

Credit Suisse Investor Day 2018

Managing our business through the cycle



December 12, 2018

Disclaimer

This material does not purport to contain all of the information that you may wish to consider. This material is not to be relied upon as such or used in substitution for the exercise of independent judgment.

Cautionary statement regarding forward-looking statements

This presentation contains forward-looking statements that involve inherent risks and uncertainties, and we might not be able to achieve the predictions, forecasts, projections and other outcomes we describe or imply in forward-looking statements. A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions we express in these forward-looking statements, including those we identify in "Risk factors" in our Annual Report on Form 20-F for the fiscal year ended December 31, 2017 and in the "Cautionary statement regarding forward-looking information" in our media release relating to Investor Day, published on December 12, 2018 and filed with the US Securities and Exchange Commission, and in other public filings and press releases. We do not intend to update these forward-looking statements.

In particular, the terms "Estimate", "Illustrative", "Ambition", "Objective", "Outlook" and "Goal" are not intended to be viewed as targets or projections, nor are they considered to be Key Performance Indicators. All such estimates, illustrations, ambitions, objectives, outlooks and goals are subject to a large number of inherent risks, assumptions and uncertainties, many of which are completely outside of our control. These risks, assumptions and uncertainties include, but are not limited to, general market conditions, market volatility, interest rate volatility and levels, global and regional economic conditions, political uncertainty, changes in tax policies, regulatory changes, changes in levels of client activity as a result of any of the foregoing and other factors. Accordingly, this information should not be relied on for any purpose. We do not intend to update these estimates, illustrations, ambitions, objectives, outlooks or goals.

We may not achieve the benefits of our strategic initiatives

We may not achieve all of the expected benefits of our strategic initiatives. Factors beyond our control, including but not limited to the market and economic conditions, changes in laws, rules or regulations and other challenges discussed in our public filings, could limit our ability to achieve some or all of the expected benefits of these initiatives.

Estimates and assumptions

In preparing this presentation, management has made estimates and assumptions that affect the numbers presented. Actual results may differ. Annualized numbers do not take account of variations in operating results, seasonality and other factors and may not be indicative of actual, full-year results. Figures throughout this presentation may also be subject to rounding adjustments. All opinions and views constitute judgments as of the date of writing without regard to the date on which the reader may receive or access the information. This information is subject to change at any time without notice and we do not intend to update this information.

Statement regarding non-GAAP financial measures

This presentation also contains non-GAAP financial measures, including adjusted results. Information needed to reconcile such non-GAAP financial measures to the most directly comparable measures under US GAAP can be found in the Appendix of the CEO and CFO Investor Day presentations, published on December 12, 2018. All Investor Day presentations are available on our website at www.credit-suisse.com.

Many of our references to estimates, ambitions, objectives and targets for revenues, operating expenses, operating cost base, pre-tax income and return on regulatory capital are on an adjusted basis as well. These adjusted numbers, return on tangible equity and tangible book value per share are non-GAAP financial measures. A reconciliation of the estimates, ambitions, objectives and targets to the nearest GAAP measure is unavailable without unreasonable efforts. Adjusted results exclude goodwill impairment, major litigation charges, real estate gains and other revenue and expense items included in our reported results, which are unavailable on a prospective basis. Tangible equity excludes goodwill and other intangible assets from shareholders' equity, all of which are unavailable on a prospective basis. Tangible book value per share excludes the impact of any dividends paid during the performance period, share buybacks, own credit movements, foreign exchange rate movements and pension-related impacts, all of which are unavailable on a prospective basis.

Statement regarding capital, liquidity and leverage

As of January 1, 2013, Basel III was implemented in Switzerland along with the Swiss "Too Big to Fail" legislation and regulations thereunder (in each case, subject to certain phase-in periods). As of January 1, 2015, the Bank for International Settlements (BIS) leverage ratio framework, as issued by the Basel Committee on Banking Supervision (BCBS), was implemented in Switzerland by FINMA. Our related disclosures are in accordance with our interpretation of such requirements, including relevant assumptions. Changes in the interpretation of these requirements in Switzerland or in any of our assumptions or estimates could result in different numbers from those shown in this presentation.

Unless otherwise noted, leverage exposure is based on the BIS leverage ratio framework and consists of period-end balance sheet assets and prescribed regulatory adjustments. The look-through tier 1 leverage ratio and CET1 leverage ratio are calculated as look-through BIS tier 1 capital and CET1 capital, respectively, divided by period-end leverage exposure. Swiss leverage ratios are measured on the same period-end basis as the leverage exposure for the BIS leverage ratio.

Sources

Certain material in this presentation has been prepared by Credit Suisse on the basis of publicly available information, internally developed data and other third-party sources believed to be reliable. Credit Suisse has not sought to independently verify information obtained from public and third-party sources and makes no representations or warranties as to accuracy, completeness or reliability of such information.

Presenters

Hosts



David Mathers
Chief Financial Officer



James Amine
CEO Investment Banking &
Capital Markets

Speakers



Jay Kim
Global Markets
Global Head of Securitized
Products



David Miller
Global Markets
Global Head of
Credit Products



Malcolm Price
IBCM
Global Head
Financial Sponsors



Timothy Joyce
IBCM
Global Head of Portfolio
Management for
Corporate Bank



Carsten Stoehr
Asia Pacific
Head of APAC
Financing Group &
CEO Greater China

Managing our business through the cycle

Securitized Products



Jay Kim, Global Head of Securitized Products

December 12, 2018

Securitized Products (SP) is a unique, fully integrated platform that consistently delivers best in class execution for our clients

SP platform

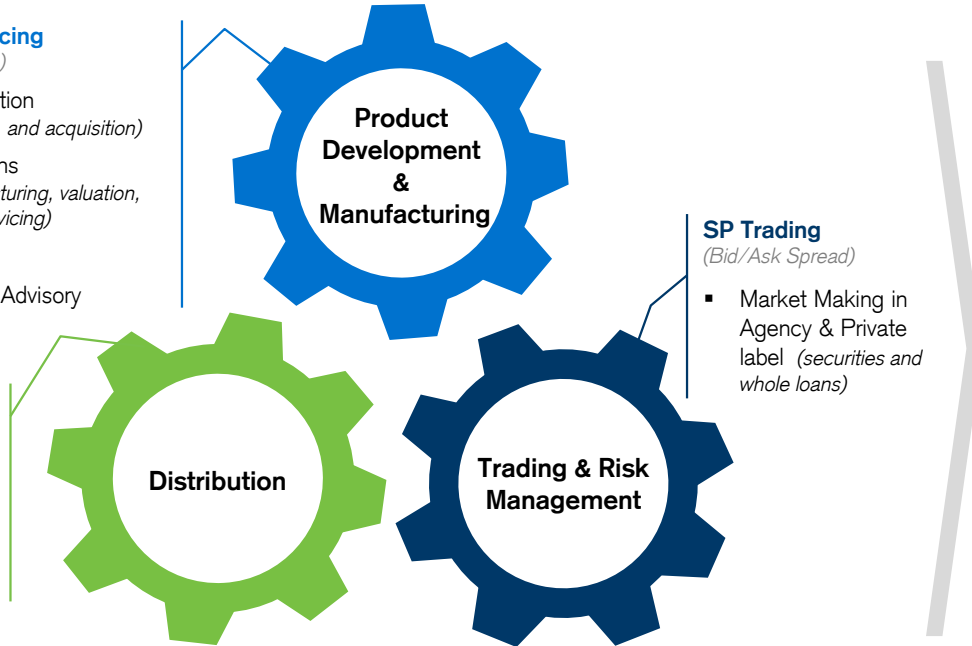
SP Finance & Servicing

(Fee/Accrual Revenues)

- Financing Origination (warehouse, bridge, and acquisition)
- Financing Solutions (structuring, restructuring, valuation, disposition, and servicing)
- Loan Origination
- Asset & Portfolio Advisory

SP Sales

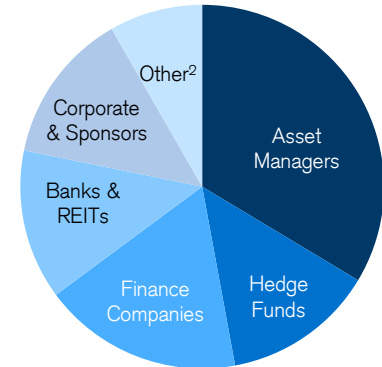
- Primary / Capital Markets
- Secondary Distribution



Asset class coverage

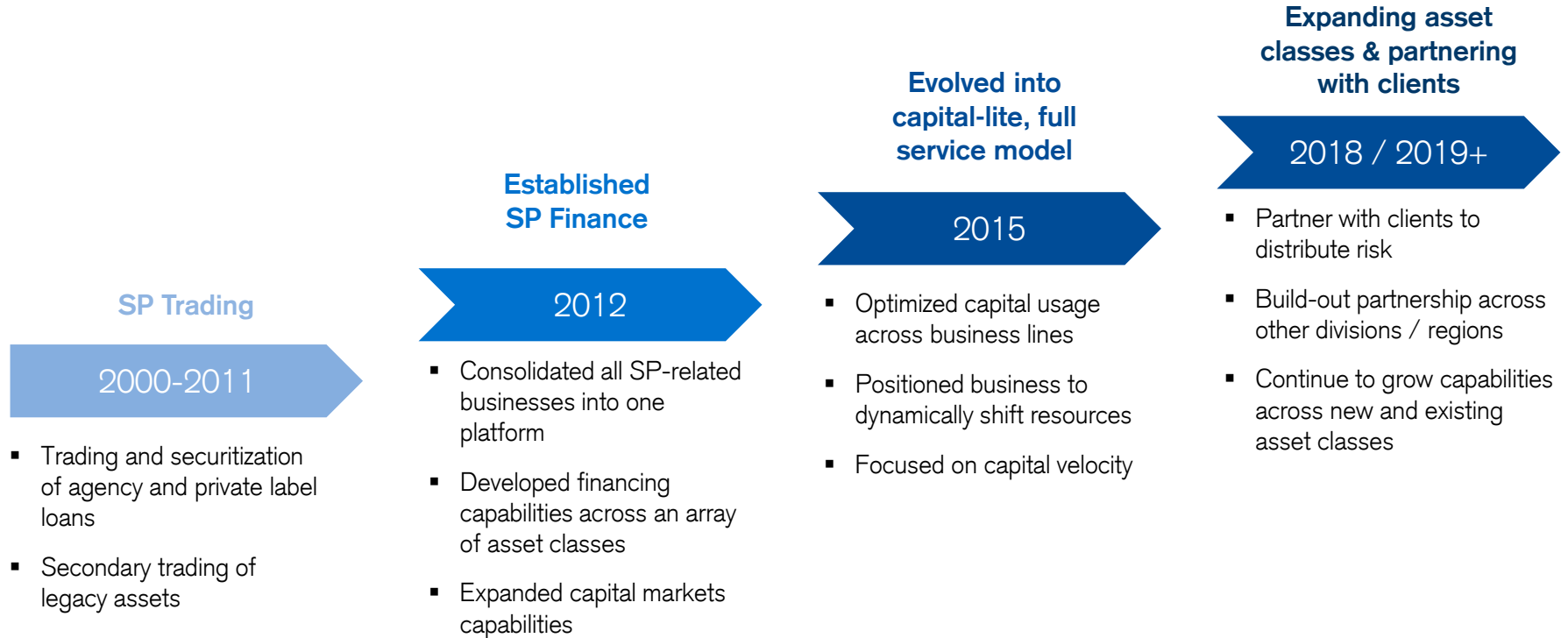
Consumer	Commercial
Residential	Commercial Real Estate
Transportation	Alternatives

Client base¹



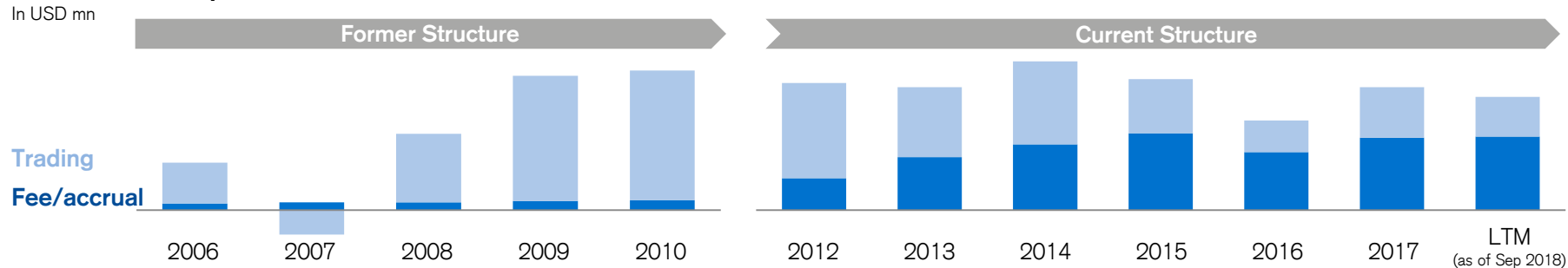
¹ Based on CS SP client revenues as of 9M18 ² Other includes Central Bank, Pension, Insurance, Government / Public Sector, Private Bank, Private Client, and Sovereign Wealth Fund

SP's evolution provides clients with expanded capabilities, while lowering the risk profile and improving performance stability

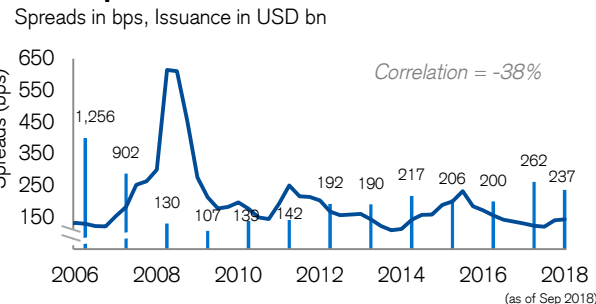


SP's revenue diversification coupled with flexible capital allocation results in stable performance through the cycle

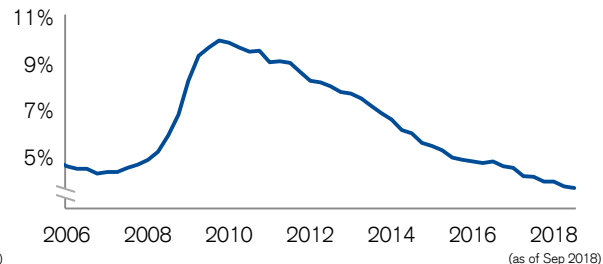
SP net revenue performance¹



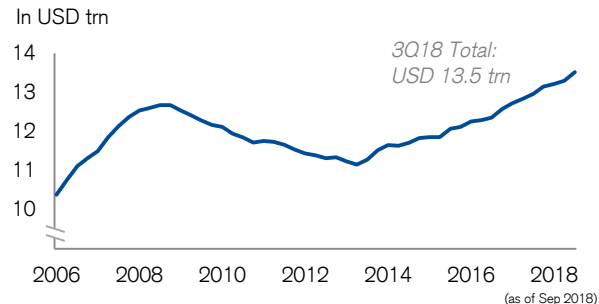
BBB spreads² vs Issuance³



US unemployment rate⁴



US household debt⁵

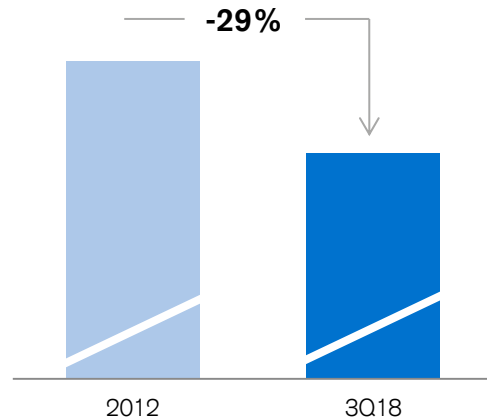


1 Net Revenues exclude SP other and NBL3 treasury. Figures for 2006-2015 present financial information as reported in each respective time period under our structure prior to re-segmentation announcement on Oct 21, 2015
 2 LUCI BBB Benchmark Spread, Source: Federal Reserve Bank of St. Louis 3 All US Securitizations, Source: Thomson Reuters 4 Source: Federal Reserve Bank of St. Louis 5 Source: New York Fed Consumer Credit Panel/Equifax

SP's risk has declined as capital velocity increased, which protects Credit Suisse in a rapidly declining economic cycle

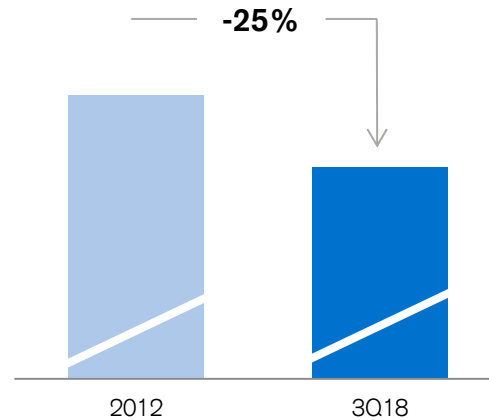
SP Risk-weighted assets¹

In USD bn



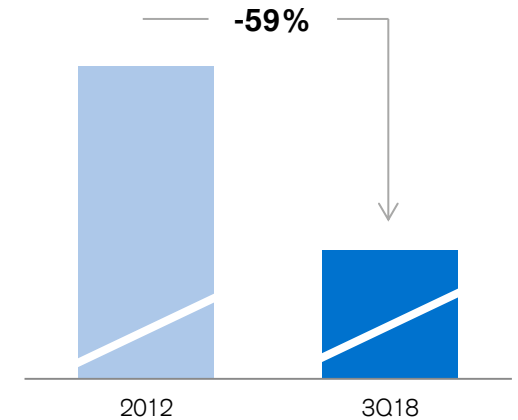
SP Value-at-risk²

Average one-day, 98% risk management VaR in USD mn



SP Trading inventory (securities)³

In USD mn



- Strong risk management with a meaningful decline in RWA, VaR and securities trading inventory
- Ability to pivot between trading and fee/accrual-based business to capture evolving market opportunities

¹ RWA is spot and excludes Other and Ops Risk RWA. Figures present financial information based on results under our structure as reported in each respective time period. 2012 RWA based on Basel 2/2.5, 3Q18 RWA based on Basel 3 ² VaR for 2012 represents estimate for VaR pre Global Markets Accelerated Restructuring restatement ³ Figures represent funded balance of on and off balance sheet items. Includes market value exposure for Agency, Non-Agency and Other

The strategy is working: the SP franchise continues to be viewed by clients and the market as best in class

SP rankings

	2012	2015	2016	2017	9M18
US RMBS ¹	1	1	1	1	1
All US Securitizations ¹	4	1	1	1	1
Pass Throughs ²	1	1	1	1	1
Agency CMBS ³	1	1	1	1	1

#1 in asset class diversification
on Securitized Products lead assignments (16 asset types originated across 59 issuers)

Structuring lead on **~75% of all Securitized Products lead assignments**

16 inaugural issuers introduced to the market across 9 asset types

SP awards



“Most Innovative Bank for Securitization”
(awarded 4 of 5 years running)



“Overall Best Securitization Bank”
(awarded 3 of 4 years running)



“2018 RMBS Bank of the Year”



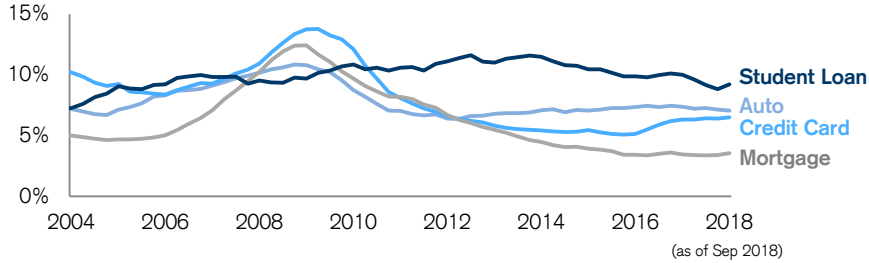
“2017 North America Structured Finance House”

1 Source: Thomson Reuters 2 Source: TradeWeb 3 Source: CMBS Alert

The financial health of the consumer remains strong...

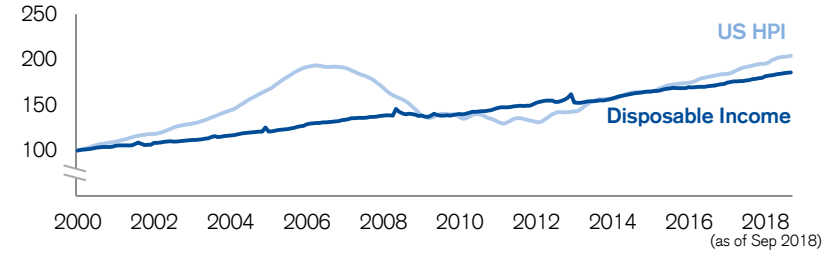
Delinquent balances remain low, however signs of slight deterioration¹

Percent of Balance



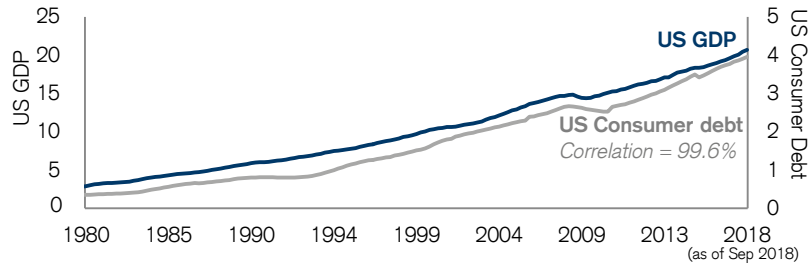
Increase in US disposable income² & HPI³

Indexed

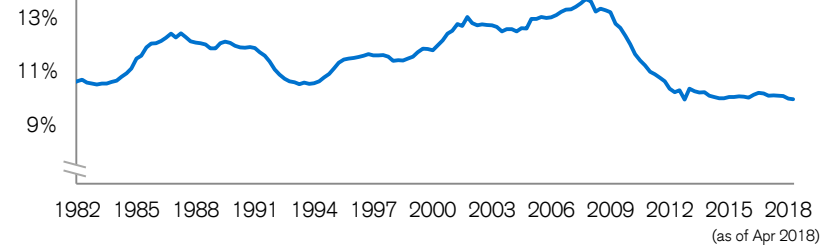


Correlation between US consumer debt⁴ and GDP⁵

In USD trn



US household debt service low relative to disposable income⁶

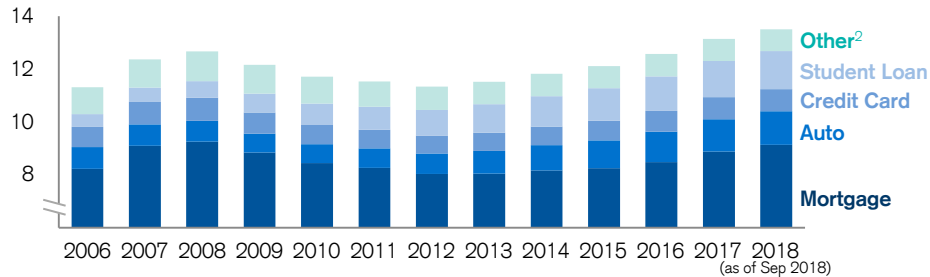


1 New Delinquent (30+days) Balances by Loan Type, percent of balance, Source: New York Fed Consumer Credit Panel/Equifax 2 Disposable Personal Income: Per capita, Current dollars, Seasonally Adjusted Annual Rate (indexed), Source: Federal Reserve Bank of St. Louis 3 US House Price Index, Source: Core Logic 4 Total consumer credit owned and securitized, seasonally adjusted level, Source: Bureau of Economic Analysis 5 GDP in current dollars, seasonally adjusted annual rates, Source: Bureau of Economic Analysis 6 Household Debt as a percent of disposable personal income, quarterly (seasonally adjusted), Source: Federal Reserve Bank of St. Louis

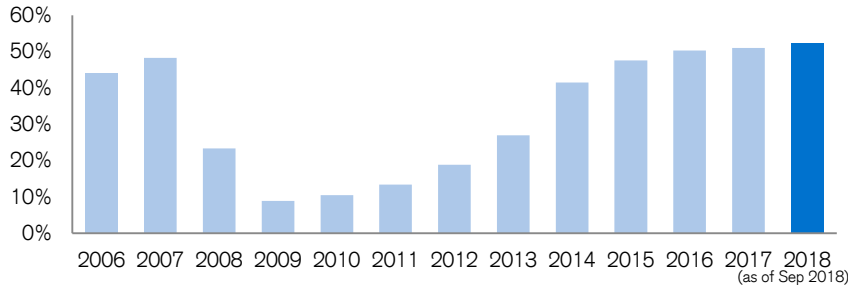
...and the outlook on supply and demand for SP products is also positive

Consumer need for debt across asset classes continues to grow¹

In USD trn



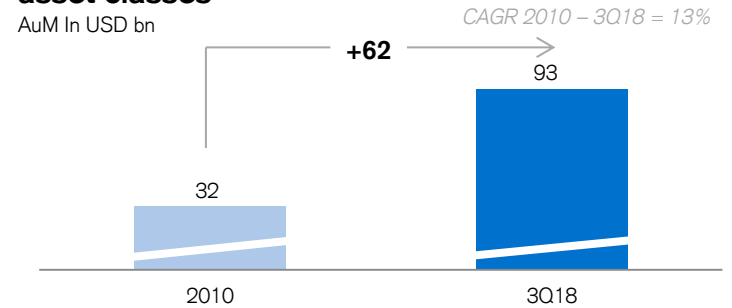
Originations are shifting to non-bank lenders generating demand for securitizations³



1 Time periods for 2006 – 2017 represent 4Q and 2018 represents 3Q, Source: New York Fed Consumer Credit Panel/Equifax 2 Other includes Consumer Finance, Retail, and Home Equity Revolvers 3 Chart represents mortgages only, Source: Inside Mortgage Finance 4 Fixed Income Asset Backed strategies, Source: HFR 5 US Insurance Industry Cash and Invested Assets, SP assets include Mortgage, ABS and Other Structured Securities, Agency Backed RMBS, Private Label CMBS, Private Label RMBS, Agency-Backed CMBS, Source: National Association of Insurance Commissioners

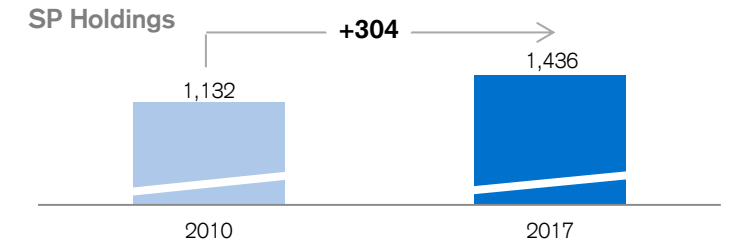
Hedge Funds have increased allocation to SP asset classes⁴

AuM In USD bn



Insurance industry allocations signal continued demand for SP assets⁵

AuM in USD bn



Managing our business through the cycle

Leveraged Finance



David Miller, Global Head of Credit Products
Malcolm Price, Global Head Financial Sponsors

December 12, 2018

IBCM and GM partnership delivers the Credit Suisse Leveraged Finance franchise

Investment Banking and Capital Markets

- **Sponsors coverage:** drives relationships with private equity firms and executes Leveraged Finance deals for these clients
- **Industry coverage:** drives relationships with all corporates including private equity portfolio companies
- **Leveraged Finance Origination and Restructuring:** supports coverage groups with Leveraged Finance execution for corporates

<30%

Average quarterly Leveraged Finance contribution to total IBCM net revenues (1Q16 – 3Q18)

Originate

Structure

Syndicate

Sales

Trading

<20%

Average quarterly Leveraged Finance¹ contribution to total GM net revenues (1Q16 – 3Q18)

Global Markets

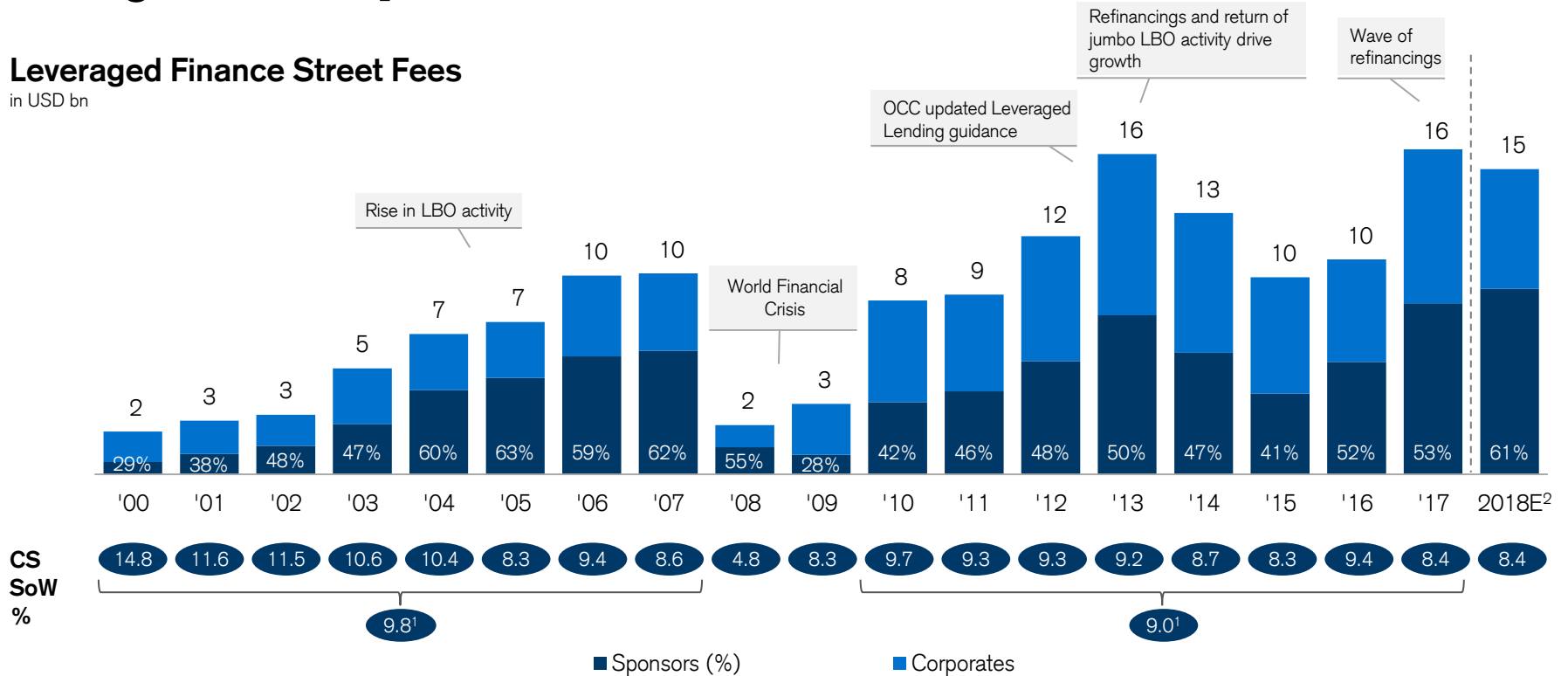
- **Capital Markets:** provides access to capital for issuing clients using the distribution platform and market intelligence
- **Sector Strategy:** provides fundamental company and industry-specific credit analysis and strategy
- **Sales and Distribution:** distributes new debt securities (issued by issuing clients) and existing debt securities (held by other investors)
- **Secondary Trading:** facilitates the investment and trading activities of clients through market making

¹ Reflects percentage of total GM net revenue, includes trading and U/W revenues

Credit Suisse has successfully managed Leveraged Finance through credit cycles...

Leveraged Finance Street Fees

in USD bn

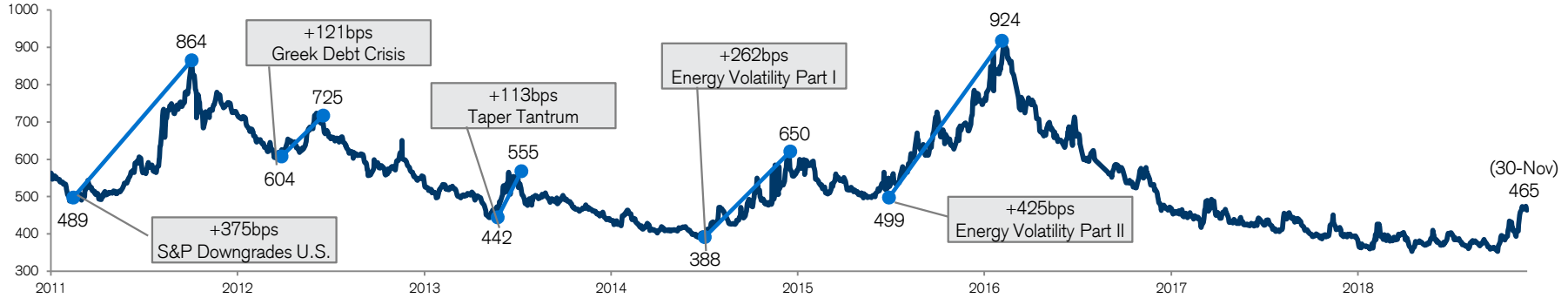


Source: Dealogic as of November 2018; Includes HY Bonds, Institutional Loans and Bridge Loans

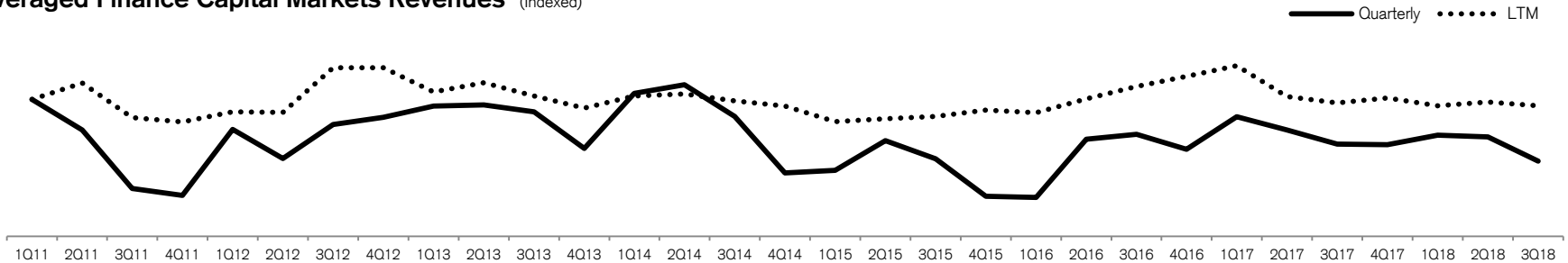
¹ Absolute Share of Wallet over each period ² 2018 estimate based on annualized November 2018 figures. Actual results for 2018 may differ from any estimates

...and despite past credit shocks, the business has generated positive revenue each quarter since 2011

High Yield Index Spread to Worst (bps)



Leveraged Finance Capital Markets Revenues¹ (Indexed)



Source: Credit Suisse 1 Reflects IBCM and Global Markets Leveraged Finance Revenues (figures include mark-to-market impact)

Recent trends in credit markets have raised some concerns...

Concerns

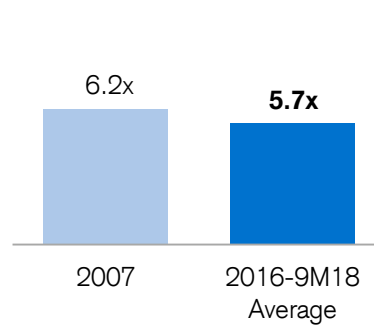
- Increase in US interest rates
- Increase in acquisition and leverage multiples
- Aggressive/liberal credit agreement terms



Mitigants

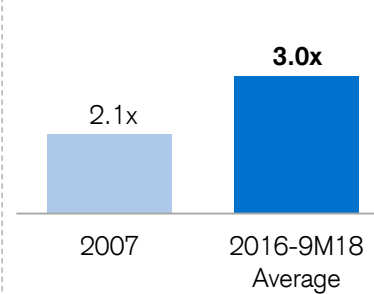
- ✓ Strong economy and corporate earnings
- ✓ US tax reforms
- ✓ Higher debt service coverage and equity cushion
- ✓ Low default rates

Leverage Ratio^{1,2}

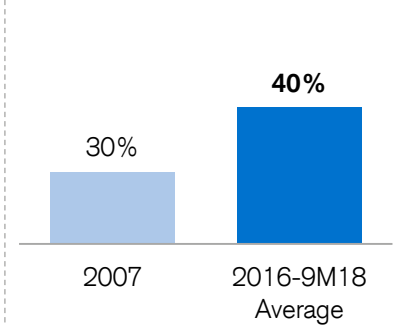


Debt Service Coverage^{1,2}

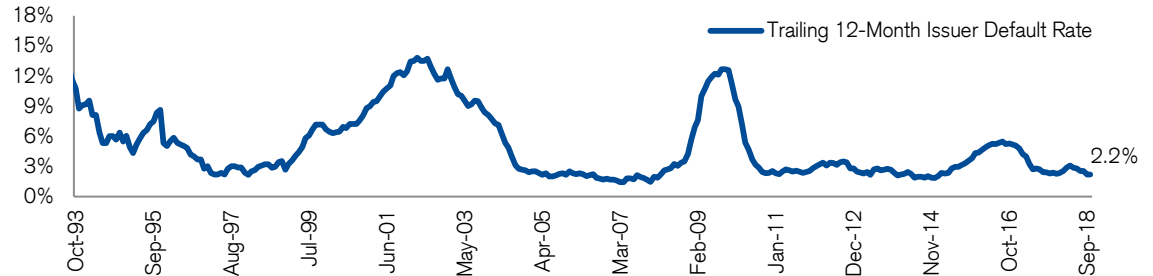
Average proforma EBITDA/Cash Interest



Equity Contribution^{1,2}



High Yield Default Rates³



1 Source: S&P Global Market Intelligence (LCD) 2 Large U.S. Corporate LBOs, issuers with EBITDA > USD 50 million

3 Source: Credit Suisse, CS U.S. Credit Chartbook – October 2018

...including potential risks with covenant-lite loans...

“The Loan Covenant Quality Indicator worsened slightly and is close to its all-time record-worst”

-Moody's, October 2018

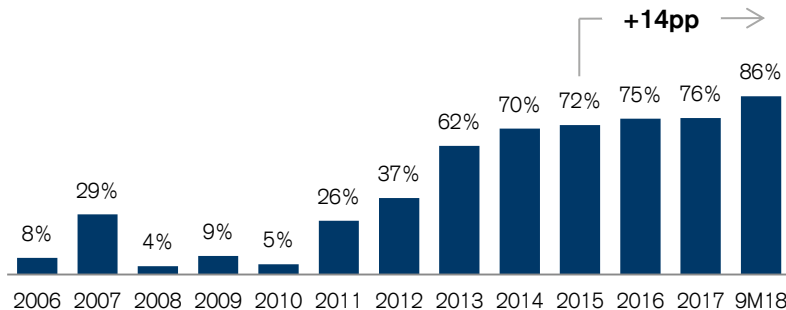
Concerns

- Covenant-lite represents most of the loan market
- Lack of financial maintenance covenants perceived as increasing credit risk for lenders

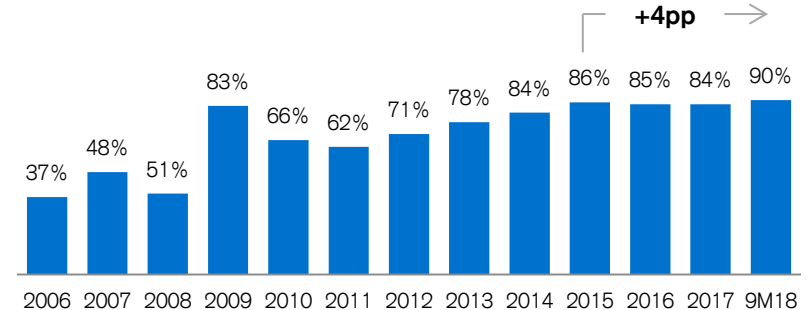
Mitigants

- Historical credit performance of covenant-lite loans similar to loans with maintenance covenants (loss rates on covenant-lite loans of 0.9% vs. full-covenant loans of 1.1%)²
- Other covenants remain in place (e.g., debt incurrence covenants, dividend restrictions, collateral protections) even under covenant-lite structures
- Senior portions of the capital structure remain protected by large subordinated capital cushions

U.S. Cov-Lite Loans as a Percentage of Total New Loan Issuance¹



U.S. Incurrence Debt as a Percentage of Total Lev Fin New Issuance^{1,3}

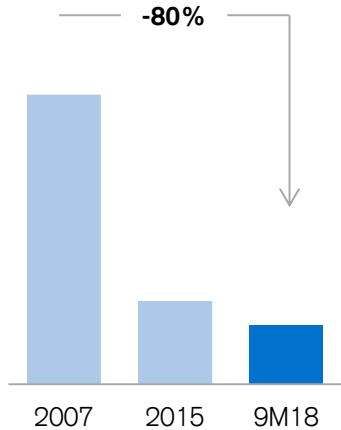


¹ Source: S&P Global Market Intelligence (LCD) ² Source: Credit Suisse, reflects weighted average loss rates since 2013 based on number of loans

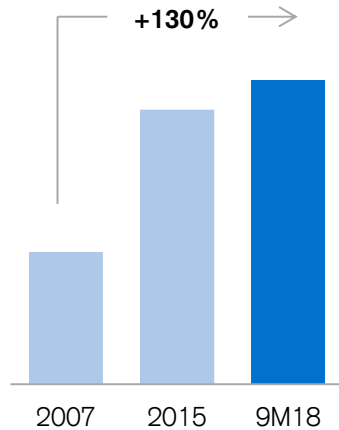
³ Incurrence Debt includes Covenant-Lite and High Yield Bonds

...Credit Suisse maintains robust underwriting standards and monitors market trends to minimize risk

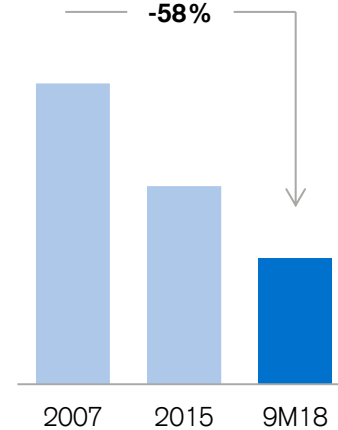
Underwriting Exposure¹



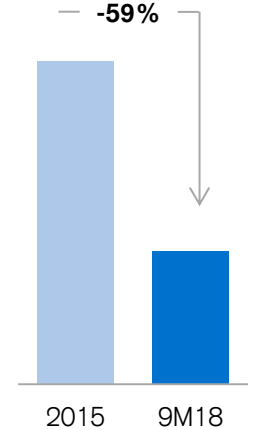
Flex Rate Cushion (bps)²



Underwriting Duration³



Leveraged Finance Trading Inventory⁴



¹ Reflects peak Non-Investment Grade notional exposure for Leveraged Finance Capital Markets ² Weighted average remaining flex of loan and bridge commitments
³ Reflects weighted average days to de-risk by size of financing, for loan and bridge commitments at signing ⁴ Net market value

Fundamentals of the largest Single B M&A financing deals have significantly improved post-crisis

Top Deals 2006 – 2008

Company	Total Debt in USD bn	Net Leverage Multiple	Equity Cushion
TXU Corp	40.0	7.9x	18.8%
HCA Inc	27.9	6.3x	15.9%
Alltel Holdings Corp	24.0	7.7x	15.5%
First Data Corp	22.2	8.4x	24.8%
Clear Channel	20.8	8.4x	14.4%

Top 5 average

27.0

~7.7x¹

~17.9%¹

Top Deals 2016 – 9M18

Company	Total Debt in USD bn	Net Leverage Multiple	Equity Cushion
Refinitiv	13.5	5.2x	32.5%
Akzo Nobel Chemicals	7.6	5.7x	34.2%
Avantor	7.3	7.0x	41.0%
Envision Healthcare	7.2	6.9x	31.5%
BMC Software	6.2	6.5x	27.7%

Top 5 average

8.4

~6.1x¹

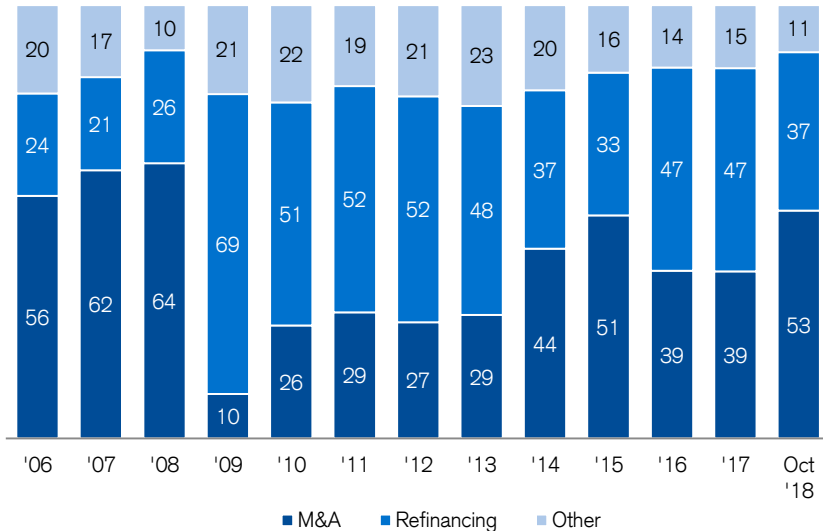
~33.4%¹

Source: S&P Global Market Intelligence (LCD), Dealogic, Public OMs (Use of Proceeds & Source of Funds)

¹ Weighted average based on total debt

Acquisitions were the primary use of proceeds in 2018 and M&A outlook for 2019 remains strong

Americas Leveraged Finance Use of Proceeds (%)¹



Global M&A Market

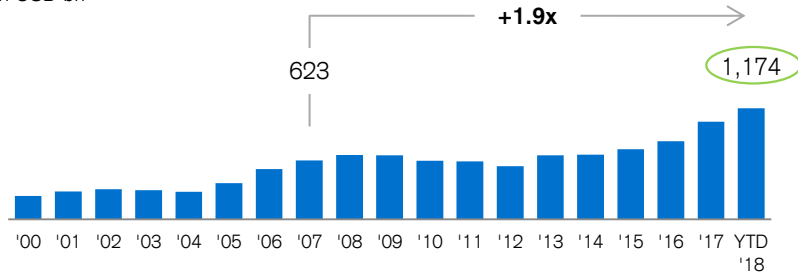
- ✓ 2018 YTD announced M&A volume approaching USD 4 trillion, up more than 30% YoY²
- ✓ Technology and Healthcare continue to be major growth engines with 2018 YTD announced M&A volume up ~60% YoY in each sector²
- ✓ Cross-border transactions accounted for ~40% of M&A volume in 9M18, highest since 9M07³
- ✓ Announced M&A for 2018 as a % of market cap stands at 5.2%, well below previous cycles in the 7-8% range⁴
- ✓ One-day acquiror stock price reactions up 1.8% against the S&P 500⁵

¹ Source: S&P Global Market Intelligence (LCD) ² Source: Dealogic as of November 2018 ³ Thomson Reuters as of September 2018 ⁴ Source: Thomson Reuters and Bloomberg as of November 2018; previous cycle from 2005-2007 ⁵ Source: Thomson Reuters and Factset as of November 2018

Sponsor dynamics suggest continued activity into 2019

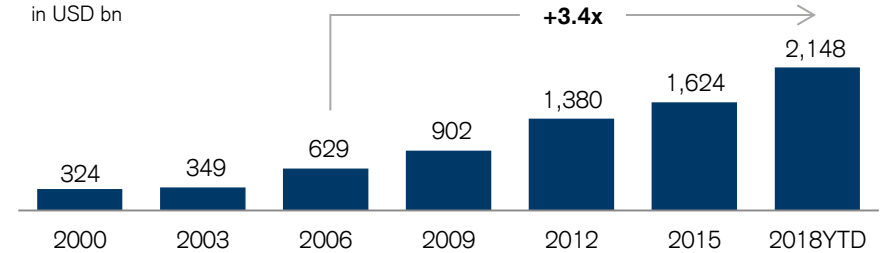
Private Equity Dry Powder^{1,2}

in USD bn



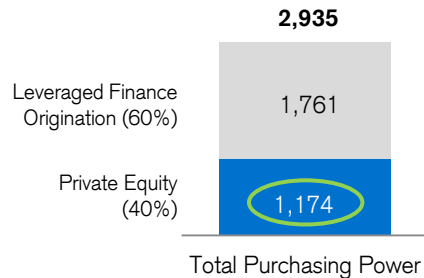
Unrealized Portfolio Value¹

in USD bn



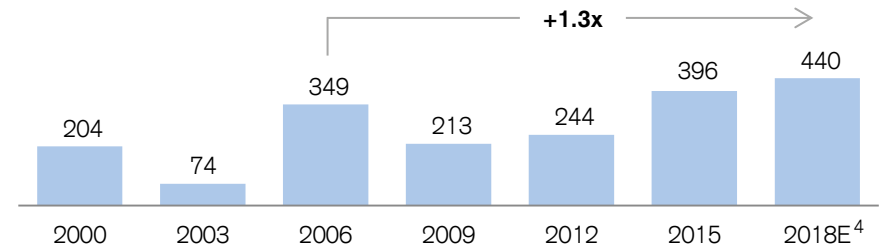
Total Purchasing Power³

in USD bn



Private Equity Fundraising Activity¹

in USD bn



1 Source: Preqin as of November 2018
USD 1,174 bn Private Equity dry powder

2 Reflects undrawn private equity commitments targeted for buyouts, growth, venture and mezzanine

3 Source: Credit Suisse calculation assuming 40% equity contribution and

4 2018 estimate based on annualized November 2018 figures. Actual results for 2018 may differ from any estimates

Managing our business through the cycle

Corporate Bank

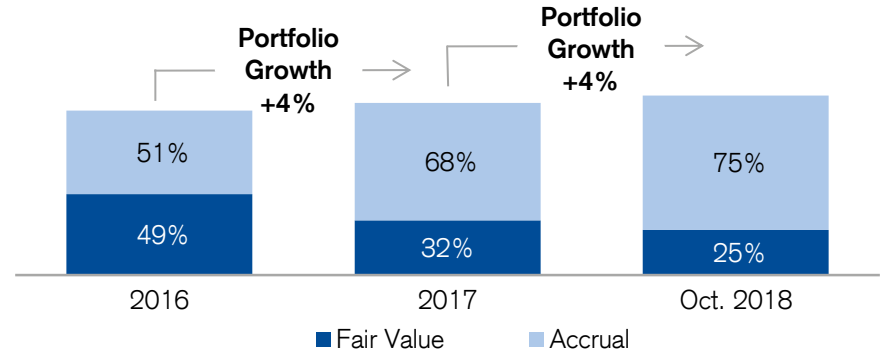


Timothy Joyce, Global Head of Portfolio Management for Corporate Bank

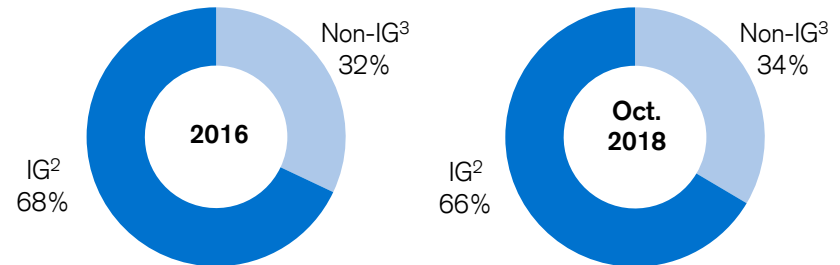
December 12, 2018

The Corporate Bank originates and holds loans for IBCM and GM clients to support the firm's relationships and drive revenues

- Corporate Lending: relationship lending in pursuit of banking revenues (M&A, Leveraged Finance, ECM and DCM)
- Portfolio Management Group (PMG): first line of defense with mandate to manage risk (default and market), optimize capital and minimize P&L¹ volatility



- Hold-to-maturity loan book comprised of IBCM and GM clients
- Exposure is primarily in the form of Revolving Credit Facilities
- Support market-leading positions with private equity firms and the Leveraged Finance franchise
- Capital invested to support large-cap coverage strategy

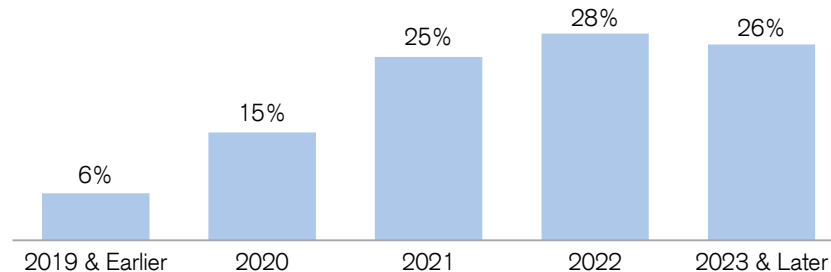


¹ Profit & Loss ² Investment Grade ³ Non-Investment Grade

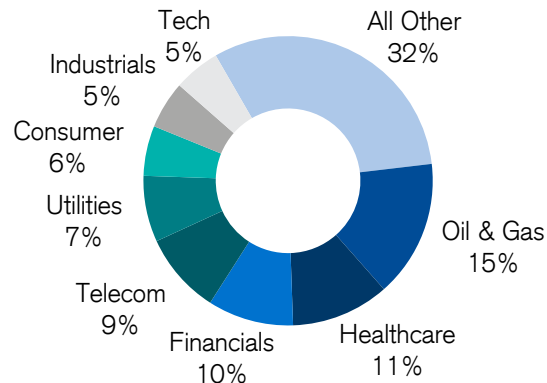
Overview of Corporate Bank portfolio

- The **maturity profile** of the loan portfolio suggests there will not be significant near-term refinancing required
- The portfolio is **well diversified** across sectors reflecting diverse IBCM and GM revenue streams
- The majority of Non-IG¹ lending is in the form of **secured revolving credit facilities**

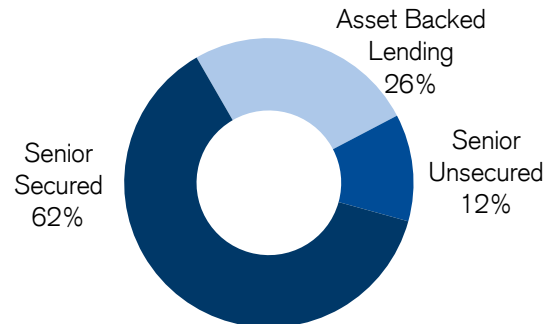
Loan Maturity Profile



Portfolio Industry Concentration²



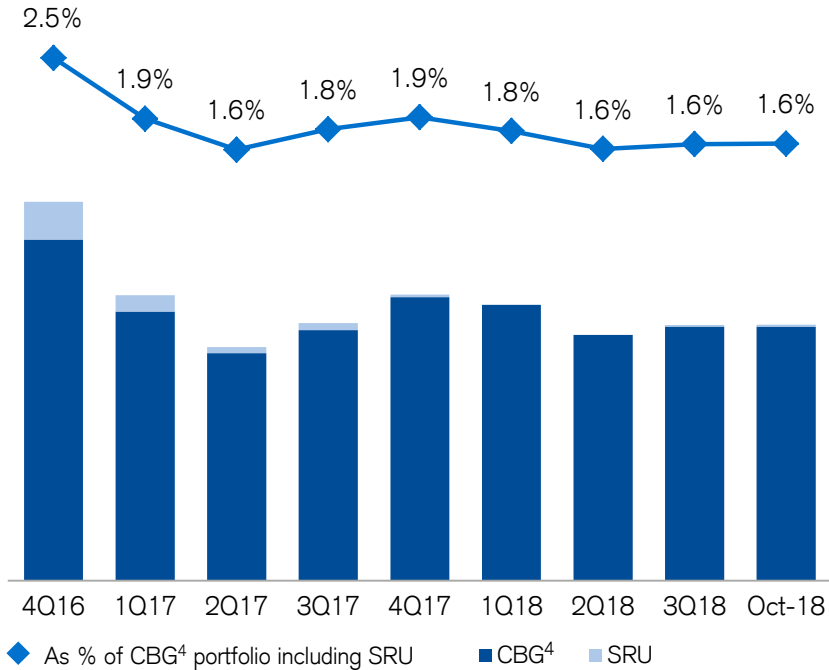
Non-IG¹ Exposure by Security Type²



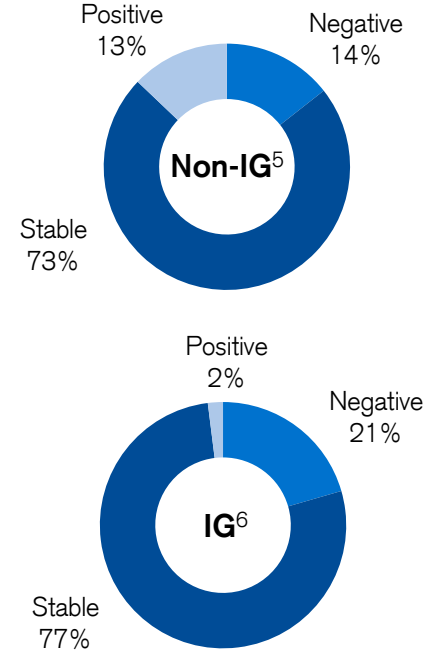
¹ Non-Investment Grade ² Based on Net Exposure as of October 31, 2018; calculated as Gross Exposure less Hedge benefit

PMG¹ analysts track each name daily and assess how credit and market movements impact the portfolio

Red Flag Exposure^{2,3}



PMG¹ Rating Outlook for the Corporate Bank Portfolio²



1 Portfolio Management Group 2 Based on Gross Exposure as of October 31, 2018 3 "Red Flag" counterparty is one that has been identified by the Portfolio Management Group as having an elevated risk of default due to one or more material concerns 4 Corporate Bank Group 5 Non-Investment Grade 6 Investment Grade

Managing our business through the cycle

Integrated APAC client lending



Carsten Stoehr, Head of APAC Financing Group & CEO Greater China

December 12, 2018

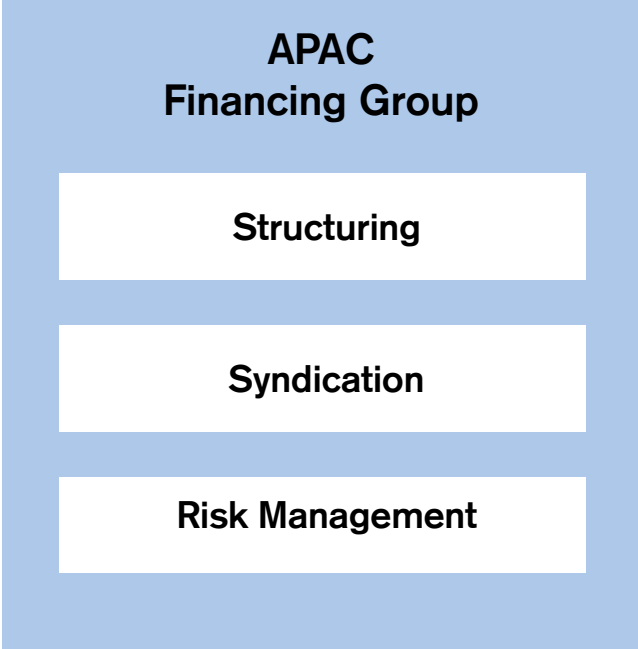
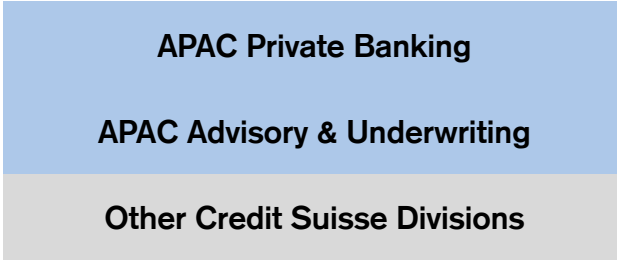


APAC Financing Group – business focus

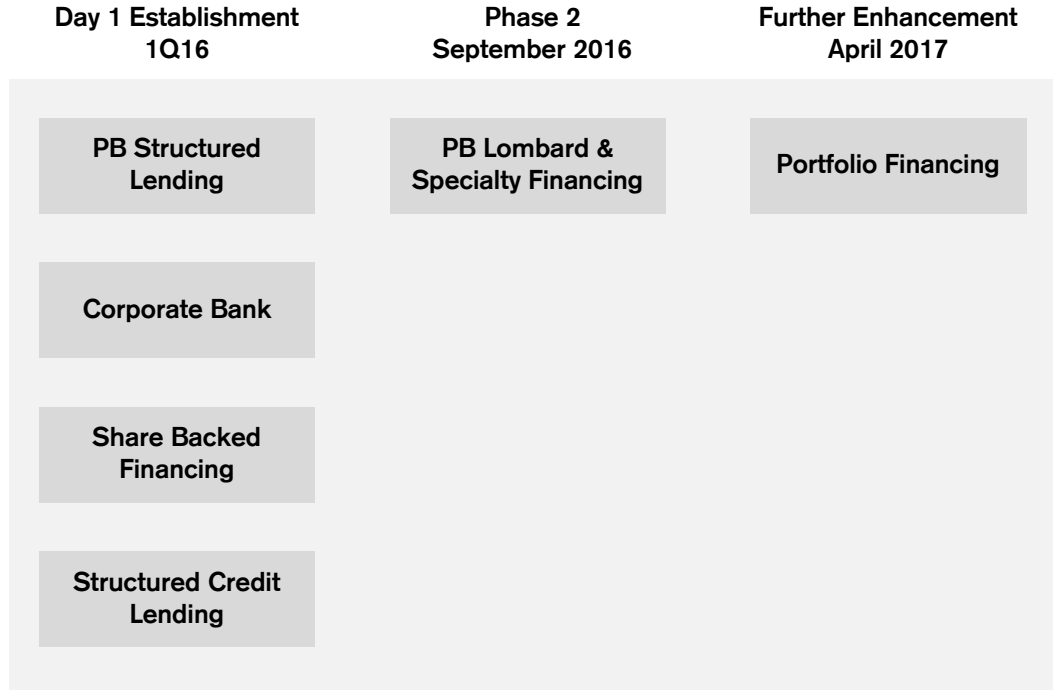
Clients



Origination



Core lending activities integrated into APAC Financing Group



- Integrated approach across lending products established in 1Q16
- Comprehensive Structuring, Risk Management and Syndication platform
- Effective First Line of Defence
- Disciplined risk management
- Enabler of broader client activity
- Core component of APAC WM&C platform

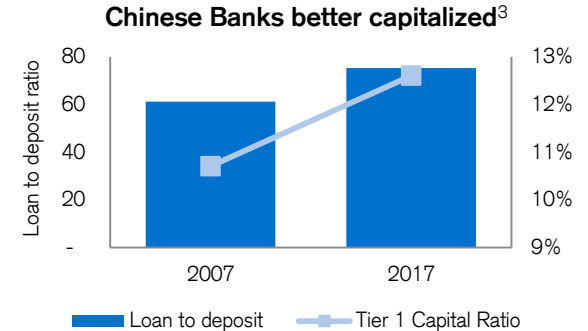
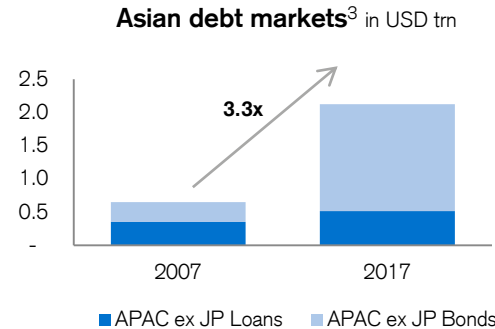
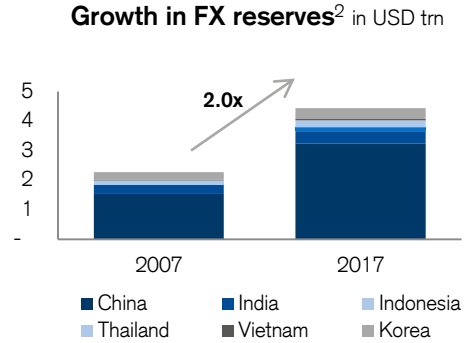
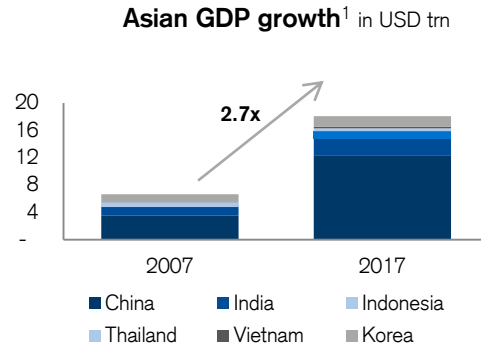
Longer-term structural growth dynamics remain attractive despite current market concerns

Concerns

- Rising US interest rates
- Contagion risk of EM sell-off
- China economic slowdown and leverage

Mitigants

- ✓ Substantial improvement in Asian economic fundamentals
- ✓ Increase in depth of Asian debt markets
- ✓ Chinese banks better capitalized



1 Source: World Bank data

2 Source: IMF Article IV reports for individual countries

3 Source: Bloomberg

We have a prudent approach to lending and risk management

Risk management philosophy

**Rigorous Deal
Underwriting &
Ownership**

**Diversified
Portfolio**

**Distribution
Focus**

**Active Risk
Management**


- Long standing EM/APAC credit expertise
- Consolidated underwriting guidelines
- “Ownership culture” from origination to maturity
- Risk management at both transaction and portfolio level
- Pre-emptive mitigations and risk read-across
- High capital velocity ~80% of structured credit origination is distributed¹
- Average loan loss provision of 9 bps²
- Implied loan-to-value of <30%³

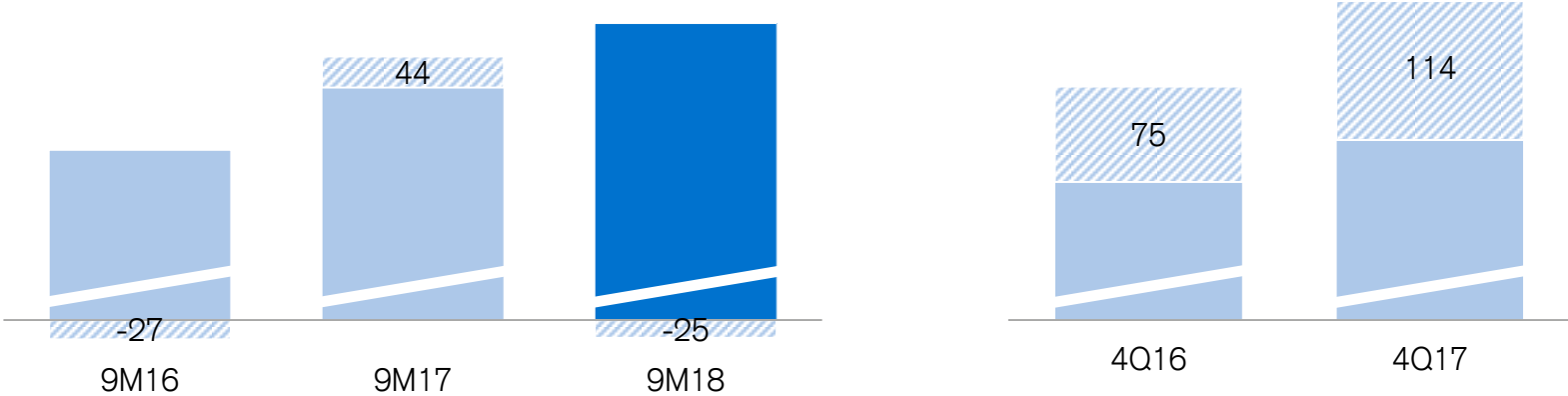
¹ As of 9M18 ² Calculated as the ratio of provision for credit losses to average credit volumes for 3Q16 to 3Q18 ³ Exposures over market value of collateral as at 30 September, 2018

We have delivered consistent revenue growth with disciplined risk management

APAC Financing Group net revenues¹

in CHF mn

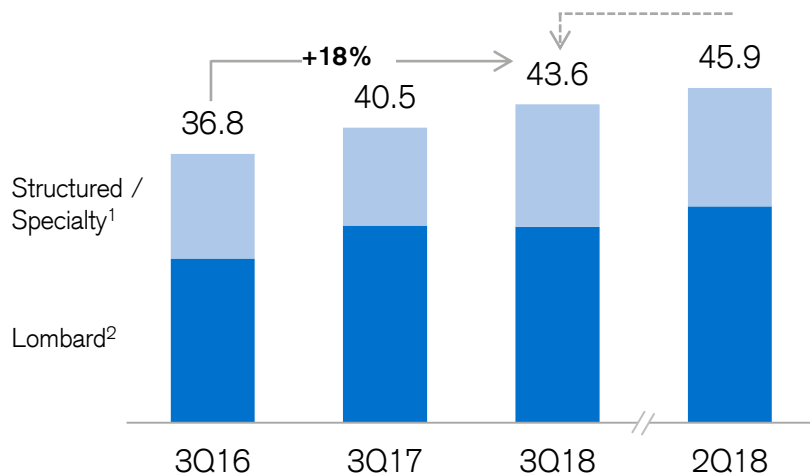
 Significant non-recurring items as disclosed



¹ Financing net revenues within Advisory, Underwriting and Financing

Our measured approach to credit growth is based on client selection and pricing discipline

APAC WM&C credit volume in CHF bn

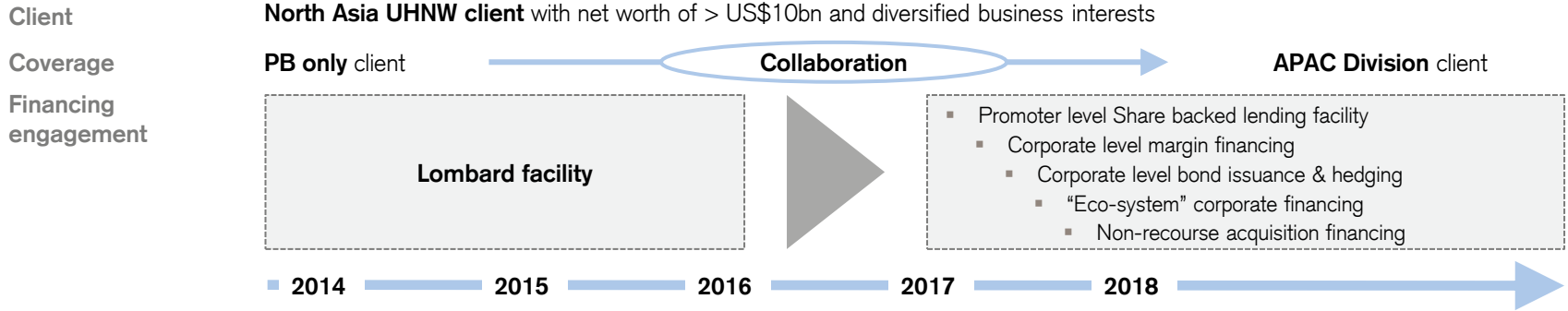


- Lombard lending represents ~60-65% of credit volume³
- ~90% of loan book with UHNW clients⁴
- ~75% of Structured lending deals with existing clients⁵
- Client deleveraging in 2Q18/3Q18 due to deterioration in investment environment
- Discipline on loan margins

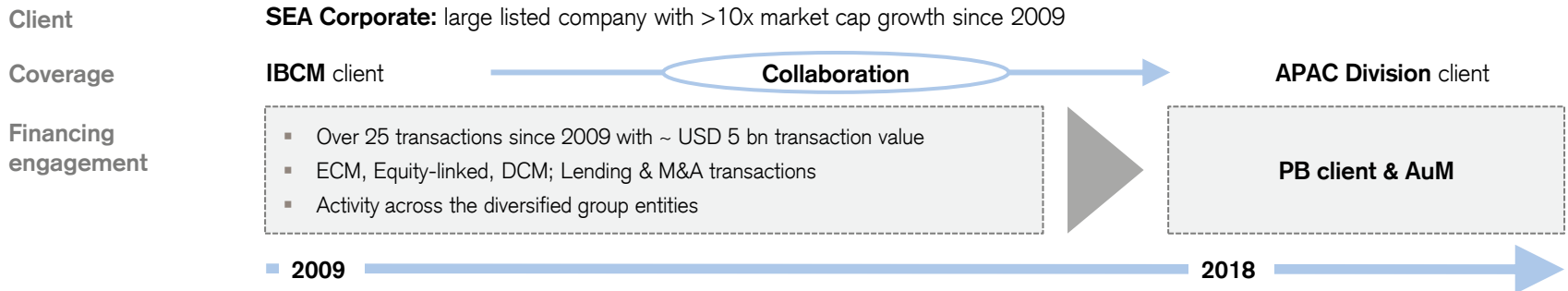
1 Includes share backed-lending against listed equities and structured credit exposure and ship, aviation and export finance 2 Includes Mortgages 3 During 2Q18 and 3Q18 4 As of 3Q18 5 As of 31 October, 2018

APAC Financing Group is central to client activity in APAC

Client example A



Client example B



Appendix



Strength of Credit Suisse Leveraged Finance franchise

	2014	2015	2016	2017	9M18
Americas Institutional Loan ¹	2	1	1	1	2
Americas Leveraged Finance ¹	3	3	1	2	2
Global Leveraged Finance¹	3	3	1	2	2

Advised all the top 100 Sponsors globally^{2,3,4}

#1 in Global Sponsors Leveraged Finance^{2,4}

#1 U.S. Institutional LBO Bookrunner⁴

#2 U.S. High Yield Issuance Volume⁵



“Most Innovative Bank for Leveraged Finance”



“CLO Arranger of the Year”

¹ Source: Dealogic as of September 2018 ² Since 2008 ³ Measured by fees paid to the Street ⁴ Source: Dealogic as of November 2018 ⁵ Source: Bloomberg as of November 2018

Notes (1/2)

General notes

- For reconciliation of **adjusted to reported results**, refer to the Appendix of the CEO and CFO Investor Day presentations, published on December 12, 2018
- Throughout the presentation rounding differences may occur
- Unless otherwise noted, all **CET1 ratio**, **Tier 1 leverage ratio**, **risk-weighted assets** and **leverage exposure** figures shown in this presentation are as of the end of the respective period and on a "look-through" basis
- **Gross and net margins** are shown in basis points
Gross margin = (adj.) net revenues annualized / average AuM; net margin = (adj.) pre-tax income annualized / average AuM
- **Mandate penetration** reflects advisory and discretionary mandate volumes as a percentage of AuM, excluding those from the external asset manager business

Specific notes

* Our cost savings program, until the end of 2018, is measured using an adjusted operating cost base at constant 2015 FX rates. "Adjusted operating cost base at constant FX rates" includes adjustments as made in all our disclosures for restructuring expenses, major litigation provisions, expenses related to business sales and a goodwill impairment taken in 4Q15 as well as adjustments for debit valuation adjustments (DVA) related volatility, FX and for certain accounting changes (which had not been in place at the launch of the cost savings program). Adjustments for certain accounting changes have been restated to reflect grossed up expenses in the Corporate Center and, starting in 1Q18, also include adjustments for changes from ASU 2014-09 "Revenue from Contracts with Customers", which is described further in our 1Q18, 2Q18 and 3Q18 financial reports. Adjustments for FX apply unweighted currency exchange rates, i.e., a straight line average of monthly rates, consistently for the periods under review. Starting from 1Q19, we intend to express our operating cost base at constant 2018 FX rates and to adjust for significant litigation costs, expenses related to business and real estate sales as well as DVA related volatility, but not for restructuring expenses and certain accounting changes. Adjustments for FX will continue to apply unweighted currency exchange rates.

† Regulatory capital is calculated as the worst of 10% of RWA and 3.5% of leverage exposure. Return on regulatory capital is calculated using (adjusted) income / (loss) after tax and assumes a tax rate of 30% and capital allocated based on the worst of 10% of average RWA and 3.5% of average leverage exposure. For the Markets business within the APAC division and for the Global Markets and Investment Banking & Capital Markets divisions, return on regulatory capital is based on US dollar denominated numbers. Adjusted return on regulatory capital is calculated using adjusted results, applying the same methodology to calculate return on regulatory capital.

‡ Return on tangible equity is based on tangible equity attributable to shareholders, a non-GAAP financial measure, which is calculated by deducting goodwill and other intangible assets from total equity attributable to shareholders as presented in our balance sheet. Management believes that the return on tangible equity attributable to shareholders is meaningful as it allows consistent measurement of the performance of businesses without regard to whether the businesses were acquired.

° Tangible book value is a non-GAAP financial measure and is equal to tangible equity attributable to shareholders. Tangible book value per share is a non-GAAP financial measure, which is calculated by dividing tangible equity attributable to shareholders, a non-GAAP financial measure, by total number of shares outstanding. Tangible equity attributable to shareholders, a non-GAAP financial measure, is calculated by deducting goodwill and other intangible assets from total equity attributable to shareholders as presented in our balance sheet. Management believes that tangible book value per share is meaningful as it allows consistent measurement of the performance of businesses without regard to whether the businesses were acquired. For end-3Q18, tangible equity excluded goodwill of CHF 4,736 mn and other intangible assets of CHF 214 mn from total shareholders' equity of CHF 42,734 mn as presented in our balance sheet. For end-2017, tangible equity excluded goodwill of CHF 4,742 mn and other intangible assets of CHF 223 mn from total shareholders' equity of CHF 41,902 mn as presented in our balance sheet. For end-2Q15, tangible equity excluded goodwill of CHF 8,238 mn and other intangible assets of CHF 205 mn from total shareholders' equity of CHF 42,642 mn as presented in our balance sheet. Shares outstanding were 2,552.4 mn at end-3Q18, 2,550.3 mn at end-2017 and 1,632.4 mn at end-2Q15.

Notes (2/2)

Abbreviations

Adj. = Adjusted; AI = Artificial Intelligence; AM = Asset Management; AML = Anti-Money Laundering; APAC = Asia Pacific; ARU = Asset Resolution Unit; AT1 = Additional Tier 1; AuM = Assets under Management; BCBS = Basel Committee on Banking Supervision; BEAT = Base Erosion and Anti-Abuse Tax; BIS = Bank for International Settlements; bps = basis points; CAGR = Compound Annual Growth Rate; CBG = Corporate Bank Group; CCAR = Comprehensive Capital Adequacy Review; CCRO = Chief Compliance and Regulatory Affairs Officer; CDX HY = High-yield credit default swap index; CET1 = Common Equity Tier 1; CIC = Corporate & Institutional Clients; CIF = Customer/Client Information File; CIO = Chief Investment Officer; Corp. Ctr. = Corporate Center; CtB = Change the Bank; CVA = Credit Valuation Adjustment; DCM = Debt Capital Markets; DoJ = Department of Justice; DTA = Deferred Tax Assets; DVA = Debit Valuation Adjustments; EAM = External Asset Manager; EBITDA = Earnings Before Interest Taxes Depreciation and Amortization; ECM = Equity Capital Markets; EM = Emerging Markets; EMEA = Europe, Middle East & Africa; EQ = Equities; ERP = Enterprise Resource Planning; Est. = Estimate; EU = European Union; FICC = Fixed Income, Currencies & Commodities; FINMA = Swiss Financial Market Supervisory Authority FINMA; FLP = Fund Linked Products; FRTB = Fundamental Review of the Trading Book; FTE = Full-time employee; FX = Foreign Exchange; GDP = Gross Domestic Product; GM = Global Markets; G10 = Group of Ten; HKEX = Hong Kong Exchange; IBCM = Investment Banking & Capital Markets; IBD = Investment Banking Department; IC = Investment Consultant; ICBC = Industrial and Commercial Bank of China; ICBCS = ICBC Credit Suisse Asset Management Co. Ltd; IG = Investment Grade; IMF = International Monetary Fund; IMM = Internal Model Method; IP = Investor Products; IPO = Initial Public Offering; IPRE = Interest Producing Real Estate; IRB = Internal Ratings Based; IS&P = Investment Solutions and Products; IT = Information Technology; ITS = International Trading Solutions; IWM = International Wealth Management; JV = Joint Venture; LBO = Leveraged Buyout; LE = Leverage Exposure; LSC = Large Swiss Corporates; LTM = Last Twelve Months; M&A = Mergers & Acquisitions; MD(R) = Managing Director; Mgmt. = Management; MI = Management Information; Mifid II = Markets in Financial Instruments Directive II; Mkts = Markets; NNA = Net new assets; OCC = Office of the Comptroller of the Currency; Op Risk = Operational Risk; PB = Private Banking; PB&WM = Private Banking & Wealth Management; PC = Private Clients; PEP = Politically Exposed Person; pp = percentage points; PTI = Pre-tax income; PVMC = Private & Wealth Management Clients; RM = Relationship Manager(s); RMBS = Residential Mortgage Backed Securities; RoRC = Return on Regulatory Capital; RoTE = Return on Tangible Equity; RPA = Robotic Process Automation; RtB = Run the Bank; RWA = Risk-weighted assets; SA-CCR = Standardized Approach to Counterparty Credit Risk; SME = Small and Medium-Sized Enterprises; SMG = Systematic Market-Making Group; SoW = Share of Wallet; SRU = Strategic Resolution Unit; SUB = Swiss Universal Bank; TBTF = Too Big To Fail; TBV(PS) = Tangible Book Value (per Share); (U)HNW(I) = (Ultra) High Net Worth (Individuals); US GAAP = United States Generally Accepted Accounting Principles; U/W = Underwriting; VaR = Value-at-Risk; VIX = Volatility Index; WM = Wealth Management; WM&C = Wealth Management & Connected; YoY = Year over year; YTD = Year to Date

CREDIT SUISSE 