

**Meeting Between Staff of the Federal Reserve Board and Credit Suisse AG
May 4, 2016**

Participants: Felton Booker, Mark Savingnac, Thomas Boemio, Juan Climent, Jay Schwarz, Will Giles, Greg Frischmann, and Josh Strazanac (Federal Reserve Board)

D. Wilson Ervin, Gina T. Orlins, and Peter J. Ryan (Credit Suisse AG)

Summary: Staff of the Federal Reserve Board met with representatives of Credit Suisse AG to discuss the Board's outstanding proposal on long-term debt (LTD) and total loss absorbing capacity (TLAC) requirements for the U.S. intermediate holding companies of foreign global systemically important banks (IHCs). With respect to the proposal, the representatives expressed concern that (i) certain features of the LTD that IHCs must issue would cause such LTD to be more expensive than the LTD that U.S. bank holding companies must issue, and (ii) the LTD that IHCs must issue will be treated as equity for U.S. tax purposes and as debt for foreign tax purposes. The representatives also encouraged the Board to (i) eliminate mandatory use of the supplementary leverage ratio as one of several metrics to determine the amount of TLAC and LTD that an IHC must issue, (ii) rely on the structural subordination of certain debt instruments to recapitalize a failing institution rather than LTD instruments with a conversion feature, (iii) permit IHCs to use capital contribution agreements to meet TLAC and LTD requirements, and (iv) permit IHCs to satisfy their LTD requirements with LTD issued to third parties.