which contains a media release relating to its Investor Day presentation;
- (j) the Preference Share-Linked Securities (Andrea Preference Share-Linked Securities) Base Prospectus dated 22 August 2013 under the Credit Suisse AG Structured Products Programme for the Issuance of Notes, Certificates and Warrants (the "**2013 Base Prospectus**");
- (k) the supplement dated 9 September 2013 to the 2013 Base Prospectus ("**9 September 2013 Supplement**");
- (l) the Preference Share-Linked Securities (Andrea Preference Share-Linked Securities) Base Prospectus dated 25 August 2014 under the Credit Suisse AG Structured

Products Programme for the Issuance of Notes, Certificates and Warrants (the "**25 August 2014 Base Prospectus**");

- (m) the Preference Share-Linked Securities (Andrea Preference Share-Linked Securities) Base Prospectus dated 5 December 2014 under the Credit Suisse AG Structured Products Programme for the Issuance of Notes, Certificates and Warrants (the "**5 December 2014 Base Prospectus**");
- (n) the Preference Share-Linked Securities (Andrea Preference Share-Linked Securities) Base Prospectus dated 27 November 2015 under the Credit Suisse AG Structured Products Programme for the Issuance of Notes, Certificates and Warrants (the "**2015 Base Prospectus**");
- (o) the Preference Share-Linked Securities (Andrea Preference Share-Linked Securities) Base Prospectus dated 25 November 2016 under the Credit Suisse AG Structured Products Programme for the Issuance of Notes, Certificates and Warrants (the "**2016 Base Prospectus**"); and
- (p) the supplement dated 13 April 2017 to the 2016 Base Prospectus ("**13 April 2017 Supplement**").

2. Documents Incorporated by Reference Cross-Reference List

The table below sets out the relevant page references for the information incorporated into this Base Prospectus by reference:

Section Number	Section Heading	Sub-heading	Page(s) of the PDF file
Form 6-K Dated 24 March 2017			
	Media Release	Cover Page	1
		Credit Suisse publishes its Annual Report and Agenda for the Annual General Meeting of Shareholders on April 28, 2017	2 to 3
		Update of reported full year 2016 results	3
		Distribution payable out of capital contribution reserves	3
		Authorized Capital for Scrip Dividend	3
		Approval of the compensation of the Board of Directors and the Executive Board	3 to 4
		Consultative vote on the 2016 Compensation Report	4
		Changes to the Board of Directors	4 to 5
		Invitation to the Annual General Meeting and Publication of Agenda	5
		1Q17 earnings release	5
		Information	5 to 6
		Cautionary statement regarding forward-looking information	6 to 7

Section Number	Section Heading	Sub-heading	Page(s) of the PDF file
		Signatures	7
Form 20-F Dated 24 March 2017			
	Form 20-F Dated 24 March 2017	Definitions	6
		Sources	6
		Cautionary statement regarding forward-looking information	6
		Identity of directors, senior management and advisers	7
		Offer statistics and expected timetable	7
		Key information	7
		Information on the company	7 to 8
		Unresolved staff comments	8
		Operating and financial review and prospects	8 to 9
		Directors, senior management and employees	9 to 10
		Major shareholders and related party transactions	10
		Financial information	10 to 11
		The offer and listing	11
		Additional information	11 to 12
		Quantitative and qualitative disclosures about market risk	12
		Description of securities other than equity securities	12
		Defaults, dividend arrearages and delinquencies	12
		Material modifications to the rights of security holders and use of proceeds	12
		Controls and procedures	12
		Audit committee financial expert	12
		Code of ethics	12
		Principal accountant fees and services	13
		Exemptions from the listing standards for audit committee	13

Section Number	Section Heading	Sub-heading	Page(s) of the PDF file
		Purchases of equity securities by the issuer and affiliated purchasers	13
		Change in registrants' certifying accountant	13
		Corporate governance	13
		Mine Safety Disclosure	13
		Financial statements	13
		Exhibits	14
		Signatures	15
Exhibit to Form 20-F Dated 24 March 2017 (Group Annual Report 2016)			
	Key metrics		22
	Table of contents		27
I	Information on the Company	Credit Suisse at a glance	36
		Strategy	37 to 41
		Divisions	42 to 49
		Regulation and supervision	50 to 65
		Risk factors	66 to 74
II	Operating and financial review	Operating environment	76 to 78
		Credit Suisse	79 to 88
		Swiss Universal Bank	89 to 95
		International Wealth Management	96 to 102
		Asia Pacific	103 to 109
		Global Markets	110 to 112
		Investment Banking & Capital Markets	113 to 115
		Strategic Resolution Unit	116 to 118
		Corporate Center	119 to 120
		Assets under management	121 to 123
		Critical accounting estimates	124 to 129
III	Treasury, Risk, Balance sheet and Off-balance sheet	Liquidity and funding management	132 to 139
		Capital management	140 to 158
		Risk management	159 to 196

Documents Incorporated By Reference

Section Number	Section Heading	Sub-heading	Page(s) of the PDF file
		Balance sheet, off-balance sheet and other contractual obligations	197 to 199
IV	Corporate Governance and Compensation	Corporate Governance	202 to 238
		Compensation	239 to 272
V	Consolidated financial statements – Credit Suisse Group	Report of the Independent Registered Public Accounting Firm	275
		Consolidated financial statements, including:	277 to 422
		Consolidated statements of operations	277
		Consolidated statements of comprehensive income	277
		Consolidated balance sheets	278 to 279
		Consolidated statements of changes in equity	280 to 281
		Consolidated statements of cash flows	282 to 283
		Supplemental cash flow information	283
		Notes to the consolidated financial statements, including:	284 to 420
		Summary of significant accounting policies	284 to 292
		Litigation	398 to 406
		Condensed consolidating statements of operations	410 to 412
		Condensed consolidating statements of comprehensive income	410 to 412
		Condensed consolidating balance sheets	413 to 414
		Condensed consolidating statements of cash flows	415 to 417
		Controls and procedures	421
		Report of the Independent Registered Public Accounting Firm	422
VI	Parent company financial statements – Credit Suisse Group	Report of the Statutory Auditor	425 to 427
		Parent company financial statements, including:	428 to 440

Section Number	Section Heading	Sub-heading	Page(s) of the PDF file
		Statements of income	428
		Balance sheets	429
		Notes to the financial statements	430 to 439
		Proposed appropriation of retained earnings and capital distribution	440
VII	Consolidated financial statements – Credit Suisse (Bank)	Report of the Independent Registered Public Accounting Firm	443
		Consolidated financial statements, including:	445 to 526
		Consolidated statements of operations	445
		Consolidated statements of comprehensive income	445
		Consolidated balance sheets	446 to 447
		Consolidated statements of changes in equity	448 to 449
		Consolidated statements of cash flows	450 to 451
		Supplemental cash flow information	451
		Notes to the consolidated financial statements	452 to 524
		Controls and procedures	525
		Report of the Independent Registered Public Accounting Firm	526
VIII	Parent company financial statements – Credit Suisse (Bank)	Report of the Statutory Auditor	529 to 533
		Parent company financial statements, including:	534 to 570
		Statements of income	534
		Balance sheets	535
		Off-balance sheet transactions	535
		Statements of changes in equity	536
		Notes to the financial statements	537 to 569
		Proposed appropriation of retained earnings	570
IX	Additional information	Statistical information	572 to 586
		Other information	587 to 592

Section Number	Section Heading	Sub-heading	Page(s) of the PDF file
Appendix	Selected five-year information		594 to 595
	List of abbreviations		596 to 597
	Glossary		598 to 601
	Foreign currency translation rates		603
	Financial calendar and contacts		604
	Cautionary statement regarding forward-looking information		605
Form 6-K Dated 26 April 2017			
	Form 6-K	Cover Page	1
		Introduction	2
		Selected financial data	3 to 4
		Operating and financial review and prospects	5
		Exhibits	6
		Signatures	7
Exhibit to the Form 6-K Dated 26 April 2017 (Credit Suisse Earnings Release 1Q17)			
		Key metrics	9
		Credit Suisse	10 to 14
		Swiss Universal Bank	15 to 20
		International Wealth Management	21 to 27
		Asia Pacific	28 to 33
		Global Markets	34 to 36
		Investment Banking & Capital Markets	37 to 39
		Strategic Resolution Unit	40 to 42
		Corporate Center	43
		Assets under management	44
		Additional financial metrics	45
		Important information	46
Appendix		Core Results by business activity	47
		BIS capital metrics – Group	48
		Eligible capital - Group	48
		Capital movement – Group	49

Section Number	Section Heading	Sub-heading	Page(s) of the PDF file
		Risk-weighted assets – Group	49
		Risk-weighted asset movement by risk type – Group	50
		BIS leverage metrics – Group	50
		Swiss capital metrics – Group	51
		Swiss capital and risk-weighted assets – Group	51
		Swiss leverage metrics – Group	52
		One-day, 98% risk management VaR (CHF)	52
		Consolidated statements of operations	53
		Consolidated balance sheets	54
		Consolidated statements of changes in equity	55
		Earnings per share	56
		Restructuring expenses	57
		Return on regulatory capital	57
		Cautionary statement regarding forward-looking information	58
Form 6-K Dated 28 April 2017			
	Form 6-K	Cover Page	1
		Annual General Meeting of Credit Suisse Group AG: All Proposals Put Forward by the Board of Directors Approved	2
		Distribution payable out of capital contribution reserves (first two paragraphs only)	2 to 3
		Increase of Authorized Capital for Scrip Dividend	3
		Approval of the Compensation of the Board of Directors and the Executive Board	3
		Consultative Vote on the 2016 Compensation Report	3
		Elections to the Board of Directors	3 to 4
		Re-Election of the Members of the Compensation Committee	4
		Composition of the Board of	4

Section Number	Section Heading	Sub-heading	Page(s) of the PDF file
		Directors as of April 28, 2017	
		Credit Suisse AG (first paragraph only)	4
		Cautionary statement regarding forward-looking information	5
		Composition of the Board of Directors as of April 28, 2017	6
		Signatures	6
Form 6-K Dated 4 May 2017			
	Form 6-K	Cover Page	1
		Explanatory note	2
		Exhibits	3
		Signatures	4
Exhibit to the Form 6-K Dated 4 May 2017 (Credit Suisse Financial Report 1Q17)			
		Key metrics	6
		Table of contents	7
		Credit Suisse at a glance	8
I	Credit Suisse results	Operating environment	10 to 12
		Credit Suisse	13 to 20
		Swiss Universal Bank	21 to 26
		International Wealth Management	27 to 33
		Asia Pacific	34 to 39
		Global Markets	40 to 42
		Investment Banking & Capital Markets	43 to 45
		Strategic Resolution Unit	46 to 48
		Corporate Center	49
		Assets under management	50 to 52
II	Treasury, risk, balance sheet and off-balance sheet	Liquidity and funding management	54 to 58
		Capital management	59 to 74
		Risk management	75 to 84
		Balance sheet and off-balance sheet	85 to 86

Section Number	Section Heading	Sub-heading	Page(s) of the PDF file
III	Condensed consolidated financial statements - unaudited	Report of the Independent Registered Public Accounting Firm	89
		Condensed consolidated financial statements – unaudited (Includes the consolidated balance sheet, income statement and cash-flow statement of Credit Suisse Group AG)	91 to 97
		Notes to the condensed consolidated financial statements - unaudited, including, under Note 32:	98 to 167
		Certain consolidated income statement and balance sheet information of Credit Suisse AG	164 to 167
		List of Abbreviations	168
		Foreign currency translation rates	170
		Cautionary statement regarding forward-looking information	171
Form 6-K Dated 28 July 2017			
	Form 6-K	Cover Page	1
		Explanatory note	2
		Forward-looking statements	2
		Operating and financial review and prospects	3 to 6
		Differences between Group and Bank	7 to 8
		Condensed consolidated financial statements	8
		Exhibits	9
		Signatures	10
First Exhibit to the Form 6-K Dated 28 July 2017- Ratio of earnings to fixed charges (Group)			
		Ratio of earnings to fixed charges	11
Second Exhibit to the Form 6-K Dated 28 July 2017 - Ratio of earnings to fixed charges (Bank)			
		Ratio of earnings to fixed charges	12
Fifth Exhibit to the Form 6-K Dated 28 July 2017 (Credit Suisse Financial Report 2Q17)			
		Key metrics	16
		Table of contents	17

Section Number	Section Heading	Sub-heading	Page(s) of the PDF file
		Credit Suisse at a glance	18
I	Credit Suisse results	Operating environment	20 to 22
		Credit Suisse	23 to 32
		Swiss Universal Bank	33 to 38
		International Wealth Management	39 to 45
		Asia Pacific	46 to 51
		Global Markets	52 to 54
		Investment Banking & Capital Markets	55 to 57
		Strategic Resolution Unit	58 to 60
		Corporate Center	61
		Assets under management	62 to 64
II	Treasury, risk, balance sheet and off-balance sheet	Liquidity and funding management	66 to 69
		Capital management	70 to 85
		Risk management	86 to 96
		Balance sheet and off-balance sheet	97 to 98
III	Condensed consolidated financial statements – unaudited	Report of the Independent Registered Public Accounting Firm	101
		Condensed consolidated financial statements – unaudited	103 to 187
		Consolidated statements of comprehensive income (unaudited)	103
		Consolidated balance sheets (unaudited)	104 to 105
		Consolidated statements of cash flows (unaudited)	109 to 110
		Notes to the condensed consolidated financial statements – unaudited, including, under Note 31:	111 to 187
		Certain consolidated income statement and balance sheet information of Credit Suisse AG	180 to 187
		List of Abbreviations	188
		Foreign currency translation rates	190
		Cautionary statement regarding	191

Section Number	Section Heading	Sub-heading	Page(s) of the PDF file
		forward-looking information	
Sixth Exhibit to the Form 6-K Dated 28 July 2017 (Credit Suisse (Bank) Financial Statements 6M17)			
		Table of contents to Credit Suisse (Bank) Financial Statements 6M17	194
		Report of the Independent Registered Public Accounting Firm	195
		Credit Suisse (Bank) Condensed consolidated financial statements – unaudited	197 to 253
		Consolidated statements of comprehensive income (unaudited)	197
		Consolidated balance sheets (unaudited)	198 to 199
		Consolidated statements of cash flows (unaudited)	201 to 202
		Notes to the condensed consolidated financial statements – unaudited	203 to 253
Form 6-K Dated 2 November 2017			
	Form 6-K	Cover Page	1
		Explanatory note	2
		Forward-looking statements	2
		Differences between Group and Bank	3 to 4
		Selected financial data - Bank	5 to 6
		Exhibits	7
		Signatures	8
Exhibit to the Form 6-K Dated 2 November 2017 (Credit Suisse Financial Report 3Q17)			
		Key metrics	11
		Table of contents	12
		Credit Suisse at a glance	13
I	Credit Suisse results	Operating environment	15 to 17
		Credit Suisse	18 to 27
		Swiss Universal Bank	28 to 33
		International Wealth Management	34 to 40

Section Number	Section Heading	Sub-heading	Page(s) of the PDF file
		Asia Pacific	41 to 46
		Global Markets	47 to 49
		Investment Banking & Capital Markets	50 to 52
		Strategic Resolution Unit	53 to 55
		Corporate Center	56 to 57
		Assets under management	58 to 61
II	Treasury, risk, balance sheet and off-balance sheet	Liquidity and funding management	63 to 66
		Capital management	67 to 82
		Risk management	83 to 93
		Balance sheet and off-balance sheet	94 to 95
III	Condensed consolidated financial statements – unaudited	Report of the Independent Registered Public Accounting Firm	98
		Condensed consolidated financial statements – unaudited	100 to 182
		Consolidated statements of comprehensive income (unaudited)	100
		Consolidated balance sheets (unaudited)	101 to 102
		Consolidated statements of cash flows (unaudited)	106 to 107
		Notes to the condensed consolidated financial statements – unaudited, including, under Note 31:	108 to 182
		Certain consolidated income statement and balance sheet information of Credit Suisse AG	177 to 182
		List of Abbreviations	183
		Foreign currency translation rates	185
		Cautionary statement regarding forward-looking information	186
Form 6-K Dated 13 November 2017			
	Whole document, except for the following sentence of the media release: "Further information about Credit Suisse can be found at www.credit-suisse.com "		1 to 4
Form 6-K Dated 30 November 2017			

Section Number	Section Heading	Sub-heading	Page(s) of the PDF file
		Cover Page	1
	Investor Day 2017	Credit Suisse continues to deliver on its strategy, achieving both strong growth and significant cost reductions 2018 to be the final year of restructuring and Credit Suisse announces 2019-2020 objectives	3 to 5
		Outlook	5
		Improving operational leverage for the Group through sustainable cost control	6
		Driving compliant growth	6
		Divisional summaries	7 to 8
		Swiss Universal Bank	7
		International Wealth Management	7
		Asia Pacific	7 to 8
		Investment Banking and Capital Markets	8
		Global Markets	8
		Paragraph beginning "Note: As indicated"	9
		Paragraph beginning "The results of Credit Suisse Group" and the two paragraphs following	10
		Footnotes	11
		Abbreviations	11
		Important information about this Media Release	12 to 13
		Cautionary statement regarding forward-looking statements	13
		Signatures	14
2013 Base Prospectus			
		General Terms and Conditions of Notes	67 to 83
		Product Conditions	84 to 88
		Form of Final Terms ⁽¹⁾	120 to 134
9 September 2013 Supplement			
		Amendments to the form of Final Terms in the Prospectus	1 to 2

Section Number	Section Heading	Sub-heading	Page(s) of the PDF file
25 August 2014 Base Prospectus			
	General Terms and Conditions of Notes		82 to 98
	Product Conditions		99 to 102
	Form of Final Terms ⁽²⁾		105 to 120
5 December 2014 Base Prospectus			
	General Terms and Conditions of Notes		71 to 85
	Product Conditions		86 to 89
	Form of Final Terms ⁽³⁾		92 to 105
2015 Base Prospectus			
	General Terms and Conditions of Notes		81 to 96
	Product Conditions		97 to 100
	Form of Final Terms ⁽⁴⁾		103 to 117
2016 Base Prospectus			
	General Terms and Conditions of Notes		77 to 92
	Additional Provisions		93 to 94
	Product Conditions		95 to 98
	Form of Final Terms ⁽⁵⁾		101 to 117
13 April 2017 Supplement			
	Amendments to the form of Final Terms in the Prospectus		14

⁽¹⁾ Save as provided in paragraph 5(a) (*Fungible Issuances*) under section headed "General Information".

⁽²⁾ Save as provided in paragraph 5(b) (*Fungible Issuances*) under the section headed "General Information".

⁽³⁾ Save as provided in paragraph 5(c) (*Fungible Issuances*) under the section headed "General Information".

⁽⁴⁾ Save as provided in paragraph 5(d) (*Fungible Issuances*) under the section headed "General Information".

⁽⁵⁾ Save as provided in paragraph 5(e) (*Fungible Issuances*) under the section headed "General Information".

Any information not listed in the above cross-reference tables but included in the documents referred to in the above cross-reference table is not incorporated herein by reference for the purposes of the Prospectus Directive and is either (a) covered elsewhere in the Base Prospectus; or (b) not relevant for the investor.

In respect of Exempt Securities only, this Base Prospectus should be read and construed in conjunction with the following documents, which shall be deemed to be incorporated in, and form part of, this Base Prospectus, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether

expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus. For the avoidance of doubt, investors should note that the following documents (and the supplements thereto) have not been filed with and/or approved by the CSSF for the purposes of Exempt Securities only.

- The registration document of CS dated 30 March 2017 (the "**Registration Document**") approved by the CSSF (as supplemented by a supplement dated 11 April 2017, a supplement dated 10 May 2017, a supplement dated 3 August 2017, a supplement dated 7 November 2017, a supplement dated 17 November 2017 and a supplement dated 7 December 2017 and which may be further supplemented and/or replaced from time to time) is incorporated by reference in respect of CS. The latest Registration Document and any supplements thereto are available at <https://www.credit-suisse.com/corporate/en/investor-relations/financial-and-regulatory-disclosures/regulatory-disclosures/company-registration-documents.html>.

Copies of this Base Prospectus will be available for inspection during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agents. In addition, copies of the documents incorporated by reference in this Base Prospectus (other than documents incorporated by reference in respect of Exempt Securities) will be available on the Luxembourg Stock Exchange's website (www.bourse.lu) and copies of such documents will be available free of charge during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agents and at the registered office of the Issuer or the relevant Branch, if applicable.

GENERAL DESCRIPTION OF THE PROGRAMME

Issuer

The Issuer, Credit Suisse AG ("**CS**"), may from time to time under the Programme, subject to compliance with all relevant laws, regulations and directives, issue Securities which are linked to certain Preference Shares.

Types of Securities

The Securities:

- will be in the form of notes;
- may have any maturity;
- will either bear periodic fixed rate or floating rate interest, or be zero coupon notes, which do not bear interest; and
- upon maturity, will pay an amount based on the performance of a Preference Share which, in turn, is linked to the performance of one or more underlying assets.

In addition, the Securities may provide for early redemption upon the occurrence of a specified event or at the option of the Issuer.

Issuance of Securities

Securities will be issued in one or more series (each a "**Series**") and each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The Securities of each Series are intended to be interchangeable with all other Securities of that Series. Each Series will be allocated a unique Series number and an identification code.

The general terms and conditions of the Securities (the "**General Note Conditions**") are set out at pages 98 to 113 of this Base Prospectus and the economic or "payout" terms of the Securities (the "**Product Conditions**") are set out at pages 116 to 120 of this Base Prospectus, in each case as specified to be applicable in a separate Issue Terms document. "**Issue Terms**" means either (i) where the Securities are not Exempt Securities, the relevant Final Terms or (ii) where the Securities are Exempt Securities, the relevant Pricing Supplement.

In addition, the contractual terms in this Base Prospectus will be completed by the relevant Issue Terms, which contain the issue specific details relating to each particular issuance of Securities. For example, the relevant Issue Terms will specify the issue date, the maturity date, the Preference Shares to which the Securities are linked and the applicable Product Conditions.

Exempt Securities

The requirement to publish a prospectus under the Prospectus Directive only applies to Securities which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Base Prospectus to "Exempt Securities" are to Securities for which no prospectus is required to be published under the Prospectus Directive. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Securities.

Governing law

The Securities will be governed by English law.

Status and Ranking

The Securities are unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and with all other unsubordinated and unsecured obligations of the Issuer from time to time outstanding.

Redemption

The Redemption Amount payable at the maturity of each Series of Securities is dependent on the change in value of the relevant Preference Shares to which the Securities of the relevant Series are exposed during their investment term. The value of the Preference Shares may fluctuate up or down depending on the performance of the relevant Preference Share Underlying(s) as set out in the terms and conditions of the relevant Preference Shares. The Preference Share Underlying(s) may include, but will not be limited to, equity, debt or derivative securities, indices, investments, funds, exchange traded funds, commodities, baskets of securities or indices, currencies, portfolios and trading strategies which may change over time as a result of performance, the exercise of investment management discretion or other factors.

Interest

If interest is payable in respect of a Series of Securities this will be specified in the relevant Issue Terms.

Form of Securities

Securities are issued in bearer form or in registered form. Securities in bearer form are represented by a bearer global security. No definitive notes will be issued for Securities in bearer form. Securities in registered form are represented by registered certificates and, save as provided in General Note Condition 2(b), each registered certificate shall represent the entire holding of Registered Notes by the same holder. Where Securities in registered form are held by or on behalf of one or more clearing systems, a global certificate will be issued in respect of them and deposited outside the United Kingdom with, or with a common depository for, the clearing system(s).

The Securities may be cleared through Euroclear Bank S.A./N.V. ("**Euroclear**"), Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), CREST or any other clearing system as specified in the Conditions and/or the relevant Issue Terms.

*Securities in SIX SIS Ltd. ("**SIX SIS**")*

Securities issued in bearer form will be represented by a permanent global security, which is deposited with the SIX SIS as central depository.

Securities issued in registered form may be issued in the form of uncertificated securities (*Wertrechte*) (in accordance with article 973c of the Swiss Code of Obligations), entered into the main register (*Hauptregister*) of SIX SIS.

No Securityholder will at any time have the right to effect or demand the conversion of such Securities into, or the delivery of, Securities in uncertificated form (in respect of Securities in bearer form represented by a Global Security) or Securities in definitive form (in respect of either Securities in bearer form represented by a Global Security or Securities in uncertificated form) and no physical notes, certificates or other documents will be issued in respect of Securities issued in uncertificated form.

Programme Agents

- The Bank of New York Mellon, acting through its London Branch, (or as otherwise specified in the relevant Issue Terms) will act as Fiscal Agent and Paying Agent with respect to the Securities;
- The Bank of New York Mellon S.A./N.V., Luxembourg Branch (or as otherwise specified in the relevant Issue Terms) will act as Transfer Agent and Registrar with respect to the Securities; and
- Credit Suisse AG, or any successor thereto, will act as Swiss Paying Agent and Fiscal Agent in respect of any Securities deposited with or entered into the main register (*Hauptregister*) of SIX SIS.

Each of these agents will together be referred to as "**Agents**".

Approval of the Base Prospectus by the CSSF

Application has been made to the CSSF in its capacity as the Luxembourg competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended by the law of 3 July 2012, the law of 21 December 2012 and the law of 10 May 2016 (the "**Luxembourg Prospectus Law**"). This Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus

General Description of the Programme

Directive for the purpose of giving information with regard to Securities (other than Exempt Securities) to be issued by CS. Pursuant to article 7(7) of the Luxembourg Prospectus Law, by approving this Base Prospectus, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer.

Listing and Admission to Trading

Securities issued by the Issuer may (a) be listed and admitted to trading on a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments (as amended, varied or replaced from time to time including through the implementation of Directive 2014/65/EU), (b) listed on a market not regulated for such purpose, or (c) not listed on any market, in each case as shall be specified in the relevant Issue Terms. In relation to any Securities to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, application has been made to the Luxembourg Stock Exchange for such Securities to be admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (which is a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments (as amended, varied or replaced from time to time including through the implementation of Directive 2014/65/EU) for the period of 12 months from the date of this Base Prospectus.

Passporting

In accordance with Article 18 of the Prospectus Directive, the CSSF has been requested to provide the Financial Conduct Authority (the "**FCA**") as the competent authority of the United Kingdom and the Central Bank of Ireland (the "**CBI**") as the competent authority of Ireland with a certificate of approval attesting that the Base Prospectus of the Issuer has been drawn up in accordance with the Prospectus Directive.

Categories of potential investors to which the Securities are offered

The Securities will be offered to both retail and non-retail investors.

USE OF PROCEEDS

Unless otherwise specified in the relevant Issue Terms, the net proceeds from each issue of Securities will be used to hedge the obligations of the Issuer under the Securities and for general corporate purposes. If, in respect of any particular issue, there is a particular identified use, this will be stated in the relevant Issue Terms.

OVERVIEW OF THE POTENTIAL FOR DISCRETIONARY DETERMINATIONS

OVERVIEW OF THE POTENTIAL FOR DISCRETIONARY DETERMINATIONS BY THE ISSUER AND THE CALCULATION AGENT

Under the terms and conditions of the Preference Share-Linked Securities, following the occurrence of certain events outside of its control, the Issuer may exercise its discretion to take one or more actions available to it in order to deal with the impact of such events on the Preference Share-Linked Securities or its hedging arrangements (or both). **Any such exercise of a discretionary determination by the Issuer could have a material adverse impact on the value of and return on the Preference Share-Linked Securities and/or could result in their early redemption.**

Below is an overview of the types of events that could give rise to a discretionary determination by the Issuer, the actions available to the Issuer to deal with the impact of such events and the effect of such event and/or action taken by the Issuer. Investors should also read the Terms and Conditions of the Preference Share-Linked Securities which sets out in full the terms summarised below.

Any determination to be made by the Issuer may be delegated to the Calculation Agent.

<p>What are the types of events that could give rise to a discretionary determination by the Issuer?</p>	<p>Broadly, there are three types of events that could give rise to a discretionary determination by the Issuer:</p> <ul style="list-style-type: none"> (a) if the Issuer's obligations under the Preference Share-Linked Securities or its related hedging arrangements become or will become illegal; (b) external events which affect the Preference Shares; and (c) external events which affect the Issuer's hedging arrangements.
<p>What are the types of external events which affect the Preference Shares?</p>	<ul style="list-style-type: none"> (a) Preference Share Early Redemption Event: an event in respect of which the Issuer receives an early redemption notice from the Preference Share Issuer. Please see also "Overview of the Potential for Discretionary Determinations by the Preference Share Issuer and the Preference Share Calculation Agent" below. (b) Extraordinary Events: events which materially impact on the business of the Preference Share Issuer, such as a merger, a takeover or tender offer, the nationalisation of the Preference Shares or assets of the Preference Share Issuer or the Preference Share Issuer becomes insolvent. (c) Illegality affecting the Preference Share Issuer: see the section headed "Overview of the Potential for Discretionary Determinations by the Preference Share Issuer and the Preference Share Calculation Agent" below. (d) Additional regulation or tax affecting the Preference Share Issuer: see the section headed "Overview of the Potential for Discretionary Determinations by the Preference Share Issuer and the Preference Share Calculation Agent" below. (e) External events affecting the Preference Share Underlying(s): see the section headed "Overview of the Potential for Discretionary Determinations by the Preference Share Issuer and the Preference Share Calculation Agent" below.
<p>What are the types of external events which affect the Issuer's hedging arrangements?</p>	<p>There are many different external events that may affect the Issuer's hedging arrangements, as summarised below:</p> <ul style="list-style-type: none"> (a) Change in law: as a result of a change in any applicable law, it has become unlawful or illegal to conduct its hedging arrangements or it will incur a materially increased cost in performing its obligations under the Preference Share-Linked Securities; or (b) Hedging Disruption: an event which impacts the ability of the Issuer and/or its affiliates to hedge the risk of the Issuer entering into and performing its obligations under the Preference Share-Linked Securities –

	<p>for example, if the Issuer is unable to enter into a hedge or to realise the proceeds of a hedge; or</p> <p>(c) Insolvency Filing: an event which impacts on the transferability of the Preference Shares as a result of insolvency or similar proceedings affecting the Preference Share Issuer.</p>
<p>Why is it necessary for the Issuer to make a discretionary determination following the occurrence of such events?</p>	<p>The Issuer cannot continue to perform its obligations under the Preference Share-Linked Securities or its related hedging arrangements if they become or will become illegal. In that case, the Issuer may need to early redeem the Preference Share-Linked Securities.</p> <p>The investment objective of the Preference Share-Linked Securities is to allow an investor to gain an economic exposure to the Preference Shares. If a Preference Share is materially impacted by an unexpected event (for example, the Preference Share is redeemed early) then it may not be possible to achieve the investment objective of the Preference Share-Linked Securities. In that case, the Issuer will need to early redeem the Preference Share-Linked Securities.</p> <p>In addition, the Issuer or its affiliates may enter into hedging arrangements in order to manage its exposure in relation to its payment obligations under the Preference Share-Linked Securities and to enable it to issue the Preference Share-Linked Securities at the relevant price and on the relevant terms. The Preference Share-Linked Securities are linked to the Preference Shares which will be affected by their exposure to the Preference Share Underlying(s) and so the hedging arrangements of the Issuer or its affiliates may involve (a) holding the Preference Share Underlying(s) directly, or (b) entering into derivative contracts with counterparties to receive a corresponding economic exposure to the Preference Share Underlying(s) or to hedge the interest rate, currency rate or price risk in relation to the Preference Share Underlying(s) or the Preference Share-Linked Securities.</p> <p>The Issuer may need to early redeem the Preference Share-Linked Securities if an external event occurs subsequent to the issuance of the Preference Share-Linked Securities which negatively impacts the Issuer's hedging arrangements or the costs of maintaining such hedging arrangements. The occurrence of such external events is unlikely to have been reflected in the original pricing of the Preference Share-Linked Securities.</p>
<p>If such an event occurs, what actions can the Issuer take?</p>	<p>The Issuer may (or in the case of an external event affecting the Preference Shares which results in the early redemption of the Preference Shares, will) early redeem the Preference Share-Linked Securities at the Unscheduled Termination Amount instead of the Redemption Amount and no other amounts shall be payable in respect of the Preference Share-Linked Securities on account of interest or otherwise following such determination by the Issuer.</p>
<p>How is the Unscheduled Termination Amount calculated?</p>	<p>If the Preference Share-Linked Securities are redeemed early following an event of default, the Unscheduled Termination Amount will be an amount (which may be greater than or equal to zero) equal to the value of such Preference Share-Linked Securities immediately prior to them becoming due and payable following such event of default, as calculated by the Calculation Agent using its then prevailing internal models and methodologies, and may be based on or may take account of (a) the time remaining to maturity of the Preference Share-Linked Securities, (b) the interest rates at which banks lend to each other, (c) the interest rate at which the Issuer (or its affiliates) is charged to borrow cash, (d) the value, expected future performance and/or volatility of the Preference Shares, (e) the creditworthiness of the Issuer (including, but not limited to, an actual or anticipated downgrade in its credit rating), and (f) any other information which the Calculation Agent deems relevant, provided that the calculation of the Unscheduled Termination Amount shall not take account of any additional or immediate impact of the event of default itself on the Issuer's creditworthiness (including, but not limited to, an actual or anticipated downgrade in its credit rating).</p> <p>In all other cases, the Unscheduled Termination Amount will be calculated by the Calculation Agent on the same basis as the Redemption Amount except that for this purpose "Share Final" shall mean the Preference Share Value on the Early Redemption Valuation Date, being the date on which the Preference Share-Linked</p>

Overview of the Potential for Discretionary Determinations

	Securities are scheduled to be early redeemed (or such earlier date only to the extent necessary to allow the calculation of the Preference Share Value prior to the redemption of the Preference Share-Linked Securities).
What is the effect of such event and/or action taken by the Issuer?	<p>The early redemption of the Preference Share-Linked Securities may result in a reduced return on the Preference Share-Linked Securities and/or have a material adverse impact on the value of the Preference Share-Linked Securities. In particular, the Unscheduled Termination Amount could be less than an investor's initial investment (and may be reduced to zero).</p> <p>Further, if the Preference Share-Linked Securities are redeemed early prior to the scheduled maturity, an investor may be unable to reinvest the redemption proceeds in another investment at the time that provides an equivalent return.</p>
How will the Issuer exercise its discretion?	In considering whether and how to make such a discretionary determination, the Issuer shall (whether or not already expressly to be the case in the Conditions) act in good faith and in a commercially reasonable manner, and (where there is a corresponding applicable regulatory obligation) shall take into account whether fair treatment is achieved by any such discretionary determination in accordance with its applicable regulatory obligations.
Will the Issuer notify me if such an event occurs and/or if it takes any of the above actions?	Yes, the Issuer will give notice to Securityholders if the Issuer determines to early redeem the Preference Share-Linked Securities.
Where can I find more information?	See risk factors 3(h) (<i>In certain circumstances, the Issuer may redeem the Securities prior to their scheduled maturity. The Unscheduled Termination Amount payable on such early redemption may be less than the issue price or the purchase price and investors may therefore lose some or all of their investment and may not be able to reinvest the proceeds in another investment offering a comparable rate of return</i>) and 4 (<i>General risks relating to Preference Share-Linked Securities</i>) for more information.

OVERVIEW OF THE POTENTIAL FOR DISCRETIONARY DETERMINATIONS BY THE PREFERENCE SHARE ISSUER AND THE PREFERENCE SHARE CALCULATION AGENT

Following the occurrence of certain events outside of its control, the Preference Share Issuer may exercise its discretion to take one or more actions available to it in order to deal with the impact of such events on the Preference Shares or the hedging arrangements of the Preference Share Issuer and/or any hedging counterparty in respect of the relevant Class of Preference Shares or any financial product linked to such Preference Shares. **Any such exercise of a discretionary determination by the Preference Share Issuer could have a material adverse impact on the value of and return on the Preference Shares and/or could result in their early redemption. The Preference Share-Linked Securities are linked to the Preference Shares and if an event occurs which has a material adverse impact on the value of the Preference Shares, the value of the Preference Share-Linked Securities will also be adversely affected.**

Below is an overview of the types of events that could give rise to a discretionary determination by the Preference Share Issuer (if so specified to be applicable to the relevant Preference Shares), the possible actions available to the Preference Share Issuer to deal with the impact of such events and the effect of such event and/or action taken by the Preference Share Issuer. As noted above, the Preference Share-Linked Securities are linked to the Preference Shares and so any such event and/or action may also adversely affect the Preference Share-Linked Securities.

What are the types of events that could give rise to a discretionary determination by the Preference	<p>Broadly, there are four types of events that could give rise to a discretionary determination by the Preference Share Calculation Agent or Preference Share Issuer:</p> <p>(a) if the performance of the Preference Share Issuer's obligations under the Preference Shares or its related hedging arrangements become or will become illegal;</p>
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<p>Share Issuer?</p>	<p>(b) if a change in law or regulation occurs that results, solely due to the Preference Shares being outstanding, in the Preference Share Issuer being subject to additional regulatory supervision or subject to any additional materially onerous legal requirements, regulations or taxes;</p> <p>(c) external events which affect the Preference Share Underlying(s); and</p> <p>(d) external events which affect the Preference Share Issuer's hedging arrangements or the obligor of any financial product linked to the Preference Shares.</p>										
<p>What are the types of external events which affect the Preference Share Underlying(s)?</p>	<p>There are many different external events that may affect a Preference Share depending on the type of Preference Share Underlying the Preference Share is linked to, and these will vary depending on the type of Preference Share Underlying. Some types of external events that may be relevant are summarised in the table below:</p>										
	<table border="1"> <thead> <tr> <th data-bbox="488 741 699 875"> <p>Type(s) of Preference Share Underlying</p> </th> <th data-bbox="699 741 1337 875"> <p>External events which affect such Preference Share Underlying</p> </th> </tr> </thead> <tbody> <tr> <td data-bbox="488 875 699 1290"> <p><i>Equity, ETF</i></p> </td> <td data-bbox="699 875 1337 1290"> <p>Potential Adjustment Events: broadly, corporate actions relating to the issuer of the share that is the Preference Share Underlying which have a dilutive or concentrative effect on the theoretical value of such share – for example, a stock split or a distribution payment to holders of the shares.</p> <p>Extraordinary Events: events which materially impact on the business of the issuer of the share that is the Preference Share Underlying, such as a merger, a takeover or tender offer, the nationalisation of such share or the assets of the issuer of such share, a delisting of the relevant underlying shares on an exchange or the issuer of such share becomes insolvent.</p> </td> </tr> <tr> <td data-bbox="488 1290 699 1565"> <p><i>Equity Index</i></p> </td> <td data-bbox="699 1290 1337 1565"> <p>Successor Index: the index is replaced by another index which is calculated using the same (or substantially similar) formula.</p> <p>Index Adjustment Events: events which materially impact on the calculation of the index – for example, the relevant sponsor cancels the index or fails to calculate the level of the index or materially changes the formula for calculating the index.</p> </td> </tr> <tr> <td data-bbox="488 1565 699 1921"> <p><i>Inflation Index</i></p> </td> <td data-bbox="699 1565 1337 1921"> <p>Cessation of publication: the index is not published for an extended period or the sponsor announces that it will no longer publish the index, and the index is replaced by another index or the Issuer determines that no successor index has been determined.</p> <p>Rebasing of index: the index has been or will be rebased at any time.</p> <p>Material modification to the index: the relevant sponsor announces that it will make a material change to the index.</p> </td> </tr> <tr> <td data-bbox="488 1921 699 2027"> <p><i>ETF</i></p> </td> <td data-bbox="699 1921 1337 2027"> <p>Reference Index adjustment events: as an ETF tracks the performance of a reference index, these are (i) events which impact on the calculation of the ETF (for example, if the ETF no longer tracks the performance of</p> </td> </tr> </tbody> </table>	<p>Type(s) of Preference Share Underlying</p>	<p>External events which affect such Preference Share Underlying</p>	<p><i>Equity, ETF</i></p>	<p>Potential Adjustment Events: broadly, corporate actions relating to the issuer of the share that is the Preference Share Underlying which have a dilutive or concentrative effect on the theoretical value of such share – for example, a stock split or a distribution payment to holders of the shares.</p> <p>Extraordinary Events: events which materially impact on the business of the issuer of the share that is the Preference Share Underlying, such as a merger, a takeover or tender offer, the nationalisation of such share or the assets of the issuer of such share, a delisting of the relevant underlying shares on an exchange or the issuer of such share becomes insolvent.</p>	<p><i>Equity Index</i></p>	<p>Successor Index: the index is replaced by another index which is calculated using the same (or substantially similar) formula.</p> <p>Index Adjustment Events: events which materially impact on the calculation of the index – for example, the relevant sponsor cancels the index or fails to calculate the level of the index or materially changes the formula for calculating the index.</p>	<p><i>Inflation Index</i></p>	<p>Cessation of publication: the index is not published for an extended period or the sponsor announces that it will no longer publish the index, and the index is replaced by another index or the Issuer determines that no successor index has been determined.</p> <p>Rebasing of index: the index has been or will be rebased at any time.</p> <p>Material modification to the index: the relevant sponsor announces that it will make a material change to the index.</p>	<p><i>ETF</i></p>	<p>Reference Index adjustment events: as an ETF tracks the performance of a reference index, these are (i) events which impact on the calculation of the ETF (for example, if the ETF no longer tracks the performance of</p>
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	<p>the reference index) and (ii) events which affect the reference index (as described above under "Successor Index" and "Index Adjustment Events").</p>												
<p>What are the types of external events which affect the hedging arrangements of (a) the Preference Share Issuer or (b) any hedging counterparty in respect of any financial product linked to such Preference Shares?</p>	<p>There are many different external events that may affect the hedging arrangements of the Preference Share Issuer or a hedging counterparty in respect of any financial product linked to such Preference Shares, and these will vary depending on the type of Preference Share Underlying, as summarised in the table below:</p> <table border="1"> <thead> <tr> <th data-bbox="486 492 694 627">Type(s) of Underlying Asset</th> <th data-bbox="694 492 1332 627">External events which affect the hedging arrangements of (a) the Preference Share Issuer or (b) any hedging counterparty in respect of any financial product linked to such Preference Shares</th> </tr> </thead> <tbody> <tr> <td data-bbox="486 627 694 985"> <p><i>Equity, Equity Index, Commodity, ETF, FX</i></p> </td> <td 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	<table border="1"> <tr> <td data-bbox="488 194 699 277"></td> <td data-bbox="699 194 1361 277">accounting or regulatory treatment of the ETF which adversely affects the value of the shares.</td> </tr> </table>		accounting or regulatory treatment of the ETF which adversely affects the value of the shares.
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<p>Why is it necessary for the Preference Share Calculation Agent or the Preference Share Issuer to make a discretionary determination following the occurrence of such events?</p>	<p>The Preference Share Issuer cannot continue to perform its obligations under the Preference Shares or its related hedging arrangements if they become or will become illegal. Similarly, if the Preference Share Issuer is subject to additional materially onerous laws, regulations and taxes, then the Preference Share Issuer may need to redeem the Preference Shares early.</p> <p>Where the Preference Shares are linked to one or more Preference Share Underlying(s), the investment objective of the Preference Shares is to allow an investor in the Preference Shares to gain an economic exposure to the Preference Share Underlying(s). If a Preference Share Underlying is materially impacted by an unexpected event – for example, a company merges and the original stock that formed a Preference Share Underlying is restructured or changed, or the rules of an index that is a Preference Share Underlying are materially modified – then it may not be possible to achieve the investment objective of the Preference Shares based on the original terms and conditions of the Preference Shares. Therefore the Preference Share Issuer and the Preference Share Calculation Agent may need to make certain discretionary determinations in order to preserve the original economic objective and rationale of the Preference Shares.</p> <p>In addition, the Preference Share Issuer and/or its affiliates may enter into hedging arrangements in order to manage its exposure in relation to its payment obligations under the Preference Shares and to enable it to issue the Preference Shares at the relevant price and on the relevant terms. Similarly, a hedging counterparty in respect of any financial product linked to the Preference Shares may enter into hedging arrangements to manage the exposure of the relevant obligor to its payment obligations under such financial product.</p> <p>If the amount(s) payable by the Preference Share Issuer under the Preference Shares depend on the performance of the Preference Share Underlying(s), the hedging arrangements may involve (a) holding the Preference Share Underlying(s) directly, or (b) entering into derivative contracts with counterparties to receive a corresponding economic exposure to the Preference Share Underlying(s) or to hedge the interest rate, currency rate or price risk in relation to the Preference Share Underlying(s) or the Preference Shares. If an external event occurs subsequent to the issuance of the Preference Shares which negatively impacts the Preference Share Issuer's or a hedging counterparty's hedging arrangements or the costs of maintaining such hedging arrangements, then the Preference Share Issuer may need to make adjustments to the terms of the Preference Shares, or if it determines that any such adjustment would not achieve a commercially reasonable result, it may early redeem the Preference Shares. The occurrence of such external events is unlikely to have been reflected in the original pricing of the Preference Shares.</p> <p>Certain of the adjustments above may be made by the Preference Share Calculation Agent on behalf of the Preference Share Issuer.</p>		
<p>What is the effect of such event and/or action taken by the Preference Share Issuer?</p>	<p>The Preference Share-Linked Securities are linked to the Preference Shares.</p> <p>If the Preference Share Issuer redeems the Preference Shares early, the Issuer will redeem the Preference Share-Linked Securities at the Unscheduled Termination Amount which could be less than an investor's initial investment (and may be reduced to zero).</p> <p>Following early redemption of the Preference Share-Linked Securities, the holders of such Preference Share-Linked Securities may not be able to reinvest the redemption proceeds in another investment at the time that provides an equivalent return.</p> <p>If the Preference Share Issuer (or the Preference Share Calculation Agent) makes</p>		

Overview of the Potential for Discretionary Determinations

	<p>an adjustment to the terms of the Preference Shares, it may affect the value of and return on the Preference Shares. The Preference Share-Linked Securities are linked to the Preference Shares and the value of and return on such Preference Share-Linked Securities will be adversely affected if the performance of the Preference Shares is negative.</p> <p>If the Preference Share Issuer early redeems the Preference Shares, they will be redeemed at their fair market value less any costs associated with the early redemption of the Preference Shares including, if specified to be applicable in the terms and conditions of the Preference Shares, the costs of unwinding any hedging arrangements relating to the Preference Shares or the Preference Share-Linked Securities.</p>
<p>Where can I find more information?</p>	<p>See risk factors 3(h) (<i>In certain circumstances, the Issuer may redeem the Securities prior to their scheduled maturity. The Unscheduled Termination Amount payable on such early redemption may be less than the issue price or the purchase price and investors may therefore lose some or all of their investment and may not be able to reinvest the proceeds in another investment offering a comparable rate of return</i>) and 4 (<i>General risks relating to Preference Share-Linked Securities</i>) for more information.</p>

OVERVIEW OF PROVISIONS RELATING TO SECURITIES WHILE IN GLOBAL FORM

The following provisions apply to Securities while in global form and represented by a Global Security or Global Certificate.

Relationship of Accountholders with Clearing Systems (other than SIX SIS)

Each of the persons shown in the records of a Clearing System (other than SIX SIS) as the holder of a Security represented by a Global Security or a Global Certificate must look solely to such Clearing System for its share of each payment made by the Issuer to the bearer of such Global Security or the holder of the Global Certificate, as the case may be, and in relation to all other rights arising under the Global Security or Global Certificate, subject to and in accordance with the respective rules and procedures of such Clearing System.

So long as the Securities are represented by a Global Security or Global Certificate and the relevant Clearing System(s) so permit, the Securities shall be tradable only in principal amounts of at least the Specified Denomination (or, if more than one Specified Denomination, the lowest Specified Denomination) provided hereon and integral multiples of the tradable amount in excess thereof provided in the relevant Issue Terms.

Global Certificates

If the Securities are held in a Clearing System (other than SIX SIS) and are represented by a Global Certificate, the following will apply in respect of transfers of Securities. These provisions will not prevent the trading of interests in the Securities within a Clearing System (which will be subject to the rules and procedures of the relevant Clearing System), but will limit the circumstances in which the Securities may be withdrawn from the relevant Clearing System.

Transfers of the holding of Securities represented by any Global Certificate pursuant to General Note Condition 2 may only be made in part:

- (a) if the relevant 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 permanently to cease business or does in fact do so; or
- (b) if principal in respect of any Securities is not paid when due; or
- (c) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to (a) or (b) above, the person in whose name the Securities are registered has given the Registrar not less than 30 days' notice at its specified office of its intention to effect such transfer.

No such transfer may be made during the period from the date of selection of Securities to be redeemed pursuant to General Note Condition 5(d) to the date of their redemption.

Deed of Covenant

Under the Deed of Covenant, the Issuer has covenanted in favour of the Securityholders from time to time that, if principal in respect of any Securities is not paid when due, it will make payment of the unpaid amounts in respect of the Securities to the relevant Clearing Systems for crediting to the accounts of the relevant Securityholders in accordance with the rules and procedures of the relevant Clearing System.

Global Security deposited with SIX SIS

In respect of Securities in bearer form and represented by a Global Security, which is deposited with SIX SIS as central depository, as a matter of Swiss law, each holder of such Securities represented by a Global Security will have a co-ownership interest (*Miteigentumsanteil*) in the relevant Global Security to the extent of such holder's claim against the Issuer, provided, however, that for so long as the relevant Global Security is deposited with SIX SIS and the Securities are entered into the securities account of one or more participants of SIX SIS, then such Securities will, as a matter of Swiss law, constitute intermediated securities (*Bucheffekten*) within the meaning of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), and the co-ownership interest in such Security shall be suspended, and such Securities may only be transferred by the entry of the transferred Securities in a securities account of the relevant transferee.

GENERAL TERMS AND CONDITIONS OF NOTES

*The following is the text of the general terms and conditions ("**General Note Conditions**") that, together with any applicable Additional Provisions, the applicable Product Conditions (as specified in the relevant Issue Terms) and subject to the provisions of the relevant Issue Terms, shall be applicable to the Securities. The relevant Pricing Supplement in relation to any series of Exempt Securities may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following General Note Conditions (and/or the applicable Product Conditions), replace or modify the following General Note Conditions (and/or the applicable Product Conditions) for the purpose of such Exempt Securities. References in the Conditions to "**Securities**" are to the Securities of one series only, not to all Securities that may be issued under the Programme.*

The Securities (which expression shall include any Securities issued pursuant to General Note Condition 13) are issued pursuant to an agency agreement dated 27 July 2017 (as amended, restated or supplemented from time to time, the "**Agency Agreement**") between (among others) the Issuer, The Bank of New York Mellon, acting through its London Branch (or such other entity as may be specified in the relevant Issue Terms) as fiscal agent and the other agents named in it. The Securities are issued with the benefit of a deed of covenant dated 27 July 2017 (as amended or supplemented as at the Issue Date, the "**Deed of Covenant**") executed by the Issuer in relation to Securities issued by it. The fiscal agent, the registrar, the transfer agents, the calculation agent(s) and the paying agents for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Registrar**", the "**Transfer Agents**", the "**Calculation Agent(s)**" and the "**Paying Agents**" (which expression shall include the Fiscal Agent, the Registrar, the Transfer Agents and the Calculation Agent(s) and, together with any other agents specified in the relevant Issue Terms, the "**Agents**"). The Securityholders (as defined in General Note Condition 1) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement and the Deed of Covenant are, and, so long as any Security remains outstanding, will be available for inspection during normal business hours at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

The Securities of any Series are subject to these General Note Conditions (as modified and/or supplemented by any applicable Additional Provisions and the applicable Product Conditions) and the relevant Issue Terms (as defined below) relating to the relevant Securities (together, the "**Terms and Conditions**" or the "**Conditions**"). Where the Securities are not Exempt Securities (as defined below), the final terms relating to the Securities will be set out in a final terms document (the "**Final Terms**"). If the Securities of a Series are Securities which are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive ("**Exempt Securities**"), the final terms relating to such Exempt Securities will be set out in a pricing supplement document (the "**Pricing Supplement**") which may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these General Note Conditions and/or the applicable Product Conditions, replace or modify these General Note Conditions and/or the applicable Product Conditions for the purposes of such Exempt Securities. "**Issue Terms**" refers to the relevant final terms document and means either (a) the Final Terms or (b) the Pricing Supplement.

Expressions used herein and not defined shall have the meaning given to them in any applicable Additional Provisions, the applicable Product Conditions or the relevant Issue Terms. In the event of any inconsistency between the General Note Conditions, the applicable Additional Provisions, the applicable Product Conditions and the relevant Issue Terms, the prevailing terms will be determined in accordance with the following order of priority (where (a) prevails over the other terms):

- (a) the relevant Issue Terms;
- (b) the applicable Product Conditions;
- (c) the applicable Additional Provisions (if any); and
- (d) the General Note Conditions.

Except in relation to General Note Conditions 8, 11 and 19 references herein to the "Issuer" shall be to Credit Suisse AG acting through its London Branch, its Nassau Branch or its Singapore Branch (each a "**Branch**"), as specified in the relevant Issue Terms. In relation to General Note Conditions 8, 11 and 19, references to "**Issuer**" shall be to Credit Suisse AG.

1. **Form, Denomination and Title**

The Securities are issued in bearer form ("**Bearer Securities**") or in registered form ("**Registered Securities**") in each case with a nominal amount equal to the Specified Denomination(s) specified in the relevant Issue Terms.

All Registered Securities shall have the same Specified Denomination.

Bearer Securities are represented by a bearer global security (a "**Global Security**"). No definitive Bearer Securities will be issued.

Notes which are Registered Securities ("**Registered Notes**") are represented by registered certificates ("**Certificates**") and, save as provided in General Note Condition 2(b), each Certificate shall represent the entire holding of Registered Notes by the same holder. Where Registered Notes are held by or on behalf of one or more Clearing Systems, a global certificate (a "**Global Certificate**") will be issued in respect of them.

Title to the Global Security shall pass by delivery. Title to the Registered Notes shall pass by 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**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Security shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

For so long as any of the Securities is represented by a Global Security or a Global Certificate held by or on behalf of one or more clearing systems specified in the relevant Issue Terms (each a "**Clearing System**"), each person (other than one Clearing System to the extent that it appears on the books of another Clearing System) who is for the time being shown in the records of the relevant Clearing System as the holder of a particular nominal amount of such Securities shall be treated by the Issuer and each Agent as the holder of such nominal amount of such Securities for all purposes other than with respect to the right to payment on such nominal amount or interest (if any) of such Securities, the right to which shall be vested, as against the Issuer and any Agent, solely in the bearer of the relevant Global Security or the person in whose name the Registered Security is registered in accordance with and subject to its terms (and the expressions "**Securityholder**" and "**holder**" of Securities and related expressions shall be construed accordingly). Rights in respect of Securities which are held by or on behalf of a Clearing System will be transferable only in accordance with the rules and procedures for the time being of the relevant Clearing System and, if so specified in the relevant Issue Terms, will be subject to a Minimum Transferable Number of Securities or a Minimum Trading Lot, as specified in the relevant Issue Terms.

Where a Global Security is held by or on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), the Global Security may be deposited with a common depository on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depository**"). Where a Global Certificate is held by or on behalf of Euroclear and Clearstream, Luxembourg, the Global Certificate may be registered in the name of a nominee for Euroclear and Clearstream, Luxembourg and delivered to the Common Depository.

Any reference to a Clearing System shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer.

2. **Transfers of Registered Securities**

(a) ***Transfer of Registered Securities***

One or more Registered Securities may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer (which shall be available at the specified office of the Registrar or the Transfer Agent) endorsed on such 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. In the case of a transfer of part only of a holding of Registered Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the

transferor. All transfers of Registered Securities and entries on the Register will be made subject to the regulations concerning transfers of Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar. A copy of the current regulations will be made available by the Registrar to any holder of a Registered Security upon request.

(b) **Exercise of Options or Partial Redemption in Respect of Registered Securities**

In the case of an exercise of the Issuer's or Securityholders' option in respect of, or a partial redemption of, a holding of Registered Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Securities to a person who is already a holder of Registered Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(c) **Delivery of New Certificates**

Each new Certificate to be issued pursuant to General Note Conditions 2(a) or (b) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in General Note Condition 5(e)) and surrender of the Certificate for exchange. Delivery of the new 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 or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this General Note Condition 2(c), "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) **Transfers Free of Charge**

The transfer of Registered Securities and Certificates 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 it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(e) **Closed Periods**

No Securityholder may require the transfer of a Registered Security to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Security, (ii) during the period of 15 days before any date on which Securities may be called for redemption by the Issuer at its option pursuant to General Note Condition 5(d), (iii) after any such Security has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

3. **Status**

The Securities are unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* and rateably without any preference among themselves and equally with all other unsubordinated and unsecured obligations of the Issuer from time to time outstanding.

4. **Interest**

(a) **Interest on Fixed Rate Securities**

Each Fixed Rate Security bears interest on its outstanding nominal amount from and including the Interest Commencement Date either (i) at the rate per annum (expressed as a percentage) equal to the Rate of Interest or (ii) in an Interest Amount, such interest being payable in arrear on each Interest Payment Date. If so specified in the relevant Issue Terms, the Rate of Interest or Interest Amount may be different for different Interest Periods.

(b) **Interest on Floating Rate Securities**

(i) *Interest Payment Dates*

Each Floating Rate Security bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date specified in the relevant Issue Terms.

(ii) *Business Day Convention*

If any date that is specified in the relevant Issue Terms 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 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 (1) such date shall be brought forward to the immediately preceding Business Day and (2) 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) *Rate of Interest for Floating Rate Securities*

The Rate of Interest in respect of Floating Rate Securities for each Interest Period shall be determined by the Calculation Agent (as defined in the ISDA Definitions) as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Issue Terms) the margin ("**Margin**") (if any). For the purposes of this sub-paragraph (iii), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the relevant Issue Terms;
- (B) the Designated Maturity is a period so specified in the relevant Issue Terms; and
- (C) the relevant Reset Date is (1) if the applicable Floating Rate Option is based on LIBOR or EURIBOR, the first day of that Interest Period or such days as so specified in the relevant Issue Terms, or (2) if the applicable Floating Rate Option is neither based on LIBOR nor EURIBOR, such other day as so specified in the relevant Issue Terms,

provided that if the Issuer determines that such ISDA Rate cannot be determined in accordance with the ISDA Definitions read with the above provisions, the value of the ISDA Rate for an Interest Period shall be such rate as is determined by the Calculation Agent in good faith and in a commercially reasonable manner having regard to comparable benchmarks then available.

For the purposes of this sub-paragraph (iii), "Floating Rate", "Floating Rate Option", "Reset Date" and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions.

(c) **Accrual of Interest**

Interest shall cease to accrue on each Security on the due date for redemption unless payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) in the manner provided in this General Note Condition 4 to the Relevant Date (as defined in General Note Condition 7).

(d) **Maximum/Minimum Rates of Interest, Rate Multipliers and Rounding**

- (i) If any rate multiplier (a "**Rate Multiplier**") is specified in the relevant Issue Terms (either (A) generally, or (B) in relation to one or more Interest Periods), an adjustment shall be

made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Periods, in the case of (B), calculated in accordance with (c) above by multiplying by such Rate Multiplier, subject always to the next paragraph.

- (ii) If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Issue Terms, 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 (unless otherwise specified), (A) 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), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) 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 (1) any currency amounts denominated in Japanese yen, which shall be rounded down to the nearest Japanese yen, or (2) any currency amounts payable in respect of Securities where the Specified Denomination or Nominal Amount (as the case may be) is specified in the relevant Issue Terms to be 1.00 in any currency, which shall be rounded up to 4 decimal places. For these purposes "unit" means the lowest transferable amount of such currency.

(e) **Calculations**

The amount of interest payable in respect of any Security for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Security by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Security for such period shall be equal to such Interest Amount (or be calculated in accordance with such formula).

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

On such date as the Issuer may be required under this General Note Condition 4 to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate, calculate such amounts, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Fiscal Agent, the Issuer, each of the Agents, the Securityholders and, if the Securities 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 the fourth Business Day after such determination and in the case where the Securities are listed on the Luxembourg Stock Exchange, in no event later than the first Business Day of the relevant Interest Period. Where any Interest Payment Date is subject to adjustment pursuant to General Note Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Securities become due and payable under General Note Condition 8, the accrued interest and the Rate of Interest payable in respect of the Securities shall nevertheless continue to be calculated as previously in accordance with this General Note Condition 4 but no publication of the Rate of Interest or the Interest Amount so calculated need be made.

(g) **Definitions**

Unless the context otherwise requires and subject to the relevant Issue Terms, the following terms shall have the meanings set out below:

"Aggregate Nominal Amount" means the aggregate nominal amount of the Securities set out in the relevant Issue Terms.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Security 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, the **"Calculation Period"**):

- (i) if **"Actual/Actual"** or **"Actual/Actual – ISDA"** is specified in the relevant Issue Terms, 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 Issue Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if "**Actual/360**" is specified in the relevant Issue Terms, the actual number of days in the Calculation Period divided by 360;
- (iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Issue Terms, 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:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" 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

"**D2**" 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;

- (v) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Issue Terms, 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:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" 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

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

- (vi) if "**30E/360 (ISDA)**" is specified in the relevant Issue Terms, 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:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

(vii) if "**Actual/Actual-ICMA**" is specified in the relevant Issue Terms:

(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 (1) the number of days in such Determination Period and (2) 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:

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

(2) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (aa) the number of days in such Determination Period and (bb) the number of Determination Periods normally ending in any year;

where:

"**Designated Maturity**" means the period set out in the relevant Issue Terms.

"**Determination Date**" means each date so specified in the relevant Issue Terms or, if none is so specified, each Interest Payment Date; and

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

"**Fixed Rate Security**" means any Security where "Fixed Rate Provisions" is specified to be applicable in the relevant Issue Terms.

"**Floating Rate Security**" means any Security where "Floating Rate Provisions" is specified to be applicable in the relevant Issue Terms.

"**Interest Amount**" means the amount of interest (which shall not be less than zero) payable in respect of a Security on an Interest Payment Date as specified in the relevant Issue Terms or calculated under this General Note Condition 4.

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

"Interest Payment Date" means each date so specified in the relevant Issue Terms and, if so specified in the relevant Issue Terms, subject to adjustment in accordance with the Business Day Convention.

"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, and, if the relevant Issue Terms specify that the Interest Period(s) or any particular Interest Period(s) shall be (i) "Adjusted", then each such Interest Period shall commence on or end on, as the case may be, the relevant Interest Payment Date after all applicable adjustments to such Interest Payment Date pursuant to the General Note Conditions, or (ii) "Unadjusted", then each such Interest Period shall commence on or end on, as the case may be, the date on which the relevant Interest Payment Date is scheduled to fall, disregarding all applicable adjustments to such Interest Payment Date pursuant to the General Note Conditions.

"ISDA Definitions" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

"Maximum Rate of Interest" means the rate or percentage so specified in the relevant Issue Terms.

"Minimum Rate of Interest" means the rate or percentage so specified in the relevant Issue Terms.

"Rate of Interest" means the rate of interest payable from time to time in respect of a Security as specified in the relevant Issue Terms or calculated under this General Note Condition 4.

5. **Redemption, Purchase and Options**

(a) ***Redemption by Instalments and Final Redemption***

- (i) Unless previously redeemed or purchased and cancelled, each Security that provides for Instalment Dates and Instalment Amounts (such Securities being "**Instalment Securities**") shall be partially redeemed on each Instalment Date at the relevant Instalment Amount corresponding to such Instalment Date as specified in the relevant Issue Terms. The outstanding nominal amount of each such Security shall be reduced by the Instalment Amount(s) (or, if such Instalment Amount(s) are calculated by reference to a proportion of the nominal amount of such Security, such proportion) for all purposes with effect from the relevant Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed or purchased and cancelled, each Security shall be redeemed on the Maturity Date specified in the relevant Issue Terms at its Redemption Amount (which, unless otherwise provided, shall be its Nominal Amount) together with, in the case of Instalment Securities, the Instalment Amount payable, if any, on the Maturity Date.

(b) ***Early Redemption***

The amount payable in respect of any Security upon redemption of such Security pursuant to General Note Condition 5(c) or upon any Security becoming due and payable as provided in General Note Condition 8, shall be the Unscheduled Termination Amount as defined in Product Condition 1.

(c) ***Redemption for Illegality Reasons***

If the Issuer shall have determined, acting in good faith and in a commercially reasonable manner, that the performance of any of its obligations under the Securities or that any arrangement made to hedge its obligations under the Securities shall have or will become, in whole or in part, unlawful, illegal, or otherwise contrary to any present or future law, rule, regulation, judgment, order, directive, policy or request of any governmental, administrative, legislative or judicial authority or power (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or

any change in the interpretation thereof (an "**Illegality**"), then the Issuer may, if and to the extent permitted by applicable law, having given notice to Securityholders as soon as practicable in accordance with General Note Condition 14, redeem the Securities at their Unscheduled Termination Amount. No payment of the Redemption Amount or any other amounts on account of interest or otherwise shall be made after such notice has been given.

(d) **Redemption at the Option of the Issuer**

If "Redemption at the Option of the Issuer" is specified in the relevant Issue Terms, the Issuer may (i) on giving not less than 15 nor more than 30 days' irrevocable notice to the Securityholders (or such other notice period as may be specified in the relevant Issue Terms), or (ii) on exercising its call option on an Optional Redemption Exercise Date by giving notice to the Securityholders on or before such Optional Redemption Exercise Date, as specified in the relevant Issue Terms, redeem all or, if so provided, some of the Securities on any Optional Redemption Date specified in the relevant Issue Terms at their Optional Redemption Amount specified in the relevant Issue Terms. Any such redemption must relate to Securities of a nominal amount at least equal to the minimum nominal amount to be redeemed and no greater than the maximum nominal amount to be redeemed, as specified in the relevant Issue Terms. All Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this General Note Condition 5(d).

In the case of a partial redemption, the Securities to be redeemed shall be selected in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange, the rules and procedures of any Clearing System and other relevant requirements, and holders of Registered Notes shall be notified separately if their Securities have been selected.

(e) **Redemption at the Option of Securityholders**

If "Redemption at the Option of Securityholders" is specified in the relevant Issue Terms, the Issuer shall, at the option of the holder of any such Security, upon the holder of such Security giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Issue Terms) redeem such Security on the Optional Redemption Date(s) specified in the relevant Issue Terms at its Optional Redemption Amount specified in the relevant Issue Terms. No such option may be exercised if the Issuer has given notice of redemption of the Securities.

In the case of Securities not held in or on behalf of a Clearing System, to exercise such option the holder must deposit a duly completed option exercise notice ("**Exercise Notice**") substantially in the form set out in the Agency Agreement (or such other form as the Issuer, the Fiscal Agent and the Registrar may approve) within the notice period together with the Certificate representing such Registered Securities with the Registrar or any Transfer Agent at its specified office. In the case of Bearer Securities, the holder must deposit an Exercise Notice with the Fiscal Agent at the same time presenting the Global Security representing such Bearer Securities to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation according to the terms set out in such Global Security.

(f) **Purchases**

The Issuer and any subsidiary or affiliate of the Issuer may at any time purchase Securities (provided that such Securities are purchased with all rights to receive all future payments of interest and Instalment Amounts (if any)) in the open market or otherwise at any price and may hold, resell or cancel them.

(g) **Reference to Principal**

References to "principal" shall be deemed to include, wherever the context so admits, any amounts payable under the Securities other than by way of interest.

6. **Payments**

(a) **Bearer Securities**

Payments in respect of Bearer Securities shall be made against presentation and annotation or, if no further payment is to be made, surrender of the Global Security at the specified office of any Paying Agent outside the United States by transfer to an account denominated in the

Settlement Currency with a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET2 System.

(b) **Registered Securities**

Payments in respect of Registered Securities shall be made to the person shown on the Register at the close of business on the date (the "**Record Date**") which is (i) in the case of Securities represented by a Global Certificate held by or on behalf of one or more Clearing Systems, the Clearing System Business Day immediately prior to the due date for payment thereof, where "**Clearing System Business Day**" means each day from Monday to Friday inclusive except 25 December and 1 January and (ii) otherwise, the fifteenth day before the due date for payment thereof, and if no further payment is to be made, against presentation and surrender of the relevant Certificates at the specified office of any Transfer Agent or the Registrar. Payments on each Registered Security shall be made in the Settlement Currency by cheque drawn on a bank and mailed to the holder (or to the first-named of joint holders) of such Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment may be made by transfer to an account in the Settlement Currency specified by the payee with a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET2 System.

(c) **Discharge of Obligation**

The holder of a Global Security or Global Certificate shall be the only person entitled to receive payments in respect of Securities represented by such Global Security or Global Certificate and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Security or Global Certificate in respect of each amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular nominal amount of Securities represented by such Global Security or Global Certificate must look solely to such Clearing System for its share of each payment so made. No person other than the holder of such Global Security or Global Certificate shall have any claim against the Issuer in respect of any payments due on that Global Security or Global Certificate.

(d) **Payments Subject to Laws**

All payments are subject in all cases to any applicable fiscal and other laws, regulations and directives.

(e) **Appointment of Agents**

The Agents initially appointed by the Issuer and their respective specified offices are specified in the relevant Issue Terms. The Agents act solely as agents of the Issuer and neither the Issuer nor any of the Agents assumes any obligation or relationship of agency or trust or of a fiduciary nature for or with any Securityholder. The Issuer may at any time vary or terminate the appointment of any Agent and appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Securities, (iii) a Transfer Agent in relation to Registered Securities and (iv) so long as the Securities are listed on any stock exchange and the rules of that stock exchange or the relevant competent authority so require, such Paying Agents or other agents as may be required by the rules of such stock exchange or competent authority.

Notice of any such change or any change of any specified office shall promptly be given to the Securityholders.

(f) **Non-Business Days**

If any date for payment in respect of any Security is not a business day, the holder shall not be entitled to payment until the next following business day or to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day which is a Currency Business Day and, where presentation is required, a Banking Day in the relevant place of presentation.

7. **Prescription**

Claims against the Issuer for payment in respect of Bearer Securities shall be prescribed and become void unless the Global Security is presented for payment within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date.

"Relevant Date" means, in respect of any payment, (a) the date on which such payment first becomes due and payable or (b) if the full amount of moneys payable has not been received by the Fiscal Agent on or prior to such date, the date on which, the full amount of such moneys having been so received, notice to that effect is given to the Securityholders in accordance with General Note Condition 14.

8. **Events of Default**

If any one or more of the following events (each an **"Event of Default"**) has occurred and is continuing:

- (a) the Issuer fails to pay any amount due on the Securities within 30 days after the due date; or
- (b) the Issuer (i) is (or could be deemed by law or court to be) insolvent or bankrupt or unable to pay its debts, (ii) stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, (iii) initiates or becomes subject to proceedings relating to itself under any applicable bankruptcy, liquidation, insolvency, composition administration or insolvency law, (iv) proposes or makes a stay of execution, a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or (v) a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer,

then the holder of any Security may, by notice in writing given to the Fiscal Agent at its specified office, declare such Security immediately due and payable, whereupon such Security shall become redeemable at an amount equal to its Unscheduled Termination Amount unless prior to the time when the Fiscal Agent receives such notice all Events of Default have been cured.

9. **Meetings of Securityholders**

The Agency Agreement contains provisions for convening meetings of Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the Conditions. Such a meeting may be convened by Securityholders holding not less than one tenth in nominal amount of the Securities for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing Securityholders whatever the nominal amount of the Securities held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (a) to amend any date for payment on the Securities, (b) to reduce or cancel the nominal amount of, or any other amount payable or deliverable on redemption of, the Securities, (c) to reduce the rate or rates of interest in respect of the Securities, (d) to vary any method of, or basis for, calculating any amount payable on the Securities or deliverable in respect of the Securities, (e) to vary the currency or currencies of payment or denomination of the Securities, (f) to take any steps that may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass the Extraordinary Resolution in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Securities for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Securityholders (whether or not they were present at the meeting at which such resolution was passed).

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Securityholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders.

10. **Modification**

The Issuer may modify the Conditions (and (a) the Deed of Covenant and (b) together with the other parties thereto, the Agency Agreement, save that, in relation to the regulations concerning transfers of Securities scheduled to the Agency Agreement, any modifications will

be made in accordance with General Note Condition 2(a)) without the consent of any Securityholder for the purposes of (a) curing any ambiguity or correcting or supplementing any provision contained in them in any manner which the Issuer may deem necessary or desirable provided that such modification is not, in the determination of the Issuer, prejudicial to the interests of the Securityholders or (b) correcting a manifest error. Notice of any such modification will be given to the Securityholders in accordance with General Note Condition 14.

11. Substitution of the Issuer

The Issuer, or any previously substituted company, may at any time, without the consent of the Securityholders, substitute for itself as principal obligor under the Securities any company (the "**Substitute**"), being any Affiliate of the Issuer or another company with which it consolidates, into which it merges or to which it sells, leases, transfers or conveys all or substantially all its property, subject to:

- (a) where the Substitute is an Affiliate of the Issuer, the Substitute having a long-term unsecured debt rating equal to or higher than that of the Issuer given by Moody's Investors Service Ltd. or Moody's Deutschland GmbH (or such other Moody's entity providing the rating of the Issuer) (or an equivalent rating from another internationally recognised rating agency) or having the benefit of a guarantee from the Issuer or another Affiliate of the Issuer with such a debt rating;
- (b) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect; and
- (c) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Securityholders in accordance with General Note Condition 14.

In the event of any substitution of the Issuer, any reference in the Conditions to the "Issuer" shall thenceforth be construed as a reference to the Substitute.

For these purposes, "**Affiliate**" means any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer and any entity under common control with the Issuer.

The Issuer shall also have the right upon notice to Securityholders in accordance with General Note Condition 14 to change the office through which it is acting for the purpose of the Securities, the date of such change to be specified in such notice provided that no change can take place prior to the giving of such notice.

12. Taxation

The Issuer is not liable for or otherwise obliged to pay, and the relevant Securityholder shall pay, any tax, duty, charges, withholding or other payment which may arise as a result of, or in connection with, the ownership, transfer, redemption or enforcement of any Security, including, without limitation, the payment of any amount thereunder. The Issuer shall have the right to withhold or deduct from any amount payable to the Securityholder such amount (a) for the payment of any such taxes, duties, charges, withholdings or other payments or (b) for effecting reimbursement to the Issuer for any payment by it of any tax, duty, charge, withholding or other payment referred to in this General Note Condition 12.

13. Further Issues

The Issuer may from time to time without the consent of the Securityholders create and issue further Securities having the same terms and conditions as the Securities (save possibly for the amount and date of the first payment of interest and for the issue price) (so that, for the avoidance of doubt, references in the Conditions to "Issue Date" shall be to the first issue date of the Securities) and so that the same shall be consolidated and form a single series with such Securities, and references in the Conditions to "Securities" shall be construed accordingly.

14. Notices

Notices to the holders of Securities which are listed on a stock exchange shall be given in such manner as the rules of such exchange or the relevant authority may require (in the case of the Luxembourg Stock Exchange by publication on www.bourse.lu). In addition, so long as any

Securities are held in or on behalf of a Clearing System, notices to the holders of such Securities may be given by delivery of the relevant notice to that Clearing System for communication by it to entitled accountholders or by delivery of the relevant notice to the holder of the relevant Global Security or Global Certificate. Notices to the holders of Securities may also be given by publication in the newspaper specified in the relevant Issue Terms or such other leading newspaper of general circulation as the Issuer may determine. Any such notice shall be deemed to have been given on the weekday following such delivery or, where notices are so published, on the date of such publication or, if published more than once or on different dates, on the date of the first such publication. Notices to the holders of Registered Securities may alternatively be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

Notices to be given by a Securityholder shall (in the case of a Security not held in or on behalf of a Clearing System) be in writing and given by being lodged with an Agent. Where Securities are held in or on behalf of a Clearing System, such notices may be given by the holder of a Security through the relevant Clearing System in such manner as the relevant Clearing System may approve for this purpose together with confirmation from the Clearing System of the Securityholder's holding of Securities.

Where Securities are held in or on behalf of a Clearing System but such Clearing System does not permit notices to be sent through it, such notices may be given by the relevant Securityholder in writing by being lodged with an Agent, subject to the Securityholder providing evidence from the Clearing System satisfactory to the Issuer of the Securityholder's holding of Securities.

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 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 Certificate) and otherwise as the Issuer may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

16. Calculations and Determinations

Where any calculations or determinations are required in the Conditions to be made by the Issuer, the Issuer may delegate the performance of such determinations and/or calculations to a Calculation Agent on its behalf. In such event, the relevant references to the "Issuer" shall be construed as references to such Calculation Agent.

All calculations and determinations of the Issuer and the Calculation Agent in the Conditions shall be made in accordance with the terms of the relevant Conditions having regard in each case to the criteria stipulated therein (if any) and (where relevant) on the basis of information provided to or obtained by employees or officers of the Issuer or the Calculation Agent (as applicable) responsible for making the relevant calculation or determination.

In making any discretionary determinations under the Conditions, each of the Issuer and the Calculation Agent may take into account such factors as it determines to be appropriate (including, but not limited to, any circumstances or events which it determines have a material effect on the hedging arrangements entered into by the Issuer (and/or its affiliates) at any time with respect to the Securities). Where provided in the Conditions, the Issuer or the Calculation Agent will calculate any amount(s) payable using the information, price sources or factors, whether official or estimated, as specified in the Conditions. However, should the Issuer or the Calculation Agent not be able to obtain the necessary information or be able to use the specified price sources or factors, then, after using reasonable efforts and after applying all applicable fallback provisions specified in the Conditions in relation to such calculation, the Issuer or the Calculation Agent shall be permitted to use its estimate (acting in good faith and in a commercially reasonable manner) of the relevant information, price source or factor in making the relevant calculations should it determine that such estimate is reasonably necessary.

All calculations and determinations and exercises of discretion made by the Issuer or the Calculation Agent in such capacity under the Conditions (which, for the avoidance of doubt,

shall not include the terms of the offer of the Securities as set out in Part B of the Final Terms, if applicable) whether or not already expressed to be the case therein shall be made in good faith and in a commercially reasonable manner and (where there is a corresponding applicable regulatory obligation) shall take into account whether fair treatment is achieved by any such calculation, determination and exercise of discretion in accordance with its applicable regulatory obligations.

All calculations made by the Issuer or the Calculation Agent under the Conditions shall, in the absence of manifest error, be final, conclusive and binding on Securityholders.

Neither the Issuer nor the Calculation Agent assumes any obligation or relationship of agency or trust or of a fiduciary nature for or with any Securityholder. Nothing in the Conditions shall exclude or restrict any duty or liability arising under the regulatory framework applicable to any person authorised by the Financial Conduct Authority.

17. **Third Parties**

No person shall have any right to enforce any of the Conditions of the Securities under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Securities expressly provide that it shall apply to any of their terms.

18. **Miscellaneous Definitions**

References to "**AUD**" are to Australian dollars, references to "**CAD**" are to Canadian dollars, references to "**DKr**" are to Danish Krone, references to "**EUR**" and "**€**" are to euro, being the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time), references to "**GBP**" and "**£**" are to pounds sterling, references to "**HK\$**" and "**HKD**" are to Hong Kong dollars, references to "**JPY**" and "**¥**" are to Japanese yen, references to "**Nkr**" and "**NOK**" are to Norwegian Krone, references to "**SGD**" are to Singapore dollars, references to "**SEK**" and "**SKr**" are to Swedish Krona, references to "**CHF**" and "**Sfr**" are to Swiss Francs and references to "**USD**" and "**U.S.\$**" are to United States dollars.

"**Additional Provisions**" means the Provisions relating to Securities in SIX SIS Ltd., where the relevant Clearing System is specified to be SIX SIS Ltd. in the relevant Issue Terms relating to the relevant Securities, and on the terms as set forth in the Base Prospectus as referred to in such Issue Terms.

"**Banking Day**" means, in respect of any city, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in such city.

"**Business Centre**" means each of the places so specified in the relevant Issue Terms.

"**Business Day**" means:

- (a) in the case of any sum payable in 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
- (b) in the case of any sum payable in euro, a TARGET Business Day; and/or
- (c) in the case of any sum payable in a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"**Currency Business Day**" means a day which is a Banking Day in the Financial Centre(s) if any (as specified in the relevant Issue Terms) and on which (unless the Settlement Currency is euro) commercial banks and foreign exchange markets are generally open to settle payments in the city or cities determined by the Issuer to be the principal financial centre(s) for the Settlement Currency and if the Settlement Currency is euro, which is also a TARGET Business Day.

"**Dealer**" means any dealer specified in the relevant Issue Terms.

"Extraordinary Resolution" means a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority of at least 75 per cent. of the votes cast.

"Financial Centre" means each of the places so specified in the relevant Issue Terms.

"Hedging Arrangements" means any hedging arrangements entered into by the Issuer (and/or its affiliates) at any time with respect to the Securities, including without limitation the purchase and/or sale of any securities, commodities, currency or other asset, the entry into or termination of interest rate swap transactions, any options or futures on any securities, commodities or other asset, any depository receipts in respect of any securities, and any associated foreign exchange transactions.

"Initial Share Setting Date" means the date so specified in the relevant Issue Terms, provided that if any date used for the valuation or any determination of the Preference Share Underlying(s) (or any part thereof) for the purposes of the Preference Shares which falls on or around such day is delayed or to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a non-scheduled trading day, an adjustment or a disrupted day, the Initial Share Setting Date shall be (a) if "Initial Share Setting Date Adjustment" is specified to be "Earliest", the earliest (delayed or otherwise) date on which any valuation or determination is made, or (b) if "Initial Share Setting Date Adjustment" is specified to be "Latest", the latest delayed date on which any valuation or determination is made, in each case as determined by the Calculation Agent and as specified in the relevant Issue Terms.

"Instalment Amount" means, in respect of each Instalment Date, the amount so specified in the relevant Issue Terms.

"Instalment Date(s)" means the date(s) so specified in the relevant Issue Terms.

"Issue Date" means one of the following as specified in the relevant Issue Terms:

- (a) the date so specified in the relevant Issue Terms; or
- (b) the number of Currency Business Days following the Initial Share Setting Date, as specified in the relevant Issue Terms.

"Issue Price" means the amount so specified in the relevant Issue Terms.

"Maturity Date" means the date so specified in the relevant Issue Terms.

"Nominal Amount" means, in respect of a Security, the Specified Denomination in respect of such Security.

"Optional Redemption Amount" means, in respect of each Security, an amount in the Settlement Currency calculated by the Calculation Agent on the same basis as the Redemption Amount as set out in Product Condition 3 below, except that for the purpose of this definition, "Share Final" shall mean the Preference Share Value on the Optional Redemption Valuation Date.

"Optional Redemption Date(s)" means one of the following, as specified in the relevant Issue Terms:

- (a) each date(s) specified as such in the relevant Issue Terms; or
- (b) each date so specified in the relevant Issue Terms, or if such date is not a Currency Business Day, the next following Currency Business Day; or
- (c) the number of Currency Business Days following the Optional Redemption Exercise Date on which the Issuer has exercised its call option, as specified in the relevant Issue Terms.

"Optional Redemption Exercise Date" means each date so specified in the relevant Issue Terms.

"Optional Redemption Valuation Date" means the date on which the Securities are scheduled to be redeemed in accordance with General Note Condition 5(d) or General Note Condition 5(e), as the case may be (or such earlier date only to the extent necessary to allow the calculation of the Preference Share Value prior to the redemption of the Securities).

"**Preference Share Value**" has the meaning given to it in Product Condition 1.

"**Redemption Amount**" has the meaning given to it in Product Condition 3.

"**Settlement Currency**" means the currency in which a payment is to be made.

"**Share Final**" has the meaning given to it in Product Condition 3.

"**Specified Denomination**" means the amount so specified in the relevant Issue Terms.

"**TARGET Business Day**" means a day on which the TARGET2 System or any successor thereto is operating, where "TARGET2 System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

"**Unscheduled Termination Amount**" has the meaning given to it in Product Condition 1.

19. **Governing Law and Jurisdiction**

The Securities, the Global Security, the Certificates, the Global Certificates and any non-contractual obligations arising out of or in relation to them are governed by, and shall be construed in accordance with, English law.

The Issuer irrevocably agrees for the benefit of the Securityholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Securities and accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as "**Proceedings**") may be brought in such courts.

The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Issuer and the relevant Branch and may be enforced in the courts of any other jurisdiction. Nothing in this General Note Condition 19 shall limit any right to take Proceedings against the Issuer or the relevant Branch in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Issuer appoints its London Branch as its agent for service of process in England in respect of any Proceedings against it.

ADDITIONAL PROVISIONS

PROVISIONS RELATING TO SECURITIES IN SIX SIS LTD.

The following provisions apply to Securities in respect of which the relevant Issue Terms specify that the Clearing System is SIX SIS Ltd.

Form of Securities

The Securities shall be issued either (i) in the form of uncertificated securities (*Wertrechte*) (in accordance with article 973c of the Swiss Code of Obligations) and entered into the main register (*Hauptregister*) of SIX SIS Ltd. ("**SIX SIS**") on or prior to the original issue date of such Tranche or (ii) in bearer form and represented by a Global Security, which is deposited with the SIX SIS as central depository on or prior to the original issue date of such Tranche.

Names and Addresses

Clearing System	SIX SIS Ltd. Baslerstrasse 100 CH-4600 Olten Switzerland
Swiss Paying Agent	Credit Suisse AG Paradeplatz 8 CH-8001 Zürich Switzerland

Additional Provisions

1. In respect of Bearer Securities represented by a Global Security only, for so long as the Global Security representing such Securities is deposited with SIX SIS, the following provisions shall apply in respect of such Securities:
 - (a) The Securities shall be represented by a single Global Security that is deposited by the Swiss Paying Agent with SIX SIS.
 - (b) As a matter of Swiss law, each holder (as defined below) of a Security represented by a Global Security will have a co-ownership interest in the relevant Global Security to the extent of such holder's claim against the Issuer.
2. For so long as (i) the Global Security representing the Bearer Securities is deposited with SIX SIS or (ii) the Securities are issued in the form of uncertificated securities (*Wertrechte*) (in accordance with article 973c of the Swiss Code of Obligations) and are entered into the main register (*Hauptregister*) of SIX SIS and, in each case, are entered into the securities accounts of one or more participants of SIX SIS, such Securities will, as a matter of Swiss law, constitute intermediated securities (*Bucheffekten*) within the meaning of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), and the following provisions shall apply in respect of such Securities:
 - (a) In respect of Bearer Securities represented by a Global Security, the co-ownership interest in such Global Security shall be suspended.
 - (b) The Securities may only be transferred by the entry of the transferred Securities in a securities account of the transferee.
 - (c) "**Securityholder**" or "**holder**" means each person holding any such Securities in a securities account (*Effektenkonto*) that is in such person's name or, in the case of intermediaries (*Verwahrungsstellen*), each intermediary (*Verwahrungsstelle*) holding any such Securities for its own account in a securities account (*Effektenkonto*) that is in such intermediary's name.
 - (d) Holders of the Securities do not have the right to effect or demand the conversion of, or delivery of, uncertificated securities (in the case of Securities which are Bearer Securities represented by a Global Security) or definitive securities (in the case of Securities which are either Bearer Securities represented by a Global Security or Securities in uncertificated form).

- (e) The payment of any amount (or delivery of any underlying assets) in respect of the Securities shall be centralised with the Swiss Paying Agent. The due and punctual receipt by the Swiss Paying Agent of the payments (or receipts of any underlying assets) from the Issuer for the servicing of the Securities shall release such Issuer from its obligations under the Securities to the extent of such payments as of such date.
- (f) The final five paragraphs of General Note Condition 1, General Note Condition 2 and General Note Condition 6(a), (b) and (c) shall not apply.

PRODUCT CONDITIONS

The terms and conditions applicable to the Securities will comprise the General Note Conditions and the product conditions set out below (the "**Product Conditions**"), in each case subject to completion in the relevant Issue Terms. In the event of any discrepancy or conflict between (a) the General Note Conditions and (b) the Product Conditions, the Product Conditions will prevail. In the event of any discrepancy between (a) the General Note Conditions and/or the Product Conditions and (b) the relevant Issue Terms, the relevant Issue Terms will prevail. The Product Conditions constitute Product Conditions for the purposes of the General Note Conditions.

1. **Early Redemption as a result of a Preference Share Early Redemption Event**

Upon the occurrence of a Preference Share Early Redemption Event, the Issuer will give notice to the holders of the Securities in accordance with General Note Condition 14 that it will redeem all (but not some only) of the Securities on the Currency Business Day immediately preceding the date on which the Preference Shares are scheduled to be redeemed (as specified in the Early Redemption Notice) and each Security will be redeemed on such date at the Unscheduled Termination Amount.

For the purposes of the Conditions:

"**Cell**" means, in respect of the Preference Shares, the protected cell specified in the relevant Issue Terms, being a protected cell in the Preference Share Company established in accordance with the Companies (Jersey) Law 1991 and the articles of association of the Preference Share Company.

"**Early Redemption Notice**" means a notice from the Preference Share Issuer that the Preference Shares are to be redeemed early.

"**Early Redemption Valuation Date**" means the date on which the Securities are scheduled to be redeemed (or such earlier date only to the extent necessary to allow the calculation of the Preference Share Value prior to the redemption of the Securities).

"**Information Source**" means the information source specified in the relevant Issue Terms.

"**Preference Shares**" means the preference shares specified in the relevant Issue Terms relating to the Securities and issued by the Preference Share Issuer in respect of the Cell.

"**Preference Share Company**" means Andrea Investments (Jersey) PCC.

"**Preference Share Early Redemption Event**" means, and such event shall be deemed to have occurred if, the Issuer has received an Early Redemption Notice.

"**Preference Share Issuer**" means the Preference Share Company acting in respect of the Cell.

"**Preference Share Value**" means, in respect of any day, the fair market value of a Preference Share at the Valuation Time on such day as determined by the Calculation Agent using its internal models and methodologies and taking into account such factor(s) as the Calculation Agent determines appropriate, including, but not limited to:

- (a) the time remaining to maturity of the Preference Share;
- (b) the interest rate at which banks lend to each other;
- (c) the interest rate at which the Preference Share Issuer (or its affiliates) would be charged to borrow cash;
- (d) if the Preference Share is linked to one or more underlying assets, the value, expected future performance and/or volatility of such underlying asset(s); and
- (e) any other information which the Calculation Agent determines relevant.

Following such determination, the Preference Share Value is scheduled to be published by the Issuer on each Currency Business Day on the Bloomberg service as specified in the relevant Issue Terms or on such other widely available Information Source as is specified in the relevant Issue Terms or, in each case, such widely available replacement price source as is specified by notice to the holders of the Securities in accordance with General Note Condition 14.

"Unscheduled Termination Amount" means, in respect of such Security:

- (a) if such Security is redeemed pursuant to General Note Condition 8, an amount in the Settlement Currency (which may be greater than or equal to zero) equal to the value of the Security immediately prior to it becoming due and payable pursuant to General Note Condition 8, as calculated by the Calculation Agent using its then prevailing internal models and methodologies and which amount may be based on or may take account of, amongst other factors, the following:
- (i) the time remaining to maturity of the Security;
 - (ii) the interest rates at which banks lend to each other;
 - (iii) the interest rate at which the Issuer (or its affiliates) is charged to borrow cash, as determined by the Calculation Agent at a time during the period commencing immediately prior to when rates that are observed in the market relating to the creditworthiness of the Issuer (including, but not limited to, an actual or anticipated downgrade in its credit rating) began to significantly worsen and ending with the occurrence of the Event of Default, taking into account relevant factors including, without limitation, whether or not there is a material deviation from the historic correlation of the market observable rates relating to the creditworthiness of the Issuer from the corresponding rates for comparable entities in such market, as calculated by the Calculation Agent in good faith and in a commercially reasonable manner;
 - (iv) the value, expected future performance and/or volatility of the Preference Shares;
 - (v) a deduction to take account of the creditworthiness of the Issuer (including, but not limited to, an actual or anticipated downgrade in its credit rating), as determined by the Calculation Agent at a time during the period commencing immediately prior to when rates that are observed in the market relating to the creditworthiness of the Issuer (including, but not limited to, an actual or anticipated downgrade in its credit rating) began to significantly worsen and ending with the occurrence of the Event of Default, taking into account relevant factors including, without limitation, whether or not there is a material deviation from the historic correlation of the market observable rates relating to the creditworthiness of the Issuer from the corresponding rates for comparable entities in such market, as calculated by the Calculation Agent in good faith and in a commercially reasonable manner using its then prevailing internal models and methodologies; and
 - (vi) any other information which the Calculation Agent deems relevant (including, without limitation, the circumstances that resulted in the events causing such redemption),

provided that the calculation of the Unscheduled Termination Amount shall not take account of any additional or immediate impact of the Event of Default itself on the Issuer's creditworthiness (including, but not limited to, an actual or anticipated downgrade in its credit rating); or

- (b) in all other cases, an amount in the Settlement Currency calculated by the Calculation Agent on the same basis as the Redemption Amount as set out in Product Condition 3 below, except that for the purposes of this definition, "Share Final" shall mean the Preference Share Value on the Early Redemption Valuation Date.

"Valuation Time" has the meaning given to it in the relevant Issue Terms or, if not set out in the relevant Issue Terms, 5.00 pm (London time).

2. **Extraordinary Events and Additional Disruption Events**

If the Issuer determines that an Extraordinary Event (where "Early Redemption as a result of an Extraordinary Event" is specified as applicable in the relevant Issue Terms) or an Additional Disruption Event (where "Early Redemption as a result of an Additional Disruption Event" is specified as applicable in the relevant Issue Terms) has occurred, the Issuer in its discretion may (but is not obliged to) give notice to the holders of the Securities in accordance with General Note Condition 14 that it will redeem all, but not some only, of the Securities at the

Unscheduled Termination Amount on the Currency Business Day specified in the relevant notice and having given such notice, will redeem each Security on the relevant date specified in such notice.

All calculations and determinations and exercises of discretion made by the Issuer or the Calculation Agent in such capacity under this Product Condition whether or not already expressed to be the case therein shall be made in good faith and in a commercially reasonable manner and (where there is a corresponding applicable regulatory obligation) shall take into account whether fair treatment is achieved by any such calculation, determination and exercise of discretion in accordance with its applicable regulatory obligations.

Where:

"Additional Disruption Event" means a Change in Law, an Insolvency Filing or a Hedging Disruption, as specified to be applicable in the relevant Issue Terms.

"Change in Law" means that, on or after the Issue Date of the relevant Securities, (a) due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an **"Applicable Regulation"**), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has or will become illegal or contrary to any Applicable Regulation for it, any of its affiliates or any entities which are relevant to the Hedging Arrangements to hold, acquire or dispose of Hedge Positions relating to such Securities, or (ii) it will incur a materially increased cost in performing its obligations with respect to such Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or any requirements in relation to reserves, special deposits, insurance assessments or other requirements.

"Extraordinary Event" means a Merger Event, a Tender Offer, a Nationalisation or an Insolvency, as specified to be applicable in the relevant Issue Terms.

"Hedge Positions" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange, (b) stock loan transactions, or (c) other instruments or arrangements (howsoever described) by the Issuer (and/or its affiliates) in order to hedge, individually or on a portfolio basis, the risk of entering into and performing its obligations with respect to the Securities.

"Hedging Arrangements" means any hedging arrangements entered into by the Issuer (and/or its affiliates) at any time with respect to the Securities, including without limitation the purchase and/or sale of any securities, any options or futures on such securities, any depositary receipts in respect of such securities and any associated foreign exchange transactions.

"Hedging Disruption" means that the Issuer (and/or its affiliates) is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Insolvency" means, by reason of the voluntary or involuntary liquidation, winding-up, dissolution, bankruptcy or insolvency or analogous proceedings affecting a Preference Share Issuer, (a) all the Preference Shares in such Preference Share Issuer are required to be transferred to any trustee, liquidator or other similar official or (b) holders of the Preference Shares of such Preference Share Issuer become legally prohibited from transferring them.

"Insolvency Filing" means, in respect of a Preference Share, that the Issuer determines that the relevant Preference Share Issuer has instituted, or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the relevant Preference Share Issuer shall not be an Insolvency Filing.

"Merger Event" means, in respect of any Preference Shares, any (a) reclassification or change of the Preference Shares that results in a transfer of or an irrevocable commitment to transfer all of such Preference Shares outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of the relevant Preference Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the relevant Preference Share Issuer is the continuing entity and which does not result in reclassification or change of all of such Preference Shares outstanding) or (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Preference Shares in the relevant Preference Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Preference Shares (other than such Preference Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the relevant Preference Share Issuer or its subsidiaries with or into another entity in which such Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Preference Shares outstanding but results in the outstanding Preference Shares (other than Preference Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Preference Shares immediately following such event.

"Nationalisation" means that all the Preference Shares in the Preference Share Issuer or all the assets or substantially all the assets of such Preference Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality.

"Tender Offer" means, in respect of any Preference Shares, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, more than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the relevant Preference Share Issuer, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems in its determination relevant.

3. **Redemption Amount**

"Initial Valuation Date" means the Issue Date as specified in the relevant Issue Terms or, if such day is not a Currency Business Day, the immediately following Currency Business Day.

"Nominal Amount" means the Specified Denomination.

"Preference Share Trigger Barrier Observation Date" means, in respect of a Preference Share, each date so specified in the relevant Issue Terms.

"Preference Share Valuation Date" means the date so specified in the relevant Issue Terms, or, if the terms and conditions of the Preference Shares provide that the Preference Shares are subject to redemption as a result of the auto-call feature being triggered on any Preference Share Trigger Barrier Observation Date(s), the date on which the auto-call feature is triggered, provided that if any date used for the valuation or any determination of the Preference Share Underlying(s) (or any part thereof) for the purposes of the Preference Shares which falls on or around such day is delayed or to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a non-scheduled trading day, an adjustment or a disrupted day, the Preference Share Valuation Date shall be the latest delayed date on which any valuation or determination is made, as determined by the Calculation Agent.

"Redemption Amount" means, in respect of each Security of the Specified Denomination, an amount in the Settlement Currency determined by the Calculation Agent in accordance with the following formula, which shall be rounded down to the nearest transferable unit of the Settlement Currency (save that where the Specified Denomination of such Security is specified in the relevant Issue Terms to be 1.00 in any currency, the Redemption Amount shall be rounded up to 4 decimal places):

$$\text{Nominal Amount} \times \left(\frac{\text{Share Final}}{\text{Share Initial}} \right)$$

"Settlement Currency" means the currency specified as such in the relevant Issue Terms.

"Share Final" means the Preference Share Value on the Valuation Date.

"Share Initial" means the Preference Share Value on the Initial Valuation Date.

"Valuation Date" means the number of Currency Business Days following the Preference Share Valuation Date, as specified in the relevant Issue Terms.

4. **Determinations by the Preference Share Issuer in respect of the Preference Shares**

If the Preference Share Issuer or the Preference Share Calculation Agent notifies the Issuer that any adjustments have been made to the terms of the Preference Shares, the Issuer shall notify the Securityholders, giving brief details of such adjustments and the event(s) giving rise to such adjustment(s), in accordance with General Note Condition 14.

DESCRIPTION OF THE PREFERENCE SHARE ISSUER AND THE PREFERENCE SHARES

The following is a summary description of the Preference Share Issuer and the Preference Shares.

The Preference Share Issuer

Andrea Investments (Jersey) PCC (the "**Preference Share Company**") was established under the name Andrea IV Investments (Jersey) Limited as a closed-ended investment company, incorporated with limited liability in Jersey under the Companies (Jersey) Law 1991 on 30 October 2001 (with registered number 81180). On 16 November 2007 the Preference Share Company was converted into a protected cell company and changed its name to Andrea Investments (Jersey) PCC. The Preference Share Company is established under the laws of Jersey and has its registered office at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands.

The Preference Share Company was created for the purpose of creating protected cells (each a "**Cell**") in respect of which the Preference Share Company, acting in respect of the relevant Cell (each a "**Preference Share Issuer**"), will issue a Series of Preference Shares (each a "**Series**"). Each Series may comprise one or more classes of Preference Shares (each a "**Class**", each of which may have different features). Each Preference Share Issuer may issue more than one Series and Class of Preference Shares.

Each Series of Securities will give exposure to the performance of a separate Class of Preference Shares that, in turn, gives exposure to one or more Preference Share Underlying(s) (as more particularly described below). It is expected that the Preference Share Issuer will only issue a small number of Preference Shares of the relevant Class and that, unless otherwise specified in the relevant Issue Terms, these will be issued fully paid at either GBP 1.00, EUR 1.00, USD 1.00 or such other amount, in each case as specified in the Preference Share Terms and Conditions, and will be held by Credit Suisse International, the Issuer or an affiliate of the Issuer until their redemption date.

The sole business activity of each Preference Share Issuer is to issue redeemable preference shares. Accordingly, each Preference Share Issuer does not have any trading assets and does not generate any significant net income.

A copy of the Preference Share Issuer's constitutional documents and the relevant Preference Share Terms and Conditions are available to investors in the Securities on written request (free of charge) from the registered office of the Preference Share Issuer at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands and from the Distributor of the relevant Securities. If specified in the relevant Issue Terms, the Preference Share Terms and Conditions will also be available on the website specified in the relevant Issue Terms.

The Preference Shares

The Preference Share Issuer may issue redeemable Preference Shares of any kind, including but not limited to Preference Shares linked to the performance of one or more underlying asset(s) which may include, but will not be limited to, equity, debt or derivative securities, indices, investments, funds, exchange traded funds, commodities, baskets of securities or indices, currencies, portfolios and trading strategies and which may change over time as a result of performance, the exercise of investment management discretion or other factors (each a "**Preference Share Underlying**") and will be issued on such terms as may be determined by the Preference Share Issuer and specified in the applicable terms and conditions of the relevant Class of Preference Shares (the "**Preference Share Terms and Conditions**").

The Preference Share Terms and Conditions of each Class provide that the applicable Preference Shares will be redeemable on their final redemption date at a defined amount as determined in accordance with the Preference Share Terms and Conditions.

The Preference Share Terms and Conditions may also provide that the Preference Share Issuer may redeem the Preference Shares early if:

- (a) the Preference Share Calculation Agent determines that, for reasons beyond the Preference Share Issuer's control, the performance of the Preference Share Issuer's obligations under the Preference Shares have become illegal or impractical in whole or in part for any reason; or
- (b) the Preference Share Calculation Agent determines there is a change in applicable law or regulation that in the determination of the Preference Share Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in the Preference Share Issuer being required to be regulated by any additional regulatory authority, or being subject to any

Description of the Preference Share Issuer and the Preference Shares

additional legal requirement or regulation or tax considered by the Preference Share Issuer to be materially onerous to it;

- (c) the Preference Share Calculation Agent determines that certain events which affect the Preference Share Issuer's hedging arrangements and/or the Preference Share Underlying(s) have occurred; or
- (d) the Preference Share Issuer is notified by any issuer or obligor of a financial product the return of which is dependent on the value of the Preference Shares that such financial product has become subject to early redemption or is cancelled.

If the Issuer receives a notice from the Preference Share Issuer of the early redemption of the Preference Shares, the Issuer will notify holders of the Securities in accordance with General Note Condition 14 and each Security will be redeemed at its Unscheduled Termination Amount.

The value of the Preference Shares is scheduled to be published on each Currency Business Day on the Bloomberg service as specified in the relevant Issue Terms or on such other Information Source as may be specified in the relevant Issue Terms.

The Preference Share Underlying(s)

The performance of the Preference Shares depends on the performance of the Preference Share Underlying(s) to which the relevant Preference Shares give investment exposure.

In determining the value of the Preference Shares, the Preference Share Calculation Agent shall employ the calculation procedure and methodology set out in the applicable Preference Share Terms and Conditions.

Investors in the Securities should carefully review and ensure they understand the Preference Share Terms and Conditions and the investment exposure the Preference Shares give to the Preference Share Underlying(s) and consult with their own professional advisers if they consider it necessary.

FORM OF FINAL TERMS

[Include if the offer of the Securities will be concluded on or after 1 January 2018 and if applicable: **PROHIBITION OF SALES TO EEA RETAIL INVESTORS:** [With effect from 1 January 2018, the]/[The] Securities are not intended to be offered, sold or otherwise made available to and may not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA Retail Investor**"). For these purposes, an EEA Retail Investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of the Insurance Mediation Directive (Directive 2002/92/EC (as amended)) ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to EEA Retail Investors has been prepared and therefore offering or selling the Securities or otherwise making them available to any EEA Retail Investor may be unlawful under the PRIIPs Regulation.]

[The Base Prospectus expires on 10 December 2018. The new base prospectus (the "**2018 Base Prospectus**") will be valid from and including [●] 2018 and will be published on Luxembourg Stock Exchange's website [and [●]]. Following expiry of the Base Prospectus the offering of the Securities will continue under the 2018 Base Prospectus. The terms and conditions of the securities from the Base Prospectus will be incorporated by reference into the 2018 Base Prospectus and will continue to apply to the Securities.]

Final Terms dated [●]**Credit Suisse AG**

acting through its [London]/[Nassau]/[Singapore] Branch

Preference Share-Linked Securities due [●]

linked to Preference Shares in Andrea Investments (Jersey) PCC

(the "**Securities**")

[Series-[●]]

[ISIN: [●]]

issued pursuant to the Preference Share-Linked Securities (Andrea

Preference Share-Linked Securities) Base Prospectus as part of **the Structured Products Programme for the issuance of Notes, Certificates and Warrants**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such in the General Note Conditions[, the applicable Additional Provisions,] and the Product Conditions (as may be amended and/or supplemented up to, and including, [the Issue Date]/[●] (being the issue date of the Tranche One Securities)) set forth in the Base Prospectus dated 11 December 2017[, as supplemented [on [●] [and]] by any [further] supplements up to, and including, [the later of] the Issue Date [and the [date of listing of the Securities]/[the time when trading of the Securities on [specify regulated market/relevant exchange] begins]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC, as amended from time to time, including by Directive 2010/73/EU (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. [A summary of the Securities is annexed to these Final Terms.]¹ Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. Copies of the Base Prospectus [and each supplement] may be obtained from the registered office of the Issuer [and the offices of the Distributor(s)] and Agents specified herein.

¹ Delete if the Securities have a denomination of at least EUR 100,000, unless otherwise required (a) pursuant to Article 5 of the Prospectus Directive, or (b) for any other reason.

Form of Final Terms

These Final Terms comprise the final terms for the issue [and public offer in [●]] [and admission to trading on [specify regulated market/relevant exchange]] of the Securities. [The Final Terms will be available for viewing on [the website(s) of the Distributor(s)] [and] [the website[s] of [the Luxembourg Stock Exchange (www.bourse.lu)] [and] [●] (specify website of the relevant exchange)].]

(For Tranches of Securities to be issued under the Base Prospectus, and which are to be fungible with one or more tranches of Securities issued under:

- (a) *the 2013 Base Prospectus, the Form of Final Terms from the 2013 Base Prospectus should be used; or*
- (b) *the 25 August 2014 Base Prospectus, the Form of Final Terms from the 25 August 2014 Base Prospectus should be used;*
- (c) *the 5 December 2014 Base Prospectus, the Form of Final Terms from the 5 December 2014 Base Prospectus should be used;*
- (d) *the 2015 Base Prospectus, the Form of Final Terms from the 2015 Base Prospectus should be used; or*
- (e) *the 2016 Base Prospectus, the Form of Final Terms from the 2016 Base Prospectus should be used,*

in each case, with the changes set out in paragraph 5 (Fungible Issuances) of the "General Information" section in this Base Prospectus)

(Include whichever of the following apply or specify as "Not Applicable" (N/A). Italics denote guidance for completing the Final Terms)

1. Series Number: [●]/[Not Applicable]
2. Tranche Number: [●]/[Not Applicable]
(Should be "Not Applicable" unless fungible with an existing series)
- [Date on which Securities become fungible with Series: [●]] *(Include if fungible with an existing series on issuance)*
3. Aggregate Nominal Amount: *(N.B. If fungible with an existing series on issuance then the aggregate Nominal Amount of the previous Tranche(s) as well as the current Tranche should be specified)*
 - (i) Series: [Up to] [●]
(N.B. If "Up to" then a notice is required to be published for the final amount in accordance with Article 8 of the Prospectus Directive)
 - (ii) Tranche: [●]/[Not Applicable]
(Should be "Not Applicable" unless fungible with an existing Series)
4. Issue Price: [100]/[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date]] *(in the case of fungible issues only, if applicable)*
(Should always be 100 per cent. of the Aggregate Nominal Amount in the case of the first Tranche for a Series)
5. Specified Denomination: [●]

6. Issue Date: [●]/[●] Currency Business Days following the Initial Share Setting Date (expected to be [●])
- (N.B. If fungible with an existing series on issuance then the issue date of the previous Tranche(s) as well as the current Tranche should be specified)*
- Initial Share Setting Date: [●]
- Initial Share Setting Date Adjustment: [Earliest]/[Latest]
- (The Preference Shares should already be in issue however the Issue Date should not be more than 2 Currency Business Days after the issue date of the Preference Shares)*
7. Maturity Date: [The Valuation Date]/[●]
- (The Preference Shares should continue to be in existence until after the Maturity Date)*
8. Interest Basis: [Fixed Rate]/[Floating Rate]/[Not Applicable]

PROVISIONS RELATING TO INTEREST

9. Fixed Rate Provisions: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [[●] per cent. per annum]/[As specified in the table below in respect of each Interest Period ending on (but excluding) the relevant Interest Payment Date]/[Not Applicable]
- (ii) Interest Commencement Date: [●]/[Issue Date]
- (Specify if different from the Issue Date)*
- (iii) Interest Payment Date(s): [[●] in each year]/[●] [, subject to adjustment in accordance with the Business Day Convention]
- (N.B. the General Note Conditions automatically adjusts all dates for payment purposes so adjustment wording should only be added here if dates will adjust for calculation purposes too)*
- (iv) Interest Period: [Adjusted]/[Unadjusted]/[Not Applicable]
- (v) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[Not Applicable]
- (vi) Interest Amount(s) per Security: [[●] per [Specified Denomination]/[Security]]/[An amount equal to [●] per cent. of the Nominal Amount]/[As specified in the table below in respect of each Interest Period ending on (but excluding) the relevant Interest Payment Date]/[Not Applicable]

Form of Final Terms

- (vii) Day Count Fraction: [Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA] ([adjusted/unadjusted] basis)
- (viii) Determination Date(s): [●]/[Not Applicable]
(Insert regular interest payment dates, ignoring the maturity date in the case of a long or short last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual – ICMA)
- [Interest Payment Date_n** **[Rate of Interest_n]/[Interest Amount_n**
 [●]
(Repeat as necessary)
10. Floating Rate Provisions: [Applicable]/[Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Interest Commencement Date: [●]/[Issue Date]
(Specify if different from the Issue Date)
- (ii) Interest Payment Dates: [[●] in each year]/[●], subject to adjustment in accordance with the Business Day Convention]
- (iii) Interest Period: [Adjusted]/[Unadjusted]/[Not Applicable]
- (iv) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]
- (v) ISDA Determination:
 - Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]/[The first day of that Interest Period]
- (vi) Margin(s): [+/-] [●] per cent. per annum/[Not Applicable]
- (vii) Minimum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]
- (viii) Maximum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]
- (ix) Day Count Fraction: [Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA] ([adjusted/unadjusted] basis)
- (x) Determination Date(s): [●]/[Not Applicable]

(Insert regular interest payment dates, ignoring the maturity date in the case of a long or short last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual - ICMA)

(xi) Rate Multiplier: [●]/[Not Applicable]

PROVISIONS RELATING TO REDEMPTION

11. Valuation Date: [●] Currency Business Days following the Preference Share Valuation Date

- Preference Share Valuation Date: [●]

[- Preference Share Trigger Barrier Observation Date(s): [●] *(insert applicable trigger barrier or other observation dates)*

(Insert if auto-call feature applies to the Preference Shares; otherwise delete)

12. Valuation Time: [●] [(London time)]/[As per Product Condition 1]

13. Early Redemption:

(i) Redemption at the Option of the Issuer: General Note Condition 5(d) is [Applicable]/[Not Applicable]

- [Optional Redemption Date(s): [●], or if such day is not a Currency Business Day, the next following Currency Business Day]/[●] Currency Business Days following the Optional Redemption Exercise Date on which the Issuer has exercised its call option]

[Optional Redemption Exercise Date(s): [●] / [Not Applicable]

[Notice Period: [●]] *(Set out if different from the General Note Conditions)*

(ii) Redemption at the Option of Securityholders: General Note Condition 5(e) is [Applicable]/[Not Applicable]

[Optional Redemption Date(s): [●], or if such day is not a Currency Business Day, the next following Currency Business Day]

[Notice Period: [●]] *(Set out if different from the General Note Conditions)*

(iii) Early Redemption as a result of an Extraordinary Event: [Applicable]/[Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

Extraordinary Event Provisions:

- Merger Event: [Applicable]/[Not Applicable]

- Tender Offer: [Applicable]/[Not Applicable]

- Nationalisation: [Applicable]/[Not Applicable]

- Insolvency: [Applicable]/[Not Applicable]

Form of Final Terms

- (iv) Early Redemption as a result of an Additional Disruption Event: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Additional Disruption Event Provisions:
- Change in Law: [Applicable]/[Not Applicable]
 - Insolvency Filing: [Applicable]/[Not Applicable]
 - Hedging Disruption: [Applicable]/[Not Applicable]
14. Settlement Currency: [●]
- (The currency in which payment will be made)*
15. Details relating to Instalment Securities: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Instalment Amount(s): [●]
 - (ii) Instalment Date(s): [●]
- (N.B. Instalment Dates must fall on an Interest Payment Date)*
- (iii) Minimum Instalment Amount(s): [●]
 - (iv) Maximum Instalment Amount(s): [●]
16. Preference Shares:
- Preference Share Issuer: [Andrea Investments (Jersey) PCC, a protected cell company incorporated in Jersey with registered number 81180 acting in respect of the Cell]/[●]
 - Cell: [●]
 - Preference Share: Series – [●] [title] Preference Shares issued by the Preference Share Issuer in respect of the Cell
 - ISIN: [●]
 - Bloomberg Code: [●]
 - Information Source: [●]/[Bloomberg Code [CSSN]/[website]]
(specify the applicable price source for the publication of the Preference Share Value (see the definition of Preference Share Value in Product Condition 1) and, if publication is not scheduled to be made on Bloomberg on each Currency Business Day, details of such other interval and/or widely available information service on which the Preference Share Value will be scheduled to be published)
 - Preference Share Calculation Agent: [Credit Suisse International]/[●]

GENERAL PROVISIONS

17. (i) Form of Securities: [Bearer Securities]/[Registered Securities]/[Uncertificated]
- (ii) Global Security: [Global Security]/[Not Applicable]
(If Securities are issued in definitive form or are Securities in uncertificated form cleared through SIX SIS Ltd., this paragraph (ii) should be "Not Applicable")
- (iii) The Issuer intends to permit indirect interests in the Securities to be held through CREST Depository Interests to be issued by the CREST Depository: [Applicable]/[Not Applicable]
18. Financial Centre(s): [Not Applicable]/[●] (*specify financial centre*)
(Note that this item relates to the place of payment and not Interest Payment Dates)
19. Business Centre(s): [Not Applicable]/[●] (*specify business centre*)
20. Minimum Transferable Number of Securities: [●]/[Not Applicable]
21. Listing and Admission to Trading: [Not Applicable]
 [Application [has been]/[will be] made for the Securities to be [listed on [the Official List of] [the Luxembourg Stock Exchange]/[●] (*specify other exchange(s)*) and] admitted to trading on [the regulated market of] [the Luxembourg Stock Exchange]/[●] (*specify other exchange(s)*) with effect from [on or around] [●] provided, however, no assurance can be given that such application for [listing and] admission to trading will be granted (or, if granted, will be granted by the Issue Date or any specific date thereafter)]
(Where documenting a fungible issuance, need to indicate that the original Securities are already admitted to trading)
22. Security Codes:
 ISIN Code: [●]
 Common Code: [●]
 Swiss Security Number: [●]
23. Clearing and Trading:
 Clearing System(s) and any relevant identification number(s): [Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*]
 [(*Insert for Swiss Securities*) SIX SIS Ltd., Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*]
 [Other]
- Delivery of Securities: Delivery [against]/[free of] payment
- Minimum Trading Lot: [●]/[Not Applicable]

Form of Final Terms

24. Agents:
- Calculation Agent: [Credit Suisse International
One Cabot Square
London E14 4QJ]/[●]
- Fiscal Agent [and] [Swiss] Paying Agent: [The Bank of New York Mellon, acting through
its London Branch
One Canada Square
London E14 5AL/

[Credit Suisse AG
Paradeplatz 8
CH-8001 Zürich
Switzerland] (Swiss Securities only)/

[●]
- Transfer Agent: (Include for Registered Securities only)

[Not Applicable]

[The Bank of New York Mellon S.A./N.V.,
Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugene Ruppert
L-2453 Luxembourg]/[●]
- Registrar: (Include for Registered Securities only)

[Not Applicable]

[The Bank of New York Mellon S.A./N.V.,
Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugene Ruppert
L-2453 Luxembourg]/[●]

(Delete or add additional Agents as appropriate)
25. Dealer(s): [Credit Suisse International]/[Credit Suisse Securities (Europe) Limited]/[●]
26. Specified newspaper for the purposes of notices to Securityholders: [●]/[Not Applicable]
27. 871(m) Securities: [The Issuer has determined that the Securities (without regard to any other transactions) should not be treated as transactions that are subject to U.S. withholding tax under section 871(m)] / [The Issuer has determined that the Securities should be treated as transactions that are subject to U.S. withholding tax under section 871(m)]

(CS Tax should be consulted where applicable)

PART B – OTHER INFORMATION

(N.B. Complete "Terms and Conditions of the Offer" if the issuance is a public offer; otherwise delete)

[Terms and Conditions of the Offer

1. Offer Price:

[The Offer Price will be equal to the Issue Price.]/[[●] per cent. of the Aggregate Nominal Amount]/[[●] per Security].

[To be determined on the basis of the prevailing market conditions on or around [●] subject to a maximum of [[●] per cent. of the Aggregate Nominal Amount]/[[●] per Security].]

[Up to [●] per cent. of the Offer Price is represented by a commission payable to the [relevant] Distributor.

See item [11] below for information on applicable fees.]

[Not Applicable]
2. Total amount of the offer. If the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer:

[Up to] [●]/[To be determined on the basis of the demand for the Securities and prevailing market conditions and published in accordance with Article 8 of the Prospectus Directive.]

[It is anticipated that the final amount of Securities to be issued on the Issue Date will be notified to investors by appropriate means (and also through a notice published on the [relevant] Distributor's website, if available) on or around the Issue Date. The final amount of Securities will depend on the outcome of the offer.]

[Not Applicable]
3. Conditions (in addition to those specified in the Base Prospectus) to which the offer is subject:

[The offer of the Securities is conditional on their issue.]

[Right to cancel: The offer may be cancelled if the Aggregate Nominal Amount or aggregate number of Securities purchased is less than [●], or if the Issuer or the [relevant] Distributor assesses, at its sole and absolute discretion, that any applicable laws, court rulings, decisions by governmental or other authorities or other similar factors render it illegal, impossible or impractical, in whole or part, to complete the offer or that there has been a material adverse change in the market conditions. In the case of cancellation, unless otherwise specified by the [relevant] Distributor, the [relevant] Distributor will repay the purchase price and any commission paid by any purchaser without interest.]

[The Issuer reserves the right to withdraw the offer and/or to cancel the issue of the Securities for any reason at any time on or

prior to the Issue Date.]

[For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor will not be entitled to subscribe or otherwise purchase any Securities. The [relevant] Distributor will repay the Offer Price and any commission paid by any investor without interest.]

[The Issuer may exercise its right pursuant to General Note Condition 5(f) to purchase and hold, resell or cancel all or part of the Securities at any time, including, without limitation, in the event that the amount or number of the Securities subscribed for is less than the Aggregate Nominal Amount of the Securities issued on the Issue Date.]

[The offer will be subject to the above provisions. In case of withdrawal or cancellation, the [relevant] Distributor will inform the investors that have already applied for the Securities by appropriate means (and also through a notice published on its website, if available) and repay the Offer Price and any commission paid by any investor without interest.]

[●]

[Not Applicable]

4. The time period during which the offer will be open ("**Offer Period**"):
- An offer of the Securities will be made in [jurisdiction(s)] during the period from, and including [date] to, and including, [time] on [date] [Give details]

The Offer Period may be discontinued at any time.

[Notice of the early closure of the Offer Period will be made to investors by appropriate means (and also through a notice published on [the [relevant] Distributor's website, if available]/[the Issuer's website: [●]]).

See further the section entitled "Details of the minimum and/or maximum amount of application" set out in item [7] below].

5. Description of the application process:
- [Prospective investors may apply to the [relevant] Distributor to subscribe for Securities in accordance with the arrangements existing between the [relevant] Distributor and its customers relating to the subscription of securities generally.]

[Investors will be notified by the [relevant] Distributor of the amount allotted.]

[Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription for the Securities.]

- [Not Applicable]
- [Purchases from the [relevant] Distributor[s] can be made by submitting to the [relevant] Distributor, a form provided by the [relevant] Distributor, or otherwise as instructed by the [relevant] Distributor.]
- [●]
6. Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [●]/[Not Applicable]
7. Details of the minimum and/or maximum amount of application: [There is no minimum amount of application.]
- [All of the Securities requested through the [relevant] Distributor during the Offer Period will be assigned up to the maximum amount of the offer.]
- [Allotment of Securities will be managed and coordinated by the [relevant] Distributor subject to the arrangements existing between the [relevant] Distributor and its customers relating to the subscription of securities generally. There are no pre-identified allotment criteria. All of the Securities requested through the [relevant] Distributor during the Offer Period will be assigned up to the maximum amount of the offer.]
- [In the event that requests exceed the total amount of the offer, the [relevant] Distributor will close the Offer Period early, pursuant to item [4] above.]
- [The [maximum]/[minimum] [number]/[amount] of Securities each individual investor may subscribe for is [●].]
- [Not Applicable]
8. Details of the method and time limits for paying up and delivering the Securities: [Payments for the Securities shall be made to the [relevant] Distributor on [●]/[such date as the [relevant] Distributor may specify] as instructed by the [relevant] Distributor.]
- [Payments for the Securities shall be made to the [relevant] Distributor in accordance with the arrangements existing between the [relevant] Distributor and its customers relating to the subscription of securities generally, as instructed by the [relevant] Distributor.]
- [The Securities are expected to be delivered to the purchasers' respective [book entry securities] accounts on or around [●]/[the date as notified by the [relevant] Distributor].]
- [The Securities will be issued on the Issue Date against payment to the Issuer by the [relevant] Distributor of the aggregate subscription moneys. Each investor will be notified by the [relevant] Distributor of the

settlement arrangements in respect of the Securities at the time of such investor's application.]

[Not Applicable]

9. Manner in and date on which results of the offer are to be made public: [The results of the offer will be published on the [relevant] Distributor's website [at [●]] following the closing of the Offer Period on or around the Issue Date [or, if such website is not available, the results of the offer will be available upon request from the [relevant] Distributor].]

[The results of the offer will be published in accordance with Article 8 of the Prospectus Directive.]

[●]

[Not Applicable.]

10. Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Applicants will be notified by the [relevant] Distributor of the success of their application.]

[Dealings in the Securities may begin before such notification is made]/[No dealings in the Securities may take place prior to the Issue Date.]

[Not Applicable.]

[●]

11. Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [The Distributor(s) will charge purchasers [a]/[an] [fee]/[commission]/[amount]/[specify other] of [●]/[up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount] per Security./

[The Dealer will pay [a]/[an] [fee]/[commission]/[amount]/[specify other] to the Distributor(s) in connection with the offer of [●]/[up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount] per Security upfront] [and] [up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount] per Security per annum.] [The [Issue]/[Offer] Price [and the terms] of the Securities take[s] into account such [fee]/[commission]/[amount]/[specify other] [and may be more than the market value of the Securities on the Issue Date]./

[The Securities will be sold by the Dealer to the Distributor(s) at a discount of [up to] [●] per cent. of the [Issue]/[Offer] Price. Such discount represents the [fee]/[commission]/[amount]/[specify other] retained by the Distributor(s) out of the [Issue]/[Offer] Price paid by investors. [The [Issue]/[Offer] Price [and the terms] of the Securities take[s] into account such [fee]/[commission]/[amount]/[specify other] [and may be more than the market value of

the Securities on the Issue Date].]/

[The Dealer will either pay [a]/[an] [fee]/[commission]/[amount]/[specify other] to the Distributor(s) in connection with the [offer]/[issue] of [●]/[up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount] per Security up front] or the Securities may be sold by the Dealer to the Distributor(s) at a discount of [up to] [●] per cent. of the [Issue]/[Offer] Price. Such discount represents the [fee]/[commission]/[amount]/[specify other] retained by the Distributor(s) out of the [Issue]/[Offer] Price paid by investors. [The [Issue]/[Offer] Price [and the terms] of the Securities take[s] into account such [fee]/[commission]/[amount]/[specify other] [and may be more than the market value of the Securities on the Issue Date].]/

[The amount of the fee paid by the [Dealer]/[Issuer] or its affiliates on the basis of the tenor of the Securities is up to [●] per cent. per annum of the [Specified Denomination]/[Nominal Amount] per Security.]/

The [Issue]/[Offer] Price [and the terms] of the Securities [also] take[s] into account a fee of [●]/[up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount] per Security] which relates to introductory services [provided by [●]].]/

[Specify other fee arrangement]

[The Issuer is not aware of any expenses or taxes specifically charged to the subscriber and not disclosed herein.]

[Taxes charged in connection with the subscription, transfer, purchase or holding of Securities must be paid by the relevant investor and the Issuer will not have any obligation in relation thereto. Investors should consult their professional tax advisers to determine the tax regime applicable to their particular situation.]

[Not Applicable]

[●]

12. Name(s) and address(es), to the extent known to the Issuer, of the placers ("**Distributor(s)**") in the various countries where the offer takes place:

[●]

[The Issuer reserves the right to appoint other distributors during the Offer Period. Any such appointment will be communicated to investors by means of a notice published on the [Issuer's] website: [●].]/[None]

13. [Consent:

The Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("**Authorised Offeror(s)**"), during the Offer

Period and subject to the conditions, as provided as follows:

- (a) Name and address of Authorised Offeror(s): [Give details]/[See item 12 above]
- (b) Offer period for which use of the Base Prospectus is authorised by the Authorised Offeror(s): [Give details]/[Offer Period]
- (c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s): The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. [Insert any other conditions]

If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, the Base Prospectus does not contain any information relating to such arrangements. The terms and conditions of such offer should be provided to you by that Authorised Offeror at the time the offer is made. Neither the Issuer nor any Dealer has any responsibility or liability for such information provided by that Authorised Offeror.]

[The Issuer does not consent to the use of the Base Prospectus for subsequent resale of the Securities.]

- [14. Prohibition of Sales to EEA Retail Investors: (Insert unless the offer of Securities will be concluded prior to 1 January 2018)
[Applicable – see the cover page of these Final Terms]/[Not Applicable]
(i) "Not Applicable" should be specified where (a) the Securities clearly do not constitute "packaged" products or (b) the Securities may or clearly do constitute "packaged" products and a KID will be prepared;
(ii) "Applicable" should be specified where (a) the Securities may or clearly do constitute "packaged" products and (b) a KID will not be prepared.)]

[Interests of Natural and Legal Persons involved in the [Issue]/[Offer]

So far as the Issuer is aware, no person involved in the [issue]/[offer] of the Securities has an interest material to the [issue]/[offer], save for any fees payable to the [D]/[d]istributor(s).

[The [D]/[d]istributor(s) will charge purchasers [a]/[an] [fee]/[commission]/[amount]/[specify other] of [●]/[[up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount]] per Security.]/

[The Dealer will pay [a]/[an] [fee]/[commission]/[amount]/[specify other] to the [D]/[d]istributor(s) in connection with the [issue]/[offer] of [●]/[[up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount] per Security upfront] [and] [[up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount] per Security per annum.] [The [Issue]/[Offer] Price [and the terms] of the Securities take[s] into account such [fee]/[commission]/[amount]/[specify other] [and may be more than the market value of the Securities on the Issue Date].]/

[The Securities will be sold by the Dealer to the [D]/[d]istributor(s) at a discount of [up to] [●] per cent. of the [Issue]/[Offer] Price. Such discount represents the [fee]/[commission]/[amount]/[specify other] retained by the [D]/[d]istributor(s) out of the [Issue]/[Offer] Price paid by investors. [The [Issue]/[Offer] Price [and the terms] of the Securities take[s] into account such [fee]/[commission]/[amount]/[specify other] [and may be more than the market value of the Securities on the Issue Date].]

[The Dealer will either pay [a]/[an] [fee]/[commission]/[amount]/[specify other] to the [D]/[d]istributor(s) in connection with the [issue]/[offer] of [●]/[[up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount] per Security up front] or the Securities may be sold by the Dealer to the [D]/[d]istributor(s) at a discount of [up to] [●] per cent. of the [Issue]/[Offer] Price. Such discount represents the [fee]/[commission]/[amount]/[specify other] retained by the [D]/[d]istributor(s) out of the [Issue]/[Offer] Price paid by investors. [The [Issue]/[Offer] Price [and the terms] of the Securities take[s] into account such [fee]/[commission]/[amount]/[specify other] [and may be more than the market value of the Securities on the Issue Date].]/

[The amount of the fee paid by the [Dealer]/[Issuer] or its affiliates on the basis of the tenor of the Securities is up to [●] per cent. per annum of the [Specified Denomination]/[Nominal Amount] per Security.]/

[The [Issue]/[Offer] Price [and the terms] of the Securities [also] take[s] into account a fee of [●]/[[up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount] per Security] which relates to introductory services [provided by [●]].]/

[Specify other fee arrangement]

(Only include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest if any such interest that is material to the issue/offer is different from that set out in risk factor 5 of the Base Prospectus entitled "Risks associated with conflicts of interest between the Issuer, the Calculation Agent, the Preference Share Calculation Agent, the Dealer and holders of the Securities")

[REASONS FOR THE [ISSUE]/[OFFER], ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the [issue]/[offer]: [See "Use of Proceeds" section in the Base Prospectus]/[●]

(See "Use of Proceeds" wording in the Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks, then will need to include those reasons here.)

[(ii) [Estimated net proceeds: [●]

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii) Estimated total expenses: [●]

(Include breakdown of expenses)

(If the Securities are derivative securities to which Annex XII of the Prospectus Regulation applies it is only

necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.))]

[Availability of Documentation in relation to the Preference Shares

Information relating to the Preference Share Issuer including its constitutional documents and the applicable terms and conditions of the Class of Preference Shares are available to investors in the Securities on written request (free of charge) from the registered office of the Preference Share Issuer [and from the [D]/[d]istributor of the Securities] [and will also be available on the following website: [●]].] *(delete if not applicable)*

[Information relating to the Preference Share Underlying(s)

The performance of the Preference Shares will be linked to the performance of the following Preference Share Underlying(s):

(Include details of where information regarding the Preference Share Underlying(s) can be obtained. Where the Preference Share Underlying is an index, include the name of the index and details of where the information about the index can be obtained. Where the Preference Share Underlying is a share, include the name of the issuer of the share and the ISIN. Where the Preference Share Underlying is not an index or a share, include equivalent information)

Signed on behalf of the Issuer:

By: _____

Duly authorised

By: _____

Duly authorised

[Index Trademark(s)/Disclaimer(s)] *(delete if not applicable)*

[Insert for (a) Securities with a denomination of less than EUR 100,000, or (b) where a summary is otherwise required (i) pursuant to Article 5 of the Prospectus Directive, or (ii) for any other reason:

ANNEX

SUMMARY OF THE SECURITIES

[Issue specific summary to be extracted from Summary section of the Base Prospectus with appropriate deletions of non-applicable information (if any) and insertion of missing details (if any)]

FORM OF PRICING SUPPLEMENT

[Include if the offer of the Securities will be concluded on or after 1 January 2018 and if applicable: **PROHIBITION OF SALES TO EEA RETAIL INVESTORS:** [With effect from 1 January 2018, the]/[The] Securities are not intended to be offered, sold or otherwise made available to and may not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA Retail Investor**"). For these purposes, an EEA Retail Investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of the Insurance Mediation Directive (Directive 2002/92/EC (as amended)) ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to EEA Retail Investors has been prepared and therefore offering or selling the Securities or otherwise making them available to any EEA Retail Investor may be unlawful under the PRIIPs Regulation.]

Pricing Supplement dated [●]**Credit Suisse AG**

acting through its [London]/[Nassau]/[Singapore] Branch

Preference Share-Linked Securities due [●]

linked to Preference Shares in Andrea Investments (Jersey) PCC

(the "**Securities**")

[Series-[●]]

[ISIN: [●]]

issued pursuant to the Preference Share-Linked Securities (Andrea Preference Share-Linked Securities) Base Prospectus as part of the **Structured Products Programme for the issuance of Notes, Certificates and Warrants**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such in the General Conditions[, the applicable Additional Provisions,] and the Product Conditions (as may be amended and/or supplemented up to, and including, [the Issue Date]/[●] (being the issue date of the Tranche One Securities)) set forth in the Base Prospectus dated 11 December 2017[, as supplemented [on [●] [and]] by any [further] supplements up to, and including, the Issue Date]. This document constitutes the Pricing Supplement of the Securities described herein. Copies of the Base Prospectus [and each supplement] may be obtained from the registered office of the Issuer [and the offices of the Distributor(s)] and Agents specified herein. This Pricing Supplement comprises the final terms for the issue of the Securities.

This Pricing Supplement does not constitute final terms for the purposes of Article 5.4 of Directive 2003/71/EC, as amended from time to time, including by Directive 2010/73/EU (the "**Prospectus Directive**"). The Luxembourg *Commission de Surveillance du Secteur Financier* has neither approved nor reviewed the information contained in this Pricing Supplement and the Base Prospectus in connection with the Securities. The Issuer is not offering the Securities in any jurisdiction in circumstances which would require a prospectus pursuant to the Prospectus Directive. Nor is any person authorised to make such an offer of the Securities on behalf of the Issuer in any jurisdiction. [In addition, no application has been made (nor is it proposed that any application will be made) for listing of the Securities on a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments (as amended, varied or replaced from time to time including through the implementation of Directive 2014/65/EU).]

The terms and conditions applicable to the Securities are the General Note Conditions[, together with any applicable Additional Provisions,] and the Product Conditions, each as set out in the Base Prospectus, as completed and/or modified by this Pricing Supplement. References to the Base Prospectus are to it as supplemented at the date of this Pricing Supplement. [The purchase of the Securities involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Securities. Before making an investment decision, prospective purchasers

Form of Pricing Supplement

of the Securities should ensure that they understand the nature of the Securities and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in the Base Prospectus (including "Risk Factors" on pages 30 to 69 thereof) and this Pricing Supplement.]

(Include whichever of the following apply or specify as "Not Applicable" (N/A). Italics denote guidance for completing the Pricing Supplement.)

1. Series Number: [●]/[Not Applicable]
2. Tranche Number: [●]/[Not Applicable]
(Should be "Not Applicable" unless fungible with an existing series)
- [Date on which Securities become fungible with Series: [●]] *(Include if fungible with an existing series on issuance)*
3. Aggregate Nominal Amount: *(N.B. If fungible with an existing series on issuance then the aggregate Nominal Amount of the previous Tranche(s) as well as the current Tranche should be specified)*
 - (i) Series: [●]
 - (ii) Tranche: [●]/[Not Applicable]
(Should be "Not Applicable" unless fungible with an existing Series)
4. Issue Price: [100]/[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date]] *(in the case of fungible issues only, if applicable)*
(Should always be 100 per cent. of the Aggregate Nominal Amount in the case of the first Tranche for a Series)
5. Specified Denomination: [●]
6. Issue Date: [●]/[●] Currency Business Days following the Initial Share Setting Date (expected to be [●])
(N.B. If fungible with an existing series on issuance then the issue date of the previous Tranche(s) as well as the current Tranche should be specified)
 - Initial Share Setting Date: [●]
 - Initial Share Setting Date [Earliest]/[Latest] Adjustment:*(The Preference Shares should already be in issue however the Issue Date should not be more than 2 Currency Business Days after the issue date of the Preference Shares)*
7. Maturity Date: [The Valuation Date]/[●]
(The Preference Shares should continue to be in existence until after the Maturity Date)
8. Interest Basis: [Fixed Rate]/[Floating Rate]/[Not Applicable]

PROVISIONS RELATING TO INTEREST

9. Fixed Rate Provisions: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [[●] per cent. per annum]/[As specified in the table below in respect of each Interest Period ending on (but excluding) the relevant Interest Payment Date]/[Not Applicable]
- (ii) Interest Commencement Date: [●]/[Issue Date]
(Specify if different from the Issue Date)
- (iii) Interest Payment Date(s): [[●] in each year]/[●], subject to adjustment in accordance with the Business Day Convention
(N.B. the General Note Conditions automatically adjusts all dates for payment purposes so adjustment wording should only be added here if dates will adjust for calculation purposes too)
- (iv) Interest Period: [Adjusted]/[Unadjusted]/[Not Applicable]
- (v) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[Not Applicable]/[Other – give details]
- (vi) Interest Amount(s) per Security: [[●] per [Specified Denomination]/[Security]]/[An amount equal to [●] per cent. of the Nominal Amount]/[As specified in the table below in respect of each Interest Period ending on (but excluding) the relevant Interest Payment Date]/[Not Applicable]
- (vii) Day Count Fraction: [Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis] /[30E/360 (ISDA)]/[Actual/Actual – ICMA] ([adjusted/unadjusted] basis)
- (viii) Determination Date(s): [●]/[Not Applicable]
(Insert regular interest payment dates, ignoring the maturity date in the case of a long or short last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual – ICMA)
- [Interest Payment Date_n** **[Rate of Interest_n]/[Interest Amount_n**
- [●]
- (Repeat as necessary)*
- (ix) Other terms relating to the method of calculating interest for Fixed Rate Securities: [Not Applicable]/[Give details]

10. Floating Rate Provisions: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Interest Commencement Date: [●]/[Issue Date]
- (Specify if different from the Issue Date)*
- (ii) Interest Payment Dates: [[●]in each year]/[●], subject to adjustment in accordance with the Business Day Convention]
- (iii) Interest Period: [Adjusted]/[Unadjusted]/[Not Applicable]
- (iv) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[Other – give details]
- (v) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]/[The first day of that Interest Period]
 - ISDA Definitions: (if different from those set out in the General Note Conditions) [●]
- (vi) Margin(s): [+/-][●] per cent. per annum/[Not Applicable]
- (vii) Minimum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]
- (viii) Maximum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]
- (ix) Day Count Fraction: [Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/ [360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/ [30E/360 (ISDA)]/[Actual/Actual – ICMA] ([adjusted/unadjusted] basis)
- (x) Determination Date(s): [●]/[Not Applicable]
- (Insert regular interest payment dates, ignoring the maturity date in the case of a long or short last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual - ICMA)*
- (xi) Rate Multiplier: [●]/[Not Applicable]
- (xii) Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Securities, if different from those set out in the General Note Conditions: [●]/[Not Applicable]

PROVISIONS RELATING TO REDEMPTION

11. Valuation Date: [●] Currency Business Days following the Preference Share Valuation Date
- Preference Share Valuation Date: [●]
- [- Preference Share Trigger Barrier Observation Date(s): [●] *(insert applicable trigger barrier or other observation dates)*
- (Insert if auto-call feature applies to the Preference Shares; otherwise delete)*
12. Valuation Time: [●] [(London time)]/[As per Product Condition 1]
13. Early Redemption:
- (i) Redemption at the Option of the Issuer: General Note Condition 5(d) is [Applicable]/[Not Applicable]
- [Optional Redemption Date(s): [●], or if such day is not a Currency Business Day, the next following Currency Business Day]/[●] Currency Business Days following the Optional Redemption Exercise Date on which the Issuer has exercised its call option]
- [Optional Redemption Exercise Date(s): [●]/[Not Applicable]]
- [Notice Period: [●]] *(Set out if different from the General Note Conditions)*
- (ii) Redemption at the Option of Securityholders: General Note Condition 5(e) is [Applicable]/[Not Applicable]
- [Optional Redemption Date(s): [●], or if such day is not a Currency Business Day, the next following Currency Business Day]
- [Notice Period: [●]] *(Set out if different from the General Note Conditions)*
- (iii) Early Redemption as a result of an Extraordinary Event: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- Extraordinary Event Provisions:
- Merger Event: [Applicable]/[Not Applicable]
- Tender Offer: [Applicable]/[Not Applicable]
- Nationalisation: [Applicable]/[Not Applicable]
- Insolvency: [Applicable]/[Not Applicable]
- (iv) Early Redemption as a result of an Additional Disruption Event: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- Additional Disruption Event Provisions:
- Change in Law: [Applicable]/[Not Applicable]

Form of Pricing Supplement

- Insolvency Filing: [Applicable]/[Not Applicable]
- Hedging Disruption: [Applicable]/[Not Applicable]
- 14. Settlement Currency: [●]
(The currency in which payment will be made)
- 15. Details relating to Instalment Securities: [Applicable]/[Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
 - (i) Instalment Amount(s): [●]
 - (ii) Instalment Date(s): [●]
(N.B. Instalment Dates must fall on an Interest Payment Date)
 - (iii) Minimum Instalment Amount(s): [●]
 - (iv) Maximum Instalment Amount(s): [●]
- 16. Preference Shares:
 - Preference Share Issuer: [Andrea Investments (Jersey) PCC, a protected cell company incorporated in Jersey with registered number 81180 acting in respect of the Cell]/[●]
 - Cell: [●]
 - Preference Share: Series – [●] [title] Preference Shares issued by the Preference Share Issuer in respect of the Cell
 - ISIN: [●]
 - Bloomberg Code: [●]
 - Information Source: [●]/[Bloomberg Code [CSSN]/[website]] (specify the applicable price source for the publication of the Preference Share Value (see the definition of Preference Share Value in Product Condition 1) and, if publication is not scheduled to be made on Bloomberg on each Currency Business Day, details of such other interval and/or widely available information service on which the Preference Share Value will be scheduled to be published)
 - Preference Share Calculation Agent: [Credit Suisse International]/[●]

GENERAL PROVISIONS

- 17. (i) Form of Securities: [Bearer Securities]/[Registered Securities]/[Uncertificated]
- (ii) Global Security: [Global Security]/[Not Applicable]

(If Securities are issued in definitive form or are Securities in uncertificated form cleared through SIX SIS Ltd., this paragraph (ii) should be "Not Applicable")

- (iii) The Issuer intends to permit indirect interests in the Securities to be held through CREST Depository Interests to be issued by the CREST Depository: [Applicable]/[Not Applicable]
18. Financial Centre(s): [Not Applicable]/[●] (*specify financial centre*)
(*Note that this item relates to the place of payment and not Interest Payment Dates*)
19. Business Centre(s): [Not Applicable]/[●] (*specify business centre*)
20. Minimum Transferable Number of Securities: [●]/[Not Applicable]
21. Listing and Admission to Trading: [Not Applicable]
[Application [has been]/[will be] made for the Securities to be [listed on [●] and] admitted to trading on [●] with effect from [on or around] [●] provided, however, no assurance can be given that such application for [listing and] admission to trading will be granted (or, if granted, will be granted by the Issue Date or any specific date thereafter)]
(*Where documenting a fungible issuance, need to indicate that the original Securities are already admitted to trading*)
22. Security Codes:
ISIN Code: [●]
Common Code: [●]
Swiss Security Number: [●]
23. Clearing and Trading:
Clearing System(s) and any relevant identification number(s): [Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*]
[(*Insert for Swiss Securities*) SIX SIS Ltd., Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*]
[*Other*]
Delivery of Securities: Delivery [against]/[free of] payment
Minimum Trading Lot: [●]/[Not Applicable]
24. Agents:
Calculation Agent: [Credit Suisse International
One Cabot Square
London E14 4QJ]/[●]
Fiscal Agent [and] [Swiss] Paying Agent: [The Bank of New York Mellon, acting through its London Branch One Canada Square
London E14 5AL]/
[Credit Suisse AG
Paradeplatz 8
CH-8001 Zürich
Switzerland] (*Swiss Securities only*)]

- [●]
- Transfer Agent: (Include for Registered Securities only)
- [Not Applicable]
- [The Bank of New York Mellon S.A./N.V.,
Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugene Ruppert
L-2453 Luxembourg]/[●]
- Registrar: (Include for Registered Securities only)
- [Not Applicable]
- [The Bank of New York Mellon S.A./N.V.,
Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugene Ruppert
L-2453 Luxembourg]/[●]
- (Delete or add additional Agents as appropriate)
25. Dealer(s): [Credit Suisse International]/[Credit Suisse Securities (Europe) Limited]/[●]
26. Specified newspaper for the purposes of notices to Securityholders: [●]/[Not Applicable]
27. 871(m) Securities: [The Issuer has determined that the Securities (without regard to any other transactions) should not be treated as transactions that are subject to U.S. withholding tax under section 871(m)] / [The Issuer has determined that the Securities should be treated as transactions that are subject to U.S. withholding tax under section 871(m)]
- (CS Tax should be consulted where applicable)
- [28. [Prohibition of Sales to EEA Retail Investors: [Applicable – see the cover page of this Pricing Supplement]/[Not Applicable]
- (Insert unless the offer of Securities will be concluded prior to 1 January 2018)
- (i) "Not Applicable" should be specified where (a) the Securities clearly do not constitute "packaged" products or (b) the Securities may or clearly do constitute "packaged" products and a KID will be prepared;
- (ii) "Applicable" should be specified where (a) the Securities may or clearly do constitute "packaged" products and (b) a KID will not be prepared.)]

Part B – OTHER INFORMATION

Interests of Natural and Legal Persons involved in the Issue

So far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the issue [, save for any fees payable to the distributor(s)].

[The distributor(s) will charge purchasers [a]/[an] [fee]/[commission]/[amount]/[specify other] of [●]/[up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount]] per Security./

[The Dealer will pay [a]/[an] [fee]/[commission]/[amount]/[specify other] to the distributor(s) in connection with the issue of [●]/[up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount] per Security upfront] [and] [up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount] per Security per annum.] [The Issue Price [and the terms] of the Securities take[s] into account such [fee]/[commission]/[amount]/[specify other] [and may be more than the market value of the Securities on the Issue Date]./

[The Securities will be sold by the Dealer to the distributor(s) at a discount of [up to] [●] per cent. of the Issue Price. Such discount represents the [fee]/[commission]/[amount]/[specify other] retained by the distributor(s) out of the Issue Price paid by investors. [The Issue Price [and the terms] of the Securities take[s] into account such [fee]/[commission]/[amount]/[specify other] [and may be more than the market value of the Securities on the Issue Date]./

[The Dealer will either pay [a]/[an] [fee]/[commission]/[amount]/[specify other] to the distributor(s) in connection with the issue of [●]/[up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount] per Security up front] or the Securities may be sold by the Dealer to the distributor(s) at a discount of [up to] [●] per cent. of the Issue Price. Such discount represents the [fee]/[commission]/[amount]/[specify other] retained by the distributor(s) out of the Issue Price paid by investors. [The Issue Price [and the terms] of the Securities take[s] into account such [fee]/[commission]/[amount]/[specify other] [and may be more than the market value of the Securities on the Issue Date]./

[The amount of the fee paid by the [Dealer]/[Issuer] or its affiliates on the basis of the tenor of the Securities is up to [●] per cent. per annum of the [Specified Denomination]/[Nominal Amount] per Security./

[The Issue Price [and the terms] of the Securities [also] take[s] into account a fee of [●]/[up to] [●] per cent. of the [Specified Denomination]/[Nominal Amount] per Security] which relates to introductory services [provided by [●]]./

[Specify other fee arrangement]

(Only include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest if any such interest that is material to the issue/offer is different from that set out in risk factor 5 of the Base Prospectus entitled "Risks associated with conflicts of interest between the Issuer, the Calculation Agent, the Preference Share Calculation Agent, the Dealer and holders of the Securities")

Availability of Documentation in relation to the Preference Shares

Information relating to the Preference Share Issuer including its constitutional documents and the applicable terms and conditions of the Class of Preference Shares are available to investors in the Securities on written request (free of charge) from the registered office of the Preference Share Issuer [and from the distributor of the Securities] [and will also be available on the following website: [●]].] *(delete if not applicable)*

Information relating to the Preference Share Underlying(s)

The performance of the Preference Shares will be linked to the performance of the following Preference Share Underlying(s):

(Include details of where information regarding the Preference Share Underlying(s) can be obtained. Where the Preference Share Underlying is an index, include the name of the index and details of where the information about the index can be obtained. Where the Preference Share Underlying is a share, include the name of the issuer of the share and the ISIN. Where the Preference Share Underlying is not an index or a share, include equivalent information)

Issuer may exercise its rights to repurchase and hold, resell or cancel Securities

Form of Pricing Supplement

The Issuer may exercise its right pursuant to General Note Condition 5(f) to purchase and hold, resell or cancel all or part of the Securities at any time, including, without limitation, in the event that the amount or number of the Securities subscribed for is less than the Aggregate Nominal Amount of the Securities issued on the Issue Date.]

Signed on behalf of the Issuer:

By: _____

Duly authorised

By: _____

Duly authorised

[Index Trademark(s)/Disclaimer(s)] *(delete if not applicable)*

(Add if applicable)

[Additional Selling Restrictions] *(delete if not applicable)*

(Add if applicable – Note: may only be applicable to unlisted private placements)

[Additional Taxation Provisions] *(delete if not applicable)*

(Add if applicable – Note: may only be applicable to unlisted private placements)

CLEARING ARRANGEMENTS

The Securities will be cleared through the clearing system(s) specified in the relevant Issue Terms in accordance with the rules and procedures of the relevant clearing system. The International Securities Identification Number (ISIN) and any Common Code and/or other applicable clearing system identification numbers will be specified in the relevant Issue Terms.

Settlement and CREST

If specified in the relevant Issue Terms, investors may hold indirect interests in the Securities (such Securities being "**Underlying Securities**") through CREST (being the system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited or any successor thereto in accordance with the United Kingdom Uncertificated Securities Regulations 2001) by holding dematerialised depository interests ("**CREST Depository Interests**" or "**CDIs**").

CDIs are independent securities constituted under English law issued, held, settled and transferred through CREST. CDIs are issued by CREST Depository Limited or any successor thereto (the "**CREST Depository**") pursuant to the global deed poll dated 25 June 2001 (in the form contained in Chapter 8 of the CREST International Manual (which forms part of the CREST Manual)) (as subsequently modified, supplemented and/or restated) (the "**CREST Deed Poll**"). CDIs are issued by the CREST Depository and held through CREST in dematerialised uncertificated form in accordance with the CREST Deed Poll. CDIs in respect of Underlying Securities will be constituted, issued to investors and transferred pursuant to the terms of the CREST Deed Poll.

CDIs represent indirect interests in the Underlying Securities to which they relate and holders of CDIs will not be the legal owners of the Underlying Securities.

The Issuer will issue Underlying Securities with the intention that indirect interests in such Underlying Securities be held through CDIs. In order to enable the settlement of indirect interests in the relevant Underlying Securities within CREST, investors will need to hold such indirect interests via CDIs. The CDIs will not be offered to the public or admitted to trading on a regulated market.

Following the delivery of the Underlying Securities into a relevant Clearing System permitted in the CREST Manual, indirect interests in Underlying Securities may be delivered, held and settled in CREST by means of the creation of dematerialised CDIs representing indirect interests in the relevant Underlying Securities. Interests in the Underlying Securities will be credited to the CREST Nominee's account with Euroclear and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants. The CDIs will therefore consist of indirect rights of a CDI holder in, or relating to, the Underlying Securities which are held (through the CREST Nominee) on trust for the benefit of the CDI holder by the CREST Depository and will constitute a record acknowledging that the CREST Nominee holds the Underlying Securities as nominee on behalf of the CREST Depository. The CDIs will be issued once the relevant Underlying Securities are credited to the CREST Nominee's account. It is intended that CDIs will be issued to the relevant CREST participants on or around the Issue Date of the relevant Underlying Securities. However, CDIs may be created at any time following the credit of relevant Underlying Securities to the CREST Nominee's account with Euroclear.

Each CDI will be treated as one Underlying Security for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to holders of CDIs any interest or other amounts received by it as holder of the Underlying Securities on trust for such CDI holder. Therefore, the holders of CDIs are entitled to the proceeds from the Underlying Securities. If a matter arises that requires a vote of Securityholders, Credit Suisse AG may make arrangements to permit the holders of CDIs to instruct the CREST Depository to exercise the voting rights of the CREST Nominee in respect of the Underlying Securities. However, there is no guarantee that it will be possible to put such voting arrangements in place for holders of CDIs.

Transfers of interests in Underlying Securities by the CREST Nominee to a participant of the relevant Clearing System will be effected by cancellation of the CDIs and transfer of an interest in such Securities underlying the CDIs to the account of the relevant participant with the relevant Clearing System. It is expected that the CDIs will have the same securities identification number as the ISIN of the Underlying Securities and will not require a separate listing on a recognised stock exchange.

The rights of the holders of CDIs will be governed by the arrangements between CREST and the relevant Clearing System, including the CREST Deed Poll executed by the CREST Depository. These rights may be different from those of holders of Securities which are not represented by CDIs.

The attention of Investors in CDIs is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from Euroclear UK & Ireland Limited at 33 Cannon Street, London EC4M 5SB or by calling +44 (0)20 7849 0000 or from the Euroclear UK & Ireland Limited website at www.euroclear.com/site/public/EUI.

CREDIT SUISSE AG

History, Development and Organisational Structure

Credit Suisse was established on 5 July 1856 and registered in the Commercial Register (registration no. CH-020.3.923.549-1) of the Canton of Zürich on 27 April 1883 for an unlimited duration under the name *Schweizerische Kreditanstalt*. Credit Suisse's name was changed to Credit Suisse First Boston on 11 December 1996. On 13 May 2005, the Swiss banks Credit Suisse First Boston and Credit Suisse were merged. Credit Suisse First Boston was the surviving legal entity, and its name was changed to Credit Suisse (by entry in the commercial register). On 9 November 2009, Credit Suisse was renamed "Credit Suisse AG".

Credit Suisse AG ("**CS**") is a bank and joint stock corporation that was established under Swiss law and operates under Swiss law. CS is a wholly owned subsidiary of CSG. The registered head office of CS is in Zürich, and it has additional executive offices and principal branches located in London, New York, Hong Kong, Singapore and Tokyo.

The registered head office of CS is located at Paradeplatz 8, CH-8001, Zürich, Switzerland, and its telephone number is 41-44-333-1111.

Auditors

CS's statutory and bank law auditor is KPMG AG, Badenerstrasse 172, 8004 Zürich, Switzerland ("**KPMG**"). KPMG is a member of the Swiss Institute of Certified Accountants and Tax Consultants.

CS's 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 is BDO AG, Fabrikstrasse 50, 8031 Zürich, Switzerland.

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.

Further information on CS' auditor may be found on page 212 of the Group Annual Report 2016.

Names and Addresses of Directors and Executives

The business address of the members of the Board of Directors of CS and the members of the Executive Board of CS is Paradeplatz 8, CH-8001, Zürich, Switzerland.

The current members of the Board of Directors of CS are as follows:

- Urs Rohner, Chairman
- Iris Bohnet
- Andreas Gottschling
- Alexander Gut
- Andreas N. Koopmann
- Seraina (Maag) Macia
- Kai S. Nargolwala
- Joaquin J. Ribeiro
- Severin Schwan
- Richard E. Thornburgh
- John Tiner
- Alexandre Zeller

The current members of the Executive Board of CS are as follows:

- Tidjane Thiam, Chief Executive Officer
- James L. Amine
- Pierre-Olivier Bouée
- Romeo Cerutti
- Brian Chin
- Peter Goerke
- Iqbal Khan
- David R. Mathers

- Joachim Oechslin
- Helman Sitohang
- Lara Warner

Further information about the members of the Board of Directors and the Executive Board can be found on pages 186 to 210 (pages 210 to 234 of the PDF) of the Group Annual Report 2016 and in the Form 6-K Dated 28 April 2017.

Conflicts

There are no potential conflicts of interest of the members of the Board of Directors, and the members of the Executive Board between their duties to CS and their private interests and/or other duties.

Market Activity

CS may update its expectations on market activity, and any such update will be included in its quarterly or annual reports. For information on CS's principal markets and activities, please see pages 12 to 25 (pages 36 to 49 of the PDF) and 52 to 54 (pages 76 to 78 of the PDF) of the Group Annual Report 2016.

Legal and Arbitration Proceedings

Except as disclosed in the Form 6-K Dated 2 November 2017 under the heading "Litigation" (note 30 to the condensed consolidated financial statements of Credit Suisse Group on AG on pages 163 to 165 (pages 174 to 176 of the PDF) of the exhibit (Credit Suisse Financial Report 3Q17) to the Form 6-K Dated 2 November 2017, the Form 6-K Dated 28 July 2017 under the heading "Litigation" (note 30 to the condensed consolidated financial statements of CSG on pages 161 to 162 (pages 177 to 178 of the PDF) of the fifth exhibit (Credit Suisse Financial Report 2Q17) to the Form 6-K Dated 28 July 2017), in the Form 6-K Dated 4 May 2017 under the heading "Litigation" (note 30 to the condensed consolidated financial statements of CSG on pages 155 to 156 (pages 161 to 162 of the PDF) of the exhibit (Credit Suisse Financial Report 1Q17) to the Form 6-K Dated 4 May 2017) and in the Group Annual Report 2016 under the heading "Litigation" (note 39 to the condensed consolidated financial statements of CSG on pages 374 to 382 (pages 398 to 406 of the PDF) of the Group Annual Report 2016), there are no, and have not been during the period of 12 months ending on the date of this Base Prospectus, governmental, legal or arbitration proceedings which may have, or have had in the past, significant effects on the financial position or profitability of CS and its consolidated subsidiaries, and CS is not aware of any such proceedings being either pending or threatened.

Additional Information

CS is not dependent upon other members of its group.

CS has a number of subsidiaries in various jurisdictions.

TAXATION

The following is an overview of the withholding tax position (and, in the case of Switzerland, other tax issues) in respect of payments of the income from the Securities by the Issuer (or an agent appointed by it) in accordance with the terms and conditions of such Securities ("**Relevant Payments**"). It is limited to the country of incorporation of the Issuer and those countries in which admission to trading may be sought or offers for which a prospectus is required under the Prospectus Directive may be made pursuant to this Base Prospectus ("**Relevant Taxing Jurisdictions**").

It does not relate to any other tax consequences or to withholdings in respect of payments by other persons (such as custodians, depositaries or other intermediaries) unless otherwise specified. Each investor should consult a tax adviser as to the tax consequences relating to its particular circumstances resulting from holding the Securities.

All payments in respect of the Securities by the Issuer or by an agent appointed by the Issuer will be subject to any applicable withholding taxes. However, as at the date hereof, no such taxes would be applicable in respect of any Relevant Payments in any Relevant Taxing Jurisdiction, except as specified below in relation to the countries so specified.

UNITED KINGDOM

The following statements are by way of a general guide only to Securityholders. They are not exhaustive and do not constitute tax advice. Securityholders are therefore advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Securities under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

The information below relates only to United Kingdom taxation and is applicable to United Kingdom residents who are the beneficial owners of Securities (other than Exempt Securities or, in the case of CDIs, other than where the Underlying Securities are Exempt Securities) and hold the Securities as an investment, and does not apply to other categories of taxpayers such as dealers in shares and securities. It is based on United Kingdom tax law and HM Revenue and Customs ("HMRC") published practice at the date of this Base Prospectus. The United Kingdom tax treatment of prospective Securityholders depends on their individual circumstances and may be subject to change in the future. Anyone who is unsure of their tax treatment in relation to Securities should seek independent professional advice.

This United Kingdom taxation section is written on the assumption that the holders of the CDIs are, for United Kingdom tax purposes, absolutely beneficially entitled to the Underlying Securities and to any payments on the Underlying Securities. In this section (including the preceding two paragraphs but excluding the paragraph headed "Stamp Duty and Stamp Duty Reserve Tax ("SDRT")"), references to "Securities" should be taken to include references to "interests in Securities held through CDIs", and references to "Securityholders" should be taken to include references to "holders of CDIs".

Withholding taxes

Securities issued by the Issuer acting through its Nassau branch or Singapore branch

Payments of interest on the Securities which do not have a United Kingdom source may be made without withholding or deduction for or on account of United Kingdom income tax.

Securities issued by the Issuer acting through its London branch

The Issuer, provided that it continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 ("**ITA 2007**"), and provided that any such interest is paid in the ordinary course of its business within the meaning of section 878 ITA 2007 will be entitled to make payments of interest on the Securities without withholding or deduction for or on account of United Kingdom income tax.

Payments of interest on the Securities may also be made without deduction of or withholding on account of United Kingdom income tax provided that the Securities are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 ITA 2007. The Luxembourg Stock Exchange is a recognised stock exchange. The Securities will satisfy this requirement if they are officially listed in Luxembourg in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Luxembourg Stock Exchange. Provided, therefore, that the Securities remain so listed, interest on the Securities will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Securities may also be paid without withholding or deduction for or on account of United Kingdom tax where interest on the Securities is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Securities is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HM Revenue & Customs ("**HMRC**") have not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

In other cases, an amount must generally be withheld from payments of interest on the Securities issued by the Issuer, acting through its London Branch, on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Securityholder, HMRC can issue a notice to the Issuer to pay interest to the Securityholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Further United Kingdom Income Tax Issues

Interest on Securities issued by the Issuer which constitutes United Kingdom source income for tax purposes may, as such, be subject to income tax by direct assessment even where paid without withholding.

However, interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Securityholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Securityholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which the Securities are attributable (and, where that Securityholder is a company, unless that Securityholder carries on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Securities are attributable). There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Securityholders.

United Kingdom Corporation Tax Payers

The United Kingdom taxation treatment of a Securityholder that is within the charge to United Kingdom corporation tax will depend on, among other things, the accounting treatment of the Securities in the Securityholder's hands. The accounting treatment will also affect the tax treatment of a disposal of the Securities (including a disposal occurring on redemption (or, in the case of CDIs, a redemption of the Underlying Securities)).

Securityholders within the charge to United Kingdom corporation tax should consult their own accounting and tax advisers concerning their tax liabilities that may arise as a result of holding the Securities, or as a result of the disposal or redemption of the Securities. In addition, if and to the extent that any profit on a disposal or redemption is charged as a capital gain or otherwise falls outside the scope of the UK corporation tax on income, the impact of the hybrids legislation in Part 6A Taxation (International and Other Provisions) Act 2010 should be considered.

Other United Kingdom Tax Payers

Taxation of Chargeable Gains

Securities issued otherwise than under General Note Condition 13 should fall within the definition of "excluded indexed securities" in section 433 of the Income Tax (Trading and Other Income) Act 2005 ("**ITTOIA 2005**"). Securities issued under General Note Condition 13 should not be treated as "deeply discounted securities" under section 435 ITTOIA 2005 provided that, in the case of a particular Series, at no time will the aggregate nominal amount outstanding for such Securities exceed the aggregate nominal amount outstanding of the Securities issued otherwise than under General Note Condition 13. The Securities should not constitute "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992 ("**TCGA 1992**") and an individual United Kingdom tax resident Securityholder who holds Securities (either falling within the definition of "excluded indexed securities" or not treated as "deeply discounted securities" under section 435) as an investment should be subject to capital gains tax ("**CGT**") on any capital gains arising from the disposal of the Securities.

The principal factors which will determine the extent to which a capital gain arising from the disposal of Securities will be subject to CGT are the level of the annual allowance of tax-free capital gains in the tax year in which the disposal takes place (the "**annual exemption**"), the extent to which the Securityholder

realises any other capital gains in that year and the extent to which the Securityholder has incurred capital losses in that or any earlier tax year.

The annual exemption is £11,300 for the 2017/2018 tax year and, under current legislation, this exemption is, unless Parliament decides otherwise, increased annually in line with the rate of increase (if any) in the consumer prices index. Individual Securityholders should be aware that the United Kingdom Parliament is entitled to withdraw this link between the level of the annual exemption and the consumer prices (or other relevant) index or even to reduce the level of the annual exemption for future tax years below its current level.

For the purposes of illustration only, the various reliefs and allowances mentioned above could interact in respect of an individual Securityholder who realises a capital gain (the "**relevant capital gain**") on a disposal of Securities in a particular tax year (the "**year of disposal**") as follows:

- (a) If the Securityholder has incurred no capital losses in the year of disposal and has no unrelieved capital losses from any previous tax year, he or she will be subject to CGT if and to the extent that the relevant capital gain plus any other capital gains realised by him in the year of disposal exceed the annual exemption for that year.
- (b) If the Securityholder has incurred capital losses in the year of disposal but has no unrelieved capital losses from any previous tax year, those losses can be set off against the relevant capital gain and against any other capital gains realised by him in the year of disposal. To the extent that those losses are insufficient to relieve the whole of the relevant capital gain and any other capital gains realised by the Securityholder in the year of disposal CGT will be payable by the Securityholder if and to the extent that the net capital gains exceed the annual exemption for that year.
- (c) Where either the Securityholder has incurred no capital losses in the year of disposal or any capital losses so incurred are insufficient to relieve the whole of the relevant capital gain and any other capital gains realised by the Securityholder in the year of disposal, but the Securityholder has incurred unrelieved capital losses in some previous tax year(s), those losses can be set off against the net capital gains realised by the Securityholder in the year of disposal to the extent that it is necessary to reduce those net capital gains to the level of the annual exemption for that year (and therefore to the level where no CGT will be payable by the Securityholder for that tax year). If the unrelieved capital losses from the previous tax year(s) are insufficient to reduce the Securityholder's net capital gains for the year of disposal to the level of the annual exemption for that year, CGT will be payable by the Securityholder if and to the extent that the capital gains exceed the annual exemption for the year of disposal.

Where an individual's total taxable income and gains (after allowable deductions) are less than the upper limit of the basic rate income tax band (which is set at £33,500 for the 2017/2018 tax year), CGT will be charged at 10 per cent. Any gains or part gains in excess of that upper limit will be taxed at 20 per cent. The rate or rates at which CGT is charged will therefore depend on the level of the Securityholder's taxable income and gains in the relevant tax year.

A prospective Securityholder should only expect to be treated as holding the Securities as an investment (subject to CGT and with the benefit of the annual exemption) if he or she intends to hold them for the medium to longer term and not to dispose of them in the short term for profit.

Prospective holders of Securities should obtain independent professional advice as to the United Kingdom tax consequences of acquiring, holding, redeeming or otherwise disposing of Securities.

Individual Savings Accounts

The Securities should qualify for inclusion within a stocks and shares ISA provided that (i) the shares of the Issuer or the shares of a company of which the Issuer is a 75 per cent. subsidiary (within the meaning of section 1154 of the Corporation Tax Act 2010 ("**CTA 2010**")) are and remain listed on the official list of a recognised stock exchange within the meaning of section 1005 of the ITA 2007 (a Recognised Stock Exchange), or the Securities are and remain so listed; and (ii) the Issuer is not an "open-ended investment company". The Securities would not qualify for inclusion within a cash ISA.

United Kingdom tax resident Securityholders who acquire their investment in the Securities through an ISA and who satisfy the requirements for tax exemption in the Individual Savings Account Regulations 1998 will not be subject to either United Kingdom income tax or United Kingdom capital gains tax on income and gains realised from their Securities and any losses on their investment will be disregarded for the purposes of United Kingdom capital gains tax.

Individual investors who are considering investing in Securities which may provide capital growth and who are considering holding such Securities within an ISA may wish to consider whether it may be more beneficial for them to hold such Securities as a direct investment outside an ISA (leaving them free to invest in an income producing asset for inclusion in an ISA). This will depend on an investor's individual circumstances, including the availability of the capital gains tax annual exemption which may significantly reduce the amount of tax payable on capital gains. It may be more appropriate for some investors to hold an income generating investment within their ISA and assets generating capital gains as a direct investment so that, overall, less tax is paid on income and capital gains.

United Kingdom Self-Invested Personal Pensions (SIPP) and Small Self-Administered Schemes (SSAS)

The Securities should be capable of being held within a SIPP or SSAS that is a registered pension scheme subject to the individual circumstances of the Securityholders. Securityholders should obtain independent advice in relation to the tax treatment of Securities held within a SIPP or SSAS.

Other United Kingdom tax considerations

Transfer of Assets Abroad

The attention of individual Securityholders who are resident in the United Kingdom is drawn to the provisions of sections 714 to 751 of ITA 2007 contained in Chapter 2 of Part 13 of ITA 2007 (the **Transfer of Assets Abroad Legislation**). Under sections 714 to 751 of ITA 2007, the income accruing to an Issuer may be attributed to such a Securityholder and may (in certain circumstances) be subject to United Kingdom income tax in the hands of the Securityholder. However, under section 737 of ITA 2007, sections 714 to 751 ITA of 2007 will not apply if the Securityholder can satisfy HMRC that either:

- (a) it would not be reasonable to draw the conclusion, from all the circumstances of the case, that the purpose of avoiding a liability to United Kingdom taxation was the purpose or one of the purposes for which an investment in the Securities or any "associated operations" within the meaning of section 719 of ITA 2007 (together, the **Security Transactions**) was effected; or
- (b) the Security Transactions were "genuine commercial transactions" and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the Security Transactions was designed, more than incidentally, for the purpose of avoiding United Kingdom taxation.

Sections 737 and 738 of ITA 2007 provide that, in interpreting these provisions:

- (i) the intentions and purposes of any person who, whether or not for consideration, designs or effects any of the Security Transactions or provides advice in relation to any of the Security Transactions would have to be taken into account in determining the purposes for which the Security Transactions were effected;
- (ii) for the purposes of (b) above, a Security Transaction would only be a "commercial transaction" if, broadly, it was on arm's length terms and, in addition, if it was effected in the course of a trade or business, or with a view to setting up and commencing a trade or business and, in either case, for the purposes of that trade or business; and
- (iii) the making and managing of investments can only constitute a trade or business for the purposes of the preceding paragraph to the extent that the person carrying out the activity and the person for whom it is done are independent persons dealing at arm's length.

In addition to the exemptions described above, there is one more for genuine commercial transactions where a tax charge would constitute an unjustified and disproportionate restriction of a freedom protected by EU law.

Transactions in securities

The attention of Securityholders who are corporation tax payers is drawn to the provisions of sections 731 to 751 CTA 2010. Securityholders who are income tax payers should have regard to sections 682 to 713 of ITA 2007. These provisions could potentially apply to counteract United Kingdom tax advantages arising to a Securityholder but the provisions will not apply provided the Securityholder can demonstrate that:

- (a) in the case of a Securityholder who is a corporation tax payer:

Taxation

- (i) its investment in the Securities was made for bona fide commercial reasons or in the ordinary course of making or managing investments, and
 - (ii) the main object or one of the main objects of the investment in the Securities was not to obtain a corporation tax advantage within the meaning of section 732 of CTA 2010;
- (b) in the case of a Securityholder who is an income tax payer, it is not the case that the main purpose or one of the main purposes of the investment in the Securities was to obtain an income tax advantage within the meaning of section 687 of ITA 2007.

Disguised interest rules

The disguised interest rules may apply to any arrangement which produces a return which is economically equivalent to interest. A return will be treated as economically equivalent to interest if it is a return for the time value of money, paid at a rate reasonably comparable to a commercial rate of interest, where there is no practical likelihood that the return will not be paid.

Such a return may be taxed as income.

Restrictions on allowable losses

The attention of Securityholders is drawn to section 16A of TCGA 1992. This provision could potentially prevent Securityholders from claiming an allowable loss in respect of a disposal of their Securities if the main purpose or one of the main purposes connected with their investment and/or disposal of the Securities was to secure a tax advantage within the meaning of section 16A(2) of TCGA 1992.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

No United Kingdom stamp duty or SDRT is payable on the issue of Securities in bearer form or on a transfer by delivery of such Securities where no written instrument is used to effect such transfer.

No United Kingdom stamp duty or SDRT is payable on the issue of Securities in registered form or on a transfer of such securities through the clearing systems where no written instrument is used to effect such transfer, provided in each case that the Securities are not registered in a register kept in the United Kingdom by or on behalf of the Issuer.

No United Kingdom stamp duty or SDRT is payable on the issue of CDIs or on a transfer of CDIs within CREST if the CDIs are "UK depository interests in foreign securities" for the purposes of the SDRT (UK Depository Interest in Foreign Securities) Regulations 1999.

LUXEMBOURG

The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposal of the Securities under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

This description is based on the laws, regulations and applicable tax treaties as in effect in Luxembourg on the date hereof, all of which are subject to change, possibly with retroactive effect. It is not intended to be, nor should it be construed to be, legal or tax advice.

The following summary does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular prospective holder with regard to a decision to purchase, own or dispose of Securities.

The residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only.

Additionally, a reference to Luxembourg income tax encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharges (contributions au fonds pour l'emploi), as well as personal income tax (impôt sur le revenu) generally. Prospective holders may further be subject to net wealth tax (impôt sur la fortune) as well as other duties, levies or taxes.

Corporate income tax, municipal business tax as well as the solidarity surcharge apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual

taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Withholding Tax and Self-Applied Tax

Taxation of Luxembourg non-residents

Under Luxembourg general tax laws currently in force, there is no withholding tax to be withheld by the debtor of Securities on payments of principal, premium or arm's length interest (including accrued but unpaid interest) to non-Luxembourg tax resident holders. Nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by non-Luxembourg tax resident holders to the extent said Securities do not (i) give entitlement to a share of the profits generated by the issuing company and (ii) the issuing company is not thinly capitalised.

Taxation of Luxembourg residents

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005, as amended (the "**Law**"), there is no withholding tax to be withheld by the debtor of Securities on payments of principal, premium or arm's length interest (including accrued but unpaid interest) to Luxembourg tax resident holders. Nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg tax resident holders to the extent said Securities do not (i) give entitlement to a share of the profits generated by the issuing company and (ii) the issuing company is not thinly capitalised.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is tax resident of Luxembourg will be subject to a withholding tax of 20 per cent. In case the individual beneficial owner is an individual acting in the course of the management of his/her private wealth, said withholding tax will be in full discharge of income tax. Responsibility for the withholding tax will be assumed by the Luxembourg paying agent. Payments of interest under Securities coming within the scope of the Law would be subject to withholding tax at a rate of 20 per cent.

Income Taxation on Principal, Interest, Gains on Sales or Redemption

Luxembourg tax residence of the Investors

Investors will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding, execution, performance, delivery, exchange and/or enforcement of the Securities.

Taxation of Luxembourg non-residents

Investors who are non-residents of Luxembourg and who do not have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Securities is connected, will not be subject to taxes (income taxes and net wealth tax) or duties in Luxembourg with respect to payments of principal or interest (including accrued but unpaid interest), payments received upon redemption, repurchase or exchange of the Securities or capital gains realised upon disposal or repayment of the Securities.

A non-Luxembourg tax resident corporate holder of Securities or a non-Luxembourg tax resident individual holder of Securities acting in the course of the management of a professional or business undertaking, who has a permanent establishment or a permanent representative in Luxembourg to which Securities are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts under Securities and on any gains realised upon sale or disposal, in any form whatsoever, of Securities.

Taxation of Luxembourg residents

A Luxembourg tax resident corporate holder, must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of Securities, in its taxable income for Luxembourg income tax assessment purposes. The same inclusion applies to an individual holder of Securities, acting in the course of the management of a professional or business undertaking.

Luxembourg resident corporate Investors which are companies benefiting from a special tax regime (such as family wealth management companies subject to the law of 11 May 2007, undertakings for collective investment subject to the law of 17 December 2010, specialised investment funds subject to the law of 13 February 2007) and reserved alternative investment funds subject to the law of 23 July

Taxation

2016 are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax) other than the subscription tax calculated on their share capital or net asset value.

A Luxembourg tax resident individual holder, acting in the course of the management of his / her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts, under Securities, except if withholding tax has been levied on such payments in accordance with the Law (as this withholding tax would represent the final tax liability in his/her hands). A gain realised by a Luxembourg tax resident individual holder, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Securities is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after Securities were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax.

In addition, pursuant to the Luxembourg law of 17 July 2008 (amending the Luxembourg law of 23 December 2005), Luxembourg tax resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 20 per cent. flat tax on interest payments made after 31 December 2007 by certain paying agents not established in Luxembourg i.e., paying agents located in an EU member state other than Luxembourg or a member state of the European Economic Area (i.e., Iceland, Norway and Liechtenstein). In case such option is exercised, such interest does not need to be reported in the annual tax return.

Net Wealth tax

Luxembourg net wealth tax will not be levied on a holder of Securities, unless (i) such holder of Securities is a company resident in Luxembourg for the purpose of the relevant legal provisions; or (ii) the Securities are attributable to an enterprise or a part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg. In such a case, the holder of Securities must take the Securities into account for the purposes of Luxembourg wealth tax, except, if the holder of Securities is governed by any of the following and therefore exempt from net wealth tax: (i) the law of 17 December 2010 on undertakings for collective investment; (ii) the law of 11 May 2007 on the Société de Gestion de Patrimoine Familial (iii) the law of 13 February 2007 on specialised investment funds and (iv) the law of 23 July 2016 on reserved alternative investment funds.

Companies governed by the law of 15 June 2004 on venture capital vehicles or securitisation undertakings governed by the law of 22 March 2004 on securitisation are exempt from Luxembourg net wealth tax but have to take into account the Notes for purposes of Luxembourg minimum net wealth tax.

Subscription tax

Subscription tax implications may arise (depending on the facts and circumstances) for the following based Luxembourg entities:

- Private family asset holding companies ("Société de Gestion de Patrimoine Familial") governed by the law of 11 May 2007;
- Investment funds governed by the law of 17 December 2010 on UCITS ("Undertakings for collective investment in transferable securities");
- Investment funds governed by the law of 13 February 2007 on SIF ("Specialised investment funds").

Other taxes

No stamp, registration, transfer or similar taxes or duties will be payable in Luxembourg by Investors in connection with the issue of the Securities, nor will any of these taxes be payable as a consequence of a subsequent transfer or redemption of the Securities, unless the documents relating to the Securities are voluntarily registered in Luxembourg. There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Securities or in respect of the payment of interest or principal under the Securities or the transfer of the Securities. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

Under Luxembourg tax law, where an individual holder of Securities is a resident of Luxembourg for inheritance tax purposes at the time of his/her death, Securities are included in his/her taxable basis for

inheritance tax or estate purposes. Gift tax may be due on a gift or donation of Securities, if embodied in a Luxembourg deed or otherwise registered in Luxembourg.

SWITZERLAND

The following statements and discussions of certain Swiss tax considerations relevant to the purchase, ownership and disposition of Securities are of a general nature only and do not address every potential tax consequence of an investment in Securities under Swiss law. This summary is based on treaties, laws, regulations, rulings and decisions currently in effect, all of which are subject to change. It does not address the tax consequences of the Securities in any jurisdiction other than Switzerland. Potential investors will therefore need to consult their own tax advisers to determine the special tax consequences of the receipt, ownership and sale or other disposition of a Security.

Tax treatment depends on the individual tax situation of each investor and may be subject to change.

The Securityholders shall assume and be responsible to the proper governmental or regulatory authority for any and all taxes of any jurisdiction or governmental or regulatory authority, including without limitation, any state or local taxes, transfer taxes or fees, occupation taxes or other like assessments or charges that may be applicable to any payment delivered to them by the Issuer hereunder or applicable to the transactions covered hereby. The Issuer shall have the right, but not the duty, to withhold from any amounts otherwise payable to a Securityholder such amount as is necessary for the payment of any such taxes, fees, assessments or charges.

Swiss Withholding Tax

According to current Swiss tax law and the present practice of the Swiss Federal Tax Administration, payments in respect of the Securities and repayment of principal of the Securities by the Issuer acting through one of its branches outside of Switzerland should not be subject to Swiss withholding tax provided that the Issuer uses the proceeds outside of Switzerland.

Swiss Value Added Tax ("VAT")

The issue, transfer (i.e., through a sale or a purchase), exercise or redemption of Securities or any income derived therefrom will normally not be subject to Swiss VAT. However, any respective input VAT will correspondingly not be recoverable.

Issue Stamp Tax and Securities Transfer Stamp Tax

According to current Swiss tax law and the present practice of the Swiss Federal Tax Administration, the issue of Securities is not subject to Issue Stamp Tax and Securities Transfer Stamp Tax. The Securities Transfer Stamp Tax is applicable to Securities which, due to specific features, are considered bond-like, share-like or fund-like products for purposes of Swiss tax law. In this case, a Securities Transfer Stamp Tax of up to 0.3 per cent. of the consideration could be due on secondary market transactions in Securities, if a domestic securities dealer (*Effektenhändler*), as defined in art. 13 para. 3 of the Swiss Federal Act on Stamp Duties (*Stempelabgabengesetz*), is a party to the transaction or acts as an intermediary thereto. This applies likewise for primary market transactions of fund-like instruments which are not issued out of Switzerland or the Principality of Liechtenstein ("**domestic issuances**"). If, upon the exercise or redemption of a Security, an underlying security is delivered to the holder of the Security, the transfer of the underlying security may be subject to Swiss Securities Transfer Tax of up to 0.15 per cent. for domestic issuances and of up to 0.3 per cent. for other issuances, provided in both cases that a Swiss securities dealer is a party to the transaction or acts as an intermediary thereto. Certain exemptions may, inter alia, apply with regard to institutional investors such as mutual funds, non-Swiss listed companies and their non-Swiss subsidiaries, non-Swiss life insurance companies and non-Swiss social security institutions.

Income Taxation of Non-Swiss tax resident Investors

Under present Swiss tax law, payments of interest on the Securities and repayment of principal of the Securities to a holder who is a non-resident of Switzerland and who, during the taxation year has not engaged in a trade or business through a permanent establishment within Switzerland and who is not subject to income taxation in Switzerland for any other reason will not be liable to Swiss federal, cantonal or communal income taxation. Such an investor that is not a tax resident in Switzerland, will also not be liable to Swiss federal, cantonal or communal income taxation on gains realised during the taxation year on the sale or redemption of a Security.

Income Taxation of Securities held by Swiss tax resident Individuals as part of Private Property

Gains or losses realised upon a sale or other disposition by individuals holding a Security as part of their private property (private capital gain) are as a rule not subject to income taxation or are not deductible from taxable income respectively. This applies likewise to option premium received or paid by the holder of a Security that is treated for Swiss tax purposes as a transparent structured product consisting of part debt and part option.

Capital gains may, however, be subject to income taxation if a Security or a distinguishable part thereof qualifies as a bond where the predominant part of the annual yield on which is paid in the form of a one-time payment (*überwiegende Einmalverzinsung*). Losses arising from such bonds may be deducted from gains recognised from similar instruments during the same tax period.

Income derived from a Security, which is neither a private capital gain, as set out above nor a repayment of paid in capital (or face value in the case of share-like instruments) nor an option premium is as a rule subject to tax. This applies, *inter alia*, to any issuance discount, repayment premium, other guaranteed payments (except repayment of capital or option premium) or any combination thereof. Payments or credits received by a holder because of dividends, interest etc. of the underlying may be subject to income tax for such holder. This may apply likewise to payments or credits derived from underlying funds.

Income Taxation of Securities held by Swiss tax resident Individuals or Entities as part of Business Property

Income realised and losses justified by business reasons incurred on Securities as part of the business property of individuals (including deemed securities dealers due to frequent dealing, debt financing or similar criteria; so called *Wertschriftenhändler*) or entities subject to tax in Switzerland are included in the taxable income or may be deducted from the taxable income, respectively, of such person or entity.

UNITED STATES TAX CONSIDERATIONS FOR INVESTORS

Substitute Dividend and Dividend Equivalent Payments

The United States Internal Revenue Code of 1986 (the "Code") and regulations thereunder treat a "dividend equivalent" payment as a dividend from sources within the United States. Such payments generally will be subject to U.S. withholding tax at a rate of 30 per cent. A "dividend equivalent" payment is defined under the Code as (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a "specified notional principal contract" (a "**specified NPC**") that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in the preceding clauses (i) and (ii).

Final regulations provide that a dividend equivalent is any payment or deemed payment that references the payment of (i) a dividend from an underlying security pursuant to a securities lending or sale-repurchase transaction, (ii) a dividend from an underlying security pursuant to a specified NPC, (iii) a dividend from an underlying security pursuant to a specified equity-linked instrument (a "**specified ELI**"), and (iv) any other substantially similar payment. The regulations provide that a payment includes a dividend equivalent payment whether there is an explicit or implicit reference to a dividend with respect to the underlying security. An underlying security is any interest in an entity if a payment with respect to that interest could give rise to a U.S. source dividend pursuant to Treasury regulation section 1.861-3. An NPC is a notional principal contract as defined in Treasury regulation section 1.446-3(c). An equity-linked instrument ("**ELI**") is a financial instrument (other than a securities lending or sale-repurchase transaction or an NPC) that references the value of one or more underlying securities, including a futures contract, forward contract, option, debt instrument, or other contractual arrangement. A "section 871(m) transaction" is any securities lending or sale-repurchase transaction, specified NPC, or specified ELI.

For any payment made on or after 1 January 2017 with respect to any transaction issued on or after 1 January 2017 and before 1 January 2019, any NPC or ELI that has a delta of one with respect to an underlying security when the NPC or ELI is issued is a specified NPC or specified ELI, respectively. For any payment made on or after 1 January 2019 with respect to any transaction issued on or after 1 January 2019, (a) a "simple" NPC or "simple" ELI that has a delta of 0.8 or greater with respect to an underlying security when the NPC or ELI is issued is a specified NPC or specified ELI, respectively, and (b) a "complex" NPC or "complex" ELI that meets a substantial equivalence test with respect to an underlying security at the time of issuance is a specified NPC or specified ELI, respectively. The delta of

a simple contract is determined, and the substantial equivalence test for a complex contract is performed, on the earlier of the date that the potential section 871(m) transaction is priced and the date when the potential section 871(m) transaction is issued; however, the issue date must be used if the potential section 871(m) transaction is priced more than 14 calendar days before it is issued. In addition, the delta or substantial equivalence of Securities that are held in inventory prior to their sale to an investor may, in certain cases, be required to be retested at the time of sale or disposition from inventory. If Securities sold from inventory are determined to be section 871(m) transactions and the same series of Securities sold at issuance were determined not to be section 871(m) transactions, holders of Securities sold at issuance may be adversely affected to the extent the Issuer or a withholding agent does not, or is unable to, identify and distinguish Securities sold to investors at issuance from those sold out of inventory.

Certain events could cause previously issued Securities to be deemed to be issued as new securities for purposes of the effective dates provided in the regulations. For example, it is possible that the IRS could assert that a reconstitution or rebalancing of the underlying is a significant modification of the Securities due to an exercise of discretion with respect to such reconstitution or rebalancing and, therefore, a deemed issuance of the Securities upon the occurrence of such event. It is also possible that U.S. withholding tax could apply to the Securities under these rules if a holder enters, or has entered, into certain other transactions in respect of the underlying equity or the Securities. A holder that enters, or has entered, into other transactions in respect of the underlying or the Securities should consult its own tax advisor regarding the application of Code section 871(m) to its Securities in the context of its other transactions.

Withholding on payments will be based on actual dividends or, if otherwise notified by the Issuer in accordance with applicable regulations, on estimated dividends used in pricing the Security. If a Security provides for any payments in addition to estimated dividends to reflect dividend amounts on the underlying security, withholding will be based on the total payments. If an issue of Securities is a section 871(m) transaction, information regarding the amount of each dividend equivalent, the delta of the potential 871(m) transaction, the amount of any tax withheld and deposited, the estimated dividend amount and any other information necessary to apply the regulations in respect of such Securities will be provided, communicated, or made available to holders of the Securities in a manner permitted by the applicable regulations. Withholding tax may apply even where holders do not receive a concurrent payment on the Securities in respect of dividends on the underlying. U.S. tax will be withheld on any portion of a payment or deemed payment (including, if appropriate, the payment of the purchase price) that is a dividend equivalent.

If withholding applies, the rate of any withholding may not be reduced even if the holder is otherwise eligible for a reduction under an applicable treaty, although non-U.S. holders that are entitled to a lower rate of withholding under a tax treaty may be able to claim a refund for any excess amounts withheld by filing a U.S. tax return. However, holders may not receive the necessary information to properly claim a refund for any withholding in excess of the applicable treaty-based amount. In addition, the IRS may not credit a holder with withholding taxes remitted in respect of its Security for purposes of claiming a refund. Finally, a holder's resident tax jurisdiction may not permit the holder to take a credit for U.S. withholding taxes related to the dividend equivalent amount. The Issuer will not pay any additional amounts with respect to amounts withheld.

The relevant Issue Terms may indicate if the Issuer has determined that a Security is a transaction subject to withholding under section 871(m). Although the Issuer's determination generally is binding on holders, it is not binding on the IRS. The IRS may successfully argue that a Security is subject to withholding under section 871(m), notwithstanding the Issuer's determination to the contrary. These regulations are extremely complex. Holders should consult their tax advisors regarding the U.S. federal income tax consequences to them of these regulations and whether payments or deemed payments on the Securities constitute dividend equivalent payments.

Foreign Investment in U.S. Real Property

A holder may be subject to U.S. federal income tax on a disposition of a "U.S. real property interest" as defined in Treasury Regulations section 1.897-1(c) (a "**USRPI**"). Any gain on such disposition is treated as effectively connected with a U.S. trade or business of the non-U.S. holder and is subject to tax and withholding on the amount realized on the disposition. A USRPI may consist of a direct interest in U.S. real property or an interest in a United States real property holding corporation (a "**USRPHC**") within the meaning of section 897 of the Code. However, an interest in a USRPHC that does not exceed generally 5 per cent. of the corporation's regularly traded stock is not a USRPI.

Thus, a holder who owns directly, indirectly or constructively, shares of any of the underlying that are considered to be a USRPI, or other interests having a return based on the appreciation in the value of, or in the gross or net proceeds or profits generated by, such underlying, may be subject to U.S. federal

Taxation

income tax on the sale or exchange of the securities if such holder owns more than generally 5 per cent. of the shares of such underlying when considering the shares or interests of such underlying that are directly, indirectly or constructively owned by such holder. Ownership of the securities may also impact the taxation of such other shares or interests.

We have not, and will not, attempt to ascertain whether the issuer of shares in any underlying is a USRPHC. It is possible that the issuer of shares in an underlying is a USRPHC, and that the securities constitute an ownership interest in or an option on a USRPI, with the consequences described above. It is also possible that the issuer of shares in such underlying is not a USRPHC. In making its investment decision, a holder should be prepared to accept the tax treatment that results from either the underlying being treated as a USRPI or from the underlying not being a USRPI.

Each holder, in connection with acquiring the securities, is deemed to represent that it does not own, and will not own, more than 5 per cent. of the shares of each of the underlying that is considered to be a USRPHC, either directly, indirectly or constructively. We and any withholding agent will rely on the accuracy of this representation. For purposes of this discussion, any interest other than solely as a creditor within the meaning of Treasury Regulations Section 1.897-1(d) shall be treated as ownership of shares of the underlying. Even if the Issuer does not withhold, there can be no assurances that an intermediary withholding agent will not withhold in respect of a security. Further, holders may have U.S. income tax liability that exceeds amounts withheld, if any. The Issuer will not make any additional payments for any amounts withheld or tax liability arising under section 897 of the Code.

Holders should consult their own tax advisors on the impact of other shares or interests in the underlying, the impact of ownership of the securities on such other shares or interests, and the consequences of making the representation in the preceding paragraph.

Securities Held Through Foreign Entities

Under certain provisions of the "Hiring Incentives to Restore Employment Act," generally referred to as "FATCA," and regulations thereunder, a 30 per cent. withholding tax is imposed on "withholdable payments" and certain "passthru payments" made to "foreign financial institutions" (as defined in the regulations or an applicable intergovernmental agreement) (and their more than 50 per cent. affiliates) unless the payee foreign financial institution agrees, among other things, to disclose the identity of any U.S. individual with an account at the institution (or the institution's affiliates) and to annually report certain information about such account. The term "withholdable payments" generally includes (1) payments of fixed or determinable annual or periodical gains, profits, and income ("**FDAP**"), in each case, from sources within the United States, and (2) gross proceeds from the sale of any property of a type which can produce interest or dividends from sources within the United States.

"**Passthru payments**" means any withholdable payment and any foreign passthru payment. To avoid becoming subject to the 30 per cent. withholding tax on payments to them, we and other foreign financial institutions may be required to report information to the IRS regarding the Securityholders and, in the case of Securityholders who (i) fail to provide the relevant information, (ii) are foreign financial institutions who have not agreed to comply with these information reporting requirements, or (iii) hold the Securities directly or indirectly through such non-compliant foreign financial institutions, we may be required to withhold on a portion of payments under the Securities. FATCA also requires withholding agents making withholdable payments to certain foreign entities that do not disclose the name, address, and taxpayer identification number of any substantial United States owners (or certify that they do not have any substantial United States owners) to withhold tax at a rate of 30 per cent. If payments on the Securities are determined to be from sources within the United States, we will treat such payments as withholdable payments for these purposes.

Withholding under FATCA will apply to all withholdable payments and certain passthru payments without regard to whether the beneficial owner of the payment is a U.S. person, or would otherwise be entitled to an exemption from the imposition of withholding tax pursuant to an applicable tax treaty with the United States or pursuant to U.S. domestic law. Unless a foreign financial institution is the beneficial owner of a payment, it will be subject to refund or credit in accordance with the same procedures and limitations applicable to other taxes withheld on FDAP payments provided that the beneficial owner of the payment furnishes such information as the IRS determines is necessary to determine whether such beneficial owner is a United States owned foreign entity and the identity of any substantial United States owners of such entity. If such withholding applies, we will not be required to pay any additional amounts with respect to amounts withheld.

Pursuant to the regulations described above, and subject to the exceptions described below, FATCA's withholding regime generally will apply to (i) withholdable payments (other than gross proceeds of the type described above and certain payments made with respect to a "preexisting obligation," as defined in the regulations); (ii) payments of gross proceeds of the type described above with respect to a sale or

disposition occurring after 31 December 2018; and (iii) foreign passthru payments made after the later of 31 December 2018, or the date that final regulations defining the term "foreign passthru payment" are published. Notwithstanding the foregoing, the provisions of FATCA discussed above generally will not apply to (a) any obligation (other than an instrument that is treated as equity for U.S. tax purposes or that lacks a stated expiration or term) that is outstanding on 1 July 2014 (a "**grandfathered obligation**"); (b) any obligation that produces withholdable payments solely because the obligation is treated as giving rise to a dividend equivalent pursuant to the Code section 871(m) and the regulations thereunder that is outstanding at any point prior to six months after the date on which obligations of its type are first treated as giving rise to dividend equivalents; and (c) any agreement requiring a secured party to make payments with respect to collateral securing one or more grandfathered obligations (even if the collateral is not itself a grandfathered obligation). Thus, if a Securityholder holds its Securities through a foreign financial institution or foreign entity, a portion of any of such Securityholder's payments may be subject to 30 per cent. withholding.

U.S. Federal Estate Tax Treatment

A Security may be subject to U.S. federal estate tax if an individual holds the Security at the time of his or her death. The gross estate of a holder domiciled outside the United States includes only property situated in the United States. Holders should consult their tax advisors regarding the U.S. federal estate tax consequences of holding the Securities at death.

Backup Withholding and Information Reporting

A Securityholder may be subject to backup withholding with respect to certain amounts paid to such holder unless it provides a correct taxpayer identification number, complies with certain certification procedures establishing that it is not a U.S. Securityholder or establishes proof of another applicable exemption, and otherwise complies with applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. A Securityholder can claim a credit against its U.S. federal income tax liability for amounts withheld under the backup withholding rules, and amounts in excess of its liability are refundable if such Securityholder provides the required information to the IRS in a timely fashion. A Securityholder may also be subject to information reporting to the IRS with respect to certain amounts paid to such Securityholder unless it (1) provides a properly executed IRS Form W-8 (or other qualifying documentation) or (2) otherwise establishes a basis for exemption. If such withholding applies, we will not be required to pay any additional amounts with respect to amounts withheld.

BAHAMAS

Under the laws of The Bahamas, holders of Securities are not liable to pay any income tax, capital gains tax, inheritance tax, estate tax, transfer tax, sales tax or any similar taxes, imposed by The Bahamas government, on income or distributions accruing to them as a result of or derived from the Securities or otherwise in connection with any transaction concerning Securities, including without limitation, the acquisition or disposal of Securities or any interest therein.

Payments made by the Issuer acting through its Nassau Branch will not be subject to any withholding tax imposed by the government of The Bahamas.

Where Securities qualify as "foreign currency denominated debt instruments" for the purpose of Bahamian law (i.e., notes, bonds, debentures, or other instruments or certificates of indebtedness or obligation, including contingent indebtedness or obligation that are: (a) denominated in a currency other than Bahamian currency; (b) of any maturity whatsoever; and (c) offered for issuance outside The Bahamas by a licensed bank in The Bahamas), stamp duty shall be payable by the issuer in the amount of \$1,000.

This information is of a general nature and does not purport to be a comprehensive description of all tax considerations under Bahamian law that may be relevant to a decision to acquire, to hold or to dispose of the Securities.

Each investor should consult a tax adviser as to the tax consequences relating to its particular circumstances resulting from holding the Securities.

IRELAND

The following statements are by way of general guide only to holders of Securities. They are not exhaustive and do not constitute tax advice. Holders of Securities are therefore advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Securities.

Taxation

The information below relates to Irish taxation and is applicable to Irish domiciled and Irish resident and/or ordinarily resident individuals who are the beneficial owners of Securities and hold the Securities as an investment and does not apply to other categories of taxpayers such as corporates or traders in shares and securities. It is based on Irish tax law and what is understood to be the practice of the Irish Revenue Commissioners, in each case as in effect on the date of this Base Prospectus, which are subject to prospective or retroactive change.

The following paragraphs are written on the assumption that the investors in the CDIs are, for Irish tax purposes, absolutely beneficially entitled to the Securities. In the following paragraphs, references to "Securities" should be taken to include references to "interests in Securities held through CDIs" and references to "Securityholders" should be taken to include references to "holders of CDIs".

Taxation of Capital Gains

Securities issued under this Base Prospectus should be considered to be held on capital account by an Irish individual investor and, as such, should be subject to Irish capital gains tax ("**CGT**") on any gains arising from the disposal of the Securities. An individual who is Irish domiciled and Irish resident and/or ordinarily resident for the year of assessment that the sale or redemption relates to is taxed on their worldwide gains regardless of whether the gain is remitted to Ireland or not.

The capital gain on which CGT applies is calculated as the difference between the amount received by the Securityholder on sale or redemption of the Security and the original base cost of the Security. Adjustment is made for allowable costs in relation to purchase and disposal. For instance, any fees or commission may form part of the acquisition cost of the asset. There is no adjustment for inflation relief or tapering for longer held gains in the calculation of the capital gain or the tax rate.

Under current legislation, the rate of CGT to be applied to such gains is 33%. The annual "small gain" exemption for individuals is currently €1,270.

Irish CGT is calculated in Euro. Where the Security is denominated in a currency other than Euro, the asset is converted to Euro at the spot rate on the date of acquisition and date of disposal and tax is calculated on that Euro gain.

Capital losses incurred by individual Securityholders may be offset against chargeable gains arising in the same year of assessment. Where any such loss cannot be utilised in the year of assessment it can generally be carried forward for offset against future gains without time limit.

Other Irish Tax Issues

Offshore Fund Rules

The Irish Offshore fund rules contained within Sections 740 – 747G TCA 1997 should not apply to the Securities on the basis that the Securities are treated as located in an OECD State (in this case Switzerland) with which Ireland has a double tax agreement and Credit Suisse AG is not:

- A UCITS
- An entity similar in all material respects to an Irish authorised investment company, or
- An entity similar in all material respects to an authorised unit trust scheme.

Transfer of Assets Abroad

Section 806 of the Taxes Consolidations Act ("**TCA**") 1997 imposes a charge to income tax on income generated by assets which were transferred out of Ireland by an Irish resident individual to a non-resident company or trust. The effect of the section is that certain income accruing to the non-resident company or trust may be attributed to the Irish securityholder, upon which the securityholder may be subject to Irish income tax. This should not apply to the investment in the Securities at hand.

Stamp Duty

No Irish Stamp Duty should be payable on the issue of Securities or on a transfer or sale of such Securities for cash on the basis that the Securities will either be in bearer form or, if registered, should qualify for an exemption under Section 88 of the Stamp Duties Consolidations Act ("**SDCA**") 1999 as "marketable securities" of a company not registered in Ireland. The redemption of the Securities, either in bearer form or registered, should not come within the charge to Irish Stamp Duty.

Capital Acquisitions Tax ("CAT")

Irish CAT is a tax payable by the recipient of gifts or inheritances. The purchase and sale of the Securities at market value should not give rise to a liability to CAT, as this would not constitute a gift. If a Securityholder acquires the Securities as an inheritance or as a gift for less than market value, CAT may apply.

Irish Encashment Tax

Irish encashment tax may be required to be withheld at the standard rate (currently 20 per cent.) from certain interest and annual payments paid in respect of any securities where such payments are paid or collected by a person in Ireland on behalf of any holder. Encashment tax should not apply to the capital gain, if any, on the Securities.

Withholding Tax

Irish withholding tax on interest and annual payments should not apply to the Securities. Similarly, Deposit Interest Retention Tax ("**DIRT**") should also not apply to the Securities.

Reporting requirements

An Irish resident individual must disclose the acquisition of a chargeable asset in their annual income tax return (Form 11) for the year of assessment in which the acquisition is made. Therefore the acquisition of the Securities should require disclosure for the Securityholders. This disclosure should be made in Section M - Panel 818 (h) of the Form 11, where the details of chargeable assets in addition to the consideration paid for those assets must be returned.

Any subsequent disposal of the Securities by the Securityholders should also be disclosed in the Form 11. The relevant section is Section L, under which the Securityholder must disclose information including; the details of chargeable assets, the consideration received, details of chargeable gains/losses arising in addition to information in respect of claims to reliefs.

There should not be an obligation to disclose the holdings to the Revenue elsewhere on the Form 11 or separately.

SINGAPORE

Singapore Taxation of Securities

The statements below are only applicable to Securities issued by Credit Suisse AG, Singapore Branch, are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the relevant authorities in force as at the date of this Base Prospectus and are subject to any changes in such laws, guidelines or circulars, or the interpretation of such laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Base Prospectus are intended or are to be regarded as advice on the tax position of any prospective holder of the Securities or of any person acquiring, selling, or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Securities are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Securities, including in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that neither the Issuer(s) nor any other person involved in the Base Prospectus accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

Income Tax - General

Individual Taxpayers

Taxation

An individual is a tax resident in Singapore in a year of assessment if in the preceding year he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more or if he resides in Singapore.

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore, subject to certain exceptions. All foreign-sourced income received in Singapore on or after 1 January 2004 by a Singapore tax resident individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax.

A Singapore tax resident individual is taxed at progressive rates of up to 22 per cent. currently.

Non-resident individuals, subject to certain exceptions and conditions, are subject to Singapore income tax on income accruing in or derived from Singapore at the rate of 22 per cent. currently.

Corporate Taxpayers

A company is tax resident in Singapore if the control and management of its business is exercised in Singapore.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore. Foreign-sourced income in the form of dividends, branch profits and service income received or deemed to be received in Singapore by Singapore tax resident companies on or after 1 June 2003 are exempt from tax if certain prescribed conditions are met including the following:

- (a) such income is subject to tax of a similar character to income tax under the law of the jurisdiction from which such income is received; and
- (b) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15 per cent.

Certain concessions and clarifications have also been announced by the Inland Revenue Authority of Singapore ("IRAS") with respect to such conditions.

Non-resident corporate taxpayers, with certain exceptions, are subject to Singapore income tax on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed to be received in Singapore.

The corporate tax rate in Singapore is currently 17 per cent. In addition, three-quarters of up to the first S\$10,000, and one-half of up to the next S\$290,000, of a company's chargeable income otherwise subject to normal taxation is exempt from corporate tax. The remaining chargeable income (after the tax exemption) will be taxed at the prevailing corporate tax rate. New companies will also, subject to certain conditions and exceptions, be eligible for full tax exemption on their normal chargeable income of up to S\$100,000 a year for each of the company's first three years of assessment.

Withholding Tax on Interest and Other Payments on the Securities

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (the "ITA"), the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described

below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived by individuals through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

Withholding Tax Exemption on Qualifying Payments by Specified Entities

Pursuant to Section 45I of the ITA, payments of income which are deemed under Section 12(6) of the ITA to be derived from Singapore and which are made by a specified entity shall be exempt from withholding tax if such payments are liable to be made by such specified entity for the purpose of its trade or business under a debt security which is issued within the period from 17 February 2012 to 31 March 2021. Notwithstanding the above, permanent establishments in Singapore of non-resident persons are required to declare such payments in their annual income tax returns and will be assessed to tax on such payments (unless specifically exempt from tax).

A specified entity includes a bank licensed under the Banking Act, Chapter 19 of Singapore or a merchant bank approved under the Monetary Authority of Singapore Act, Chapter 186 of Singapore.

Qualifying Debt Securities Scheme

In addition, if more than half of the issue of a tranche of the Securities which are issued as debt securities under the Programme during the period from the date of this Base Prospectus to 31 December 2018 are distributed by Financial Sector Incentive (Bond Market), Financial Sector Incentive (Capital Market) or Financial Sector Incentive (Standard Tier) Companies (as defined in the ITA), such tranche of Securities ("**Relevant Securities**") would be qualifying debt securities ("**QDS**") under the ITA.

If the Relevant Securities are QDS:

- (a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Monetary Authority of Singapore ("**MAS**") may direct, to the MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost is derived from the Relevant Securities by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Securities, derived by a holder who is not resident in Singapore and who (i) does not have any permanent establishment in Singapore, or (ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not funds and profits of that person's operations through a permanent establishment in Singapore, are exempt from Singapore tax;
- (b) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require), Qualifying

Taxation

Income from the Relevant Securities derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(c) subject to:

- (i) the Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall declare and include such income in a return of income made under the ITA; and
- (ii) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require,

payments of Qualifying Income derived from the Relevant Securities are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

- (a) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to fewer than four persons and 50 per cent. or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Securities would not qualify as QDS; and
- (b) even though a particular tranche of Relevant Securities are QDS, if, at any time during the tenure of such tranche of Relevant Securities, 50 per cent. or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Securities held by:
 - (i) any related party of the Issuer; or
 - (ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or the concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**break cost**", "**prepayment fee**" and "**redemption premium**" are defined in the ITA as follows:

"**break cost**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

"**prepayment fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

"**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e., the Qualifying Income) is derived from the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Securities using the funds and profits of such person's operations through a

permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e., the Qualifying Income) derived from the Relevant Securities is not exempt from tax is required under the ITA to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme ("**QDS Plus Scheme**"), subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the QDS in the prescribed format within such period as the MAS may specify and such other particulars in connection with the QDS as the MAS may require), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16 February 2008 to 31 December 2018;
- (b) have an original maturity of not less than 10 years;
- (c) cannot have their tenure shortened to less than 10 years from the date of their issue, except where -
 - (i) the shortening of the tenure is a result of any early termination pursuant to certain specified early termination clauses which the Issuer included in any offering document for such QDS; and
 - (ii) the QDS do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the QDS at the time of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Securities are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Securities, 50 per cent. or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income from such Relevant Securities derived by:

- (a) any related party of the Issuer; or
- (b) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

Dividends Paid by Singapore Tax Resident Companies

With effect from 1 January 2008, all Singapore-resident companies are under the one-tier corporate tax system. Under this system, the tax on corporate profits is final and dividends paid by a Singapore resident company will be tax exempt in Singapore in the hands of a shareholder, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

Capital Gains

Singapore imposes a tax on income but does not impose tax on gains which are considered non-income (i.e., gains which are considered to be capital in nature). There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital. Any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or who are required to apply Singapore Financial Reporting Standard ("**FRS**") 39 or FRS 109 may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39 or FRS 109. Please see the section below on "Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes".

Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes

Taxation

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement".

FRS 109 is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109, subject to certain exceptions.

Holders of the Securities who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

Stamp Duty

Stamp duty is payable on the agreement or instrument of transfer of stocks or shares having a register kept in Singapore, at the rate of 0.2 per cent. computed on the amount or value of consideration. The amount or value of consideration is the actual consideration or market value of such stock or shares, whichever is higher. The transferee is liable for stamp duty, unless there is an agreement to the contrary.

No stamp duty is payable if no agreement or instrument of transfer is executed or the agreement or instrument of transfer is executed outside Singapore. However, stamp duty would be payable if an agreement or instrument of transfer which is executed outside Singapore is received in Singapore.

Stamp duty is not applicable to electronic transfers of stocks or shares through The Central Depository (Pte) Limited.

PROPOSED FINANCIAL TRANSACTION TAX

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transaction tax ("**FTT**"). The proposal is currently being considered by Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States and the implementation and scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective investors in Securities are advised to seek their own professional advice in relation to the FTT.

OFFERS

An investor intending to acquire or acquiring any Securities from any person (an "**Offeror**") will do so, and offers and sales of the Securities to an investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such investor including as to price, allocations and settlement arrangements. Neither the Issuer nor the relevant Dealer will be a party to any such arrangements with investors (except where the Issuer or the relevant Dealer is itself the relevant Offeror) and, accordingly, this Base Prospectus and any relevant Final Terms may not contain such information and, in such case, an investor must obtain such information from the relevant Offeror. Investors should however note the following:

Amount of the offer

The nominal amount or number of Securities subject to the offer may be specified in the relevant Final Terms. If the nominal amount or number of Securities subject to the offer is not specified in the relevant Final Terms, the relevant Final Terms may specify that it will be determined on the basis of the demand for the Securities and prevailing market conditions and be published in accordance with Article 8 of the Prospectus Directive.

Offer Price

If pertinent, the offer price per Security may either (a) be specified in the relevant Final Terms or (b) if the relevant Final Terms so specify, be determined on the basis of the prevailing market conditions on or around the date specified in the relevant Final Terms in which event it will not be greater than the maximum price specified in the relevant Final Terms and will be published in accordance with Article 8 of the Prospectus Directive.

Publication of a Supplement

If the Issuer publishes a supplement to this Base Prospectus pursuant to Article 16 of the Prospectus Directive which relates to the Issuer or the Securities, investors who have already agreed to purchase Securities before the supplement is published shall have the right to withdraw their acceptances by informing the relevant Distributor in writing within 2 working days (or such other longer period as may mandatorily apply in the relevant country) of publication of the supplement. The terms and conditions of the Securities and the terms on which they are offered and issued will be subject to the provisions of any such supplement.

SELLING RESTRICTIONS

GENERAL

Except as set out in this Base Prospectus or the relevant Issue Terms, no action has been or will be taken that would permit a public offering of the Securities or possession or distribution of any offering material in relation to the Securities in any jurisdiction where action for that purpose is required.

No offers, sales or deliveries of the Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Dealer.

Each reference to "Dealer" in this section headed "Selling Restrictions" shall be deemed to include (a) each dealer specified as such in the relevant Issue Terms, and (b) each distributor in relation to the Securities.

UNITED STATES

The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States. The Securities may not be offered or sold or otherwise transferred, nor may transactions in such Securities be executed, at any time, 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 in each case in compliance with Regulation S under the Securities Act and applicable state securities laws. Terms used in this section shall, unless the context otherwise requires, have the meanings given to them by Regulation S.

The Dealer may not offer, sell, trade, deliver or effect transactions in the Securities (A) within the United States or (B) to, or for the account or benefit of, U.S. persons, and neither the Dealer nor any of its affiliates (if any) nor any person acting on behalf of any of them engage in any directed selling efforts in the United States with respect to the Securities, (i) as part of the Dealer's distribution at any time and (ii) otherwise until 40 days after the later of the date on which the Securities were first offered to persons other than distributors and the Issue Date (the "**distribution compliance period**"). The Dealer may conduct hedging transactions involving any "equity securities" of "domestic issuers" (as such terms are defined in the Securities Act and regulations thereunder) only in accordance with the Securities Act. The Dealer will send to each other distributor to which it sells the Securities during the 40-day distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. The Issuer reserves the right to refuse to register any sale or resale of Securities made in violation of these restrictions.

In the case of Securities that are warrants, the warrants and the securities to be issued upon exercise of the warrants have not been registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States. The warrants (1) may not be exercised by or on behalf of any U.S. person unless such exercise is registered under the Securities Act or an exemption from such registration is available, (2) upon exercise of any warrant, written certification must be given that that each person who is exercising a warrant is not a U.S. person and the warrant is not being exercised on behalf of a U.S. person, and (3) procedures must be implemented by the Dealer or any distributor with respect to warrant exercises in order to ensure compliance with Rule 903(b)(5) of the Securities Act.

UNITED KINGDOM

Each Dealer represents, warrants and agrees that:

- (a) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of the Securities in circumstances in which section 21(1) of FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) *General compliance*: it has complied and will comply with all applicable provisions of FSMA and the Financial Conduct Authority Handbook with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

GENERAL EUROPEAN ECONOMIC AREA RESTRICTIONS

Prior to 1 January 2018, and from that date if the Issue Terms in respect of the Securities specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), the Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Securities to the public**" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State, and by any measure implementing the Prospectus Directive in that Member State, and the expression "**Prospectus Directive**" means Directive 2003/71/EC, as amended from time to time, including by Directive 2010/73/EU, and includes any relevant implementing measure in the Relevant Member State.

Each Dealer has represented and agreed, and each further Dealer appointed under this Programme will be required to represent and agree that, in relation to any offering of Securities to which the Directive 2004/39/EC on Markets in Financial Instruments ("**MiFID**") (as amended, varied or replaced from time to time, including through the implementation of Directive 2014/65/EU ("**MiFID II**") and Regulation (EU) No 600/2014 ("**MiFIR**") applies, that such offering is in accordance with the applicable rules set out in MiFID (including any applicable national transposition of MiFID) and MiFIR, including that any commission, fee or non-monetary benefit received from the Issuer complies with such rules.

PROHIBITION OF SALES TO EEA RETAIL INVESTOR

From 1 January 2018, unless the Issue Terms in respect of the Securities specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by the Base Prospectus as completed by the Issue Terms in relation thereto to any EEA Retail Investor. For the purposes of this provision:

- (a) the expression "EEA Retail Investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

Selling Restrictions

- (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities.

BAHAMAS

This Base Prospectus has not been registered with the Securities Commission of The Bahamas, nor have any applications been made to exempt such offer from the filing of a prospectus with the Securities Commission of The Bahamas under the Securities Industries Act, 2011, and in the circumstances, no offer or sale of the Securities can occur in The Bahamas.

The Issuer and each Dealer associated with the offer agrees that it has not, and will not, offer or sell any of the Securities in The Bahamas except in compliance with applicable Bahamian laws or pursuant to an exemption therefrom.

IRELAND

The Issuer and each Dealer represents, warrants and agrees that, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that, it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Securities, or do anything in Ireland in respect of the Securities, otherwise than in conformity with the provisions of:

- (a) the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) of Ireland and any rules issued by the Central Bank of Ireland, or in force, pursuant to Section 1363 of the Companies Act 2014 (as amended);
- (b) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) of Ireland and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland; and
- (c) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, the European Union (Market Abuse) Regulations 2016 of Ireland and any rules issued by the Central Bank of Ireland, or in force, pursuant to Section 1370 of the Companies Act 2014 (as amended).

SINGAPORE

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that

corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Where Securities are issued under the Programme by Credit Suisse AG, Singapore Branch, (a) the Securities, if denominated in Singapore dollars, will have an original maturity period of not less than 12 months; or (b) the Securities, if denominated in Singapore dollars and with an original maturity period of less than 12 months, will have a denomination of not less than SGD 200,000; or (c) the Securities will be denominated in a currency other than Singapore dollars; or (d) the Securities will be issued in other circumstances which do not constitute a contravention of the Guidelines for Operation of Wholesale Banks and such that the Securities do not constitute a "deposit" for the purposes of the Banking Act, Chapter 19 of Singapore.

Where (a) the Issuer of the Securities is Credit Suisse AG, Singapore Branch, (b) the Securities are denominated in Singapore dollars, and (c) the Securities have a specified denomination of less than SGD 200,000:

- (i) the place of booking of the issue is the Singapore Branch of Credit Suisse AG; and
- (ii) repayment under each Security is not secured by any means.

SWITZERLAND

Where no Swiss simplified prospectus is in place, the Securities may not be distributed in or from Switzerland in the meaning of article 3 of the Collective Investment Schemes Act ("**CISA**"), except to qualified investors as defined in the CISA (article 10 CISA) and the Collective Investment Schemes Ordinance ("**CISO**") (article 6 CISO), and only in compliance with all other applicable laws and regulations.

GENERAL INFORMATION

1. **Approval and passporting for the purposes of the Prospectus Directive:** Application has been made to the CSSF in its capacity as the Luxembourg competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended by the law of 3 July 2012, the law of 21 December 2012 and the law of 10 May 2016 (the "**Luxembourg Prospectus Law**"). This Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.

The Issuer has requested the CSSF to provide the competent authorities for the purposes of the Prospectus Directive in the United Kingdom and Ireland with a certificate of approval in accordance with Article 18 of the Prospectus Directive attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Directive.

Pursuant to article 7(7) of the Luxembourg Prospectus Law, by approving this Base Prospectus, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer.

This Base Prospectus has not been and will not be registered with the Monetary Authority of Singapore.

2. **Listing and admission to trading:** Securities issued by the Issuer may (a) be listed and admitted to trading on a regulated market(s) for the purposes of Directive 2004/39/EC on Markets in Financial Instruments (as amended, varied or replaced from time to time including through the implementation of Directive 2014/65/EU), (b) be listed on a market not regulated for such purpose, or (c) not be listed on any market, in each case as shall be specified in the relevant Issue Terms. In relation to any Securities to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, application has been made to the Luxembourg Stock Exchange for such Securities to be admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (which is a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments (as amended, varied or replaced from time to time including through the implementation of Directive 2014/65/EU) for the period of 12 months from the date of this Base Prospectus.

3. **Responsibility Statement:** The Issuer accepts responsibility for the information contained in this Base Prospectus and any Issue Terms. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus and any Issue Terms is in accordance with the facts and contains no omission likely to affect the import of such information. The information (the "**Preference Share Information**") in respect of Andrea Investments Jersey PCC (the "**Preference Share Company**") and the preference shares issued by the relevant Preference Share Issuer (the "**Preference Shares**") has been extracted from the Principal Memorandum of the Preference Share Issuer dated 15 October 2014 (the "**Principal Memorandum**"). The Issuer confirms that the Preference Share Information has been accurately reproduced and that, so far as it is aware and able to ascertain from the Principal Memorandum, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Issuer will not provide any post-issuance information with respect to the Securities, unless required to do so by applicable law or regulation.

4. **Consent to use this Base Prospectus:** If so specified in the relevant Final Terms in respect of any particular issuance of Securities, the Issuer consents to the use of this Base Prospectus in connection with the making of an offer of the Securities to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "**Non-exempt Offer**") (a) by the financial intermediary/ies (each, an "**Authorised Offeror**"), (b) during the offer period, in the relevant Member State(s) and (c) subject to the relevant conditions, in each case as specified in the relevant Final Terms.

The consent shall be valid in relation to Luxembourg and each other Member State the competent authority of which has been provided with a certificate of approval by the competent authority in relation to this Base Prospectus under Article 18 of the Prospectus Directive, provided that it shall be a condition of such consent that this Base Prospectus may only be used by the relevant Authorised Offeror(s) to make offers of the relevant Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place, as specified in the relevant Final Terms.

The Issuer may (a) give consent to one or more additional Authorised Offerors after the date of the relevant Final Terms, (b) discontinue or change the offer period, and/or (c) remove or add conditions and, if it does so, such information in relation to the relevant Securities will be published on www.bourse.lu (where the Securities are admitted to trading on the Luxembourg Stock Exchange) or a website specified in the relevant Final Terms. The consent relates only to offer periods occurring within 12 months from the date of this Base Prospectus.

The Issuer accepts responsibility for the content of this Base Prospectus in relation to any person (an "**Investor**") purchasing Securities pursuant to a Non-exempt Offer where the offer to the Investor is made (a) by an Authorised Offeror (or the Issuer or any Dealer), (b) in a Member State for which the Issuer has given its consent, (c) during the offer period for which the consent is given and (d) in compliance with the other conditions attached to the giving of the consent. However, neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

Other than in accordance with the terms set forth in the paragraph above, the Issuer has not authorised (and nor has any Dealer) the making of any Non-exempt Offers of the Securities or the use of this Base Prospectus by any person. No financial intermediary or any other person is permitted to use this Base Prospectus in connection with any offer of the Securities in any other circumstances. Any such offers are not made on behalf of the Issuer (or any Dealer) and neither the Issuer nor any Dealer has any responsibility or liability to any investor purchasing Securities pursuant to such offer or for the actions of any person making such offer.

Investors intending to purchase Securities from an Authorised Offeror will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and the Investor, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain any information relating to such arrangements. The terms and conditions of such offer should be provided to the Investor by that Authorised Offeror at the time the offer is made. Neither of the Issuer nor any Dealer has any responsibility or liability for such information provided by that Authorised Offeror.

5. **Fungible Issuances:** In the case of any issue of Securities under the Programme which is to be consolidated and form a single Series with an existing Series of Securities the first tranche of which was issued:

(a) on or after 22 August 2013 and prior to 25 August 2014 or for the purpose of any other Series of Securities in respect of which the relevant Final Terms provide that terms and conditions of the securities from the 2013 Base Prospectus apply, such Securities will be documented using the Form of Final Terms from the 2013 Base Prospectus (the "**2013 Form of Final Terms**") (which is incorporated by reference into this Base Prospectus), save that the first paragraph under the section entitled "PART A – CONTRACTUAL TERMS" of the 2013 Form of Final Terms shall be deleted and replaced with the following:

"Terms used herein shall have the same meaning as in the General Note Conditions and the Product Conditions set forth in the base prospectus dated 22 August 2013 [as supplemented on 9 September 2013] (the "**Original Base Prospectus**"). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the base prospectus dated 11 December 2017 (the "**Base Prospectus**") and [the]/[any] supplement[s] to the Base Prospectus [[dated [●] [and] by any [further] supplements] up to, and including, [the later of] the Issue Date [and the date of listing of the Securities]/[the time when trading of the Securities on [specify regulated market/relevant exchange] begins]] which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the General Note Conditions and the Product Conditions which are extracted from the Original Base Prospectus and which are incorporated by reference into the Base Prospectus. [A summary of the Securities (which comprises the Summary in the Base Prospectus as amended to reflect the provisions of the Final Terms) is annexed to these Final Terms.] Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus (as supplemented), save in respect of the General Note Conditions and the Product Conditions which are extracted from the Original Base Prospectus and which are incorporated by reference into the Base

Prospectus. The Base Prospectus, the Original Base Prospectus and any supplements to the Base Prospectus may be obtained from the registered office of the Issuer and the offices of the Distributor(s) and Agents specified herein.";

- (b) on or after 25 August 2014 and prior to 5 December 2014 or for the purpose of any other Series of Securities in respect of which the relevant Final Terms provide that terms and conditions of the securities from the 25 August 2014 Base Prospectus apply, such Securities will be documented using the Form of Final Terms from the 25 August 2014 Base Prospectus (the "**25 August 2014 Form of Final Terms**") (which is incorporated by reference into this Base Prospectus), save that the first paragraph under the section entitled "PART A – CONTRACTUAL TERMS" of the 25 August 2014 Form of Final Terms shall be deleted and replaced with the following:

"Terms used herein shall have the same meaning as in the General Note Conditions and the Product Conditions set forth in the base prospectus dated 25 August 2014 (the "**Original Base Prospectus**"). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the base prospectus dated 11 December 2017 (the "**Base Prospectus**") [the]/[any] supplement[s] to the Base Prospectus [[dated [●] [and] by any [further] supplements] up to, and including, [the later of] the Issue Date [and the date of listing of the Securities]/[the time when trading of the Securities on [specify regulated market/relevant exchange] begins]] which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the General Note Conditions and the Product Conditions which are extracted from the Original Base Prospectus and which are incorporated by reference into the Base Prospectus. [A summary of the Securities (which comprises the Summary in the Base Prospectus as amended to reflect the provisions of the Final Terms) is annexed to these Final Terms.] Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus (as supplemented), save in respect of the General Note Conditions and the Product Conditions which are extracted from the Original Base Prospectus and which are incorporated by reference into the Base Prospectus. The Base Prospectus, the Original Base Prospectus and any supplements to the Base Prospectus may be obtained from the registered office of the Issuer and the offices of the Distributor(s) and Agents specified herein.";

- (c) on or after 5 December 2014 and prior to 27 November 2015 or for the purpose of any other Series of Securities in respect of which the relevant Final Terms provide that terms and conditions of the securities from the 5 December 2014 Base Prospectus apply, such Securities will be documented using the Form of Final Terms from the 5 December 2014 Base Prospectus (the "**5 December 2014 Form of Final Terms**") (which is incorporated by reference into this Base Prospectus), save that the first paragraph under the section entitled "PART A – CONTRACTUAL TERMS" of the 5 December 2014 Form of Final Terms shall be deleted and replaced with the following:

"Terms used herein shall have the same meaning as in the General Note Conditions and the Product Conditions set forth in the base prospectus dated 5 December 2014 (the "**Original Base Prospectus**"). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the base prospectus dated 11 December 2017 (the "**Base Prospectus**") and [the]/[any] supplement[s] to the Base Prospectus [[dated [●] [and] by any [further] supplements] up to, and including, [the later of] the Issue Date [and the date of listing of the Securities]/[the time when trading of the Securities on [specify regulated market/relevant exchange] begins]] which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the General Note Conditions and the Product Conditions which are extracted from the Original Base Prospectus and which are incorporated by reference into the Base Prospectus. [A summary of the Securities (which comprises the Summary in the Base Prospectus as amended to reflect the provisions of the Final Terms) is annexed to these Final Terms.] Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus (as supplemented), save in respect of the General Note Conditions and the Product Conditions which are extracted from the Original Base Prospectus and which are incorporated by reference into the Base Prospectus. The Base Prospectus, the Original Base Prospectus and any supplements to the Base Prospectus may be obtained from the registered office of the Issuer and the offices of the Distributor(s) and Agents specified herein.";

- (d) on or after 27 November 2015 and prior to 25 November 2016 or for the purpose of any other Series of Securities in respect of which the relevant Final Terms provide that terms and conditions of the securities from the 2015 Base Prospectus apply, such Securities will be documented using the Form of Final Terms from the 2015 Base Prospectus (the "**2015 Form of Final Terms**") (which is incorporated by reference into this Base Prospectus), save that the first paragraph under the section entitled "PART A – CONTRACTUAL TERMS" of the 2015 Form of Final Terms shall be deleted and replaced with the following:

"Terms used herein shall have the same meaning as in the General Note Conditions and the Product Conditions set forth in the base prospectus dated 27 November 2015 (the "**Original Base Prospectus**"). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the base prospectus dated 11 December 2017 (the "**Base Prospectus**") and [the]/[any] supplement[s] to the Base Prospectus [[dated [●] [and] by any [further] supplements] up to, and including, [the later of] the Issue Date [and the date of listing of the Securities]/[the time when trading of the Securities on [specify regulated market/relevant exchange] begins]] which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the General Note Conditions and the Product Conditions which are extracted from the Original Base Prospectus and which are incorporated by reference into the Base Prospectus. [A summary of the Securities (which comprises the Summary in the Base Prospectus as amended to reflect the provisions of the Final Terms) is annexed to these Final Terms.] Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus (as supplemented), save in respect of the General Note Conditions and the Product Conditions which are extracted from the Original Base Prospectus and which are incorporated by reference into the Base Prospectus. The Base Prospectus, the Original Base Prospectus and any supplements to the Base Prospectus may be obtained from the registered office of the Issuer and the offices of the Distributor(s) and Agents specified herein."; and

- (e) on or after 25 November 2016 and prior to the date of this Base Prospectus or for the purpose of any other Series of Securities in respect of which the relevant Final Terms provide that terms and conditions of the securities from the 2016 Base Prospectus apply, such Securities will be documented using the Form of Final Terms from the 2016 Base Prospectus (the "**2016 Form of Final Terms**") (which is incorporated by reference into this Base Prospectus), save that the first paragraph under the section entitled "PART A – CONTRACTUAL TERMS" of the 2016 Form of Final Terms shall be deleted and replaced with the following:

"Terms used herein shall have the same meaning as in the General Note Conditions and the Product Conditions set forth in the base prospectus dated 25 November 2016 (the "**Original Base Prospectus**"). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the base prospectus dated 11 December 2017 (the "**Base Prospectus**") and [the]/[any] supplement[s] to the Base Prospectus [[dated [●] [and] by any [further] supplements] up to, and including, [the later of] the Issue Date [and the date of listing of the Securities]/[the time when trading of the Securities on [specify regulated market/relevant exchange] begins]] which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the General Note Conditions[, the Additional Provisions] and the Product Conditions which are extracted from the Original Base Prospectus and which are incorporated by reference into the Base Prospectus. [A summary of the Securities (which comprises the Summary in the Base Prospectus as amended to reflect the provisions of the Final Terms) is annexed to these Final Terms.] Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus (as supplemented), save in respect of the General Note Conditions[, the Additional Provisions] and the Product Conditions which are extracted from the Original Base Prospectus and which are incorporated by reference into the Base Prospectus. The Base Prospectus, the Original Base Prospectus and any supplements to the Base Prospectus may be obtained from the registered office of the Issuer and the offices of the Distributor(s) and Agents specified herein."

6. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme. The Programme is established and Securities will be

General Information

issued in accordance with the Organizational Guidelines and Regulations of CSG and CS dated 9 February 2017. No specific resolution of the Board of Directors of CS is required.

7. There has been no material adverse change in the prospects of CS and its consolidated subsidiaries since 31 December 2016.

There has been no significant change in the financial position of CS and its consolidated subsidiaries since 30 September 2017.

Please see "Risk Factors" on pages 42 to 50 (pages 66 to 74 of the PDF) of the Group Annual Report 2016 and the section entitled "Risk Factors" of this Base Prospectus for the risk factors that may affect the future results of operations or financial condition of CSG and its consolidated subsidiaries.

Please see "Operating environment" on pages 4 to 6 (pages 15 to 17 of the PDF) of the exhibit (Credit Suisse Financial Report 3Q) to the Form 6-K Dated 2 November 2017, "Operating environment" on pages 4 to 6 (pages 20 to 22 of the PDF) of the fifth exhibit (Credit Suisse Financial Report 2Q17) to the Form 6-K Dated 28 July 2017, "Operating environment" on pages 4 to 6 (pages 10 to 12 of the PDF) of the exhibit (Credit Suisse Financial Report 1Q17) to the Form 6-K Dated 4 May 2017 and "Operating environment" on pages 52 to 54 (pages 76 to 78 of the PDF) of the Group Annual Report 2016 for information relating to the economic environment that may affect the future results of operations or financial condition of CS and its consolidated subsidiaries.

8. Save as disclosed in the documents listed in the paragraph entitled "Legal and Arbitration Proceedings" in the section headed "Credit Suisse AG" on page 155 herein, CS is not involved in any governmental, legal or arbitration proceedings that may have, or have had during the 12 months preceding the date of this document, a significant effect on its financial position or profitability or that of CS and its consolidated subsidiaries. Nor, to the best of the knowledge and belief of CS, are any such proceedings pending or threatened.

9. Copies of the Agency Agreement and Deed of Covenant will be available for inspection during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agents. In addition, copies of the following will be available free of charge during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agents and at the registered office of the Issuer:

- (a) the Memorandum and Articles of Association of the Issuer;
- (b) the audited accounts of the Issuer for the last two years;
- (c) each Issue Terms (save that the Pricing Supplement relating to a Security which is neither admitted to trading on a regulated market within the European Economic Area nor offered to the public in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Security and such holder must produce evidence satisfactory to the Issuer as to its holding of Securities and identity);
- (d) a copy of this Base Prospectus together with any supplement to this Base Prospectus; and
- (e) a copy of any document incorporated by reference in this Base Prospectus.

10. KPMG AG, Badenerstrasse 172, 8004 Zürich, Switzerland, have audited the annual financial statements of CS. KPMG AG is 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.

11. The Securities may be accepted for clearance through the following clearing systems (which are the entities in charge of keeping the relevant records) as specified in the relevant Issue Terms:

- (a) Euroclear Bank S.A./N.V. (1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium);
- (b) Clearstream Banking, *société anonyme*, Luxembourg (42 Avenue JF Kennedy, L-1855 Luxembourg); and

(c) SIX SIS Ltd. (Baslerstrasse 100, CH-4600 Olten, Switzerland),

or such other clearing system(s) as specified in the relevant Issue Terms.

12. Credit Suisse AG's registered head office is located at Paradeplatz 8, CH-8001, Zürich, Switzerland and the telephone number is +41 44 333 11 11. The London branch is located at One Cabot Square, London E14 4QJ, England and the telephone number is +44 207 888 8888. The Nassau branch is located at Bahamas Financial Centre, 4th Floor, Shirley & Charlotte Streets, Nassau, The Bahamas and the telephone number is +1 242 356 8100. The Singapore branch is located at 1 Raffles Link, #03-01 One Raffles Link, Singapore 039393 and the telephone number is +65 6212 2000.
13. No content of any website, cited or referred to in this Base Prospectus, shall be deemed to form part of, or be incorporated by reference into, this Base Prospectus.