# Credit Suisse 2022 Strategy Update

October 27, 2022

CREDIT SUISSE

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Credit Suisse has not finalized restated historical information according to its intended future structure and Credit Suisse's independent registered public accounting firm has not reviewed such information. Accordingly, the preliminary information contained in this presentation is subject to completion of ongoing procedures, which may result in changes to that information, and you should not place undue reliance on this preliminary information.

Credit Suisse has not finalized its 3Q22 Financial Report and Credit Suisse's independent registered public accounting firm has not completed its review of the condensed consolidated financial statements (unaudited) for the period. Accordingly, the financial information contained in this document is subject to completion of quarter-end procedures, which may result in changes to that information. In particular, the information contained herein relating to the anticipated accounting and capital impacts on certain deferred tax asset positions, Credit Suisse AG (Bank parent company) participation(s) valuations and other potential matters, continue to be analyzed in light of the changes to the Group's strategic plans announced on October 27, 2022, making these and other closely-related metrics more susceptible to change as we complete our quarter-end procedures.

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.

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This document 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. In addition to our ability to successfully implement our strategic objectives announced today, a number of important factors could cause results to differ materially from the plans, targets, goals, 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, 2021 and in the "Cautionary statement regarding forward-looking information" in our 3Q22 Earnings Release published on October 27, 2022 and submitted to 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", "Goal", "Commitment" and "Aspiration" 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, goals, commitments and aspirations, as well as any other forward-looking statements described as targets or projections, 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, increased inflation, interest rate volatility and levels, global and regional economic conditions, challenges and uncertainties resulting from Russia's invasion of Ukraine, political uncertainty, changes in tax policies, scientific or technological developments, evolving sustainability strategies, changes in the nature or scope of our operations, including as a result of our recently announced strategy initiatives, changes in carbon markets, regulatory changes, changes in levels of client activity as a result of any of the foregoing and other factors. Accordingly, these statements, which speak only as of the date made, are not guarantees of future performance and should not be relied on for any purpose. We do not intend to update these estimates, illustrations, ambitions, objectives, outlooks, goals, commitments, aspirations, targets, projections or any other forward-looking statements. For these reasons, we caution you not to place undue reliance upon any forward-looking statements.

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**We may not achieve the benefits of our strategic initiatives**

We may not achieve all of the expected benefits of our strategic initiatives, such as in relation to intended reshaping of the bank, cost reductions and strengthening and reallocating capital. Factors beyond our control, including but not limited to the market and economic conditions (including macroeconomic and other challenges and uncertainties, for example, resulting from Russia's invasion of Ukraine), customer reaction to our proposed initiatives, enhanced risks to our businesses during the contemplated transitions, 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. Our ability to implement our strategy objectives could also be impacted by timing risks, obtaining all required approvals and other factors.

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# Disclaimer (2/2)

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Our estimates, ambitions, objectives, aspirations and targets often include metrics that are non-GAAP financial measures and are unaudited. A reconciliation of the estimates, ambitions, objectives, aspirations and targets to the nearest GAAP measures is unavailable without unreasonable efforts. Results excluding certain items included in our reported results do not include items such as goodwill impairment, major litigation provisions, real estate gains, impacts from foreign exchange and other revenue and expense items included in our reported results, all of which are unavailable on a prospective basis. Return on tangible equity is based on tangible shareholders' equity, a non-GAAP financial measure also known as tangible book value, which is calculated by deducting goodwill and other intangible assets from total shareholders' equity as presented in our balance sheet, both of which are unavailable on a prospective basis. Such estimates, ambitions, objectives, aspirations and targets are calculated in a manner that is consistent with the accounting policies applied by us in preparing our financial statements.

**Statement regarding capital, liquidity and leverage**
Credit Suisse is subject to the Basel framework, as implemented in Switzerland, as well as Swiss legislation and regulations for systemically important banks, which include capital, liquidity, leverage and large exposure requirements and rules for emergency plans designed to maintain systemically relevant functions in the event of threatened insolvency. Credit Suisse has adopted the Bank for International Settlements (BIS) leverage ratio framework, as issued by the Basel Committee on Banking Supervision (BCBS) and implemented in Switzerland by the Swiss Financial Market Supervisory Authority FINMA.

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 tier 1 leverage ratio and CET1 leverage ratio are calculated as BIS tier 1 capital and CET1 capital, respectively, divided by period-end leverage exposure.

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**Share Capital Increase**
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# Credit Suisse 2022 Strategy Update
## Agenda

| Time (GMT) | Theme | Presenter | Duration |
|---|---|---|---|
| 09:30 am | **Welcome and agenda** | Kinner Lakhani, Head of Group Strategy and Investor Relations | 5’ |
| 09:35 am | **Chairman’s Perspectives** | Axel P. Lehmann, Chairman of the Board of Directors | 10’ |
| 09:45 am | **Strategic Perspectives** | Ulrich Körner, Chief Executive Officer | 30’ |
| 10:15 am | **Financial Perspectives** | Dixit Joshi, Chief Financial Officer | 30’ |
| 10:45 am | **Q&A** | | 60’ |
| 11:45 am | **Close** | | |

# Credit Suisse 2022 Strategy Update

## Strategic Perspectives

Ulrich Körner Chief Executive Officer

October 27, 2022

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# Creating a new Credit Suisse

## A new Credit Suisse

Build on a respected franchise and a blue-chip client base

A simpler, more focused and more stable bank centered around Wealth Management and our Swiss home market supported by strong capabilities in Asset Management and Markets

Led by a new team with very relevant experience and clear accountability

## Decisive actions

Reallocate capital to Wealth Management and Swiss Bank businesses – more stable revenues, less capital intensive

Radically restructure the Investment Bank

- Highly connected Markets business with industry-leading Investor Products franchise
- Carve out CS First Boston as an independent Capital Markets and Advisory bank
- Capital release from exits and significant exposure reduction for Securitized Products

Accelerate cost reduction

Strengthen our capital ratio through divestments, exits and capital actions, whilst creating more value from existing assets

## Benefitting all stakeholders

For our clients, a bank built around their needs

For our shareholders, sustainable returns and value creation

For our employees, a global platform and a unified culture for entrepreneurial talent

For our regulators and other stakeholders, a reliable and trustworthy partner

### Metrics and targets, 2025[1]

**~2/3rd** capital in WM, SB and AM[2]

**~40%** lower RWA / LE in IB[3]

**2.5 bn** lower cost

**1.2 bn** by 2023

**>13.5%** CET1 ratio

1 In CHF unless otherwise stated, please refer to later pages for detailed definition 2 Excluding Corporate Center 3 Compared to 3Q22, from wind-down of the Non-Core Unit and capital release from Securitized Products



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# Addressing our key challenges

- Broad business portfolio, partially fragmented
- Insufficient capital discipline with underperforming/non-strategic/marginal businesses
- Inflexible, high-cost operating model
- Recurrence of litigation and reputational issues
- Volatile and sub-par Group and Investment Bank returns

# Taking decisive action to re-focus Credit Suisse

## Delivering on strategic priorities

- Restructure the Investment Bank
- Strengthen and reallocate capital
- Accelerate cost transformation

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- Strong risk management
- Stable earnings
- Leading positions
- Connected businesses

## Engaging with our Stakeholders

- Provide compelling proposition to clients and employees
- Create sustainable value
- Restore trust

# New Credit Suisse is focused on connected, leading franchises

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## New Credit Suisse

Top 2 global wealth manager outside the US[1]

Leading universal bank in Switzerland

Differentiated and aligned capabilities in Asset Management and Markets

## CS First Boston

Independent Capital Markets and Advisory bank, headquartered in New York

## Capital Release Unit

Securitized Products

Non-Core Unit

Other Divestments

1 Market share based on markets (client domiciles, onshore / offshore) and client segments Credit Suisse is active in; based on McKinsey Wealth Pools, 2021

# Our leading franchises

| | Wealth Management | Swiss Bank | Asset Management |
|---|---|---|---|
| **Attractive markets** | Growing above GDP<br>Low capital intensity<br>High barriers to entry | Very resilient economy<br>Very low leverage vs. other economies | Growing above GDP<br>Low capital intensity |
| **Leading positions** | #2 Wealth Manager outside the US (UHNW, HNW)[1]<br>Top 3 in Europe, Asia, Middle East[2] | #1 in Investment Banking for years[4]<br>Top 2 in Corporate Banking[5]<br>#1 in Institutional Clients[6]<br>#1 in Digital only retail[7] | #2 in Switzerland[8]<br>Multi-specialist asset manager with strengths in specialist products / capabilities |
| **Strong track record** | **14% avg. RoRC[†, 3]** | **12% avg. RoRC[†, 3]** | **43% avg. RoRC[†, 3]** |
| **Markets capabilities** | Cross-asset Investor Products and tailored Equities, FX and Rates capabilities | | |

Note: Results excluding certain items in our reported results are non-GAAP financial measures. See the appendix of this presentation for detailed information and defined terms as well as important presentation and other information relating to non-GAAP financial measures, including reconciliations. 1 Market share based on markets (client domiciles, onshore / offshore) and client segments Credit Suisse is active in; based on McKinsey Wealth Pools, 2021 2 Euromoney Global PB and WM Survey 2021, category: Best PB Services Overall 3 Avg. of 2018-3Q22 adjusted return on regulatory capital 4 Dealogic #1 for last 14 years except 2015 where CS IB was #2, as of June 2021 5 McKinsey and BCG 2021 6 BCG 2021 7 By account balance 8 By Assets under Management



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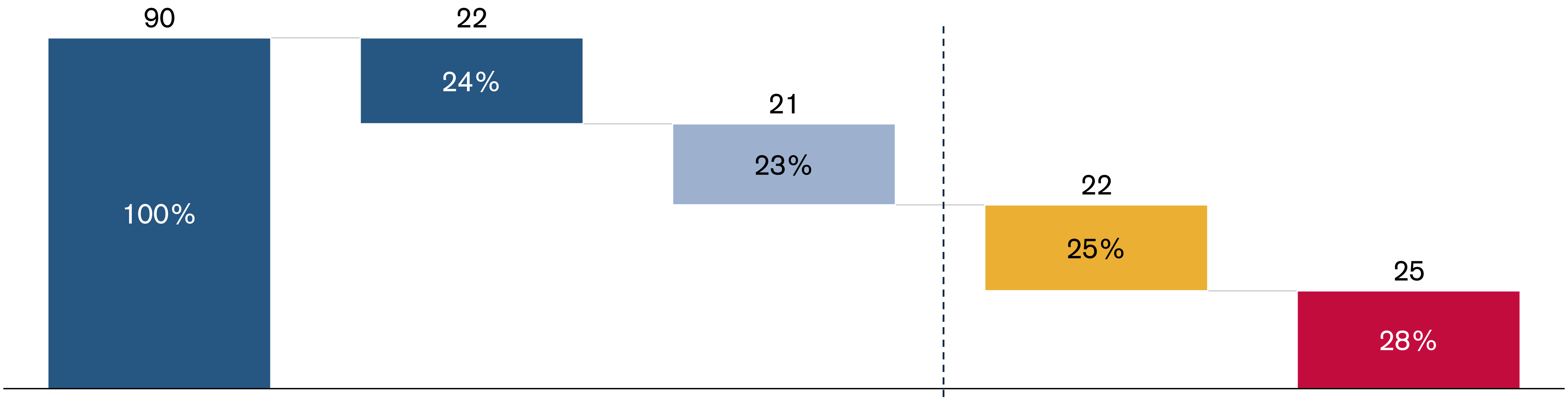
# Investment Bank: ~40% reduction in IB RWA and LE

in USD bn; illustrative




**3Q22 RWA**

**Markets**
Connected market access & solutions
**Align & streamline**

**CS First Boston**
Independent Capital Markets & Advisory bank
**Carve out**

**Securitized Products**
Market-leading, but unconnected to remaining business
**Reduce exposure**

**Non-Core Unit**
Non-strategic/low return businesses and markets
**Wind down**

| | | | | | |
|---|---|---|---|---|---|
| **Leverage exposure** | 385 | 109 | 75 | 85 | 116 |


Note: Historical information presented according to the new divisional structure is a preliminary estimate based on management accounts and subject to change

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# Markets: Leading provider of market access and solutions

## Rationale

- Provider of leading cross-asset Investor Products, Equities, FX and Rates access for our Wealth Management, Swiss Bank clients and select institutional clients
- Ability to deliver tailored services to our clients
- ~50% of net revenue tied to Wealth Management/Swiss Bank clients
- Service provider to CS First Boston

## Key strategic actions

- Materially reduce risk and re-focus
- Integrate value chain for Wealth Management/Swiss Bank clients
- Focused coverage of institutional clients with specific product capabilities
- Cash Equities: simplify and streamline platforms and footprint, focused research
- Grow service to third party wealth managers

## Objectives and financial metrics

- Enable platform growth, scalability and innovation
- Best in class Investor Products for Wealth Management (own and third party)
- Create flexible and lower cost base

**RWA**

USD 22 bn[1]

→

**Net revenue level[2]**

USD ~3 bn



Note: Historical information presented according to the new divisional structure is a preliminary estimate based on management accounts and subject to change
1 As of 3Q22 2 Expectation under normalized market conditions with USD 22 bn of RWA

# CS First Boston: Independent Capital Markets and Advisory bank

## Rationale

- Rooted in strong positions in North America, largest and most attractive capital market
- Independent proposition and partnership model to be competitive in attracting and retaining the best talent and shaping a strong culture
- More global and broader than boutiques, more focused than bulge bracket players
- Well-established First Boston heritage in Capital Markets and Advisory, leader in Financial Sponsors and Leveraged Finance for 20 years

## Key strategic actions

- Carve out business from Investment Bank, transform into partnership model, create independent platform
- Attract external capital for Leveraged Finance
- Firm open to third party capital from anchor investors
- Capital-light and focused offering outside North America to support global clients
- Preferred long-term partnership with new Credit Suisse

## Objectives and financial metrics

- Premium standing with clients and talent
- Sustainably creating economic value through the cycle
- Creates strategic optionality for the Group

| RWA | | Net revenue level[2] |
|---|---|---|
| USD >20 bn[1] | → | USD >2.5 bn |

Note: Historical information presented according to the new divisional structure is a preliminary estimate based on management accounts and subject to change
1 As of 3Q22 2 Expectation under normalized market conditions with USD >20 bn of RWA

# Capital Release Unit

3Q22, in USD bn

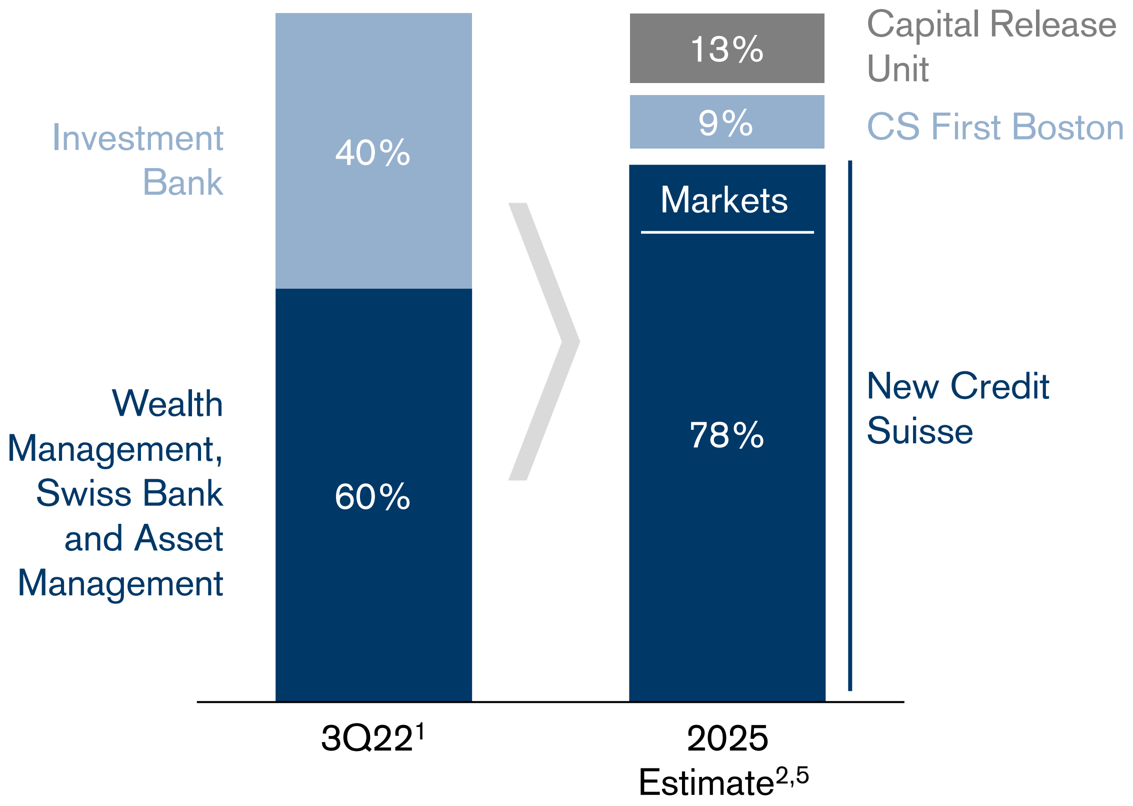
| | Securitized Products (reduce exposure) | Non-Core Unit (wind-down) |
|---|---|---|
| **Rationale** | • Market leading franchise, but capital / funding intensive<br>• Marginal connection to core businesses and to CS First Boston<br>• Value opportunity through partnership<br>• Right-sized exposure | • History of poor / volatile returns<br>• Marginal connection to core businesses<br>• Will unlock cost savings |
| **Key elements/ businesses** | Securitized Products | Residual Prime<br>Reduce European IB lending and capital markets footprint<br>Non-WM related lending in Emerging Markets<br>Presence in selected countries |
| **RWA** | **22** | **35** (includes assets not from IB) |
| **LE** | **85** | **132** (includes assets not from IB) |



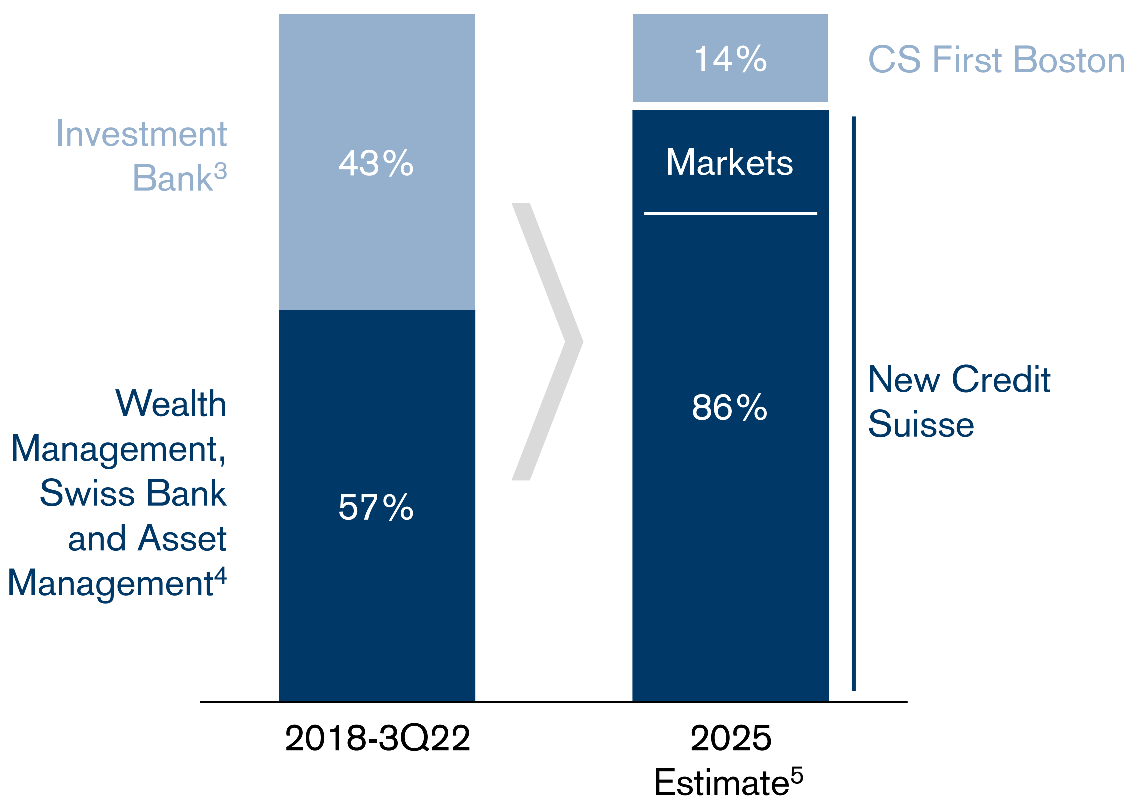
Note: Historical information presented according to the new divisional structure is a preliminary estimate based on management accounts and subject to change

# Allocate more capital to our higher return businesses

## RWA Mix (excl. CC)



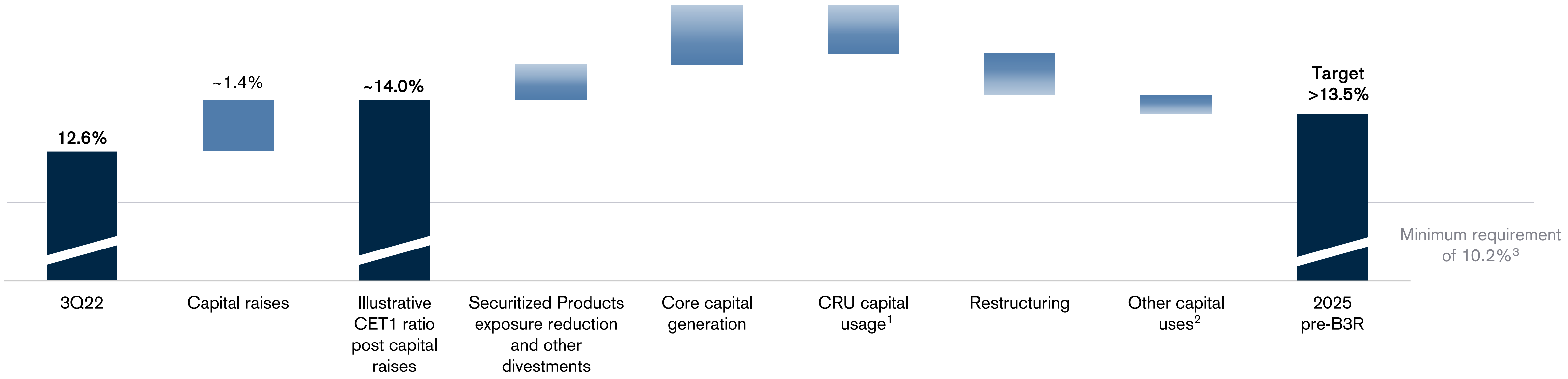

## Revenue Mix (excl. CC and CRU)




1 Based on current structure pre-GTS and pre-AFG pay-away 2 Including Basel III reforms 3 Includes Fixed income sales and trading, Equity sales and trading, Capital markets revenues and Advisory and other fees 4 Includes Wealth Management, Swiss Bank and Asset Management revenues on an adjusted basis 5 Estimates and assumptions are based on currently available information and beliefs, expectations and opinions of management and include all known facts and decisions as of October 27, 2022. Actual results may differ.

# Targeting Group CET1 ratio of >13.5% pre-B3R in 2025

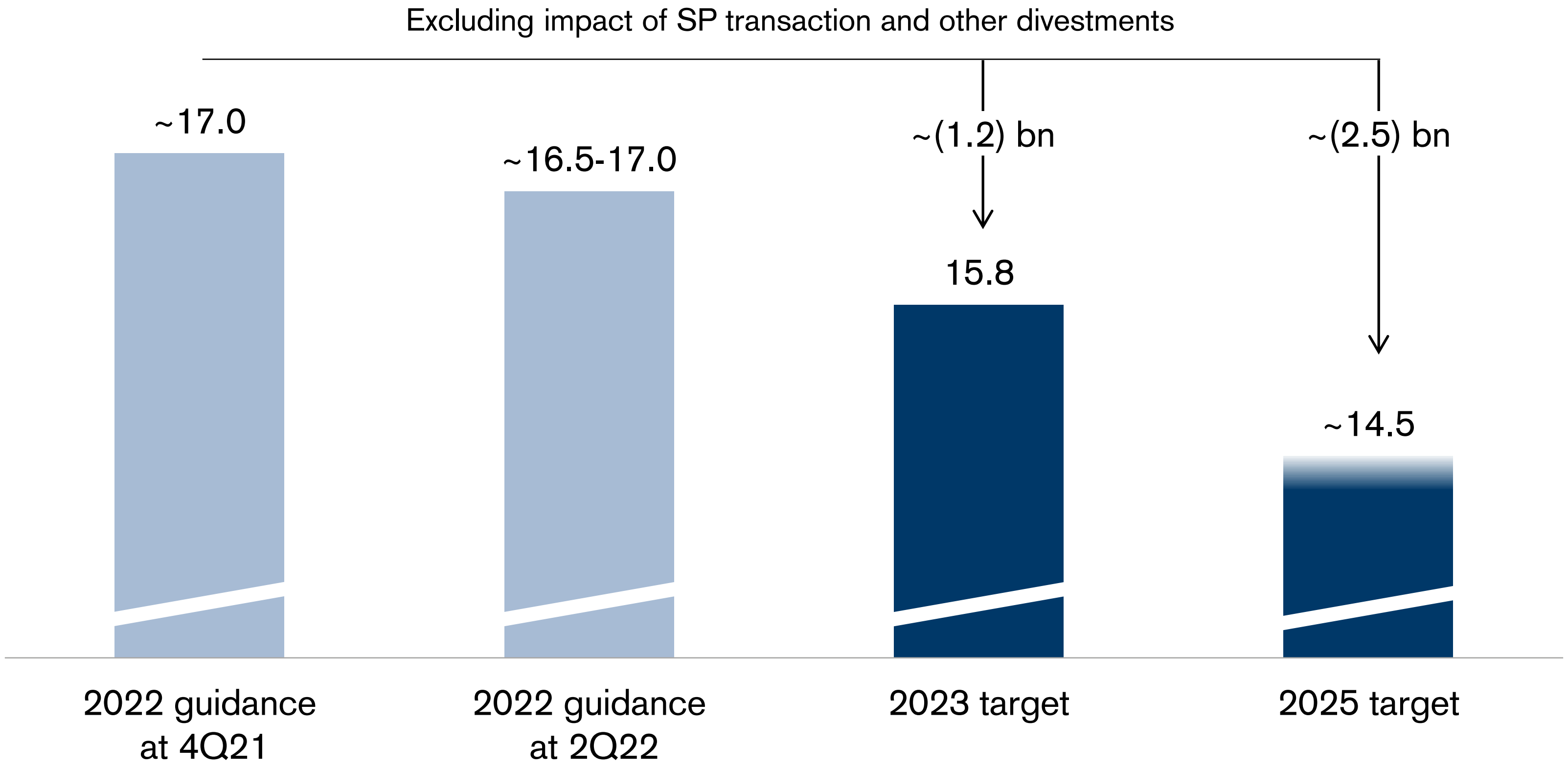
**Illustrative CET1 ratio development**
In %




Note: Estimates and assumptions are based on currently available information and beliefs, expectations and opinions of management and include all known facts and decisions as of October 27, 2022. Actual results may differ 1 Including Securitized products profitability and Non-Core Unit 2 Includes dividend accrual and contingencies 3 As of 3Q22 inclusive of the lower Pillar 1 requirement due to the lower Swiss Market Share related capital surcharge (effective since June 30, 2022) and the lower leverage exposure related capital surcharge (effective from September 30, 2022), as well as Supply Chain Finance Fund related Pillar 2 capital add-on and Swiss CCyB introduced in Sep 2022

# Reducing cost by 15%

Group cost base in CHF bn[1]




**Selected cost levers**

Non-core rundown and business descoping – *less work in non-core or unprofitable business*

Organizational simplification – *with fewer people*

Workforce management – *at lower cost*

Third-party cost management – *buying less for less*



1 Adjusted operating expenses at constant 2022 FX rates and on constant perimeter, before impact of Securitized Products transaction and other divestments

# Summary – Financial targets to unlock value

| | 2025 Financial Targets |
|---|---|
| Restructure the Investment Bank | Core Return on Tangible Equity‡ >8%<br>Group Return on Tangible Equity‡ ~6% |
| Strengthen and reallocate capital | CET1 ratio >13.5% pre-B3R |
| Accelerate cost transformation | Cost base[1] CHF ~14.5 bn |
| | Nominal dividend 2022-2024; meaningful distribution from 2025 onwards |



1 Adjusted operating expenses at constant 2022 FX rates and on constant perimeter, before impact of Securitized Products transaction and other divestments

# Execution roadmap

**Immediate**

Re-shape portfolio, strengthen capital, execute cost reduction

**2023-24**

Transform into new Credit Suisse and CS First Boston and improve cost efficiency

**2025 onwards**

Deliver sustainable returns and grow core business

# What is different this time

- New Executive Board with significant relevant experience, strong track record of execution
- Clear near-term accountability for each milestone of our targets
- Strongly capitalized to deliver on our targets
- Radically restructuring the Investment Bank
- Resolving legacy issues head-on

# What the new Credit Suisse means for our stakeholders

| Clients | Investors | Employees | Regulators |
|---|---|---|---|

*We are focused on…*

Building a stronger bank around the needs of our clients

Restoring a reputation as a sustainable, responsible and stable bank

Simplifying business model for growth and profitability

Ensuring clarity of strategy and proposition

Creating an aligned and positive culture

Streamlining the structure to foster entrepreneurship and client service

Being a transparent, reliable and trustworthy partner

# Credit Suisse 2022 Strategy Update

## Financial Perspectives

Dixit Joshi Chief Financial Officer

October 27, 2022

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# Our strategic priorities

| | 2025 Targets |
|---|---|
| Restructure the Investment Bank | Investment Bank capital reduction[1] of ~40% from wind-down of the Non-Core Unit and capital release from Securitized Products<br>Ambition to attract external capital in CS First Boston |
| Strengthen and reallocate capital | CET1 ratio of >13.5% pre-B3R<br>CET1 ratio expected to remain at least 13.0% through transformation[2] |
| Accelerate cost transformation | Reduce Group cost base[3] by CHF ~2.5 bn to CHF ~14.5 bn |

1 Based on RWAs excluding Basel III reforms  2 From 2023 through 2025  3 Adjusted operating expenses at constant 2022 FX rates and on constant perimeter, before impact of Securitized Products transaction and other divestments

# A simplified new Credit Suisse

**Credit Suisse divisional structure**
Illustrative 3Q22, in CHF bn (unless otherwise stated)

From January 1, 2023

## Core

| | Wealth Management | Swiss Bank | Asset Management | Investment Bank[1] in USD bn | Corporate Center |
|---|---|---|---|---|---|
| RWA | 52 | 72 | 9 | 43 | 42 |
| LE | 168 | 241 | 3 | 184 | 32 |

**Simplification of organizational structure**

- Dissolving both Global Trading Solutions and Asia Financing Group joint-ventures
- Swiss Investment Banking & Capital Markets from Investment Bank to Swiss Bank
- Sale of full Allfunds stake

## Capital Release Unit

| | Securitized Products[2] in USD bn | Non-Core Unit[3] in USD bn |
|---|---|---|
| RWA | 22 | 35 |
| LE | 85 | 132 |
| | Value creation | Wind-down |

Risk reduction

Note: Historical information presented according to the new divisional structure is a preliminary estimate based on management accounts and subject to change
1 Markets and CS First Boston 2 Before transaction 3 Includes Asset Resolution Unit

# We are making clear strategic choices in our Investment Bank

## Investment Bank

**Align & streamline**

**Markets**
- Cross Asset Investor Products
- Equities
- Focused FX

**High connectivity with Wealth Management, Swiss Bank and CS First Boston**

**Carve out**

**CS First Boston**
- Capital Markets
- Advisory
- Financing

**Independent Capital Markets & Advisory bank**

## Capital Release Unit

**Exposure reduction**

**Securitized Products**
- Asset Securitization
- Mortgage Servicing

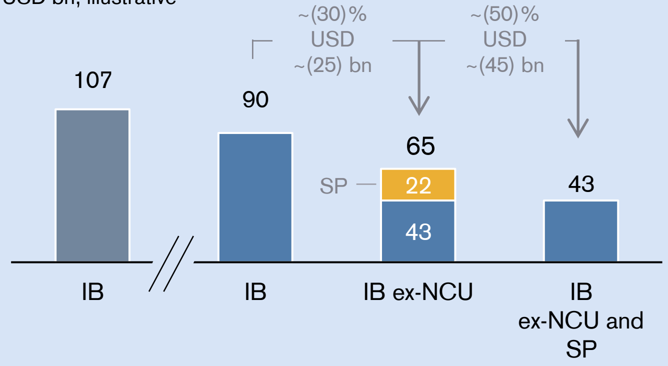
**Market leading but low connectivity and high capital usage**

**Wind down**

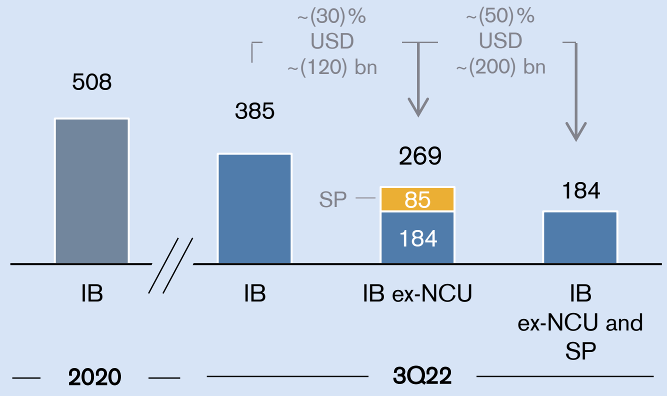
**Non-Core Unit**
- Prime Residual
- EM Trading[1] & Financing[2]

**Non-strategic, low returns and higher risk**

### Investment Bank RWA
in USD bn; illustrative




### Investment Bank Leverage Exposure
in USD bn; illustrative






Note: Historical information presented according to the new divisional structure is a preliminary estimate based on management accounts and subject to change
1 Ex-China, India and Brazil 2 Ex-Wealth Management related businesses

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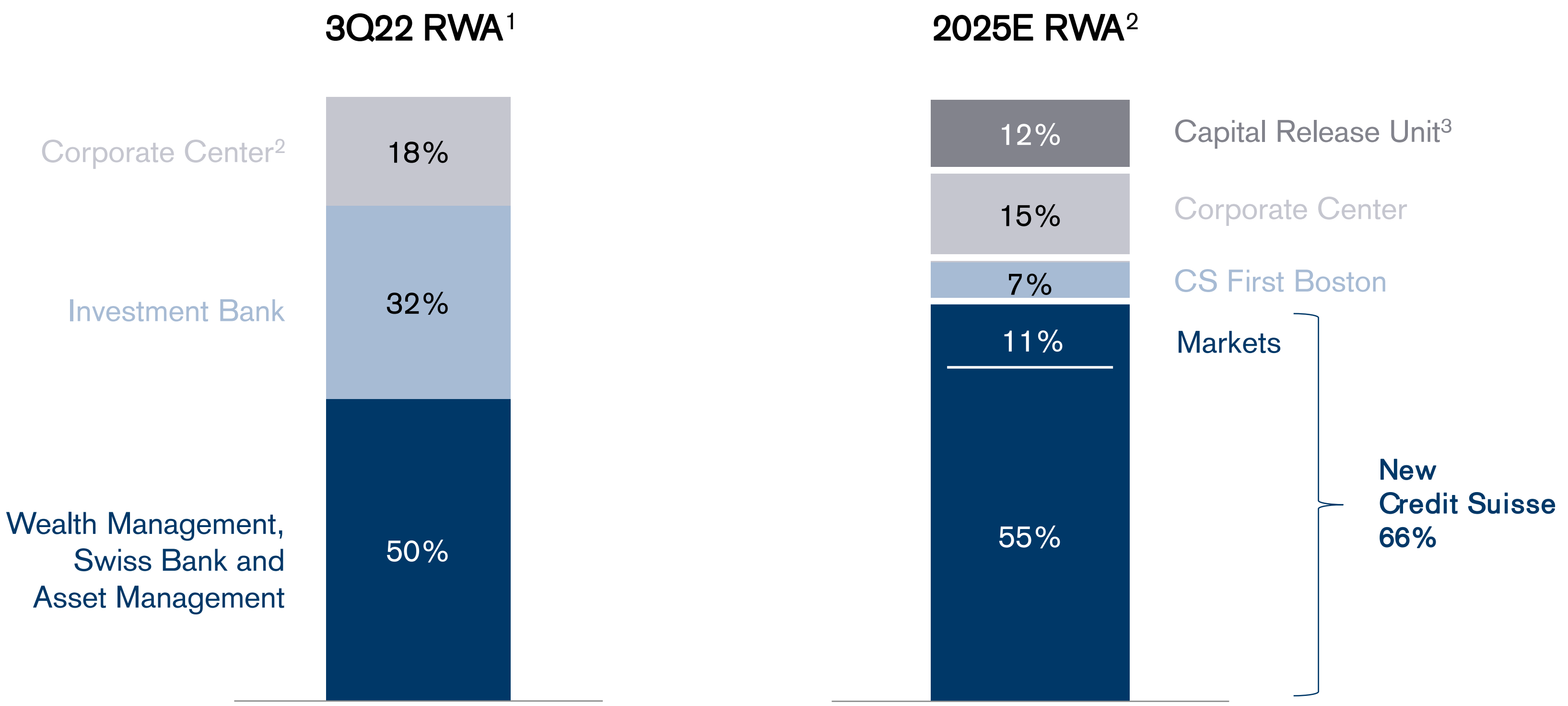
# Transform Credit Suisse into a capital-light model

Investment Bank RWA expected at <1/5th of Group by 2025 vs. 1/3rd at 3Q22

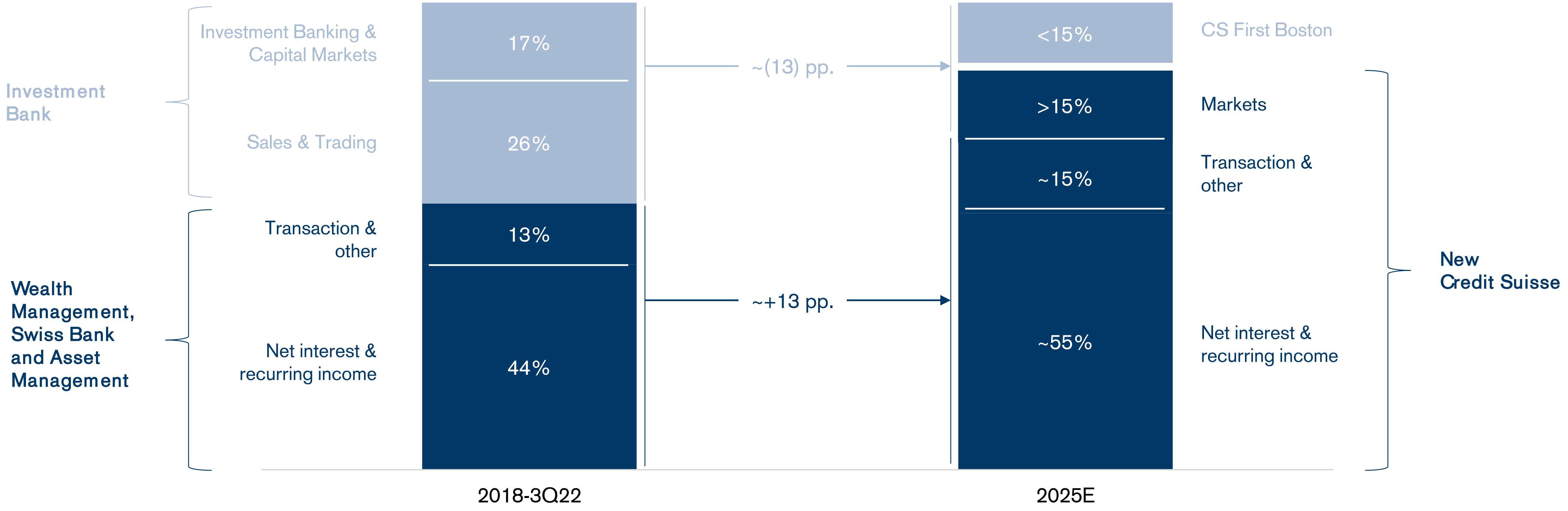



- Target Investment Bank capital reduction[4] of ~40% from wind-down of the Non-Core Unit and capital release from Securitized Products
- Ambition to attract external capital in CS First Boston

Note: Estimates and assumptions are based on currently available information and beliefs, expectations and opinions of management and include all known facts and decisions as of October 27, 2022. Actual results may differ 1 Based on current structure pre-GTS and AFG pay-away 2 Including Basel III reforms 3 Including Asset Resolution Unit and Securitized Products 4 Based on RWAs excluding Basel III reforms

# Drive a more stable business mix

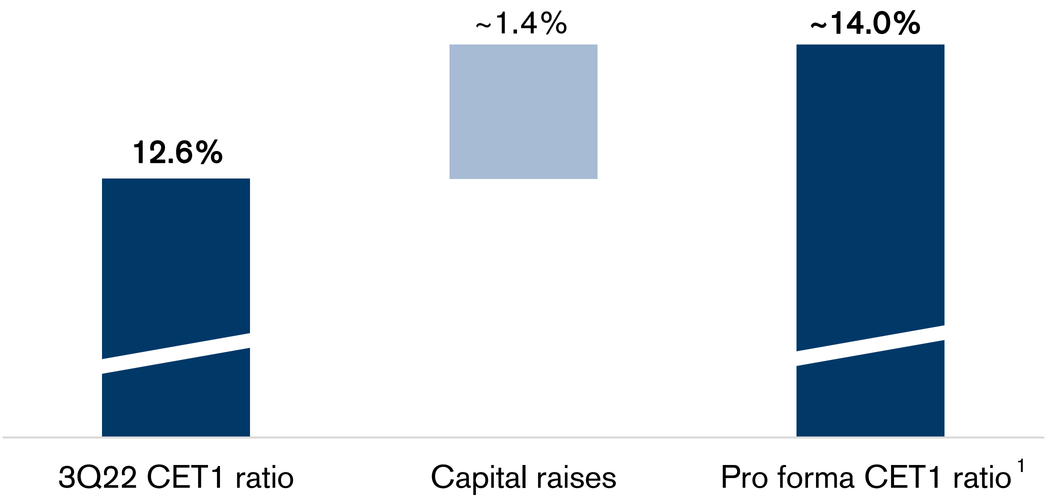
**Revenue mix[1]**
Based on adjusted net revenues, in %




Note: Estimates and assumptions are based on currently available information and beliefs, expectations and opinions of management and include all known facts and decisions as of October 27, 2022. Actual results may differ 1 Excluding Corporate Center and Capital Release Unit

# Decisive actions to strengthen capital

## Capital raises with gross proceeds of CHF ~4 bn




## Further significant capital release

Capital release from Securitized Products

Divestments ~50 bps of CET1 ratio

Non-Core Unit RWA reduction of USD ~18 bn equivalent to USD ~2.5 bn[2] capital release by end 2025

Note: Estimates and assumptions are based on currently available information and beliefs, expectations and opinions of management and include all known facts and decisions as of October 27, 2022. Actual results may differ 1 Assuming immediate benefit 2 Aspiration based on 13.5% of RWA

# Overview of proposed capital raises

## Proposed capital raises

| | |
|---|---|
| **Structure** | ▪ Non preemptive placement (“NPP”) with selected investors and firm underwritten rights issue[1] |
| **Size of capital raises (gross proceeds)** | ▪ CHF ~4.0 bn[2] |
| o/w non preemptive placement | ▪ CHF ~1.85 bn |
| o/w rights issue | ▪ CHF ~2.15 bn[3] |

## Indicative timeline for proposed capital raises

**2022**

- Thursday October 27 — **3Q22 results / Strategy Update / announcement of capital raises**
- Monday October 31 — **Announcement of terms for NPP and of expected terms of rights issue**
- Tuesday November 1 — **EGM invitation**
- Wednesday November 23 — **Extraordinary General Meeting**
- Thursday November 24 — **Announcement of final terms of rights issue**
- Friday November 25 — **Settlement of NPP & first trading day of NPP shares / publication of prospectus**
- Monday November 28 — **Start rights trading and exercise period**
- Tuesday December 6 — **End of rights trading period**
- Thursday December 8 — **End of rights exercise period (noon CET)**
- Friday December 9 — **Settlement of rights issue & first trading day of new shares**

1 Subject to customary conditions, including approval by EGM 2 Subject to EGM approval 3 Up to CHF ~ 4.0 bn if the non preemptive placement is not approved by the EGM and/or implemented

# Overview of proposed Securitized Products transaction

**Transfer of the Securitized Products Group**

### Transaction highlights

- Credit Suisse's Securitized Products Group (SPG) is a full-service, vertically integrated credit solutions provider
- Credit Suisse entered into a framework and exclusivity agreement to transfer SPG to an investor group led by Apollo Global Management and PIMCO
- Forms a key part of Credit Suisse's strategic shift towards a more stable, less capital intensive, and advisory-focused model
- Designed to release capital and achieve significant risk reduction for the Group
- Under the proposed transaction, Apollo would acquire the majority of SPG's assets and enter into an asset management agreement to manage the residual assets on Credit Suisse's behalf
- Subject to final agreement, anticipated during 4Q22; transaction expected to close in 1H23

Note: Estimates and assumptions are based on currently available information and beliefs, expectations and opinions of management and include all known facts and decisions as of October 27, 2022. Actual results may differ

# Establish Non-Core Unit to release capital



**Structure**

- Non-Core Unit incorporates Asset Resolution Unit
- Experienced team with a track record of winding down assets while maintaining strong controls

**Governance**

- Simplified risk management and governance structure
- Transparency for stakeholders via dedicated segment reporting

**Key Priorities**

- Accelerate reduction of assets to release capital and reduce risk
- Eliminate related operating costs

**9M22 Financials**[1,2]

| | |
|---|---|
| Net revenues | USD 0.2 bn |
| Total operating expenses | USD 1.8 bn |
| Pre-tax income | USD (1.7) bn |
| RWA | USD 35 bn |
| Leverage exposure | USD 132 bn |

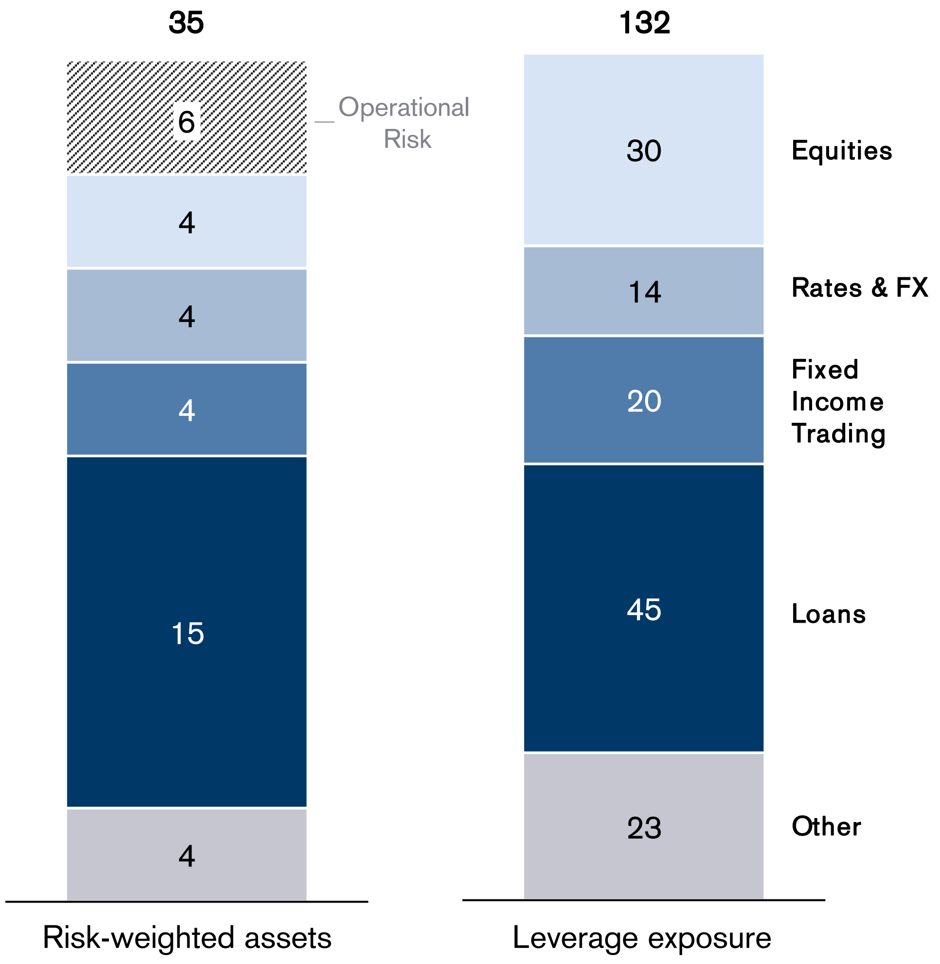
Note: Historical information presented according to the new divisional structure is a preliminary estimate based on management accounts and subject to change
1 Non-Core Unit financials including Asset Resolution Unit 2 Adjusted net revenues, total operating expenses and pre-tax income

# Non-Core Unit Composition



## Asset composition

Illustrative, as of 3Q22 in USD bn




- Equity swaps
- Interest rate swaps, cross currency swaps, options, swaptions
- Credit, Emerging Markets, Corporate Derivatives
- Corporate Bank, Emerging Markets
- Minority Interest Investments
- Legacy Life Finance business

## NCU highlights and key metrics

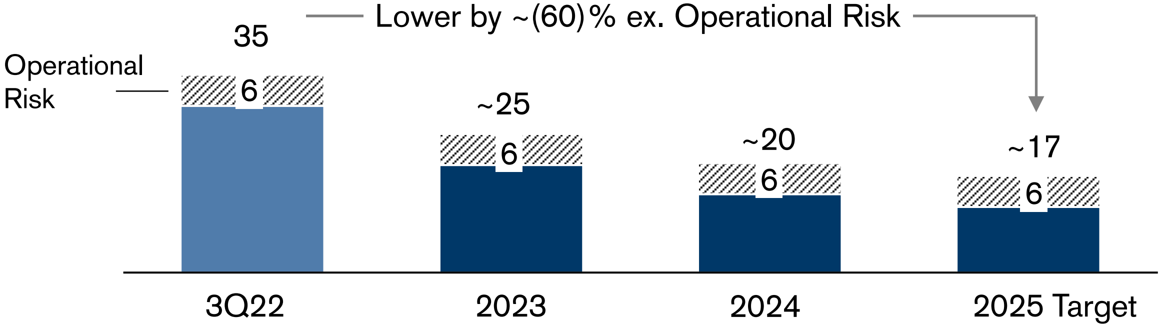
- 50% of the Investment Bank's Emerging Markets RWA exposure transferred to the Non-Core Unit
- Fair Value Level 3 assets of USD ~4 bn or ~40% of the Group
- Average portfolio duration 4-5 years
- Excluding Operational Risk, the portfolio is comprised of ~85% Credit Risk and ~15% Market Risk RWA



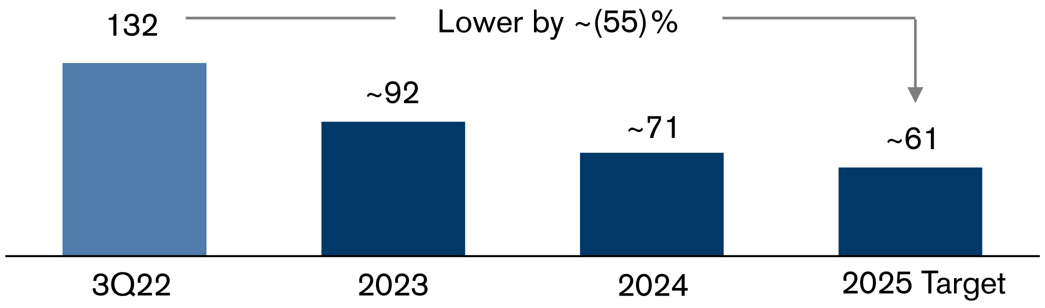
Note: Historical information presented according to the new divisional structure is a preliminary estimate based on management accounts and subject to change

# Accelerated wind down of Non-Core Unit

**Risk-weighted asset progression**[1] Illustrative, in USD bn




**Leverage exposure progression** Illustrative, in USD bn




**Expected by 2025**

**Release USD ~2.5 bn of capital**[2]

**Reduction in adjusted pre-tax loss from USD ~2.2 bn**[3] **in 2022 to USD ~1.3 bn in 2025**

**Further management actions to reduce costs**

Note: Estimates and assumptions are based on currently available information and beliefs, expectations and opinions of management and include all known facts and decisions as of October 27, 2022. Actual results may differ. Historical information presented according to the new divisional structure is a preliminary estimate based on management accounts and subject to change 1 Pre-Basel III reforms 2 Aspiration based on 13.5% of RWA 3 9M22 adjusted pre-tax income annualized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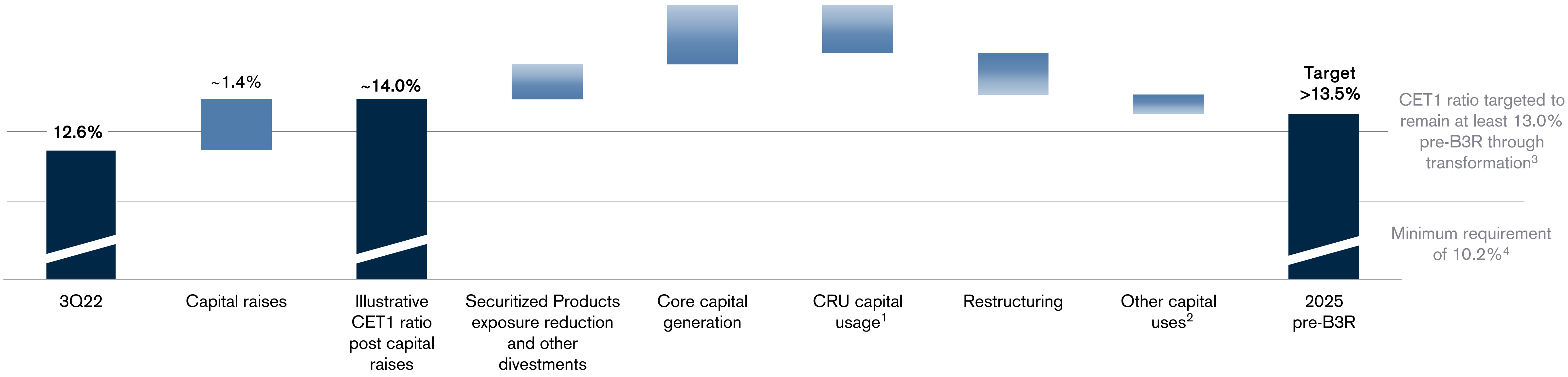
# Targeting Group CET1 ratio of >13.5% pre-B3R in 2025

## Illustrative CET1 ratio development

In %




Note: Estimates and assumptions are based on currently available information and beliefs, expectations and opinions of management and include all known facts and decisions as of October 27, 2022. Actual results may differ 1 Including Securitized Products profitability and Non-Core Unit 2 Includes dividend accrual and contingencies 3 From 2023 through 2025 4 As of 3Q22 inclusive of the lower Pillar 1 requirement due to the lower Swiss Market Share related capital surcharge (effective since June 30, 2022) and the lower leverage exposure related capital surcharge (effective from September 30, 2022), as well as Supply Chain Finance Fund related Pillar 2 capital add-on and Swiss CCyB introduced in Sep 2022



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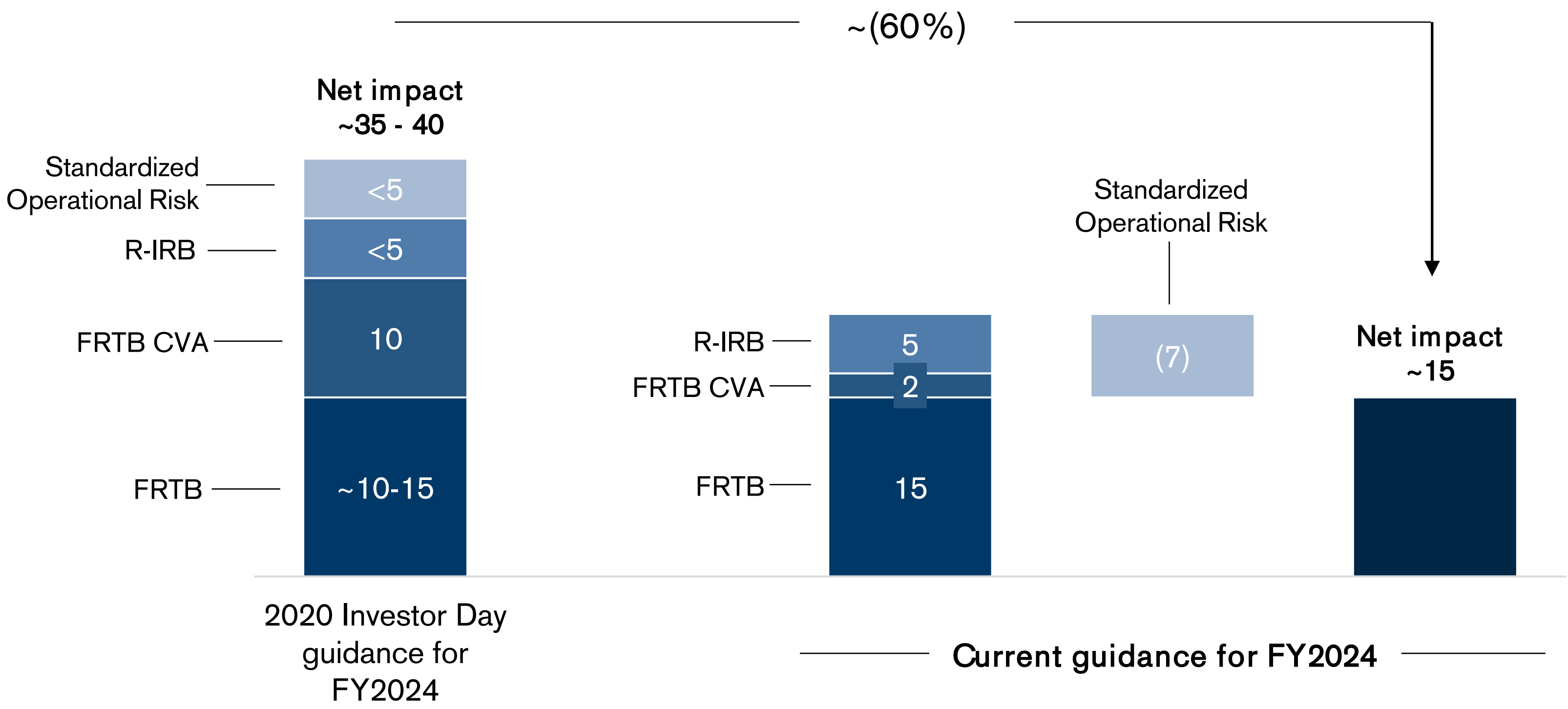
# Regulatory capital inflation significantly reduced by our strategic actions

### Estimated RWA increase from Basel III reforms
In CHF bn




### Basel III reform impact

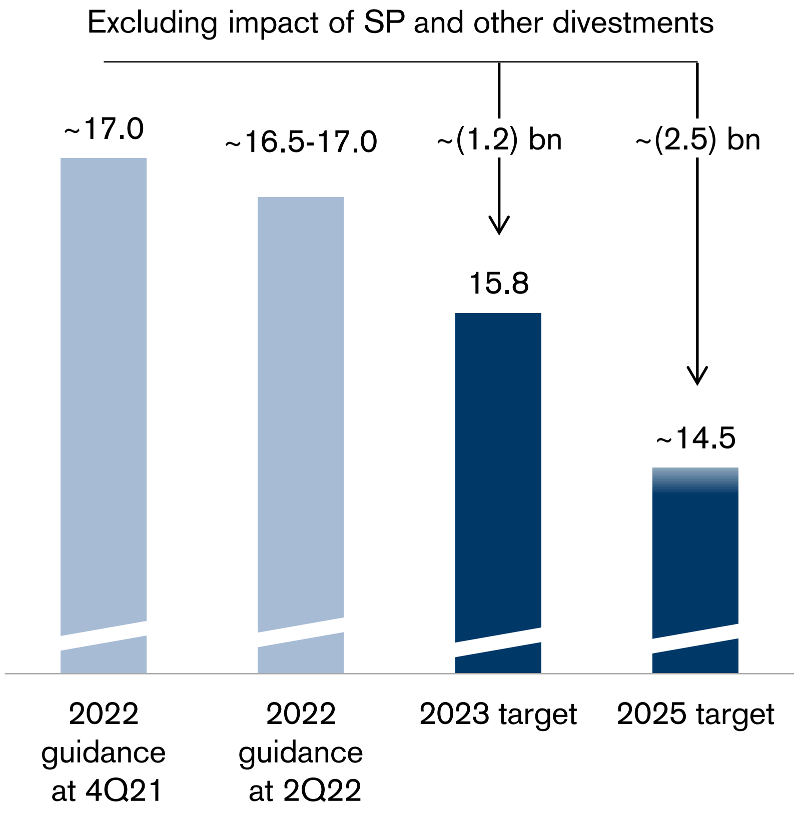
- Reduced CVA impact primarily driven by exposure reduction
- Reduced Operational Risk RWA impact from Group strategic actions since 2020
- B3R CET1 ratio go-live impact of ~70 bps



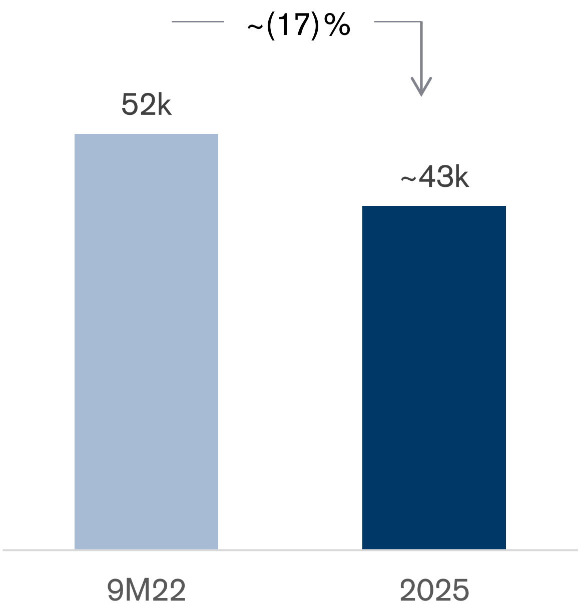
Note: Estimates and assumptions are based on currently available information and beliefs, expectations and opinions of management and include all known facts and decisions as of October 27, 2022. Actual results may differ

# Initiated CHF ~2.5 bn cost reduction program

**Group cost base**[1]
in CHF bn




**Full Time Employees**[2]




**Clear visibility on 2023 cost reduction**[2]

Actions already mandated represent 2/3rd of 2023 savings:

- 2,700 FTE reduction or 5% of FTE base already underway
- 50% reduction on consultancy spend initiated in 2H22
- 30% reduction in contractor spend initiated in 2H22
- On track for estimated CHF 200 mn technology and operations exit cost savings in 2022

1 Adjusted operating expenses at constant 2022 FX rates and on constant perimeter, before impact of Securitized Products transaction and other divestments 2 Estimates and assumptions are based on currently available information and beliefs, expectations and opinions of management and include all known facts and decisions as of today. Actual results may differ

# Relentless focus on driving down our cost base through key transformation initiatives

## Non-Core Unit rundown and business descoping

- Reshaped Investment Bank enables direct cost reduction and rationalization of related Group infrastructure
- Descoping of unprofitable activities with more focused business footprint, reduced legal entities, reduced IT spend on non-core businesses
- Reduction of internal services and non-revenue producing roles and lower complexity of governance and processes

## Organizational simplification

- Simpler organizational structure with aim to eliminate duplication, improve productivity
- Remove complex and manual processes, supported by continued digitalization program
- 2,700 FTE reduction or 5% of FTE base already underway. Full financial impact will be reflected in 2023

## Workforce management

- Improved mix of near/offshored resourcing, and optimized combination of in/outsourcing
- Shift to more optimized 'spans and layers' with improved seniority mix
- 30% reduction in contractor spend initiated in 2H22

## Third-party cost management

- Reset spend on all third parties including consultancy, market data, legal and property
- Outsourced procurement model to achieve market leading pricing
- 50% reduction on consultancy spend initiated in 2H22

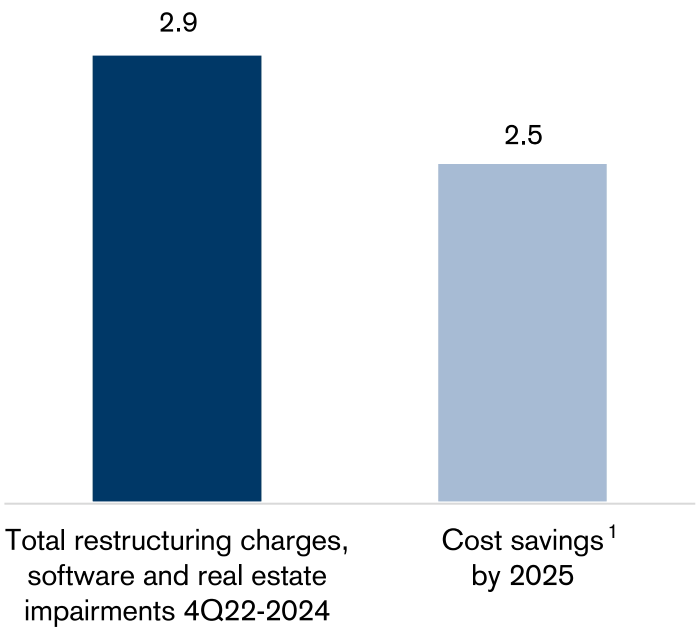
Efficiency savings to support strategic investments in business, technology and people

Risk management controls and standards continue to be prioritized

# Restructuring charges and impairments

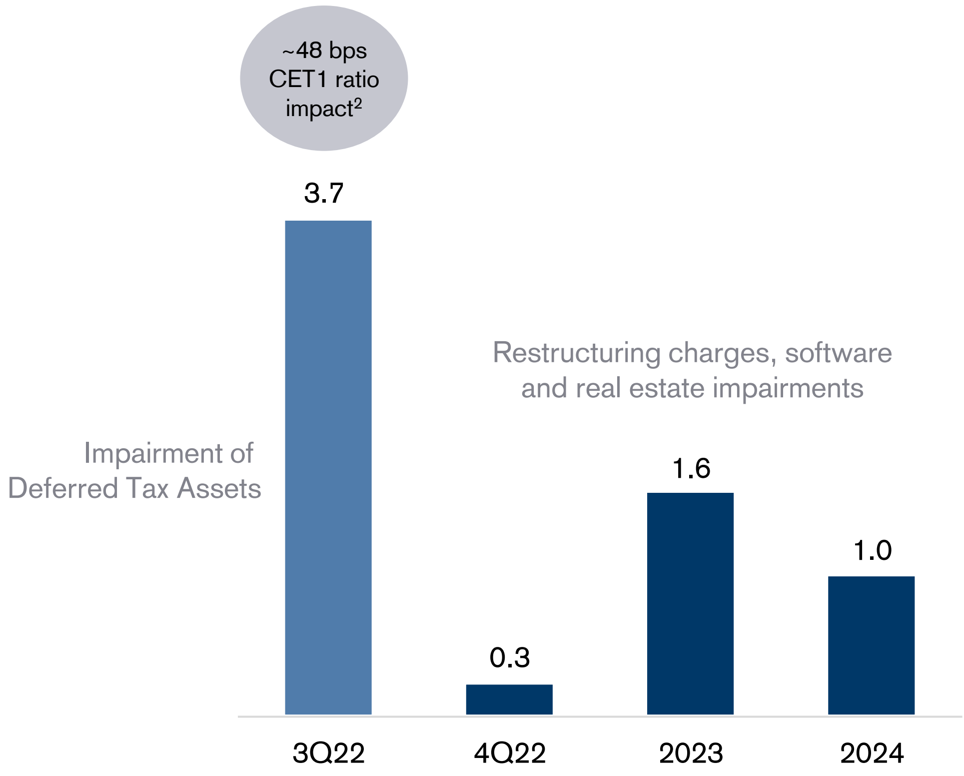
## Estimated total restructuring charges, software and real estate impairments vs. cost savings

in CHF bn




## Estimated upfront costs to execute our strategy

in CHF bn




Note: Estimates and assumptions are based on currently available information and beliefs, expectations and opinions of management and include all known facts and decisions as of October 27, 2022. Actual results may differ 1 Adjusted operating expenses at constant 2022 FX rates and on constant perimeter, before impact of Securitized Products transaction and other divestments 2 Relates to CHF 2.0 bn write off of DTA timing differences



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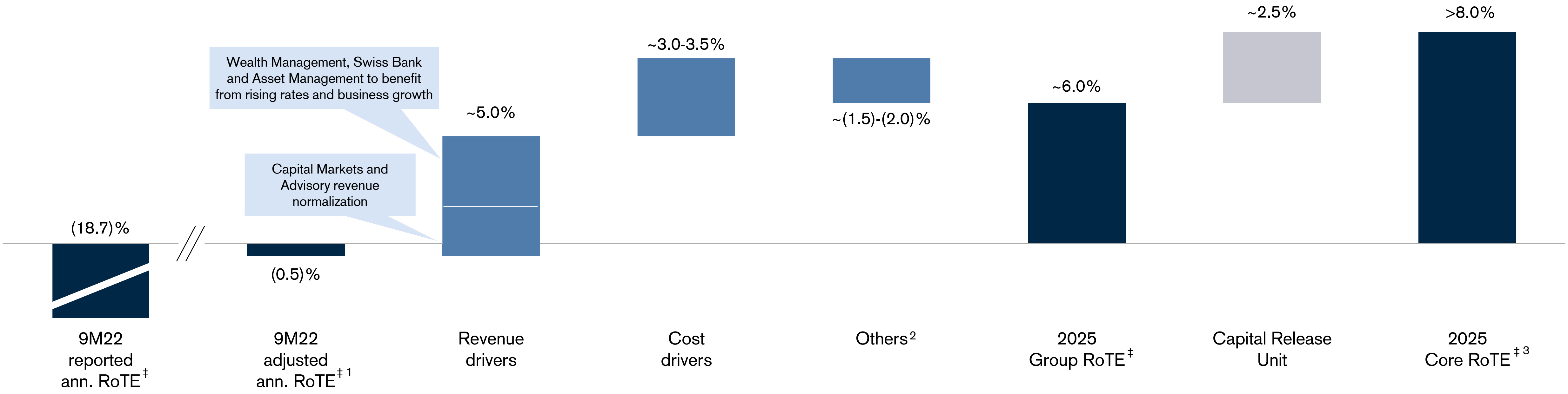
# We are targeting a core RoTE of >8% and a Group RoTE of ~6% by 2025

**Group Return on Tangible Equity ‡**
Illustrative development, based on CHF




In the medium-term, our new business mix will support higher Group RoTE

Note: Results excluding certain items in our reported results are non-GAAP financial measures. See the appendix of this presentation for detailed information and defined terms as well as important presentation and other information relating to non-GAAP financial measures. Estimates and assumptions are based on currently available information and beliefs, expectations and opinions of management and include all known facts and decisions as of today. Actual results may differ 1 Estimate based on 2025 tax rate and 2025 average tangible shareholders equity 2 Including Securitized Products, other divestments impact and provisions for credit losses 3 Core includes Group returns, ex-NCU and Securitized Products



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# We are focused on the disciplined execution of our strategy

**Restructure the Investment Bank**

Target Investment Bank capital reduction[1] of ~40% from wind-down of the Non-Core Unit and capital release from Securitized Products

Ambition to attract external capital in CS First Boston

**Strengthen and reallocate capital**

Capital raises with gross proceeds of CHF ~4.0 bn leading to a pro forma CET1 ratio of ~14.0%

Capital Release Unit and other divestments to release CHF >5 bn of capital by 2025

**Accelerate cost transformation**

Relentless focus on driving down our cost base by CHF ~2.5 bn

## Our 2025 Financial Targets

### Returns

- Core Return on Tangible Equity‡ >8%
- Group Return on Tangible Equity‡ ~6%

### Capital

- CET1 ratio[2] >13.5% in 2025
- CET1 ratio[2] through transformation[3] at least 13.0%
- Nominal dividend 2022-2024; meaningful distribution from 2025 onwards

### Costs

- 2023 Group cost base[4] CHF 15.8 bn
- 2025 Group cost base[4] CHF ~14.5 bn

Note: Estimates and assumptions are based on currently available information and beliefs, expectations and opinions of management and include all known facts and decisions as of October 27, 2022. Actual results may differ 1 Based on RWAs excluding Basel III reforms 2 Pre-Basel III reforms 3 From 2023 through 2025 4 Adjusted operating expenses at constant 2022 FX rates and on constant perimeter, before impact of Securitized Products transaction and other divestments

# Appendix

# Notes

**General notes**

- Throughout this presentation rounding differences may occur
- Results excluding certain items included in our reported results are non-GAAP financial measures
- Our cost base target is measured using adjusted operating expenses at constant 2022 FX rates and on constant perimeter, before impact of Securitized Products transaction and other divestments
- Unless otherwise noted, all **CET1 capital, CET1 ratio, CET1 leverage ratio, Tier 1 leverage ratio, risk-weighted assets** and **leverage exposure** figures shown in these presentations are as of the end of the respective period

**Specific notes**

† Regulatory capital is calculated as the average of 13.5% of RWA and 4.25% of leverage exposure and return on regulatory capital, a non-GAAP financial measure, is calculated using income/(loss) after tax and assumes a tax rate of 25% from 2020 onward. For the Investment Bank, return on regulatory capital is based on US dollar denominated numbers. Return on regulatory capital excluding certain items included in our reported results is calculated using results excluding such items, applying the same methodology. Adjusted return on regulatory capital excluding certain items included in our reported results is calculated using results excluding such items, applying the same methodology.

‡ Return on tangible equity, a non-GAAP financial measure, is calculated as annualized net income attributable to shareholders divided by average tangible shareholders' equity. Tangible shareholders' equity, a non-GAAP financial measure, is calculated by deducting goodwill and other intangible assets from total shareholders' equity as presented in our balance sheet.

**Abbreviations**

AFG = Asia Pacific Financing Group; APAC = Asia Pacific; avg = average; B3R = Basel III Reform; BCBS = Basel Committee on Banking Supervision; BIS = Bank for International Settlements; bn = billion; bps = basis points; CCyB = Countercyclical buffer; CET1 = Common Equity Tier 1; CHF = Swiss Franc; CRU = Capital Release Unit; CS = Credit Suisse; CtB = Change the Bank; CVA = Credit Valuation Adjustment; EEA = European Economic Area; EM = Emerging Markets; EU = European Union; FINMA = Swiss Financial Market Supervisory Authority FINMA; FinSA = Swiss Federal Act on Financial Services; FRTB = Fundamental review of the trading book; FTE = Full-time equivalent; FX = Foreign Exchange; GAAP = Generally Accepted Accounting Principles; GDP = Gross Domestic Product; GTS = Global Trading Solutions; IB = Investment Bank; IRB = Internal ratings-based; k = thousand; LE = Leverage exposure; mn = million; NCU = Non-Core Unit; OpRisk = Operational Risk; PCL = Provision for credit losses; RoRC = Return on Regulatory Capital; RoTE = Return on tangible equity; RWA = Risk-weighted assets; SP = Securitized Products; vs. = versus; UK = United Kingdom; USD = United States Dollar; WM = Wealth Management

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