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This Term Sheet is a summary of indicative terms and conditions of the terms and conditions of this transaction subject to contract. It does not constitute an agreement, offer, solicitation of an offer or a commitment to underwrite, arrange, lend or to enter into any transaction. It is not meant to be all-inclusive of the terms and conditions of this transaction.

I. Product Description

Credit Linked Notes are structured financial investments offering 100% redemption of the Denomination at maturity as well as a periodical coupon payment as specified below, provided that no Credit Event (see page 2) has occurred with regard to the Reference Entity. The Notes are subject to the credit risk of the Reference Entity. For more information on the risks associated with this product please see Pages 4 to 6.

For the purposes of the Credit-Linked Provisions, the definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions (as published by the International Swaps and Derivatives Association, Inc. ("ISDA")) as supplemented by the 2009 ISDA Credit Derivatives Determination Committees, Auctions Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (together the "**Credit Derivatives Definitions**") are incorporated into the terms and conditions of the Notes (including the terms and conditions of the Reference CDS further described below). In the event of any inconsistency between the Credit Derivatives Definitions and these Indicative Summary Terms and Conditions, the terms detailed herein shall govern. The Equity Derivative Definitions as published by ISDA are also incorporated in to these Indicative Summary Terms and Conditions.

| Issue Details | | |
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| Security Codes | Swiss Sec. No. | [] |
| | ISIN | [] |
| | Series No. | [] |
| Issuer | Credit Suisse AG, acting through its London Branch, London (rated A1/A) | |
| Lead Manager / Dealer | Credit Suisse International, London | |
| Calculation Agent | Credit Suisse International, London | |
| Paying Agent | Bank of New York Mellon, London | |
| Purchaser | The purchaser of the Notes on the Issue Date and any investor in the Notes thereafter. | |
| Reference Currency | USD | |
| Principal Amount | USD [1,500,000] subject to “the Credit Linked Provisions”. | |
| Specified Denomination | USD 10,000 and integral multiples of USD 1,000 thereafter. | |
| Minimum Investment Amount for EEA resident investors | EUR 100,000 | |
| Issue Price | 100% of the Specified Denomination | |
| Trade Date | 25 June 2014 | |
| Issue/Payment Date | 9 July 2014, being the date on which the Notes are issued. | |
| Redemption | | |
| Final Redemption Date / Maturity Date | 20 September 2019 (the “ Scheduled Maturity Date ”), subject to the Business Day Convention, being the date on which each Note will be redeemed at the Redemption Amount, subject to “Redemption following a Credit Event”, “Maturity Date Extensions” and the terms of the Reference CDS. | |
| Redemption Amount | 100% of the outstanding nominal amount of each Note, subject to the “Redemption following a Credit Event” below. | |

| Entitlement | Each Note entitles the holder thereof to the Redemption Amount once only. |
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| Interest | |
| Interest Amount | The Equity Amount payable at Maturity. |
| Equity Amount | An amount in the Reference Currency equal to the Specified Denomination multiplied by: |
| | $\text{Participation} \times \text{Max} \left[0, \frac{\text{Equity Index}_{\text{Final}}}{\text{Equity Index}_{\text{Initial}}} - 1 \right]$ |
| | Where: |
| | "Participation" means [] %; |
| | "Equity Index" iShares U.S. Real Estate ETF (Bloomberg ticker: IYR UP Index). |
| | "Equity Index _{Final} " means the official closing level of the Equity Index on the Final Fixing Date |
| | "Equity Index _{Initial} " means []. |
| | "Final Fixing Date" means 10 September 2019. Non-Scheduled Trading Days to roll forward. |
| | "Initial Fixing Date" means the 25 June 2014 |
| | The Equity Amount is subject to the Disruption Events and Adjustments as specified further below. |
| Business Days | London and New York |
| Business Day Convention | Following |
| Credit Linked Provisions – Reference CDS | |
| The return on the Notes is linked to a hypothetical credit default swap (the "Reference CDS"), the principal terms of which are set out below. | |

(1) Herein called the Notes.

(2) Investing in the Notes requires specific knowledge on the part of the potential investor regarding the Notes and the risks associated therewith. It is recommended that the potential investor obtains adequate information regarding the risks associated with the Notes before making an investment decision.

(3) See Swiss Derivatives Map at www.sspa-association.ch.

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| ISDA Definitions | The 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions will apply to the Reference CDS. | Fallback Settlement Method | Cash Settlement |
| Scheduled Termination Date | Scheduled Maturity Date of the Notes | | Notwithstanding the designated "Settlement Method" being Auction Settlement, the Fallback Settlement may apply in certain circumstances including inter alia: |
| Floating Rate Payer Calculation Amount | On any day, this shall be the Principal Amount of the Notes outstanding on such day. | | (1) where an Auction is cancelled; or |
| Reference Entity | Republic of Turkey provided that, if a Succession Event occurs and a Successor or Successors are determined, each Successor shall be a Reference Entity. The reference Entity and the Reference Obligation are not rated. | | (2) where ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has resolved that no Auction will be held or that it will not determine if a Credit Event has occurred; or |
| Relevant Auction Seniority | Senior | | (3) where an Event Determination Date has occurred and no Credit Event Resolution Request Date has occurred within 3 Business Days of such Event Determination Date. |
| Transaction Type | Emerging European & Middle Eastern Sovereign | | |
| Obligation Category | Bond | | |
| Obligation Characteristics | Not Subordinated Not Domestic Currency Not Domestic Law Not Domestic Issuance | | |
| All Guarantees | Applicable | | |
| Credit Events | Failure to Pay (Grace Period Extension: Applicable) Obligation Acceleration Repudiation/Moratorium Restructuring (Multiple Holder Obligation: Not Applicable, Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable). | | |
| Event Determination Date | As defined in accordance with Section 1.8 of the Credit Derivative Definitions: (a) the Credit Event Resolution Request Date, or (b) subject to certain conditions, the date on which a Credit Event Notice is given (and if applicable, Notice of Publicly Available Information). | Post-Event Amount | In respect of each Note, an amount, floored at zero and equal to: (a) the outstanding nominal amount of each Note; multiplied by (b) Auction Final Price (or Final Price if Fallback Settlement Method applies). |
| Credit Event Notice | A notice of the occurrence of a Credit Event given by the Calculation Agent at any time prior to the later of: (i) the Scheduled Maturity Date and (ii) if applicable, the Extended Maturity Date. | Maturity Date Deferral | If on or before the Scheduled Maturity Date, the Calculation Agent determines that after the Scheduled Maturity Date: (i) an Event Determination Date may be concluded (such conclusion, the " EDD Conclusion ") to have occurred or not; or (ii) an Auction Final Price Determination Date shall occur; Each, in respect of a Credit Event taking place on or prior to the Scheduled Maturity Date, then the redemption of the Notes will be deferred to the date (the " Extended Maturity Date ") determined by the Calculation Agent and falling <u>not later</u> than five Business Days after the date on which it is no longer possible for an EDD Conclusion or Auction Final Price Determination Date to occur. |
| Redemption following a Credit Event | If an Event Determination Date occurs under the Reference CDS, the Paying Agent (under instruction from the Issuer), shall give notice to Noteholders and: (i) from and including the Interest Payment Date immediately preceding the Event Determination Date (or from and including the Payment Date as the case may be), the Interest Amount shall cease to accrue and thereafter no payment of Interest Amount or Redemption amount shall be due on the Notes; (ii) the Notes shall redeem by payment of the Post-Event Amount on a date falling at the later of the Maturity Date, and 10 Business Days following the Auction Final Price Determination Date under the Reference CDS (or the date on which the Final Price is determined if Fallback Settlement Method applies). | | |
| Settlement Method | Auction Settlement, provided that the Relevant Auction Seniority shall be as specified herein and for such purposes the Reference Obligation shall be US900123AL40. For the avoidance of doubt, if Fallback Settlement applies the Final Price shall be determined as described below under "Fallback Settlement Method". | | |
| | | Resolutions of Credit Derivatives Determinations Committee | Resolutions of the CDDCs established by ISDA will be binding on the Issuer and the Noteholders if and to the extent that such resolutions would be binding on the parties to the Reference CDS. Neither the Issuer nor the Calculation Agent will have any liability to the Noteholders or any other person as a result of relying on any resolution of a CDDC. |

For further clarification with regards to the situations where this might occur, please refer to the "Frequently Asked Questions" section of the Product Supplement for Credit-linked Securities dated 11 September 2013.

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| Credit Derivatives Determinations Committees | Means the committees from time to time established by ISDA for the purposes of reaching certain resolutions with respect to credit derivative transactions (which may include the Reference CDS) in accordance with the applicable Credit Derivatives Determinations Committee Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto), as amended from time to time in accordance with the terms thereof. |
| Settlement Suspension | If the Calculation Agent determines that, under the terms of the Reference CDS, the obligations of the parties would be suspended pending a resolution of a CDDC, then, subject to the provisions relating to Maturity Date Deferral, all of the obligations of the Issuer under each Note (including any obligation to deliver any notices, pay any interest, principal or settlement amount or to make any delivery) shall, be and remain suspended until ISDA publicly announces that the relevant CDDC has resolved the matter in question or not to determine such matters. No interest shall accrue on any payments which are suspended in accordance with the above. The Calculation Agent shall notify the Noteholders (in accordance with the terms and conditions of the Notes) as soon as reasonably practicable upon becoming aware of any such suspension. |
| Adjustments to Event Determination Date | If, following the determination by a CDDC that an Event Determination Date has occurred, ISDA publicly announces that the relevant CDDC has resolved that such Event Determination Date occurred on a date that is different from the date first determined or that no Event Determination Date occurred, or such Event Determination Date is determined to have occurred prior to the immediately preceding Interest Payment Date, the Calculation Agent will determine, acting in a commercially reasonable manner, any additional amount payable to the Noteholder(s) to reflect any scheduled payment that was due but not paid in respect of the Notes or any reduction in any subsequent amount that would otherwise subsequently be payable to the Noteholders to reflect any payment that was paid but was not due in respect of the Notes. No accruals of interest shall be taken into account when calculating any such adjustment payment. |
| Disruption Events and Adjustments: | The Notes are subject to adjustment provisions, including but not limited to: (i) non-Scheduled Trading Days; and (ii) Disrupted Days. In addition, if there is a Potential Adjustment Event or an Extraordinary Event (Merger Event, Tender Offer, Nationalisation, Delisting or Insolvency) or an Additional <i>Disruption</i> Event (which may include Change in Law, Foreign Ownership Event, FX Disruption, Insolvency Filing, Hedging Disruption, Increased Cost of Hedging, Loss of Stock Borrow, Increased Cost of Stock Borrow) or a correction of the published Share Price or, if applicable, a Jurisdictional Event in respect of a Share or a Share Issuer (as applicable), the Issuer may: (i) make appropriate adjustments to the terms of the Notes; or, in respect of an Extraordinary Event or an Additional Disruption Event, if the Issuer determines that it is unable to make such adjustments, (ii) redeem the Notes by giving not more than 30 nor less than 15 days' notice to Noteholders in accordance with the General Conditions. Terms used in this paragraph and details of the adjustments described in this paragraph are as set out in the Documentation. |
| Miscellaneous | |
| Pending Settlement | It is hereby agreed that from and including the Trade Date, the Noteholder is exposed to the credit risk of each Reference Entity as if the Notes had been issued and paid for on the Trade Date. Accordingly, from and including the Trade Date, the Noteholder is subject to the terms described herein. Prospective investors should also note that a Credit Event Notice can be validly given in respect of a Credit Event that occurred from and including the Credit Event Backstop Date to and including the Scheduled Maturity Date. “ Credit Event Backstop Date ” means the date that is 60 calendar days prior to the Trade Date. |
| Clearing System | Euroclear Bank S.A./N.V. and Clearstream Banking S.A., Luxembourg |
| No Offers to the Public within the EU | No purchaser or holder of the Notes is permitted or authorised by the Issuer, the Seller or any Broker to conduct an offer of the Notes to the Public in any Member State of the European Economic Area which has implemented the Prospectus Directive. The attention of each purchaser and holder of the Notes is drawn to the selling restriction in respect of the European Economic Area as set out in this Term Sheet. |
| Form | The Notes will be Bearer Securities and will be represented by a permanent global certificate which will be deposited at the Clearing System. Holders of the Notes do not have the right to request Notes in definitive form. |
| Trading / Listing | The Notes are trading at a “dirty price”, meaning a price which includes accrued interest on the Notes. This shall be quoted as a percentage of the Nominal. There will be a price difference between bid and offer prices (i.e. the spread). No listing is foreseen. Under normal market conditions, the difference between the indicative bid price at which the Issuer would purchase the Notes and the price at which it would offer additional Notes under the same terms and conditions, shall be 1%. |
| Rating | The Notes will not be rated. |
| Documentation | The terms and conditions applicable to the Notes are the General Terms and Conditions of Notes set out in the Programme Memorandum dated 10 July 2013 (the “ Programme Memorandum ”), the Product Supplement for Credit-linked Securities dated 11 September 2013 (the “ Credit Product Supplement ”) as completed by the relevant Pricing Supplement, each of which may be obtained free of charge following the Issue/Payment Date directly from Credit Suisse International, One Cabot Square, London E14 4QJ . |
| Fees and/or Commission | Up to 5% per Note upfront in total, payable by the Lead Manager to the Distributor of the Securities and any sub-distributor or originator. This is achieved via either an upfront payment, and/or the securities being sold at a discount. By purchasing the Notes as principal the Distributor is deemed to acknowledge and agree that, it shall not solicit or accept any commission, remuneration or benefit of any kind, including discount from the issue price (collectively, the “ Remuneration ”), other than any adviser charge permitted by the Financial Conduct Authority’s Rules, in connection with the purchase of Securities to the extent that (i) such Remuneration is in respect of a personal recommendation or any related services (as such terms are defined in the Financial Conduct Authority’s Rules) (ii) provided to a retail client (“ Client ”) in connection with the Distribution to such Client located in the United Kingdom; and (iii) the Distributor or any successor(s) thereof is regulated by the Financial Conduct Authority. |

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| Distribution | Any distribution or marketing of this product shall be pursuant to, and subject to the terms of, a distribution agreement in force between the Lead Manager (and/or its affiliates), and the relevant distributor (the "Distributor") of the Notes, and applicable to the sale and distribution or marketing of the Notes. | Governing Law/Jurisdiction English law/Courts of England |
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II. Profit and Loss Prospects

Profit Prospects

The Notes allow the holders to receive the Equity Amount and the Redemption Amount of the Notes on the Maturity Date, which may be reduced pursuant to “Redemption following a Credit Event” as described above.

Loss Prospects

If Credit Event occurs with respect to the Reference Entity, then as described under “Redemption following a Credit Event”, the Redemption Amount shall no longer be payable and instead the Notes shall redeem at the Post-Event Amount, calculated based on the Auction Final Price (or Final Price If applicable). As a result of the Credit Event, the Equity Option will still be paid out on the Maturity Date.

Calculation Example of a Redemption following a Credit Event

- Reference Entity XYZ experiences a Bankruptcy, thereby constituting a Credit Event in respect of Reference Entity XYZ.
- The Event Determination Date is 30 October 2015 and Auction Final Price of the Reference CDS is 40%.
- The Notes shall redeem, on the date specified under “Redemption following a Credit Event”, at: Principal Amount x 40% of the principal amount invested. The Equity Amount shall still be paid on the Maturity Date.

The above table shows an example for illustrative purposes only. During the term of the Notes, additional risks and other factors may influence the market value of the Notes. As a consequence, the pricing in the secondary market may differ significantly from the above table.

III. Important Risks for Investors

Important Risks

The Notes involve substantial risks and potential investors must have the knowledge and experience necessary to enable them to evaluate the risks and merits of an investment in the Notes. Prospective investors should:

- ensure that they understand the nature of the risks posed by, and the extent of their exposure under, the Notes;
- make all pertinent inquiries they deem necessary without relying on the Issuer or any of its affiliates or officers or employees;
- consider the suitability of the Notes as an investment in light of their own circumstances, investment objectives, tax position and financial condition;
- consider carefully all the information set forth in the legally binding Pricing Supplement as well as all other sections of the Programme Memorandum and the Credit Product Supplement (including any documents incorporated by reference therein);
- consult their own legal, tax, accounting, financial and other professional advisors to assist them determining the suitability of the Notes for them as an investment.

Set out below are certain principal risks relating to the Notes. These risk factors are not exhaustive. There may be other risks that a prospective purchaser of Notes should consider that are relevant to its own particular circumstances or generally.

The Notes involve complex risks that may include credit derivative, foreign exchange, interest rate and political risk and may be redeemed early by the Issuer. Before buying Notes, investors should carefully consider, among other things, (i) the trading price of the Notes, (ii) the value and volatility of the Reference CDS, (iii) any change(s) in interim interest rates, (iv) the depth of the market or liquidity of the Notes; (v) the mechanics of the Credit Derivative Definitions (as defined above) and (v) any related transaction costs.

Issuer Risk

Investors bear the Issuer risk. The Notes’ retention of value is dependent not only on the development of the value of the Reference CDS, but also on the creditworthiness of the Issuer, which may change over the term of the Notes and interest rate paid by it on such structured notes. Furthermore, the Issuer’s ability to fulfil its obligations under the Notes may be affected by certain other factors, including liquidity risks, market risks, credit risks, cross-border and foreign exchange risks, operational risks, legal and regulatory risks and competition risks.

The Notes **are direct, unconditional, unsecured and unsubordinated obligations of Credit Suisse AG** and are not covered by any compensation or insurance scheme (such as a bank deposit protection scheme). If Credit Suisse AG were to become insolvent, claims of investors in the Notes would rank equally in right of payment with all other unsecured and unsubordinated obligations of Credit Suisse AG, except such obligations given priority by law. In such a case, investors in the Notes may suffer a loss

of all or a portion of their investment therein, irrespective of any favourable development of the other value determining factors, such as the performance of the Reference CDS.

Credit Suisse AG is licensed as a bank pursuant to the Swiss Federal Act on Banks and Saving Banks and as a security dealer pursuant to the Swiss Federal Act on Stock Exchanges and Securities Trading and is subject to supervision by the FINMA.

Product Risks

Risk of Total Loss

The principal and Interest Amounts are not protected at maturity and each are subject to the occurrence of Credit Events with respect to any Reference Entity. During the life of the product, Notes can trade below its nominal value.

The Notes involve a high degree of risk and complexity, and prospective investors in the Notes should recognise that in case of the default of the Issuer the Notes may under certain circumstances have a redemption value of zero and the payment(s) of Interest or principal scheduled to be made thereunder may not be made. Prospective investors in the Notes should therefore be prepared to sustain a partial or total loss of the amount of their investment therein.

Mandatory Early Redemption of the Notes

In certain circumstances (for example, if the Issuer determines that its obligations under the Notes have become unlawful or illegal, upon certain events having occurred in relation to the Reference CDS or following an event of default) the Notes may be redeemed prior to their scheduled maturity. In such circumstances, the early redemption amount payable may be less than its original purchase price and could be as low as zero.

Following early redemption of Notes, investors may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate or yield on the Notes being redeemed and may only be able to do so at a significantly lower rate. Investors in the Notes should consider such reinvestment risk in light of other investments available at that time.

Unpredictable Market Value of the Notes

The market value of, and expected return on, the Notes may be influenced by a number of factors, some or all of which may be unpredictable (and which may offset or magnify each other), such as (i) supply and demand for the Notes, (ii) the value and volatility of the Reference CDS or any derivatives used to hedge the Issuer’s obligations under the Notes, (iii) economic, financial, political and regulatory or judicial events that affect Credit Suisse AG, the Reference Entity or financial markets generally, (iv) interest and yield rates in the market generally, (v) the time remaining until the Final Redemption Date, (vi) Credit Suisse AG’s creditworthiness and (vii) the Issuer’s structured note funding interest rate.

Credit Ratings

Credit ratings are provided by the relevant rating agency and they use their own

methodology to assess creditworthiness of companies. Neither the Issuer nor any of its affiliates endorses in any way such ratings or the methodology which may have been used in determining such ratings.

Trading Market for the Notes / Liquidity Risk

Neither Credit Suisse International, the Issuer, nor any of their affiliates are under any legal obligation to provide a secondary market. There will be a price difference between bid and offer prices (spread) if provided. Because other dealers are not likely to make a secondary market for the Notes, the price at which the investor may be able to trade the Notes is likely to depend on the price, if any, at which the Issuer is willing to buy the Notes.

Exposure to the Performance of the Reference CDS

The Notes represent an investment linked to the performance of the Reference CDS and potential investors should note that any amount payable, or other benefit to be received, under the Notes will depend upon the performance of the Reference CDS. The price, performance or investment return of the Reference CDS may be subject to sudden and large unpredictable changes over time and this degree of change is known as "volatility". The volatility of the Reference CDS may be affected by national and international financial, political, military or economic 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 the Notes.

The performance of interest rates is dependent upon a number of factors, including supply and demand on the international money markets, which are influenced by measures taken by governments and central banks, as well as speculations and other macroeconomic factors. Where Notes bear interest at a fixed rate, subsequent changes in market interest rates may adversely affect the value of the Notes. Where interest on Notes is subject to floating rates of interest that will change subject to changes in market conditions, such changes could adversely affect the rate of interest received on the Notes.

Potential investors in the Notes should be familiar with the behaviour of the Reference CDS and thoroughly understand how the performance of the Reference CDS may affect payments (or any other benefit to be received) under, or the market value of, the Notes. The past performance of the Reference CDS is not indicative of future performance. The market value of the Notes may be adversely affected by postponement or alternative provisions for the valuation of the level of any Reference CDS.

Exchange Rate Risks

Investors may be exposed to currency risks because (i) the Reference CDS or the Reference Entity may be denominated or priced in currencies other than the currency in which the Notes are denominated, or (ii) the Notes and/or such the Reference CDS or the Reference Entity may be denominated in currencies other than the currency of the country in which the investor is resident. The value of the Notes may therefore increase or decrease as a result of fluctuations in those currencies.

Broad Discretionary Authority of the Calculation Agent

The Calculation Agent has broad discretionary authority to make various determinations and adjustments under the Notes, any of which may have an adverse effect on the market value thereof or amounts payable or other benefits to be received thereunder. Any such discretion exercised by, or any calculation made by, the Calculation Agent (in the absence of manifest error) shall be binding on the Issuer and all holders of the Notes.

In making calculations and determinations with regard to the Notes, there may be a difference of interest between the investors and the Calculation Agent. The Calculation Agent is required to act in good faith and in a commercially reasonable manner but does not have any obligations of agency or trust for any investors and has no fiduciary obligations towards them. In particular the Calculation Agent and its affiliated entities may have interests in other capacities (such as other business relationships and activities).

Specific Risk regarding Credit Linked Notes

General risks regarding Credit Linked Securities

Credit linked securities ("Credit Linked Securities") are securities which are credit-linked to the performance of one or more Reference Entities and the obligations of such Reference Entity/ies. Investors should note that Credit Linked Securities differ from ordinary debt securities issued by the Issuer in that the amount of principal and interest (if any) payable by the Issuer is dependent on whether a Credit Event has occurred in respect of the relevant Reference Entity/ies. A Credit Event may occur even when the relevant Reference Entity has not defaulted on any payment it owes. In certain circumstances, if a Credit Event occurs, the Notes will cease to bear interest (if any) and the value paid to investors on redemption may be less than their original investment and may in certain circumstances be zero.

The Credit Linked Securities are linked to the creditworthiness of the relevant Reference Entity/ies. The likelihood of a Credit Event occurring in respect of a Reference Entity will generally fluctuate with, among other things, the financial condition and other characteristics of the relevant Reference Entity, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. An investor's investment is at risk if a Credit Event occurs in respect of a Reference Entity. Prospective investors should review each Reference Entity and conduct their own investigation and analysis with respect to the creditworthiness of each Reference Entity and the likelihood of the occurrence of a Credit Event with respect to such Reference Entity.

Reference CDS

Payments on the Notes are determined by reference to a hypothetical credit default swap transaction entered into in respect of one or more Reference Entities (the "Reference CDS"). Under the Reference CDS the Issuer will be the buyer of credit protection and a hypothetical seller will be the seller of credit protection. The Reference CDS is treated as existing solely for the purposes of making determinations under the Notes and determining payments on the Notes.

The Reference CDS will be entered into on the basis of definitions and provisions published by the International Swaps and Derivatives Association, Inc. ("ISDA"). Definitions and other documents published by ISDA are available on its website: www.isda.org. Some of these publications are available on the website free of charge while others are available only to subscribers of the website or for the payment of a fee to ISDA.

Certain terms of the Reference CDS may also be determined by reference to a matrix of market standard terms if the Pricing Supplement specifies a "Transaction Type" for such purpose with respect to the relevant Reference Entity. The Pricing Supplement may also specify any additional terms which apply for the purposes of the Reference CDS, which may be reflective of market standards applicable to a particular Reference Entity or may be specific to the Notes and therefore not reflective of any market standards.

Noteholders will have no rights under the Reference CDS and no interest in any actual credit default swap transaction. An investment in the Notes is not equivalent to entry into such a transaction

Credit Event and Event Determination Date

The Credit Events which apply to the relevant Reference Entity/Entities will be as set out under the terms of the Reference CDS, and may include, amongst other things, the failure by a Reference Entity to make payment when due in respect of certain financial obligations, the distressed restructuring by a Reference Entity of such obligations and the insolvency of a Reference Entity.

An "Event Determination Date" may occur either:

- (i) as a result of ISDA publishing a resolution by a Credit Derivatives Determination Committee established by ISDA (a "CDDC") that a Credit Event has occurred in relation to a Reference Entity (in which case the Event Determination Date will be the date of the relevant request for a resolution); or
- (ii) in the absence of a resolution of a CDDC, if the Calculation Agent delivers, on behalf of the Issuer, a notice and supporting information derived from specified sources (that is, public news or information sources, the Reference Entity itself, court or other public filings or paying agents, trustees or other intermediaries appointed in respect of obligations of the Reference Entity) equivalent to the notice and supporting information which a buyer of credit protection under the Reference CDS would be required to deliver, in order to trigger settlement of the Reference CDS following a Credit Event.

However, except in specified circumstances, a resolution of a CDDC will be binding for the purposes of the Notes and will prevail over a notice of a Credit Event given by the Calculation Agent.

Credit Derivatives Determinations Committees

The CDDCs are committees established by ISDA to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency. A CDDC may have the power to make binding decisions for the purposes of the Reference CDS on critical issues such as whether a Credit Event has occurred and whether one or more market settlement auctions should take place. The proceedings of each CDDC will be governed by rules published from time to time by ISDA. Noteholders will have no role in the composition of the CDDC by virtue of the fact that they are investors in the Notes.

The Issuer and certain of its affiliates are currently a member of one or more CDDCs. In reaching decisions, neither the Issuer nor any other member of a CDDC will take account of the interests of the Noteholders.

No need for Issuer to suffer loss

There is no requirement for the Issuer to suffer any loss and a Credit Event may

occur even if the Issuer does not suffer any loss as a result of such Credit Event.

Market value of Notes

The market value of the Notes will be affected by a wide variety of factors including the financial condition and actual or perceived creditworthiness of the Issuer and each Reference Entity as well as issues of supply and demand which are specific to the credit default swap market as opposed to the bond market.

No claim against Reference Entity

Noteholders will have no claim against any Reference Entity and no interest in or rights under any obligation of a Reference Entity. An investment in the Notes is not equivalent to an investment in the obligations of a Reference Entity.

Postponement of redemption and deferral of payments

In certain circumstances, for example where a potential Credit Event exists as at the Scheduled Maturity Date of the Notes or a resolution of a CDDC is pending at such time, the redemption of the Notes may be postponed for a material period after the Scheduled Maturity Date. Interest will accrue after the Scheduled Maturity Date at a rate for overnight deposits in the currency of the Notes, without margin or spread. Such rate is likely to be significantly lower than any rate which may have applied to the Notes prior to the Scheduled Maturity Date.

Where an Event Determination Date has occurred, payment of the Credit Event Settlement Amount due on the Notes may be deferred if "Settlement Deferral" is specified in the Pricing Supplement. In such case, interest will accrue on the Credit Event Settlement Amount at the rate for overnight deposits in the currency of the Notes (without margin or spread) up until the deferred settlement date specified in the Pricing Supplement.

Risks resulting from hedging activities of the Issuer and conflicts of interest

The Issuer, the Calculation Agent and their affiliates may undertake hedging activities which adversely affect payments to Noteholders and may serve as members of CDDCs or transact with Reference Entities or in relation to their obligations, which may result in conflicts of interest with Noteholders.

Role of the Calculation Agent in deciding certain issues in relation to the Notes

The Calculation Agent may exercise certain discretions and make certain determinations relating to the Notes, including (but not limited to) the following: (i) in the absence of a determination by the CDDC, whether an Event Determination Date or Succession Event has occurred with respect to a Reference Entity, (ii) the right to determine whether an Auction would apply for the purposes of the Reference CDS and, (iii) where auction settlement does not apply, the right to determine the Credit Event Settlement Amount on the basis of bid quotations from third party dealers.

Noteholders should note that any determination and/or calculation by the Calculation Agent shall, in the absence of manifest error, be final and binding on the Issuer and the Noteholders.

However, Noteholders should note that, where a CDDC has made a determination as to whether an Event Determination Date or Succession Event has occurred, the Calculation Agent shall defer to such determination for the purposes of the Notes, provided however that, if the Notes have been redeemed in full, resolutions of the CDDC will no longer be binding for the purposes of the Notes.

A full list of Calculation Agent discretions and determinations is set out in the Credit Product Supplement – potential investors should review such determinations and discretions carefully.

Further Product Specific Risks

The likelihood of a Credit Event occurring in respect of any Reference Entity will generally fluctuate with, among other things, the financial condition and other characteristics of such Reference Entity, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. The whole of an investor's investment is at risk if one or more Credit Events occur in respect of the any Reference Entity. Prospective investors should review each Reference Entity and conduct their own investigation and analysis with respect to the creditworthiness of such Reference Entity and the likelihood of the occurrence of a Credit Event with respect to such Reference Entity.

This risk disclosure notice cannot disclose all of the risks. Potential investors in the Notes should consult the latest version of the 'Special Risks in Securities Trading' risk disclosure brochure (the 'Risk Disclosure Brochure') and the sections of (i) the Programme Memorandum entitled "Risk Factors", (ii) the Credit Product Supplement entitled "Additional Risk Factors" and (iii) the section of the relevant Pricing Supplement entitled "Investment Considerations"

The latest version of the Risk Disclosure Brochure can be obtained, free of charge, from the head office of Credit Suisse AG in Zurich, by calling +41 44 333 2144 or via facsimile no: +41 44 333 8403, or accessed via Internet at the Swiss Bankers Association's website: www.swissbanking.org (under the following path: www.swissbanking.org/en/home/shop.htm).

The Issuer expressly disclaims all liability in respect of any tax implications.

Important Notices

By investing in the Notes, an investor acknowledges having read and understood the following terms:

Any information regarding the Reference Entity(s) contained in this document consists only of a summary of certain publicly available information. Any such information does not purport to be a complete summary of all material information about such Reference Entity(s) contained in the relevant publicly available information. The Issuer only accepts responsibility for accurately reproducing such information contained in publicly available information. Otherwise neither the Issuer nor any of its affiliates accept further or other responsibility or make any representation or warranty (express or implied) in respect of such information.

The Issuer and its affiliates are not acting as a fiduciary for, or an adviser to, any investor in respect of the Notes and each investor will be solely responsible and must have sufficient knowledge, experience and professional advice (which may be from third parties) to make its own evaluation of the merits and risks of investment of the Notes. Neither the Issuer, nor any of its affiliates, is an agent of any Noteholder for any purpose unless it has agreed to do so in writing.

By purchasing the Notes, investors acknowledge that they are not relying on the views or advice or any information of the Issuer or its affiliates in respect of the purchase of the Notes.

The information and views contained herein are those of the Issuer and/or are derived from sources believed to be reliable. This document is not the result of a financial analysis and, therefore, is not subject to the 'Directives on the Independence of Financial Research' issued by the Swiss Bankers Association. The contents of this document therefore do not fulfil the legal requirements for the independence of financial analyses and there is no restriction on trading prior to publication of financial research.

In connection with the Notes, the Issuer and/or its affiliates may pay to third parties, or receive from third parties as part of their compensation or otherwise, one-time or recurring remunerations (e.g. placement or holding fees). By receiving payments from third parties in connection with the Notes, the interest of the Issuer or such affiliate may be adverse to the interest of the investor in the Notes and, therefore, could adversely affect such investor's return on the Notes. An investor in the Notes may request further information from his or her bank/relationship manager

Where not explicitly otherwise stated, the Issuer has no duty to invest in the Reference Entity and an investor in the Notes has no recourse to the Reference Entity or to any payouts thereon. The price of the Notes will reflect the fees and costs charged on the Issuer's hedging arrangements in respect of its obligations under the Notes. Certain built-in costs are likely to adversely affect the value of the Notes.

The Notes are complex structured financial instruments and involve a high degree of risk. They are intended only for investors who understand and are capable of assuming all risks involved. Before entering into any transaction involving the Notes, a potential investor should determine if the Notes suit his or her particular circumstance and should independently assess (with his or her professional advisors) the specific risks (maximum loss, currency risks, etc.) and the legal, regulatory, credit, tax and accounting consequences. The Issuer makes no representation as to the suitability or appropriateness of the Notes for any particular potential investor or as to the future performance of the Notes. This document does not replace a personal conversation between a potential investor and his or her relationship manager and/or professional advisor (e.g. legal, tax or accounting advisor), which is recommended by the Issuer before any investment decision. Therefore, any potential investor in the Notes is requested to ask his or her relationship manager to provide him or her with any available additional information regarding the Notes.

Historical data on the performance of the Notes, the Reference CDS or the Reference Entity(s) is no indication of future performance. No representation or warranty is made that any indicative performance or return indicated will be achieved in the future. Neither this document nor any copy thereof may be sent, taken into or distributed in the United States or to any U.S. person or in any other jurisdiction except under circumstances that will result in compliance with the applicable laws thereof.

For the purpose of this Term Sheet, “affiliates” means in relation to a person, a subsidiary or holding company of that person and a subsidiary of any such holding company.

Equity Amount / Trademark/Disclaimer

The Note(s) are not sponsored, endorsed, sold or promoted by The NASDAQ OMX Group, Inc. or its affiliates) (NASDAQ OMX, with its affiliates, are referred to as the “**Corporations**”). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the Note(s). The Corporations make no representation or warranty, express or implied to the owners of the Note(s) or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly, or the ability of the Nasdaq-100 Index® to track general stock market performance. The Corporations' only relationship to the Issuer and its affiliates (“**Licensee**”) is in the licensing of the Nasdaq®, Nasdaq-100®, and Nasdaq-100 Index® registered trademarks, and certain trade names of the Corporations and the use of the Nasdaq- 100 Index® which is determined, composed and calculated by NASDAQ OMX without regard to Licensee or the Product(s). NASDAQ OMX has no obligation to take the needs of the Licensee or the owners of the Product(s) into consideration in determining, composing or calculating the Nasdaq-100 Index®. The Corporations are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation of the equation by which the Product(s) is to be converted into cash. The Corporations have no liability in connection with the administration, marketing or trading of the Product(s).

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Sales Restrictions

General

Any Note purchased by any person may not be offered or sold or any offering materials relating thereto distributed in any country or jurisdiction, unless the offeror has complied and will comply with all applicable laws and regulations in such country or jurisdiction.

U.S.A. and U.S. Persons

The Notes have not been and will not be registered under the U.S. Securities Act of 1933. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States of America or to U.S. persons except as permitted by the full terms.

United Kingdom

Credit Suisse has represented and agreed that: (a) 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 the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a “Relevant Member State”) with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) no offer of the Notes may be made to the public in that Relevant Member State except that, with effect from and including the Relevant Implementation Date, an offer of such Notes to the public in that Relevant Member State may be made:

- (a) if the Pricing Supplement in relation to the Notes specify that an offer of those

Notes 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 Notes 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 Pricing Supplement 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 Pricing Supplement, as applicable and the relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- (c) at any time to fewer than 150 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 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) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes 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 supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member Sate by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Hong Kong

No person has issued, or had in its possession for the purposes of issue, and no person will issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of Hong Kong) and any rules made under that Ordinance..

Singapore

This document and other related documents have not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes 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 (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (b) to a relevant person under Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes 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 Notes pursuant to an offer made under Section 275 of the SFA except:
 - (1) 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;
 - (2) where no consideration is or will be given for the transfer;
 - (3) where the transfer is by operation of law; or
 - (4) as specified in Section 276(7) of the SFA.

Switzerland:

This product may not be sold or offered or any offering materials relating thereto distributed to the public within the meaning of article 652a/Article 1156 of the Swiss Code of Obligations (“CO”).

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