

# Credit Suisse

## Second Quarter 2019 Results



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July 31, 2019

CREDIT SUISSE 

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## **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 this presentation in the Appendix as well as in the 2Q19 Financial Report, which are both available on our website at [www.credit-suisse.com](http://www.credit-suisse.com).

Our estimates, ambitions, objectives and targets often include metrics that are non-GAAP financial measures and are unaudited. A reconciliation of the estimates, ambitions, objectives and targets to the nearest GAAP measures 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, all of which are unavailable on a prospective basis. Return on Tangible Equity is based on tangible shareholders' equity, a non-GAAP financial measure, 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 and targets are calculated in a manner that is consistent with the accounting policies applied by us in preparing our financial statements.

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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. Swiss leverage ratios are measured on the same period-end basis as the leverage exposure for the BIS leverage ratio.

## **Sources**

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# Earnings Review



# Key messages

Net income attributable to shareholders of CHF 937 mn in 2Q19, up 45% YoY  
11<sup>th</sup> consecutive quarter of YoY positive operating leverage

## 1 Continued profitable growth in Wealth Management

- Increased Group AuM by more than CHF 100 bn to CHF 1.5 tn in 1H19
- Continued strong Wealth Management<sup>1</sup> net asset inflows of CHF 19.1 bn in 1H19 with record AuM of CHF 797 bn
- Increased Wealth Management-related<sup>2</sup> revenues to CHF 6.8 bn in 1H19, up CHF 0.9 bn vs. 1H16, and CHF 2.6 bn of PTI
- Well positioned to capture further attractive growth opportunities

## 2 Global Markets performing strongly post-restructuring

- Increased revenues and gained market share YoY in Equity and Fixed Income Sales & Trading
- Achieved pre-tax income of USD 359 mn and improved return on regulatory capital<sup>†</sup> to 11% in 2Q19

## 3 Driving Group returns higher

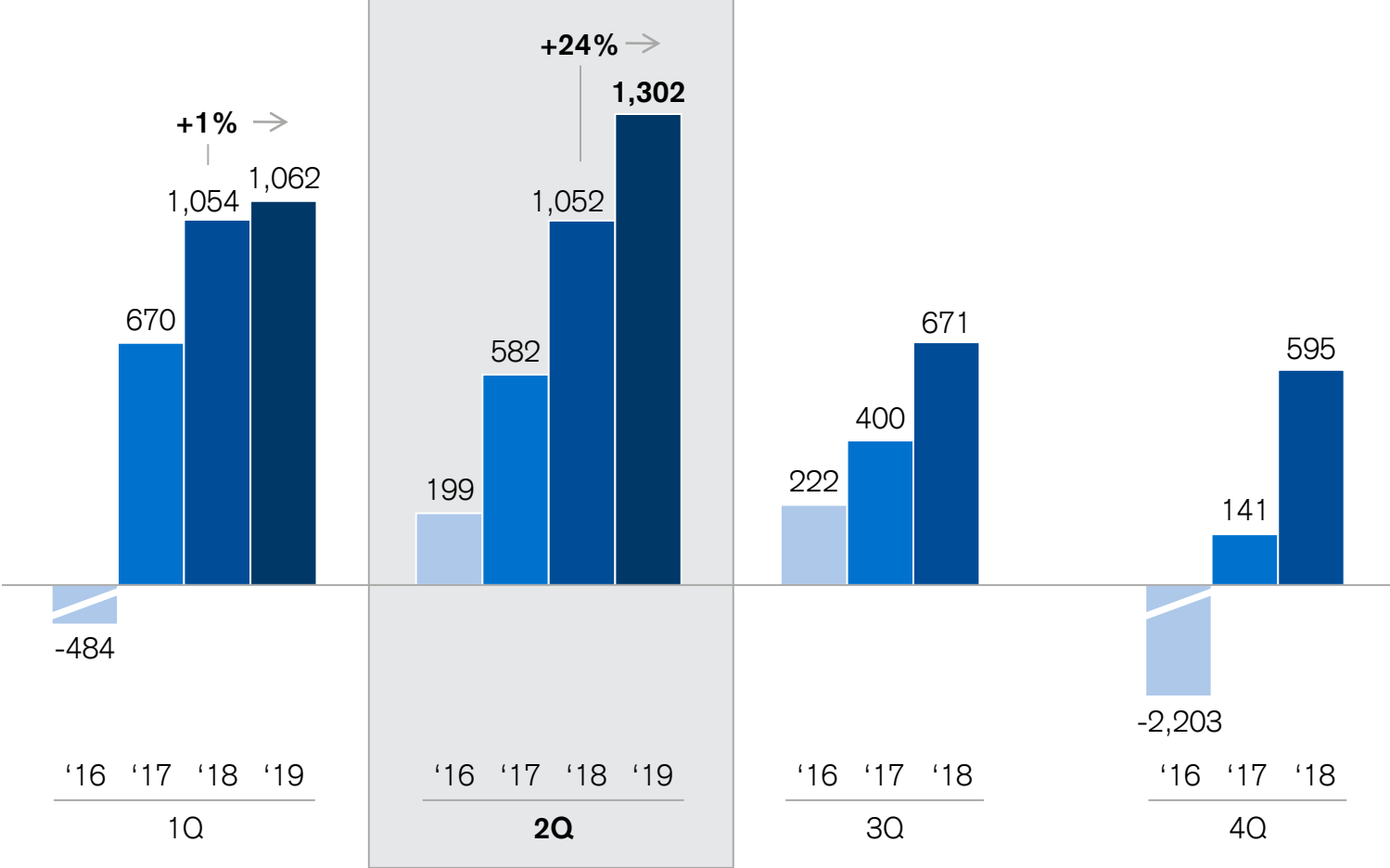
- Improved return on tangible equity<sup>‡</sup> to 10% in 2Q19
- Returning capital to our shareholders – bought back CHF 570 mn of shares YTD<sup>3</sup> and paid out CHF 695 mn of dividend
- Maintained strong capital position, with CET1 ratio of 12.5% and Tier 1 leverage ratio of 5.3%

†, ‡ RoRC and RoTE are non-GAAP financial measures, see Appendix; RoTE figures are rounded up and down to the nearest whole number

1 Relating to SUB PC, IWM PB and APAC PB within WM&C 2 Relating to SUB, IWM and APAC WM&C 3 As of July 30, 2019

# We delivered the highest quarterly pre-tax income since the restructuring with Group PTI of CHF 1.3 bn in 2Q19

**Group pre-tax income**  
in CHF mn



# We continued to operate in an unsupportive environment with muted client activity

## Equity markets are at record levels...

1H19 performance<sup>1</sup>

<b>S&amp;P 500</b>	<b>+17%</b>	<i>all-time high</i>
<b>EuroStoxx 600</b>	<b>+14%</b>	<i>near record levels</i>
<b>SMI</b>	<b>+17%</b>	<i>all-time high</i>
<b>MSCI APAC ex Japan</b>	<b>+11%</b>	<i>near record levels</i>

## ...and credit spreads still elevated despite having tightened...

US High Yield Index spread-to-worst in bps<sup>2</sup>



## ...however, client activity remains muted

2Q19 YoY performance

**-26%**

**M&A street fees<sup>3</sup>**  
in USD terms

**-41%**

**LevFin street fees<sup>3,4</sup>**  
in USD terms

**flat**

**US Equities street trading volumes<sup>1</sup>**  
average daily turnover, in USD terms

**-22%**

**EMEA Equities street trading volumes<sup>5</sup>**  
average daily turnover, in USD terms

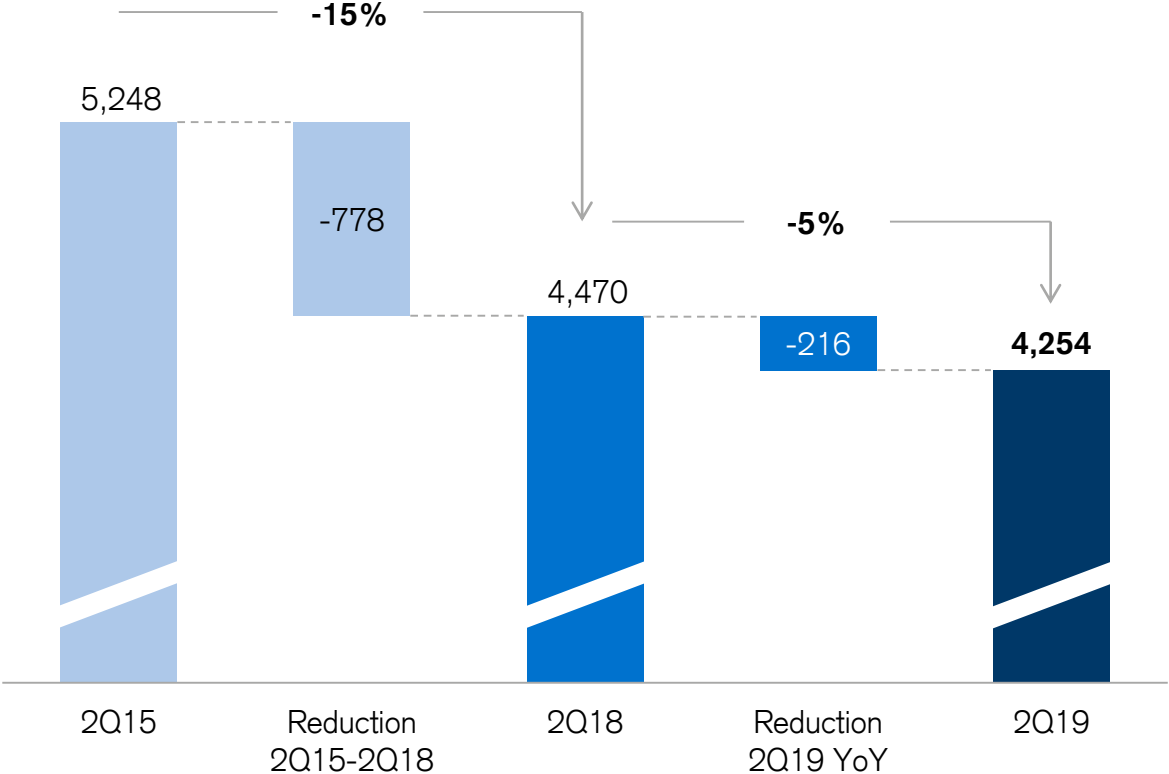
**-16%**

**APAC Equities street trading volumes<sup>1,6</sup>**  
average daily turnover, in USD terms

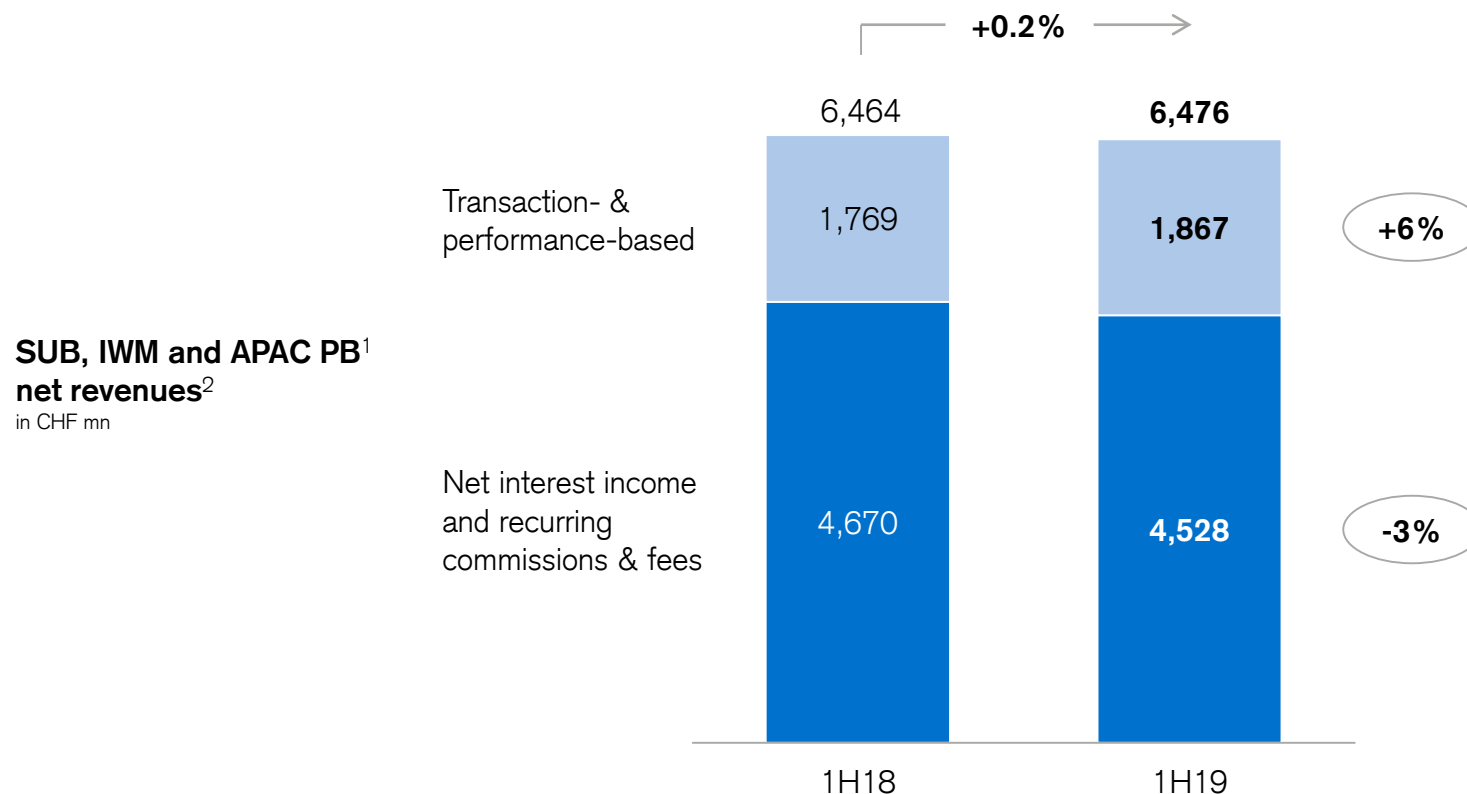
1 Source: Bloomberg as of June 30, 2019 2 Source: Credit Suisse PLUS as of June 30, 2019 3 Source: Dealogic as of June 30, 2019. Includes Americas and EMEA 4 Includes High Yield bonds and Leveraged Loans 5 Source: Credit Suisse estimates based on European exchanges data 6 Relating to APAC excluding China onshore cash market turnover

# During 2Q19, we have continued to demonstrate our ability to flex our operating cost base

**Group operating expenses**  
in CHF mn



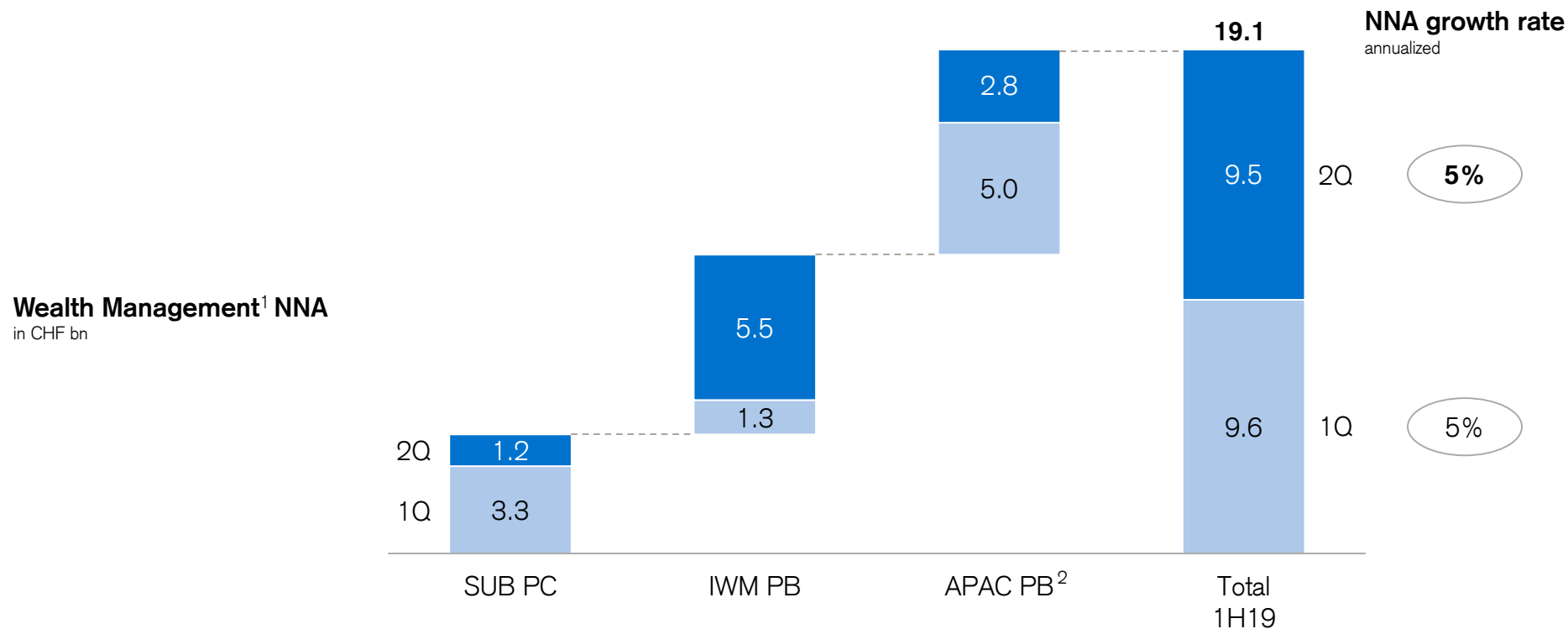
# Our Wealth Management revenues have remained resilient, reflecting the strength of our diversified business model



<sup>1</sup> APAC PB within WM&C    <sup>2</sup> Totals include other revenues of CHF 25 mn in 1H18 and CHF 81 mn in 1H19

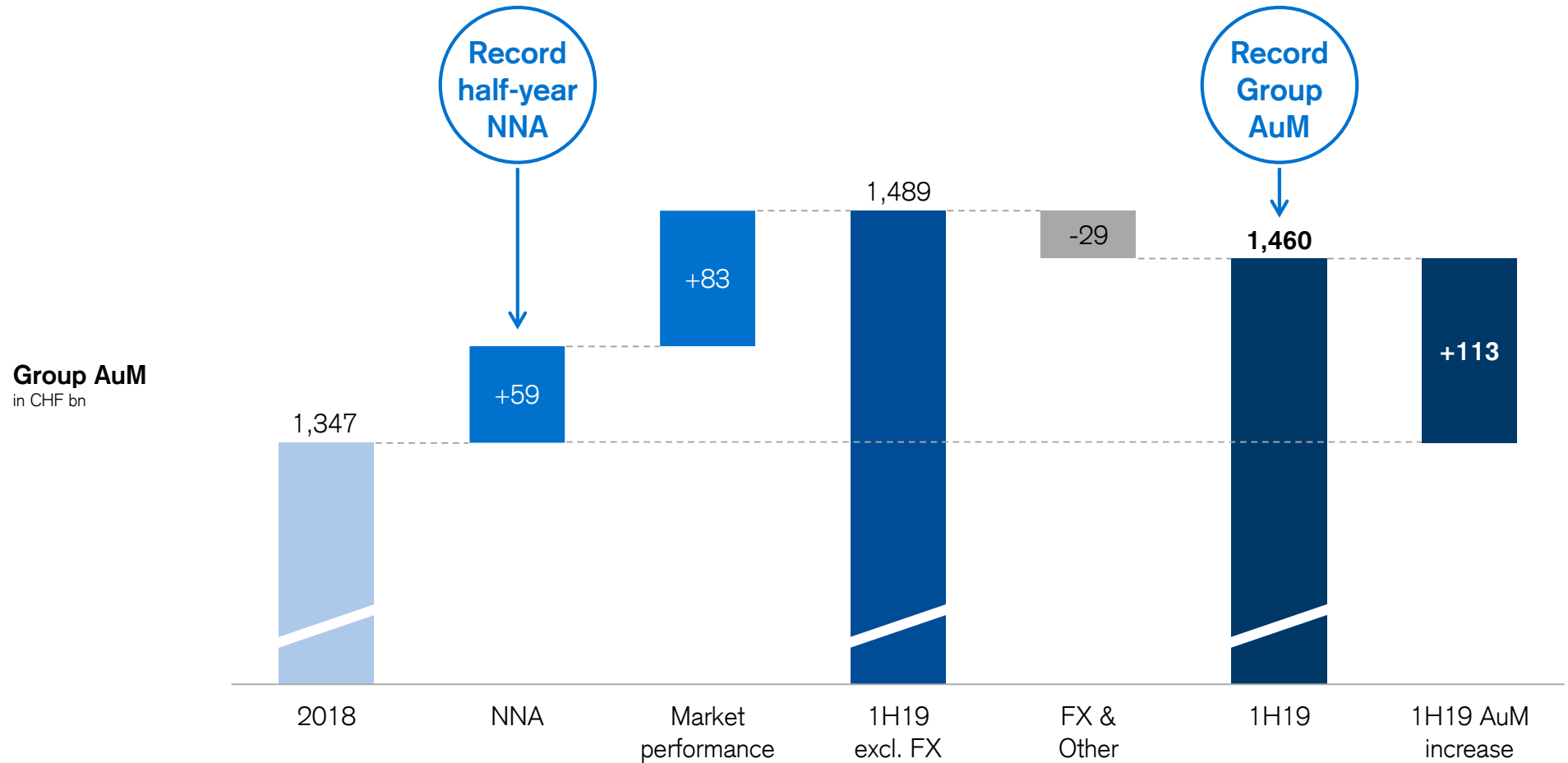


We continued to attract NNA with CHF 9.5 bn in 2Q19, achieving a 5% growth rate – the 11<sup>th</sup> time in last 14 quarters

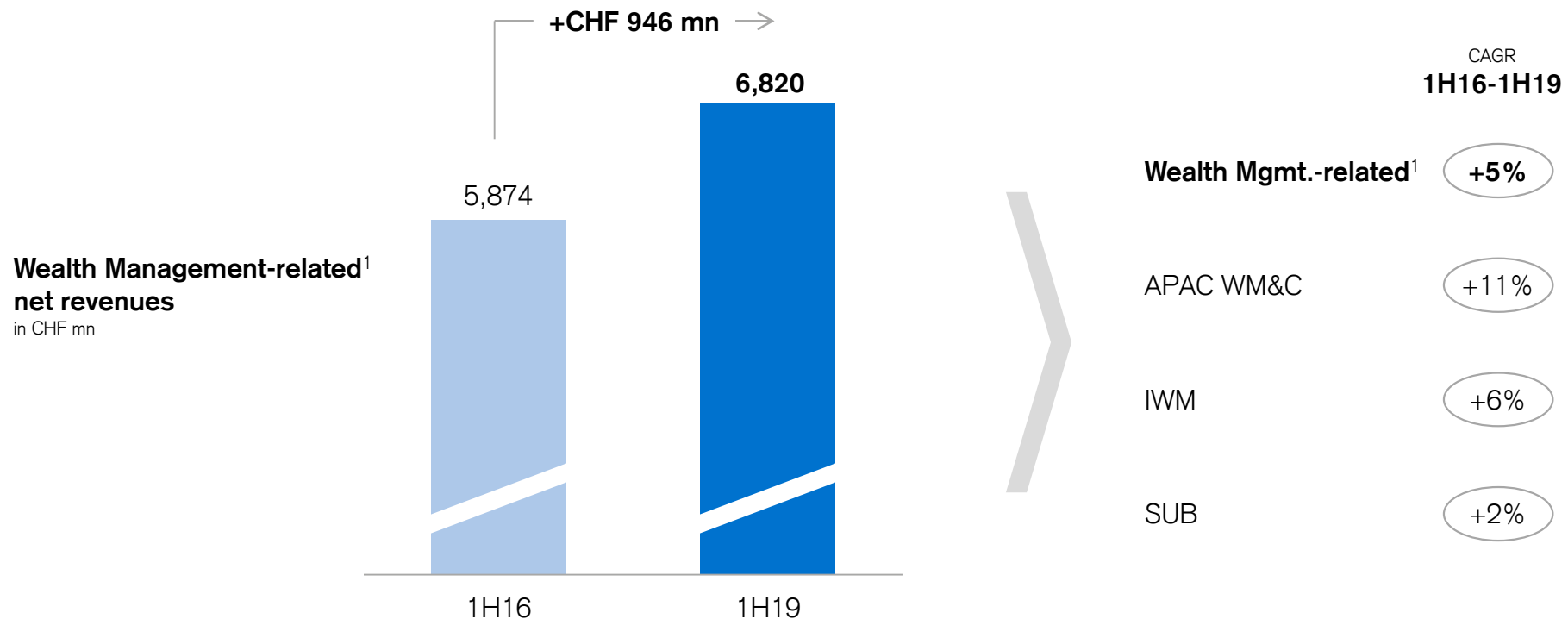


<sup>1</sup> Relating to SUB PC, IWM PB and APAC PB within WM&C    <sup>2</sup> APAC PB within WM&C

Overall, we have added more than CHF 100 bn of AuM in 1H19, with CHF 1.5 trillion now managed across the Group

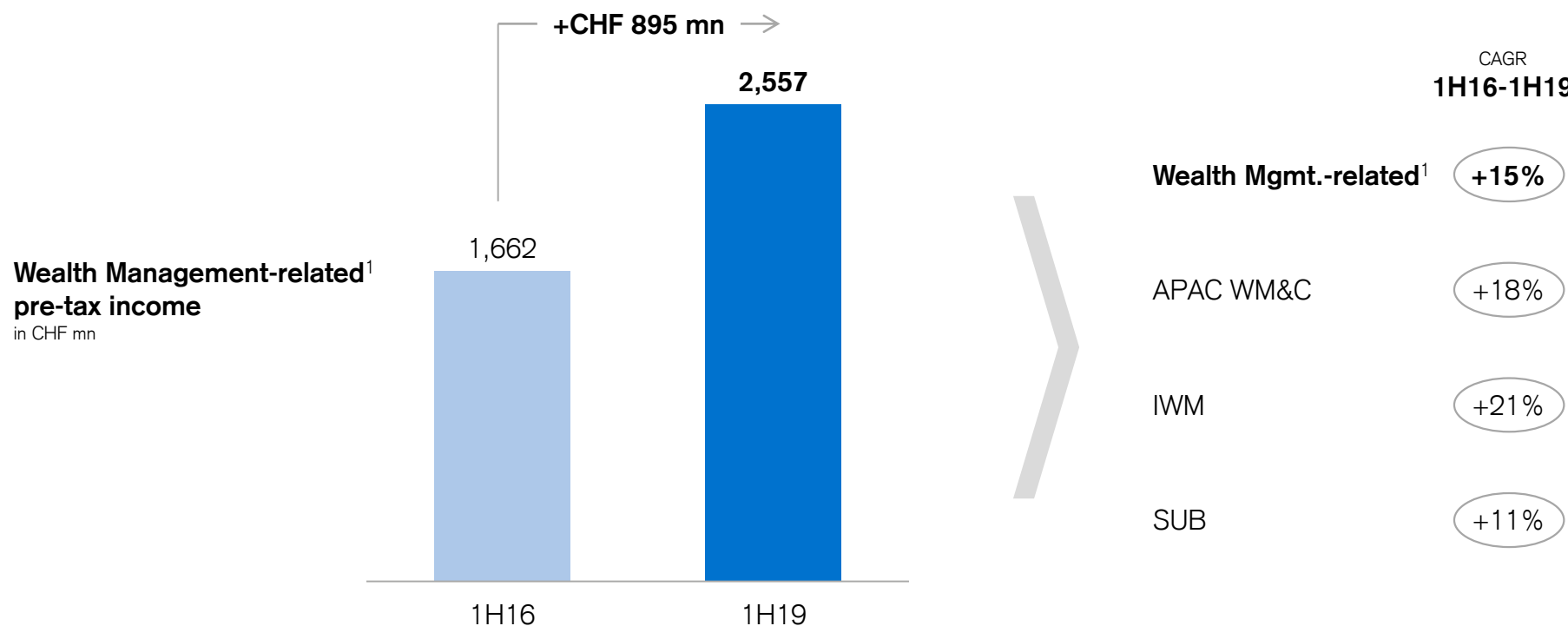


Since 2016, our first-half Wealth Management revenues have increased by CHF 0.9 bn, representing a 5% CAGR...



<sup>1</sup> Relating to SUB, IWM and APAC WM&C

# ...with a focus on growing profitably in Wealth Management – 1H19 highest half-year PTI since 2013, growing at 15% CAGR



<sup>1</sup> Relating to SUB, IWM and APAC WM&C

# Strong Investment Banking capabilities are key to our strategy as leading Wealth Manager

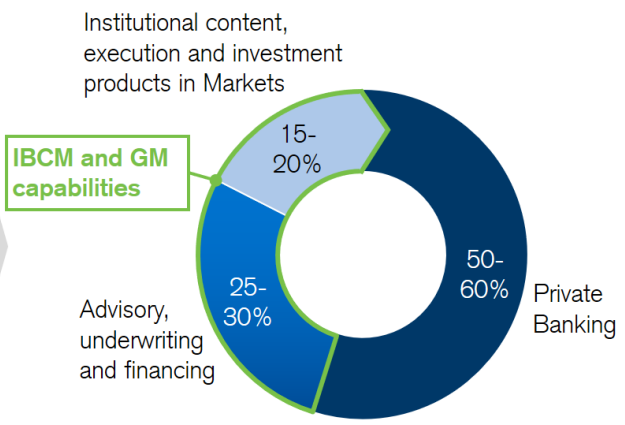
As per 2018 Investor Day

## The importance of IBCM and Global Markets capabilities for our UHNW and entrepreneur clients – APAC example

### UHNW and entrepreneur needs

<b>Grow wealth</b>	<ul style="list-style-type: none"> <li>▪ Wealth structuring &amp; planning</li> <li>▪ Investment solutions</li> <li>▪ Family office and next generation</li> </ul>
<b>Protect wealth and grow business</b>	<ul style="list-style-type: none"> <li>▪ Tailored financing and investments</li> <li>▪ Structured risk management solutions</li> </ul>
<b>Accelerate growth and monetize investments</b>	<ul style="list-style-type: none"> <li>▪ Cross-border M&amp;A</li> <li>▪ Growth and financing capabilities</li> </ul>
<b>Access capital markets</b>	<ul style="list-style-type: none"> <li>▪ Access to global capital markets</li> <li>▪ Ability to syndicate and distribute risk</li> <li>▪ Institutional-quality content and best-in-class execution</li> </ul>

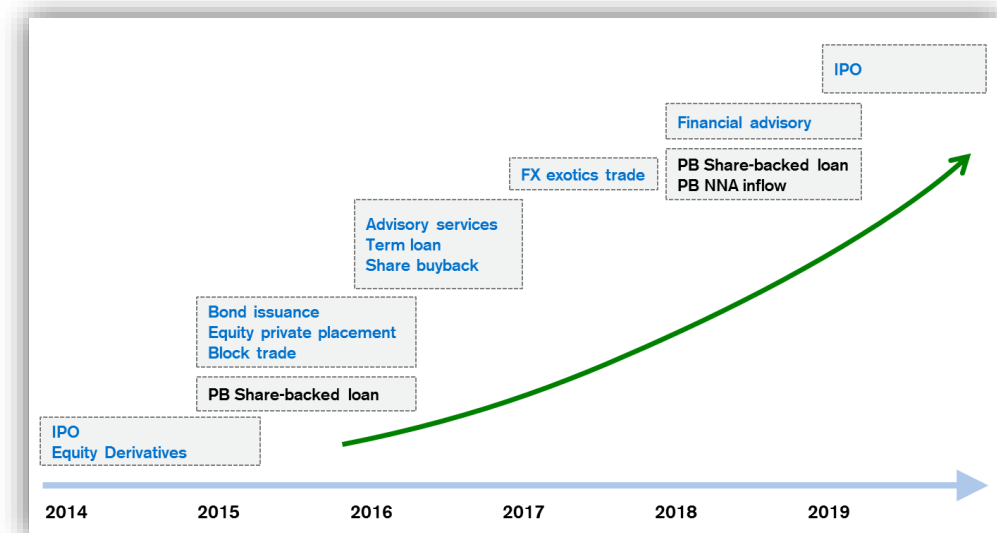
### APAC wealth-linked clients – illustrative revenues<sup>1</sup>



<sup>1</sup> Based on internal management estimates from 2016 to 9M18 in USD terms

# Our integrated model enables us to participate in our clients' growth journeys

## Illustrative client example – APAC UHNW Entrepreneur



Client  
revenue  
growth

1H19 YoY: **+250%**

2018 YoY: **+40%**

Client  
NNA

2018: **CHF ~300 mn**

# Overall, we have generated strong results across our Wealth Management franchises in 1H19

## Selected key performance metrics

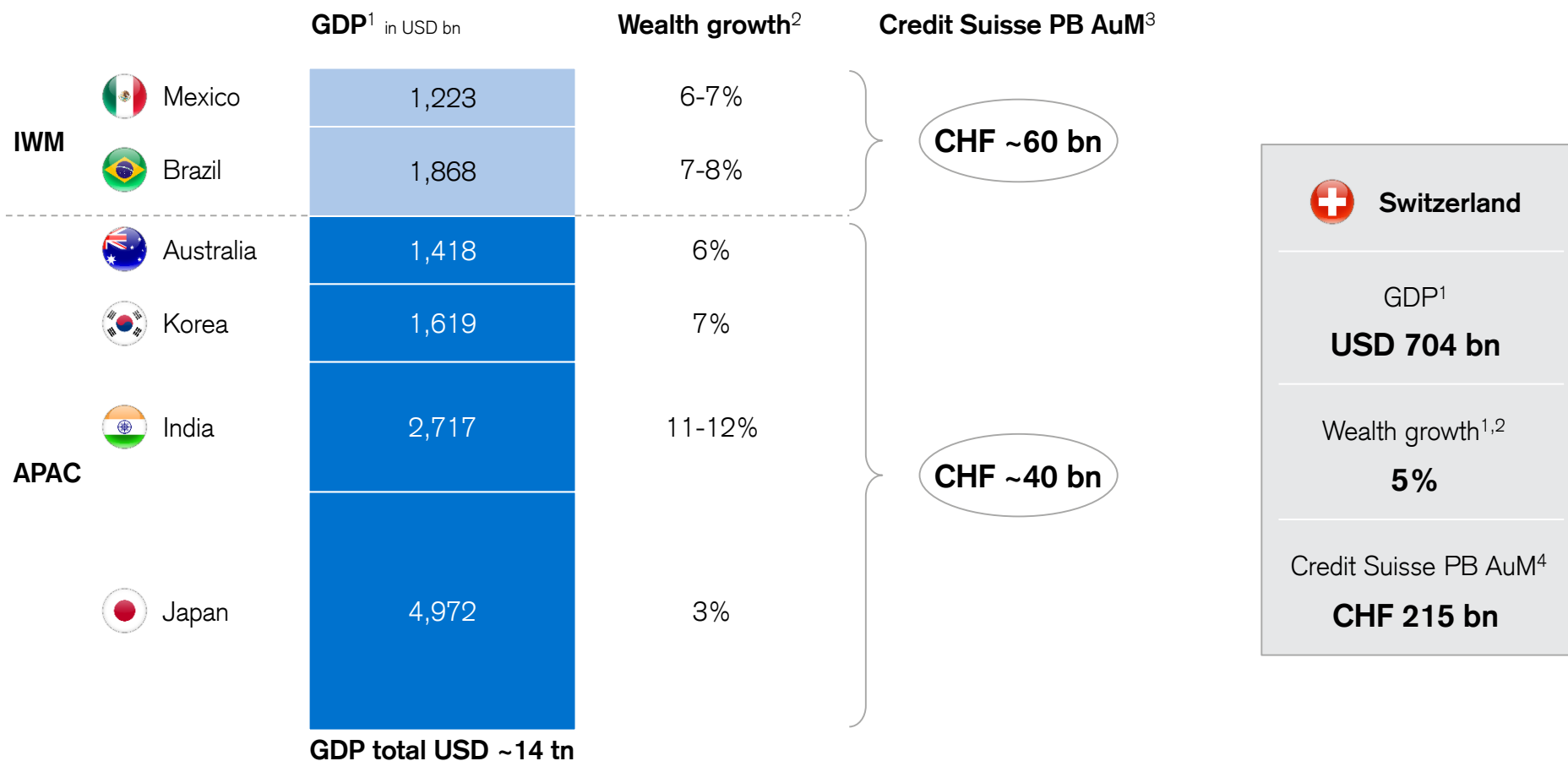
SUB	IWM	APAC WM&C
<ul style="list-style-type: none"> <li>▪ 2Q19 net revenues CHF 1.5 bn, +4% YoY</li> <li>▪ Strong PB NNA of CHF 1.2 bn in 2Q19, with total net inflows of CHF 4.5 bn in 1H19, a 5% annualized growth rate</li> <li>▪ Record 2Q PTI of CHF 654 mn</li> <li>▪ 20% RoRC<sup>†</sup>, highest 2Q level since 2014</li> <li>▪ Industry-leading cost/income ratio of 55% in 2Q19<sup>1</sup></li> <li>▪ Demonstrating the resilience of our universal bank model</li> </ul>	<ul style="list-style-type: none"> <li>▪ 2Q19 net revenues CHF 1.4 bn, +2% YoY</li> <li>▪ Record level PB NNA of CHF 5.5 bn in 2Q19 with inflows across EM and Europe, totaling CHF 6.8 bn of NNA in 1H19, a 4% annualized growth rate</li> <li>▪ Strong Asset Management NNA with net inflows of CHF 8.6 bn in 2Q19 across traditional and alternative investments</li> <li>▪ Invested in PB client coverage, adding 70 seasoned RMs in 1H19, with ca. 2/3 focused on EM, thereof 30 in 2Q19</li> <li>▪ 1H19 PTI of CHF 967 mn, up 5% YoY</li> <li>▪ Divisional RoRC<sup>†</sup> of 29% for 2Q19</li> </ul>	<ul style="list-style-type: none"> <li>▪ PB with 2<sup>nd</sup> highest revenue quarter ever</li> <li>▪ 2Q19 net inflows of CHF 2.8 bn, with 1H19 NNA CHF 7.8 bn, 8% growth rate</li> <li>▪ Added 20 RMs in APAC PB in 1H19</li> <li>▪ APAC IBCM ranked #1 in 1H19<sup>2</sup></li> <li>▪ First-time #1 ranked in Greater China IBCM in 1H19<sup>2</sup></li> <li>▪ APAC IBCM achieved 11<sup>th</sup> consecutive quarter with CHF 200 mn+ revenues<sup>3</sup></li> <li>▪ 2Q19 PTI of CHF 216 mn, +29% YoY</li> <li>▪ Achieved RoRC<sup>†</sup> of 22% in 2Q19</li> </ul>

† RoRC is a non-GAAP financial measure, see Appendix

1 Compared to other listed Swiss private banks on the SIX Swiss Exchange 2 Source: Dealogic for the period ending June 30, 2019 (APAC excluding Japan and excluding China onshore among International banks)

3 Relating to APAC advisory, underwriting and the APAC Financing Group. After deduction of funding costs, but pre revenue sharing agreements with APAC Markets and APAC PB within WM&C. This information has been derived from management accounts and has not been reviewed by our independent registered public accounting firm

# There are significant further growth opportunities in a number of sizeable economies where we are already active

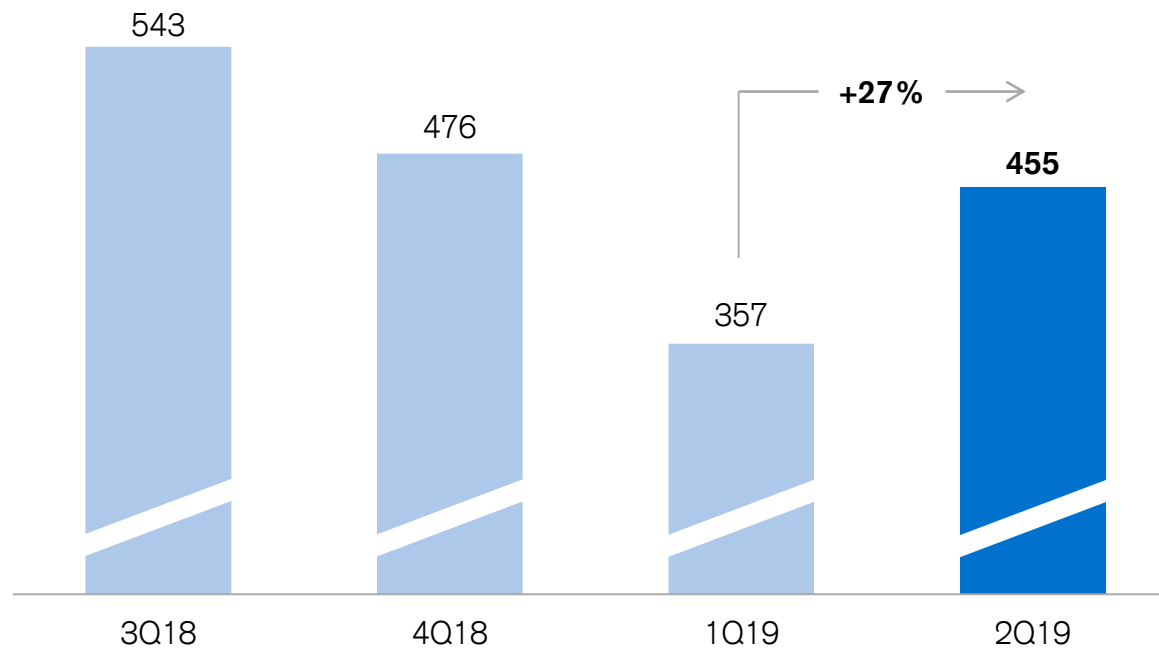


1 Source: IMF World Economic Outlook. 2018 GDP in current prices 2 Source: McKinsey Wealth Pools 2018. Excludes life and pension assets. Average CAGR of 2015-2021E 3 As of 2Q19. This information has been derived from management accounts and has not been reviewed by our independent registered public accounting firm 4 As of 2Q19. Relating to SUB PC



# IBCM improved its performance sequentially...

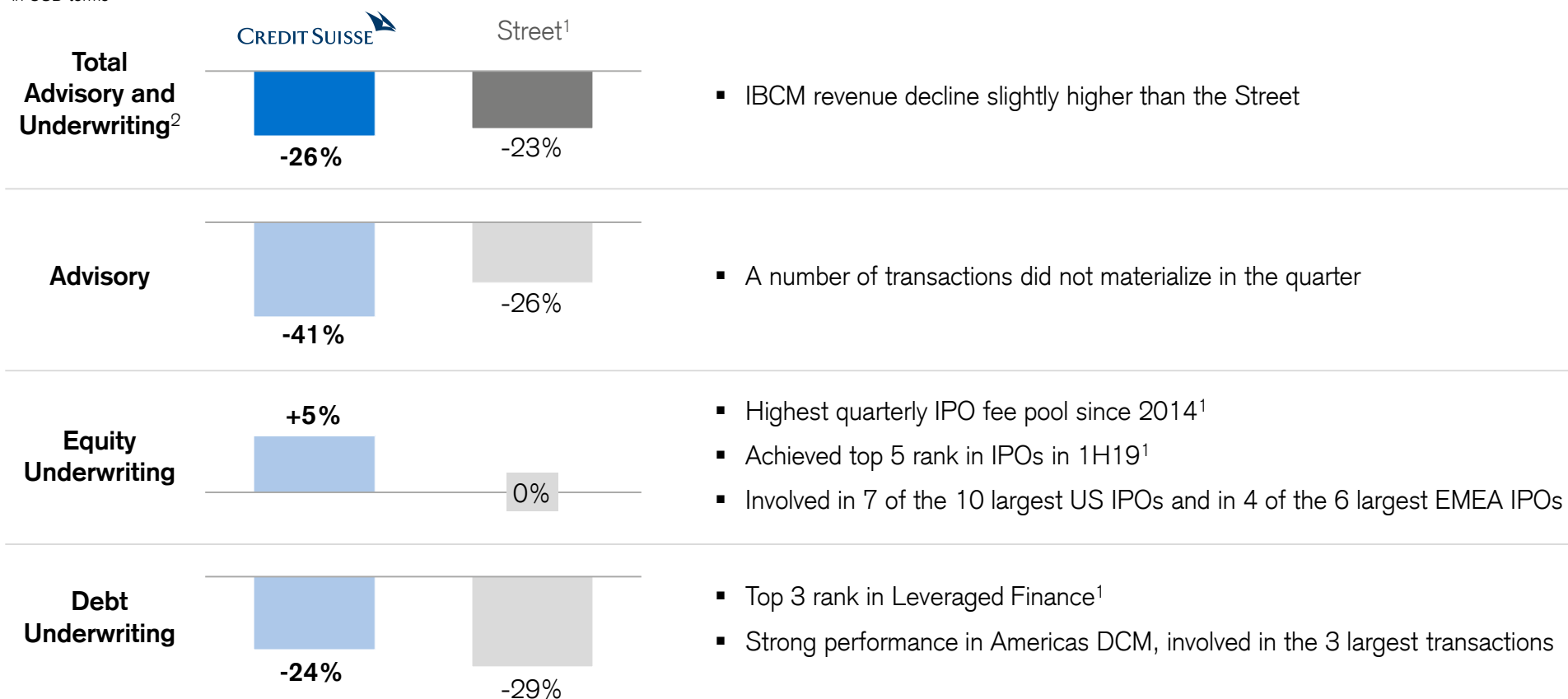
**IBCM net revenues**  
in USD mn



# ...weaker performance in Advisory, offset by outperformance in Equity Underwriting and Leveraged Finance

## IBCM 2Q19 YoY revenue performance

in USD terms

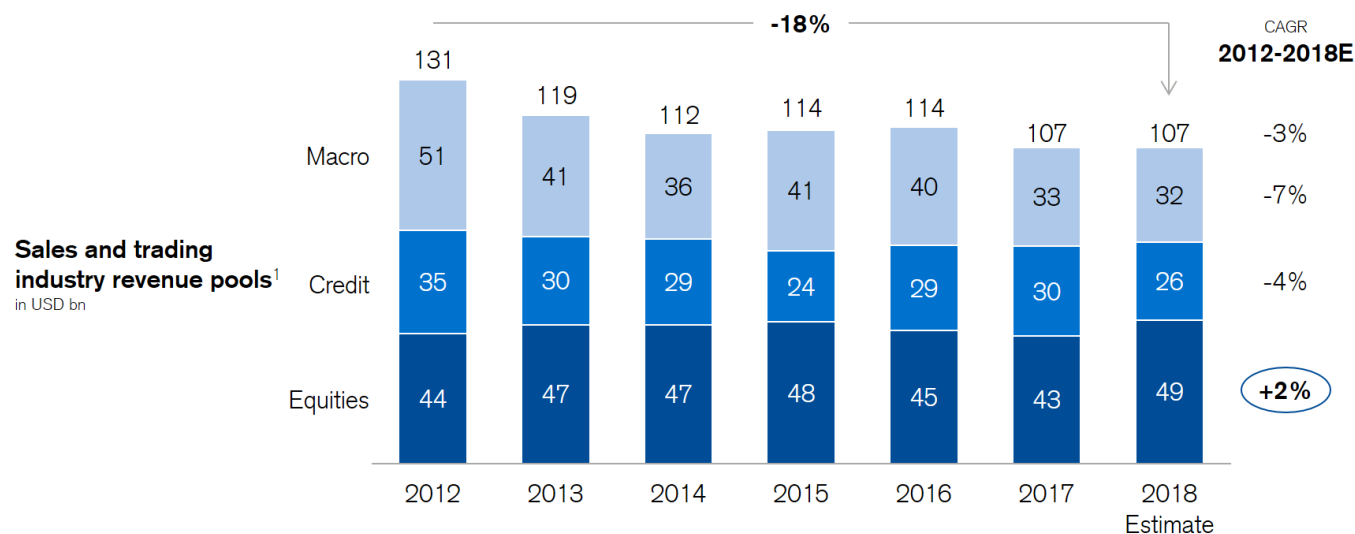


<sup>1</sup> Source: Dealogic for the period ending June 30, 2019 (Americas and EMEA only) <sup>2</sup> Total does not include Other revenues of USD 0 mn in 2Q18 and USD -26 mn in 2Q19

# Global Markets – revenue pools across the sales and trading industry continue to remain challenged

As per 2018 Investor Day

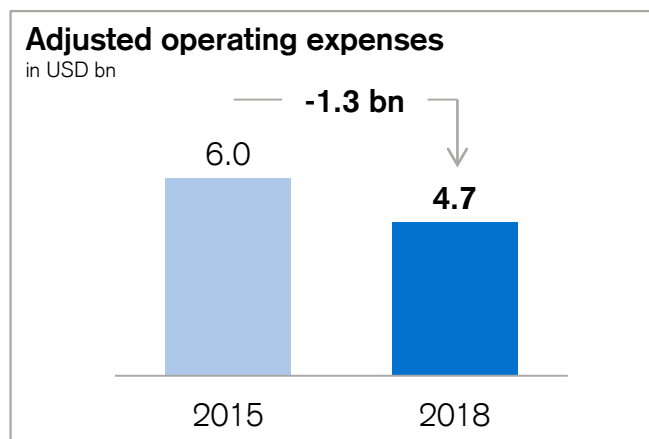
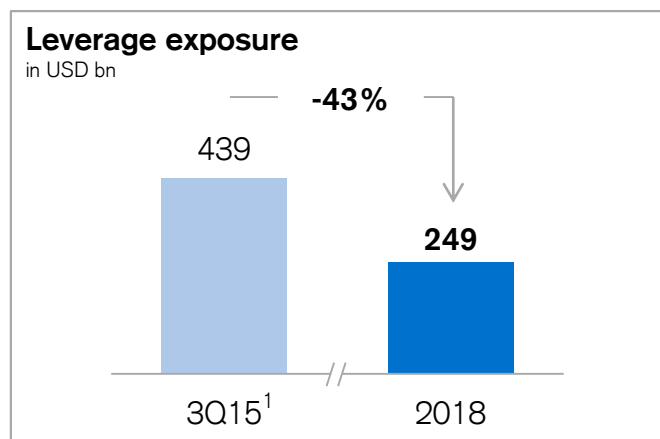
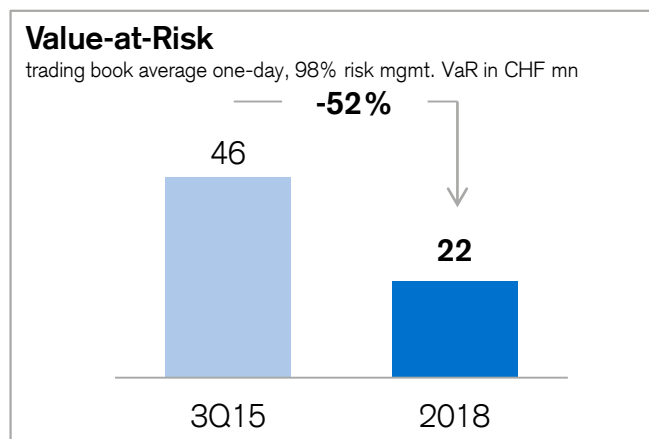
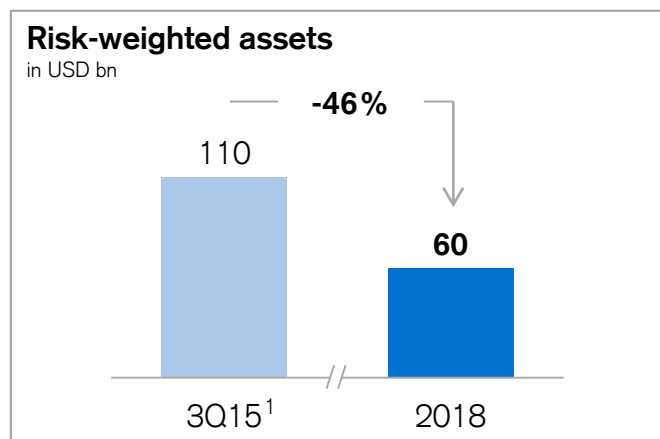
Sales and trading industry revenue pools have steadily declined since 2012 and continue to stagnate



1 Source: Coalition as of November 14, 2018; Total industry revenue pools according to Credit Suisse's Global Markets taxonomy

# In 2018, we completed our deep Global Markets restructuring and right-sized the division

## Global Markets key metrics



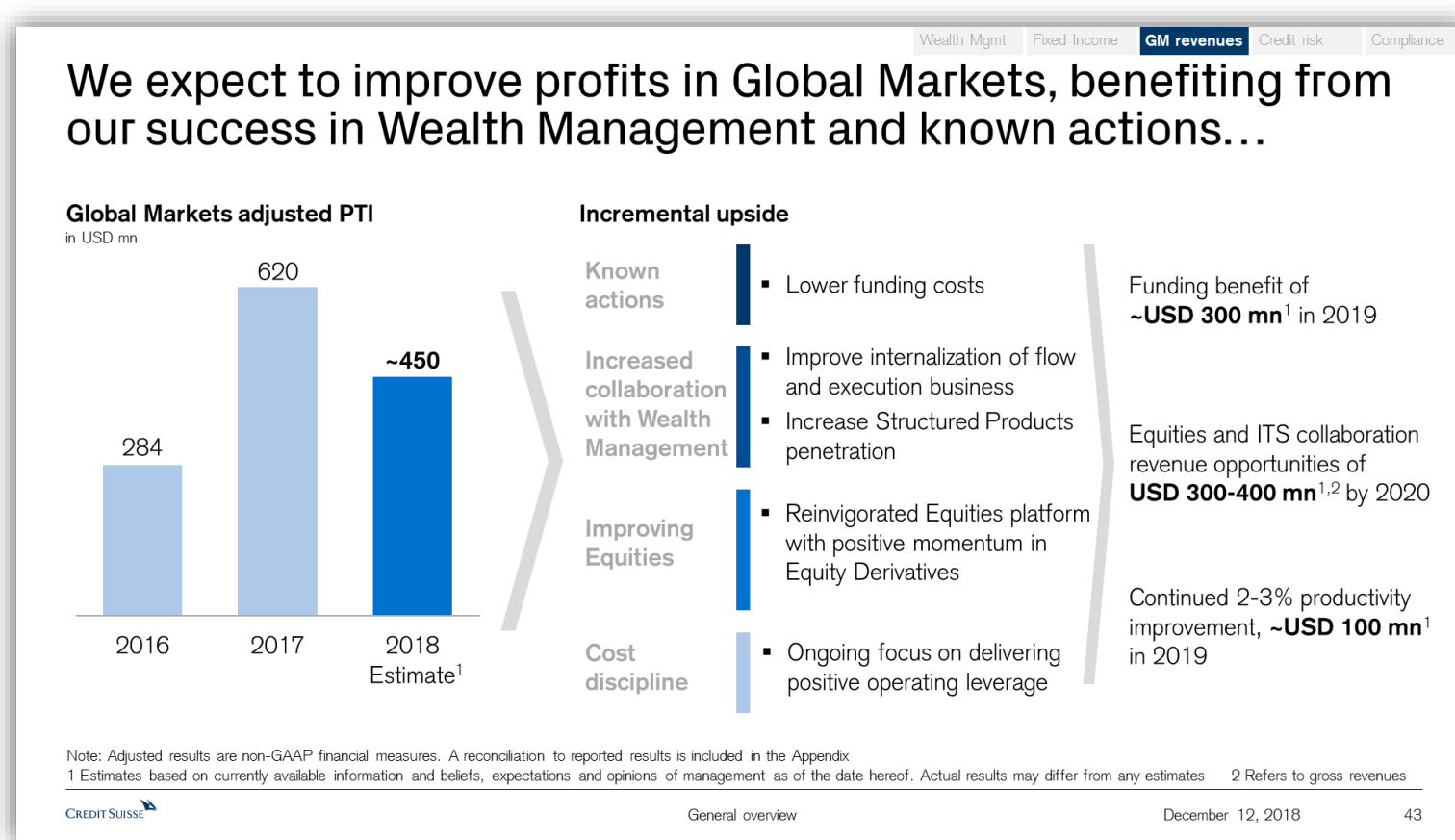
Grow  
revenues and  
increase returns in  
Global Markets

Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix

<sup>1</sup> Figures for 3Q15 present financial information based on results under our structure prior to our re-segmentation announcement on October 21, 2015; on the basis of our current structure, the 3Q15 RWA and leverage exposure amounts for Global Markets are USD 63 bn and USD 313 bn, respectively

# At our 2018 Investor Day, we identified a number of revenue initiatives to drive Global Markets returns higher...

As per 2018 Investor Day



# ...and we have performed strongly so far, gaining market share in both Equity and Fixed Income Sales & Trading

## Global Markets Equity Sales & Trading

net revenues in USD terms, 2Q19 YoY

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+3%<sup>1</sup>

Peers<sup>2</sup>

-10%

- High Touch Americas revenues highest level in 2 years
- Held #5 rank in US cash, gaining share<sup>3</sup>
- Re-engaged in AES with key clients
- Gained new client balances from leading hedge funds
- #2 Prime in Europe<sup>4</sup>
- #4 Prime in the US - highest-ranked non-US bank<sup>5</sup>

## Global Markets Fixed Income Sales & Trading

net revenues in USD terms, 2Q19 YoY

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+11%<sup>1</sup>

Peers<sup>2</sup>

-7%

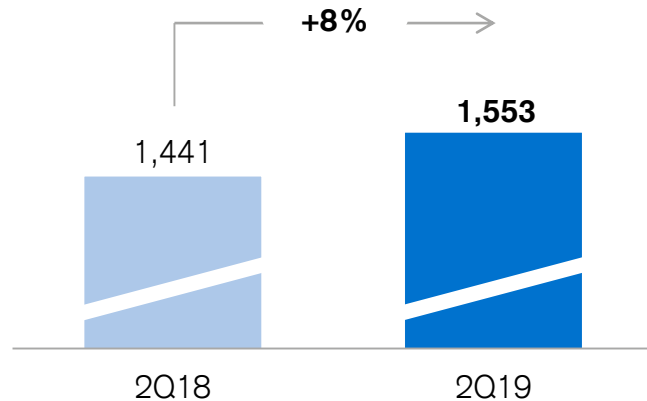
- Best Investment Grade trading quarter in over 3 years
- Top 3 leveraged finance capital markets franchise<sup>6</sup>
- Highest agency mortgage trading revenues since 1Q17
- #1 ranked Asset Finance<sup>7</sup>
- #1 rank in credit structured products for 1H19<sup>8</sup> and strong performance overall in Fixed Income Investor Products

<sup>1</sup> Relating to Global Markets only. Global Equity Sales and Trading net revenues (across GM and APAC Markets) declined 1% in 2Q19 YoY; Global Fixed Income Sales and Trading net revenues (across GM and APAC Markets) increased 6% YoY <sup>2</sup> Source: Company public disclosures. Includes Bank of America, Citigroup, Deutsche Bank, Goldman Sachs, JPMorgan Chase, Morgan Stanley and UBS. Relating to Global Sales & Trading revenues in USD terms, adjusted for certain significant non-recurring items <sup>3</sup> Source: Third Party competitive analysis as of 1Q19 <sup>4</sup> Source: EuroHedge as of June 2019. Based on total AuM <sup>5</sup> Source: Absolute Returns as of June 2019. Based on AuM <sup>6</sup> Source: Dealogic as of June 30, 2019 <sup>7</sup> Source: Thomson Reuters for 2019 YTD as of June 30, 2019 <sup>8</sup> Source: Bloomberg for 2019 YTD as of June 30, 2019

# We have grown revenues, delivered positive operating leverage and increased profitability...

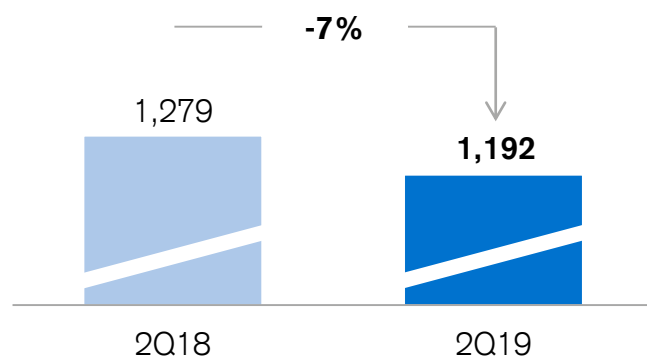
## Global Markets net revenues

in USD mn



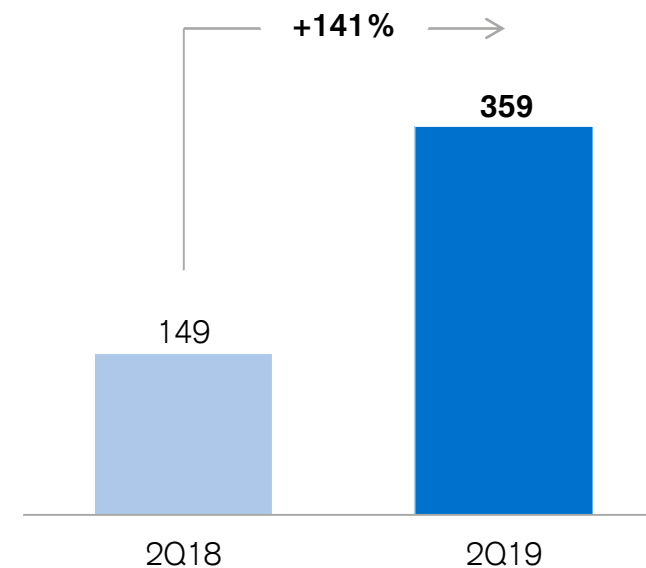
## Global Markets operating expenses

in USD mn



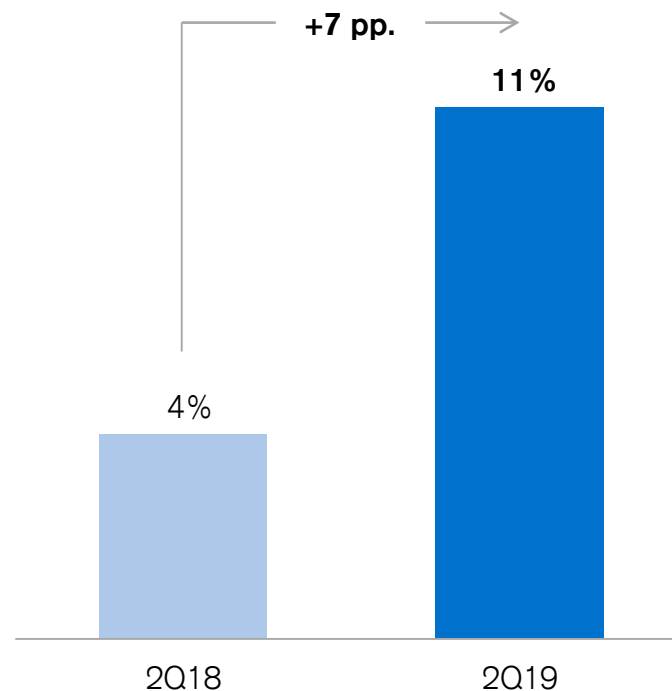
## Global Markets pre-tax income

in USD mn



# ...generating a return on regulatory capital of 11% in 2Q19

Global Markets return on regulatory capital<sup>†</sup>



Global Markets return on RWA<sup>1</sup>

7%

17%

Global Markets return on leverage exposure<sup>2</sup>

4%

11%

<sup>†</sup> RoRC is a non-GAAP financial measure, see Appendix

<sup>1</sup> Return on RWA is a non-GAAP financial measure and calculated using income after tax applying an assumed tax rate of 30% and 10% of average RWA based on USD

<sup>2</sup> Return on leverage exposure is a non-GAAP financial measure and calculated using income after tax applying an assumed tax rate of 30% and 3.5% of average leverage exposure based on USD



# Our strategy, leveraging our integrated approach, is being validated and recognized across the industry

## Selected accolades<sup>1</sup>



<sup>1</sup> Euromoney as of July 10, 2019

# Summary

- **Continued profitable growth in Wealth Management**
- **Global Markets performing strongly post-restructuring**
- **Driving Group returns higher**

# Detailed Financials



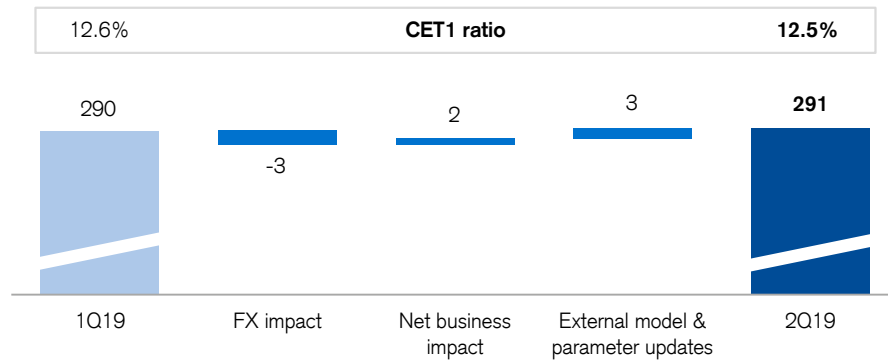
# Results Overview

<b>Credit Suisse Group</b> in CHF mn unless otherwise specified	<b>2Q19</b>	1Q19	2Q18	Δ 2Q18	<b>1H19</b>	1H18	Δ 1H18
<b>Net revenues</b>	<b>5,581</b>	<b>5,387</b>	<b>5,595</b>	-	<b>10,968</b>	<b>11,231</b>	<b>-2%</b>
o/w Wealth Management-related <sup>1</sup>	3,459	3,361	3,327	4%	6,820	6,824	-
o/w IBCM in USD mn	455	357	650	-30%	812	1,209	-33%
o/w Markets activities <sup>2</sup> in USD mn	1,851	1,769	1,795	3%	3,620	3,785	-4%
<b>Provision for credit losses</b>	<b>25</b>	<b>81</b>	<b>73</b>		<b>106</b>	<b>121</b>	
<b>Total operating expenses</b>	<b>4,254</b>	<b>4,244</b>	<b>4,470</b>	<b>-5%</b>	<b>8,498</b>	<b>9,004</b>	<b>-6%</b>
<b>Pre-tax income</b>	<b>1,302</b>	<b>1,062</b>	<b>1,052</b>	<b>24%</b>	<b>2,364</b>	<b>2,106</b>	<b>12%</b>
Income tax expense	365	313	398		678	760	
Effective tax rate	28%	29%	38%		29%	36%	
<b>Net income attributable to shareholders</b>	<b>937</b>	<b>749</b>	<b>647</b>	<b>45%</b>	<b>1,686</b>	<b>1,341</b>	<b>26%</b>
Return on tangible equity <sup>‡</sup>	10%	8%	7%		9%	7%	
Diluted earnings per share in CHF	0.36	0.29	0.25	44%	0.65	0.51	27%

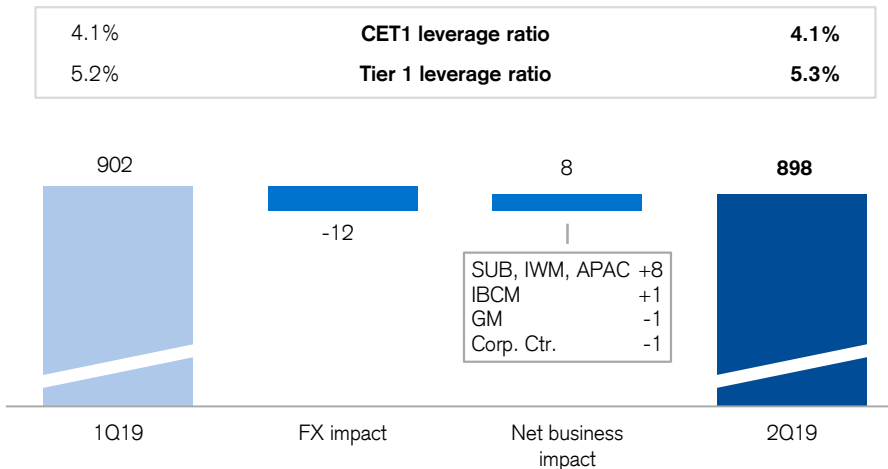
‡ RoTE is a non-GAAP financial measure, see Appendix; RoTE figures are rounded up and down to the nearest whole number 1 Includes SUB, IWM and APAC WM&C 2 Includes Global Markets and APAC Markets

# CET1 ratio at 12.5% and Tier 1 leverage ratio at 5.3%

## Risk-weighted assets in CHF bn



## Leverage exposure in CHF bn



## Key messages

- CET1 ratio of 12.5%; CET1 leverage ratio of 4.1% and Tier 1 leverage ratio of 5.3%, up from 5.2% in 1Q19
- As of July 30, we repurchased CHF 570 mn of shares at an average price of CHF 12.58

## Risk-weighted assets

- RWA increased by CHF 2 bn from net business growth across divisions
- Regulatory driven RWA increases of CHF 3 bn offset by FX

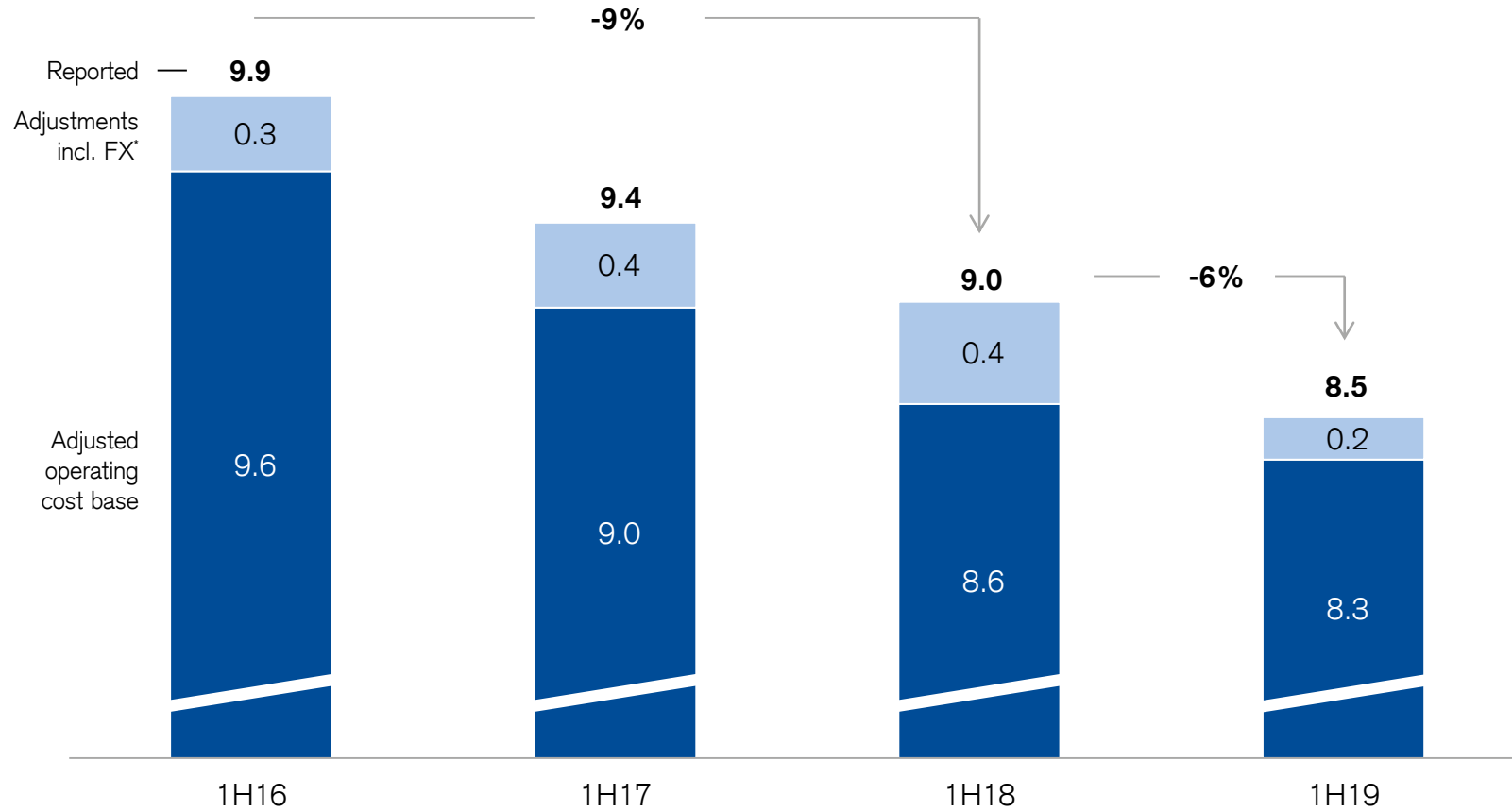
## Leverage exposure

- Tier 1 leverage ratio increased to 5.3% despite a business-driven increase in leverage exposure of CHF 8 bn as a result of growth in Wealth Management-focused divisions<sup>1</sup>

<sup>1</sup> Includes SUB, IWM and APAC

# Disciplined resource management with additional benefits from end of our restructuring

Adjusted operating cost base at constant FX rates\* in CHF bn



Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix \* Adjusted operating cost base at constant 2018 FX rates; see Appendix

# Swiss Universal Bank

Continued strong RoRC<sup>†</sup>; PC NNA of CHF 4.5 bn in 1H19

## Key financials

in CHF mn	2Q19	1Q19	2Q18	Δ 2Q18
Net revenues	1,476	1,379	1,419	4%
Provision for credit losses	10	29	35	
Total operating expenses	812	800	831	-2%
<b>Pre-tax income</b>	<b>654</b>	<b>550</b>	<b>553</b>	<b>18%</b>
<b>Cost/income ratio</b>	<b>55%</b>	<b>58%</b>	<b>59%</b>	
<b>Return on regulatory capital<sup>†</sup></b>	<b>20%</b>	<b>17%</b>	<b>18%</b>	

## Key metrics

in CHF bn	2Q19	1Q19	2Q18	Δ 2Q18
Net margin in bps	67	53	51	16
Net new assets	1.2	3.3	0.5	
Mandate penetration	33%	33%	32%	
Net loans	171	170	167	2%
Risk-weighted assets	77	77	73	6%
Leverage exposure	261	259	252	4%

## Key messages

- PTI of CHF 654 mn including real estate gains of CHF 87 mn mitigating the adverse impact of negative interest rates; RoRC<sup>†</sup> at 20%
- Net revenues up 4% supported by better transaction-based revenues including a higher SIX dividend; lower recurring revenues and NII
- Maintained strong cost discipline with slightly lower operating expenses and further investment in digitalization
- Named 'Switzerland's Best Bank 2019' by Euromoney for the second year in a row

## Private Clients

- Net revenues impacted by continued pressure on NII due to CHF yield curve movements and lower recurring revenues with an adverse investment mix
- Strong 1H19 NNA of CHF 4.5 bn with significant contribution from our UHNW franchise; 1H19 annualized growth rate of 5%

## Corporate & Institutional Clients

- Increase in PTI by 5% with slightly higher transaction-based revenues and zero provision for credit losses
- Strong NNA in 1H19 of CHF 36.5 bn with favorable momentum in the pension fund business
- Named 'Switzerland's Best Investment Bank' by Euromoney for the second year in a row

Note: All percentage changes and comparative descriptions refer to year on year measurements unless otherwise indicated † RoRC is a non-GAAP financial measure, see Appendix

# International Wealth Management

Strong profitability and RoRC<sup>†</sup> at 29%; record level PB NNA

## Key financials

in CHF mn	2Q19	1Q19	2Q18	Δ 2Q18
Net revenues	1,369	1,417	1,344	2%
Provision for credit losses	9	10	5	
Total operating expenses	916	884	906	1%
<b>Pre-tax income</b>	<b>444</b>	<b>523</b>	<b>433</b>	<b>3%</b>
<b>Cost/income ratio</b>	<b>67%</b>	<b>62%</b>	<b>67%</b>	
<b>Return on regulatory capital<sup>†</sup></b>	<b>29%</b>	<b>35%</b>	<b>32%</b>	

## Key metrics

in CHF bn	2Q19	1Q19	2Q18	Δ 2Q18	
PB	Net margin in bps	37	45	37	-
	Net new assets	5.5	1.3	5.2	
	Number of RM	1,180	1,150	1,120	5%
	Net loans	54	53	52	4%
	Net new assets AM	8.6	-0.5	8.0	
	Risk-weighted assets	44	43	39	12%
	Leverage exposure	101	101	99	2%

## Key messages

- 1H19 PTI of CHF 967 mn, up 5%
- PB NNA at record level of CHF 5.5 bn in 2Q19; IWM total NNA of CHF 14.1 bn

## Private Banking

- PTI of CHF 340 mn down 2% at stable net margin of 37 bps
- Stable net revenues reflect robust client activity and a higher SIX dividend offset by lower net interest income and a more risk-averse client product mix
- Significant investments in growth regions, RM headcount up by 70 or 6% since 4Q18
- NNA of CHF 5.5 bn at annualized growth rate of 6%, primarily from UHNW clients, and with solid inflows across emerging markets and Europe

## Asset Management

- PTI of CHF 104 mn, up 21%
- 8% higher net revenues and 3% higher operating expenses
- Continued year on year growth in management fees, up 5%, at a stable recurring fee margin of 31 bps
- Strong NNA of CHF 8.6 bn across traditional and alternative investments

Note: All percentage changes and comparative descriptions refer to year on year measurements unless otherwise indicated † RoRC is a non-GAAP financial measure, see Appendix



# Asia Pacific

## Increased profitability and positive momentum in WM&C with resilient asset inflows

### Key financials

in CHF mn	2Q19	1Q19	2Q18	Δ 2Q18
Net revenues	913	854	914	-
Provision for credit losses	-1	17	7	
Total operating expenses	677	654	690	-2%
<b>Pre-tax income</b>	<b>237</b>	<b>183</b>	<b>217</b>	<b>9%</b>
<b>Cost/income ratio</b>	<b>74%</b>	<b>77%</b>	<b>75%</b>	
<b>Return on regulatory capital<sup>†</sup></b>	<b>17%</b>	<b>13%</b>	<b>15%</b>	

### Key metrics

in CHF bn	2Q19	1Q19	2Q18	Δ 2Q18
Net margin in bps	30	25	29	1
Net new assets	2.8	5.0	3.4	
Number of RM	600	600	610	-2%
Assets under management	219	219	206	6%
Net loans	45	45	44	2%
Risk-weighted assets	37	38	34	10%
Leverage exposure	112	111	118	-5%

### Key messages

- APAC pre-tax income of CHF 237 mn, up 9%
- Further strong progress in WM&C driven by Private Banking and Financing activities
- Mitigated the impact of lower client activity in both Equities and Fixed Income

### Wealth Management & Connected (WM&C)

- PB transaction-based revenues up 15% reflecting improved client activity; higher NII offsetting lower recurring commissions and fees
- Higher Advisory, Underwriting and Financing revenues reflecting higher financing volumes; APAC IBCM ranked #1 in 1H19<sup>3</sup>
- Continued positive NNA generation of CHF 2.8 bn in the quarter taking 1H19 NNA to CHF 7.8 bn

### Markets<sup>2</sup>

- Equity sales and trading revenues down 9%, adversely affected by continued weakness in trading volumes across Asian markets which declined 16%<sup>4</sup>
- Fixed Income sales and trading revenues reduced by 29%, reflecting lower levels of transactions and less favorable market conditions in emerging markets rates partly offset by stronger performance in Credit
- Continued disciplined resource management with expenses down; RWA down 13% and leverage exposure down 14%

Note: All percentage changes and comparative descriptions refer to year on year measurements unless otherwise indicated † RoRC is a non-GAAP financial measure, see Appendix

1 APAC PB within WM&C 2 All references under key messages for Markets are based on USD 3 Source: Dealogic for the period ending June 30, 2019 (APAC excluding Japan and China onshore among International banks) 4 Source: Bloomberg as of June 30, 2019 (APAC excluding China onshore cash market turnover)

# Investment Banking & Capital Markets

Sequential revenue improvement; however, performance impacted by lower client activity

## Key financials

in USD mn	2Q19	1Q19	2Q18	Δ 2Q18
Net revenues	455	357	650	-30%
Provision for credit losses	-	8	15	
Total operating expenses	447	443	525	-15%
<b>Pre-tax income/loss (-)</b>	<b>8</b>	<b>-94</b>	<b>110</b>	<b>-93%</b>
<b>Cost/income ratio</b>	<b>98%</b>	<b>124%</b>	<b>81%</b>	
<b>Return on regulatory capital<sup>†</sup></b>	<b>1%</b>	<b>n/m</b>	<b>14%</b>	

## Key metrics

in USD bn	2Q19	1Q19	2Q18	Δ 2Q18
Risk-weighted assets	27	25	23	18%
Leverage exposure	44	42	44	-

## Global advisory and underwriting revenues<sup>1</sup>

in USD mn	2Q19	1Q19	2Q18	Δ 2Q18	Δ 1Q19
Global advisory and underwriting revenues	924	769	1,156	-20%	20%

## Key messages

- Results reflect performance improvement since 1Q19 despite the challenging operating environment
  - Top 5 ranking in IPOs and Leveraged Finance in 1H19<sup>2</sup>
  - Revenue momentum, up 27% since 1Q19 (vs. flat Street fees<sup>2</sup>)
  - However, advisory revenues reflect lower Street activity<sup>2</sup> and fewer deal closings
- YoY performance negatively impacted by lower market activity, with Street<sup>2</sup> fees down 23% as investor concerns lingered over trade negotiations and slowing GDP growth
- Operating expenses down 15% as a result of lower variable compensation and the completion of our restructuring program

Note: All percentage changes and comparative descriptions refer to year on year measurements unless otherwise indicated † RoRC is a non-GAAP financial measure, see Appendix

1 Gross global revenues from advisory, debt and equity underwriting generated across all divisions 2 Source: Dealogic for the period ending June 30, 2019 (Americas and EMEA only)

# Global Markets

Growing revenues with positive operating leverage and 11% RoRC<sup>†</sup>

## Key financials

in USD mn	2Q19	1Q19	2Q18	Δ 2Q18
Equities <sup>1</sup>	574	571	571	1%
Fixed Income <sup>1</sup>	1,075	1,006	986	9%
Other	-96	-99	-116	
Net revenues	1,553	1,478	1,441	8%
Provision for credit losses	2	11	13	
Total operating expenses	1,192	1,184	1,279	-7%
<b>Pre-tax income</b>	<b>359</b>	<b>283</b>	<b>149</b>	<b>141%</b>
<b>Cost/income ratio</b>	<b>77%</b>	<b>80%</b>	<b>89%</b>	
<b>Return on regulatory capital<sup>†</sup></b>	<b>11%</b>	<b>9%</b>	<b>4%</b>	

## Key metrics

in USD bn	2Q19	1Q19	2Q18	Δ 2Q18
Risk-weighted assets	60	58	59	-
Leverage exposure	260	260	268	-3%

## Key messages

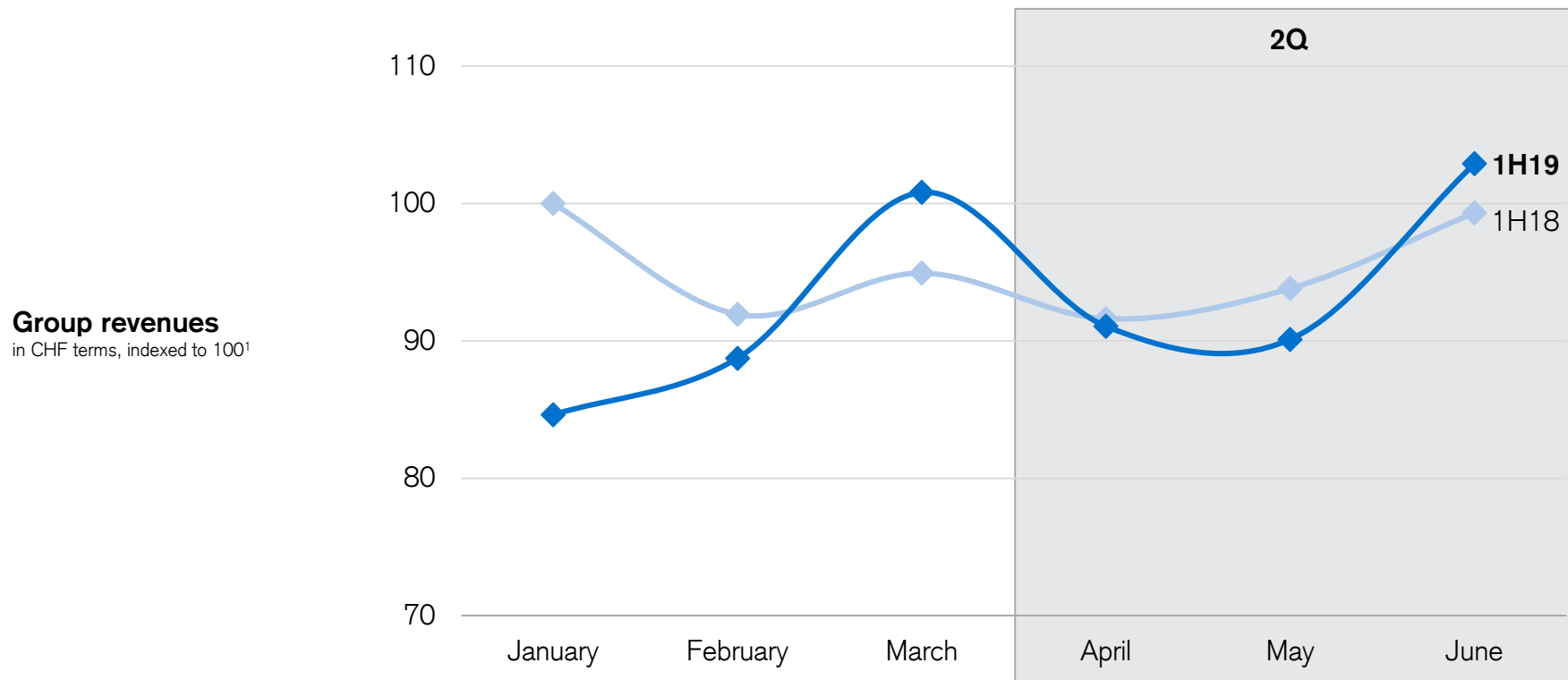
- PTI of USD 359 mn increased significantly amid challenging market conditions, highlighting strength of our diversified client franchise, reduced funding costs and continued cost controls
- Improved RoRC<sup>†</sup> of 11% and RoRWA<sup>2</sup> of 17% reflecting successful execution of our strategy
- Higher fixed income revenues led by strong performance in our credit franchise with outperformance in securitized products; ranked #1 in Asset Finance<sup>3</sup> for 1H19
- Stable equities performance reflecting improved cash trading and prime offset by reduced derivatives results
- Disciplined resource management with stable capital usage and lower operating expenses, down 7%

Note: All percentage changes and comparative descriptions refer to year on year measurements unless otherwise indicated † RoRC is a non-GAAP financial measure, see Appendix 1 Includes sales and trading and underwriting 2 Return on RWA is a non-GAAP financial measure and calculated using income after tax applying an assumed tax rate of 30% and 10% of average RWA based on USD 3 Source: Thomson Reuters for the period ending June 30, 2019

# Summary



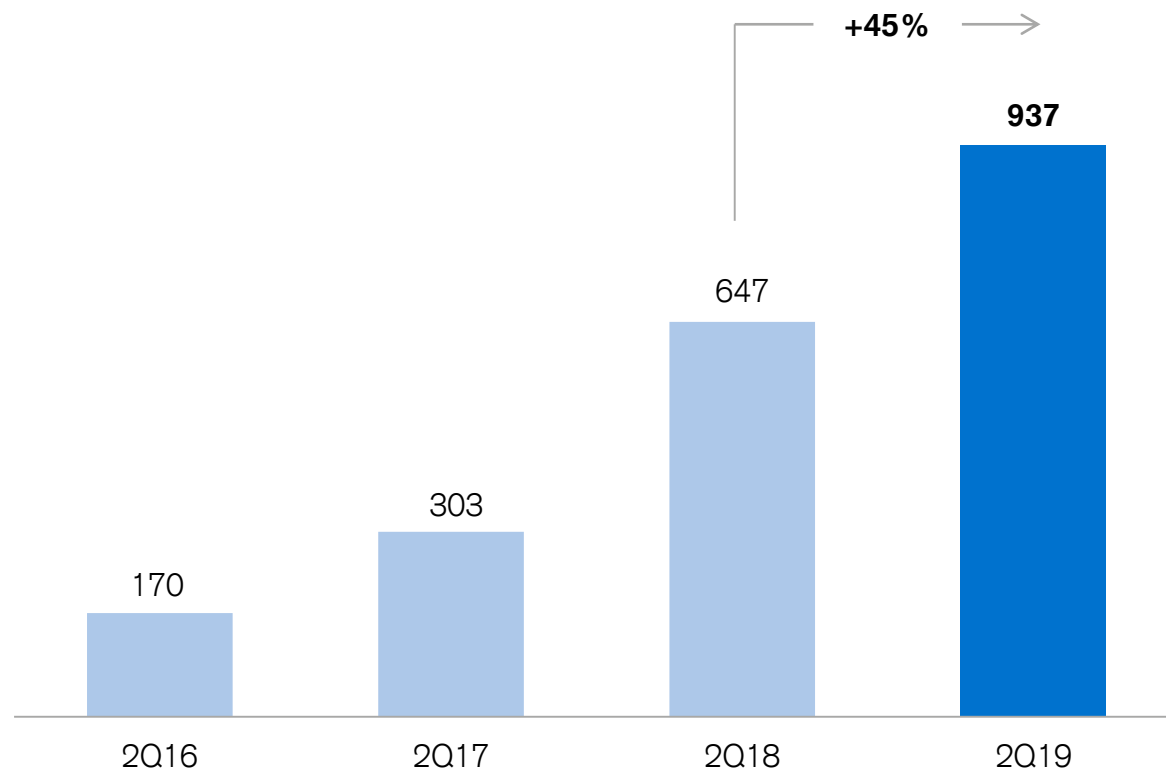
# After a challenging start, revenue momentum improved towards the end of the quarter



Note: This information has been derived from management accounts and has not been reviewed by our independent registered public accounting firm  
1 Indexed to January 2018 revenues

# Overall, we have been able to continue to grow net income, up 45% YoY in 2Q19

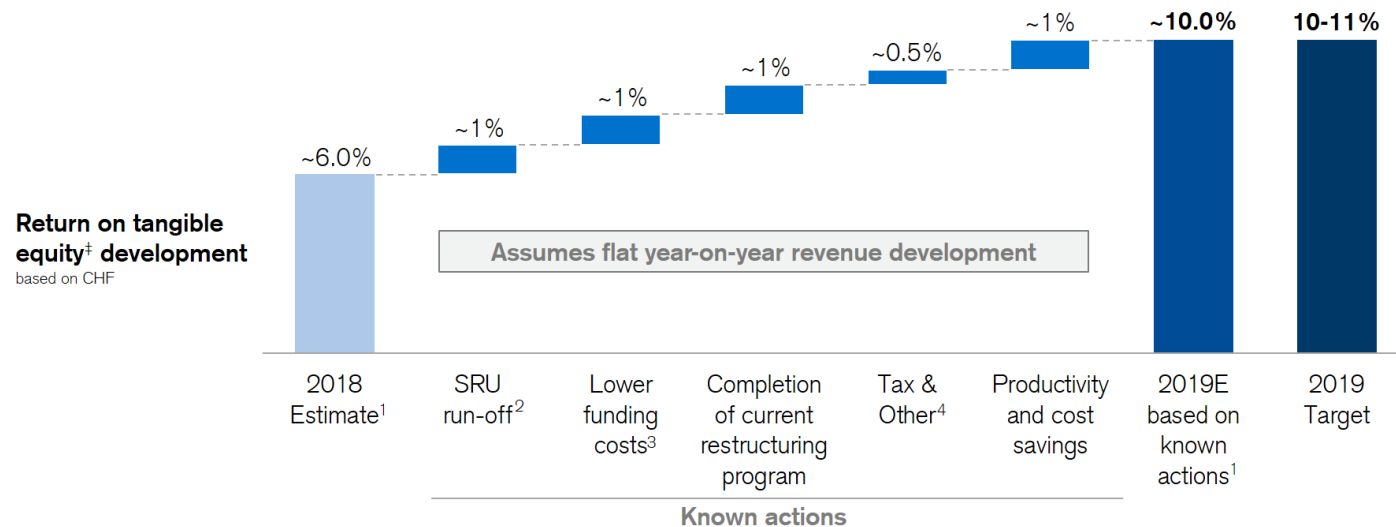
**Net income attributable to shareholders**  
in CHF mn



# At our 2018 Investor Day we outlined a path to drive Group returns higher in a challenging revenue environment...

As per 2018 Investor Day

Based on known actions, we expect to reach at least 10% return on tangible equity in 2019



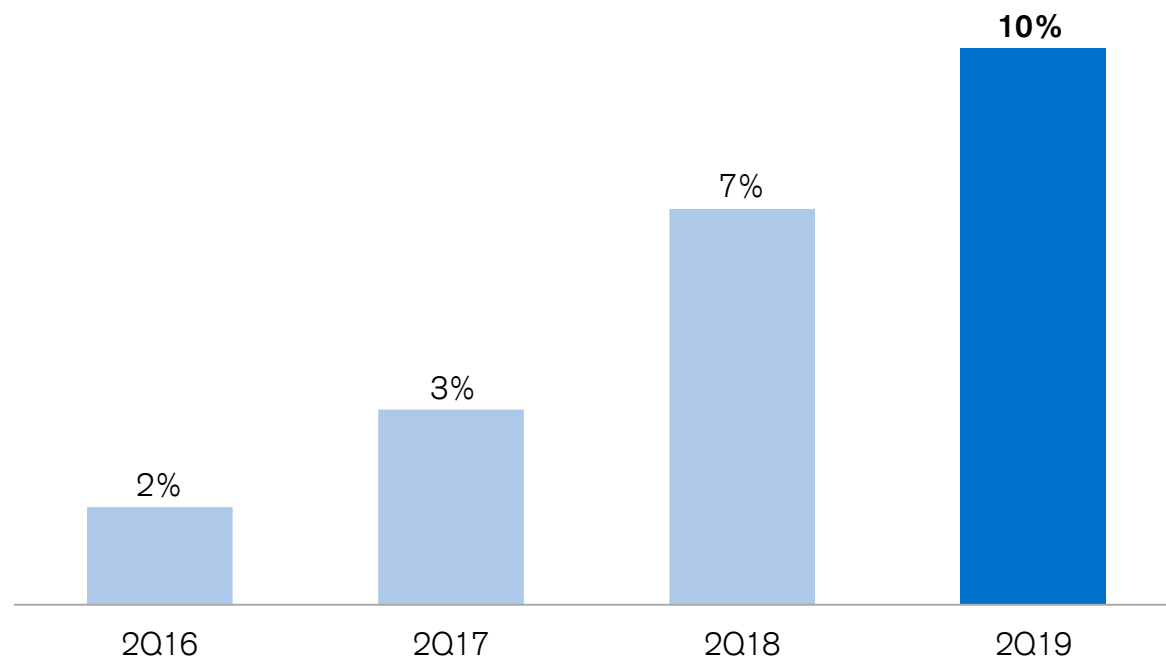
Note: Illustrative path. RoTE (a non-GAAP financial measure) on a reported basis ‡ See Appendix

1 Estimates based on currently available information and beliefs, expectations and opinions of management as of the date hereof. Actual results for 2018 and 2019 may differ from any estimates

2 Excludes restructuring and litigation expenses and lower funding costs 3 Includes impact from funding cost savings in the SRU 4 Includes Corporate Center (excluding funding cost savings and restructuring expenses) and litigation expenses

# ...which we are executing on

**Return on tangible equity<sup>‡</sup>**  
based on CHF



<sup>‡</sup> RoTE is a non-GAAP financial measure, see Appendix; RoTE figures are rounded up and down to the nearest whole number



# We are returning capital to our shareholders whilst maintaining strong capital ratios

Share buyback program

**CHF 570 mn**  
repurchased YTD<sup>1</sup>

Dividends

**CHF 695 mn**  
paid out

Continued strong  
capital position

**12.5%**      **5.3%**  
CET1      Tier 1 leverage

<sup>1</sup> As of July 30, 2019

# Outlook

- **Healthy levels of client engagement in 3Q19 to date; whether this translates into activity remains dependent on prevailing market conditions**
- **Expecting the usual seasonal slowdown in revenues in 3Q19 as a result of the holiday season in many parts of the world**
- **Expecting global GDP to show continued positive growth for the balance of the year, albeit at lower levels than previously expected**
- **Expecting market sentiment to continue to be impacted by geopolitical uncertainty and punctuated by periods of lower client activity**

# Appendix



# Swiss Universal Bank

## Private Clients and Corporate & Institutional Clients

### Private Clients Key financials

in CHF mn	2Q19	1Q19	2Q18	Δ 2Q18
Net interest income	419	412	430	-3%
Recurring commissions & fees	202	199	211	-4%
Transaction-based	120	101	116	3%
Other revenues	87	30	-	
Net revenues	828	742	757	9%
Provision for credit losses	10	11	11	
Total operating expenses	462	458	478	-3%
<b>Pre-tax income</b>	<b>356</b>	<b>273</b>	<b>268</b>	<b>33%</b>
<b>Cost/income ratio</b>	<b>56%</b>	<b>62%</b>	<b>63%</b>	

### Corporate & Institutional Clients Key financials

in CHF mn	2Q19	1Q19	2Q18	Δ 2Q18
Net interest income	303	307	309	-2%
Recurring commissions & fees	165	160	175	-6%
Transaction-based	195	187	189	3%
Other revenues	-15	-17	-11	
Net revenues	648	637	662	-2%
Provision for credit losses	-	18	24	
Total operating expenses	350	342	353	-1%
<b>Pre-tax income</b>	<b>298</b>	<b>277</b>	<b>285</b>	<b>5%</b>
<b>Cost/income ratio</b>	<b>54%</b>	<b>54%</b>	<b>53%</b>	

### Key metrics

in CHF bn	2Q19	1Q19	2Q18	Δ 2Q18
Net margin in bps	67	53	51	16
Net new assets	1.2	3.3	0.5	
Mandate penetration	33%	33%	32%	
Assets under management	215	211	208	3%
Number of RM	1,290	1,280	1,290	-

### Key metrics

in CHF bn	2Q19	1Q19	2Q18	Δ 2Q18
Net new assets	8.9	27.6	0.9	
Assets under management	411	396	356	15%
Number of RM	520	520	530	-2%

# International Wealth Management

## Private Banking and Asset Management

### Private Banking Key financials

in CHF mn	2Q19	1Q19	2Q18	Δ 2Q18
Net interest income	372	370	394	-6%
Recurring commissions & fees	295	295	313	-6%
Transaction- and perf.-based	310	354	285	9%
Other revenues	12	-	-	
Net revenues	989	1,019	992	-
Provision for credit losses	7	10	5	
Total operating expenses	642	607	640	-
<b>Pre-tax income</b>	<b>340</b>	<b>402</b>	<b>347</b>	<b>-2%</b>
<b>Cost/income ratio</b>	<b>65%</b>	<b>60%</b>	<b>65%</b>	

### Key metrics

in CHF bn	2Q19	1Q19	2Q18	Δ 2Q18
Net margin in bps	37	45	37	-
Net new assets	5.5	1.3	5.2	
Assets under management	363	356	371	-2%
Mandate penetration	34%	34%	33%	
Net loans	54	53	52	4%
Number of RM	1,180	1,150	1,120	5%

### Asset Management Key financials

in CHF mn	2Q19	1Q19	2Q18	Δ 2Q18
Management fees	284	266	270	5%
Performance & placement rev.	30	30	37	-19%
Investment & partnership income	66	102	45	47%
Net revenues	380	398	352	8%
Provision for credit losses	2	-	-	
Total operating expenses	274	277	266	3%
<b>Pre-tax income</b>	<b>104</b>	<b>121</b>	<b>86</b>	<b>21%</b>
<b>Cost/income ratio</b>	<b>72%</b>	<b>70%</b>	<b>76%</b>	

### Key metrics

in CHF bn	2Q19	1Q19	2Q18	Δ 2Q18
Net new assets	8.6	-0.5	8.0	
Assets under management	414	405	401	3%

# Asia Pacific

## Wealth Management & Connected and Markets

### Wealth Management & Connected Key financials

in CHF mn	2Q19	1Q19	2Q18	Δ 2Q18
Private Banking	437	398	412	6%
Adv., Underwr. and Financing	177	167	152	16%
Net revenues	614	565	564	9%
Provision for credit losses	6	17	6	
Total operating expenses	392	378	390	1%
<b>Pre-tax income</b>	<b>216</b>	<b>170</b>	<b>168</b>	<b>29%</b>
<b>Cost/income ratio</b>	<b>64%</b>	<b>67%</b>	<b>69%</b>	
<b>Return on regulatory capital<sup>†</sup></b>	<b>22%</b>	<b>18%</b>	<b>22%</b>	
Risk-weighted assets in CHF bn	27	28	22	23%
Leverage exposure in CHF bn	63	63	60	6%

### Markets Key financials

in USD mn	2Q19	1Q19	2Q18	Δ 2Q18
Equity sales & trading	212	199	233	-9%
Fixed income sales & trading	86	92	121	-29%
Net revenues	298	291	354	-16%
Provision for credit losses	-7	-	-	
Total operating expenses	284	278	304	-7%
<b>Pre-tax income</b>	<b>21</b>	<b>13</b>	<b>50</b>	<b>-58%</b>
<b>Cost/income ratio</b>	<b>95%</b>	<b>96%</b>	<b>86%</b>	
<b>Return on regulatory capital<sup>†</sup></b>	<b>3%</b>	<b>2%</b>	<b>7%</b>	
Risk-weighted assets in USD bn	10	10	11	-13%
Leverage exposure in USD bn	50	48	59	-14%

### Private Banking<sup>1</sup> revenue details

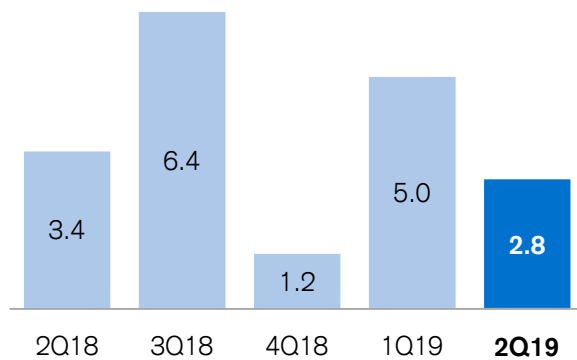
in CHF mn	2Q19	1Q19	2Q18	Δ 2Q18
Net interest income	168	146	158	6%
Recurring commissions & fees	106	107	112	-5%
Transaction-based revenues	163	145	142	15%
Net revenues	437	398	412	6%

<sup>†</sup> RoRC is a non-GAAP financial measure, see Appendix 1 APAC PB within WM&C

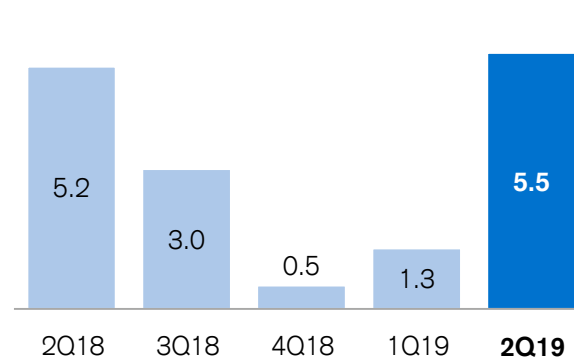
# Wealth Management businesses

## NNA generation

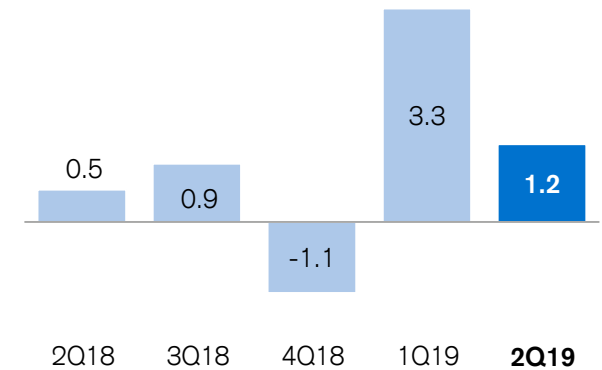
**APAC PB<sup>1</sup>** NNA in CHF bn



**IWM PB** NNA in CHF bn



**SUB PC** NNA in CHF bn



**NNA growth** (annualized)

7% 12% 2% 10% **5%**

**NNA growth** (annualized)

6% 3% 1% 1% **6%**

**NNA growth** (annualized)

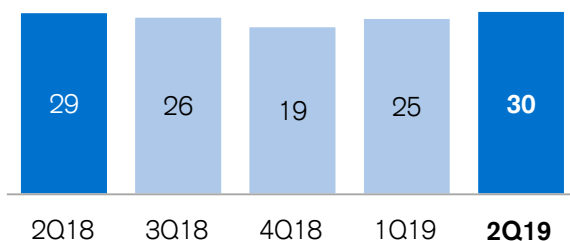
1% 2% -2% 7% **2%**

<sup>1</sup> APAC PB within WM&C

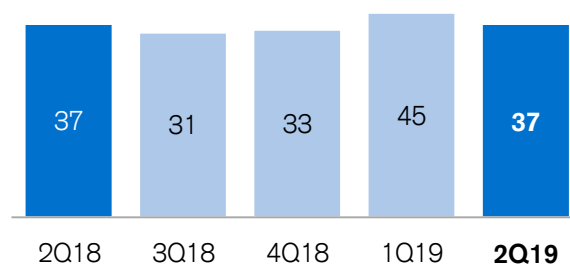
# Wealth Management businesses

## Net and gross margins

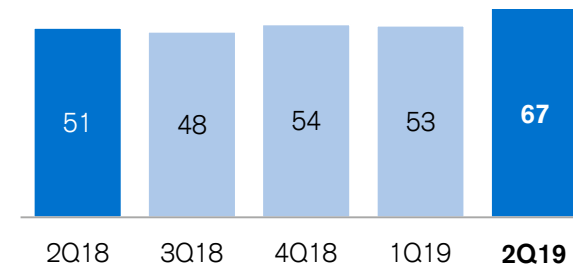
APAC PB<sup>1</sup> Net margin in bps



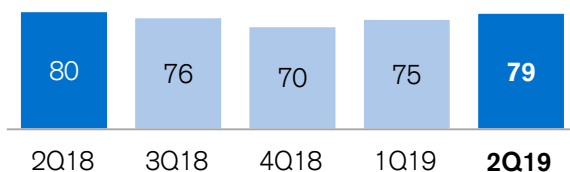
IWM PB Net margin in bps



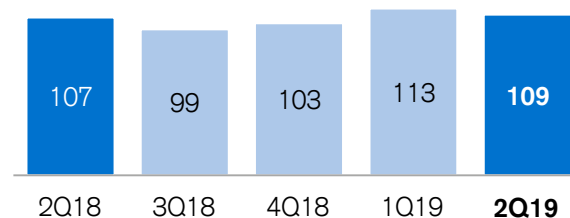
SUB PC Net margin in bps



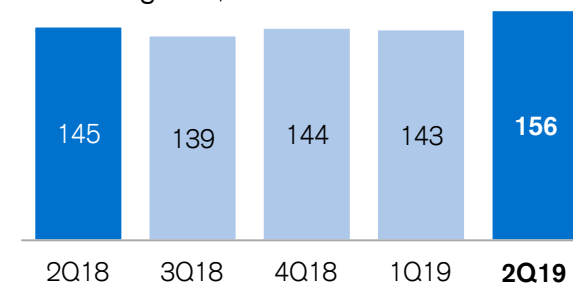
Gross margin in bps



Gross margin in bps



Gross margin in bps



Net revenues in CHF mn

412	387	358	398	<b>437</b>	992	913	942	1,019	<b>989</b>	757	730	740	742	<b>828</b>
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Pre-tax income in CHF mn

148	133	97	131	<b>165</b>	347	287	298	402	<b>340</b>	268	249	278	273	<b>356</b>
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Average AuM in CHF bn

205	204	206	212	<b>222</b>	372	369	366	360	<b>363</b>	208	210	205	207	<b>213</b>
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Note: For details on calculations see under 'Notes' at the end of this Appendix 1 APAC PB within WM&C



# Corporate Center

## Corporate Center Key financials

in CHF mn	2Q19	1Q19	2Q18
Treasury results	-208	-118	-5
Asset Resolution Unit	-24	-35	-
Other <sup>1</sup>	48	62	29
Net revenues	-184	-91	24
Provision for credit losses	4	6	-
Compensation and benefits	103	130	74
G&A expenses	89	140	-30
Commission expenses	16	16	21
Total other operating expenses	105	156	-9
Total operating expenses	208	286	65
<b>Pre-tax loss</b>	<b>-396</b>	<b>-383</b>	<b>-41</b>

## Corporate Center Key metrics

in CHF bn	2Q19	1Q19	2Q18
Total assets	118	120	101
Risk-weighted assets	49	50	30
Leverage exposure	126	130	103

## ARU within Corp. Ctr. Key financials

in CHF mn unless otherwise specified	2Q19	1Q19
Net revenues	-24	-35
Provision for credit losses	4	6
Total operating expenses	65	62
<b>Pre-tax loss</b>	<b>-93</b>	<b>-103</b>
Risk-weighted assets in USD bn	9	12
RWA excl. operational risk in USD bn	7	7
Leverage exposure in USD bn	29	29

## Strategic Resolution Unit Key financials

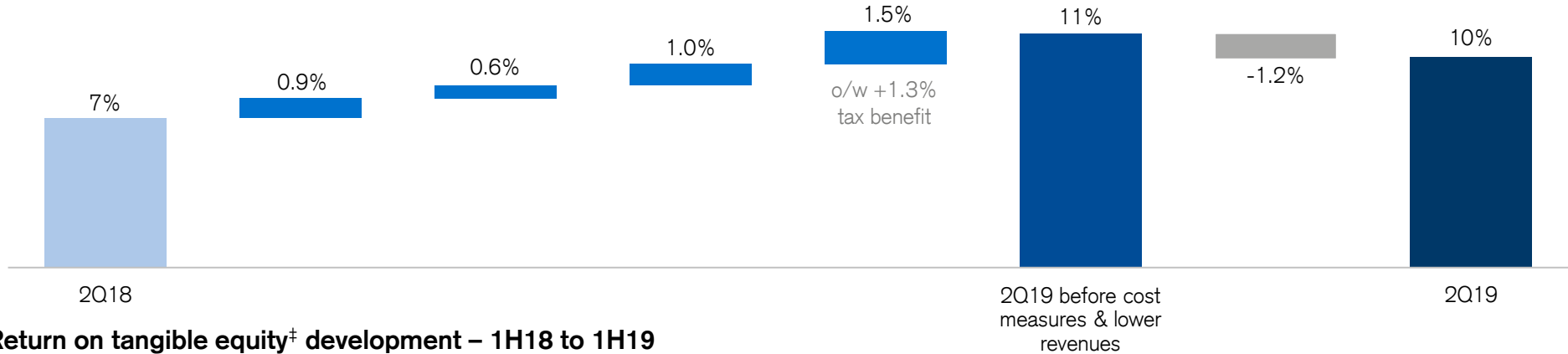
in CHF mn unless otherwise specified	2Q18
Net revenues	-176
Provision for credit losses	-1
Total operating expenses	193
<b>Pre-tax loss</b>	<b>-368</b>
Risk-weighted assets in USD bn	21
RWA excl. operational risk in USD bn	10
Leverage exposure in USD bn	39

<sup>1</sup> 'Other revenues' primarily include required elimination adjustments associated with trading in own shares, treasury commissions charged to divisions, the cost of certain hedging transactions executed in connection with the Group's RWAs and valuation hedging impacts from long-dated legacy deferred compensation and retirement programs mainly relating to former employees

# Continuous delivery on structural measures driving RoTE improvement despite adverse revenues during 1H19

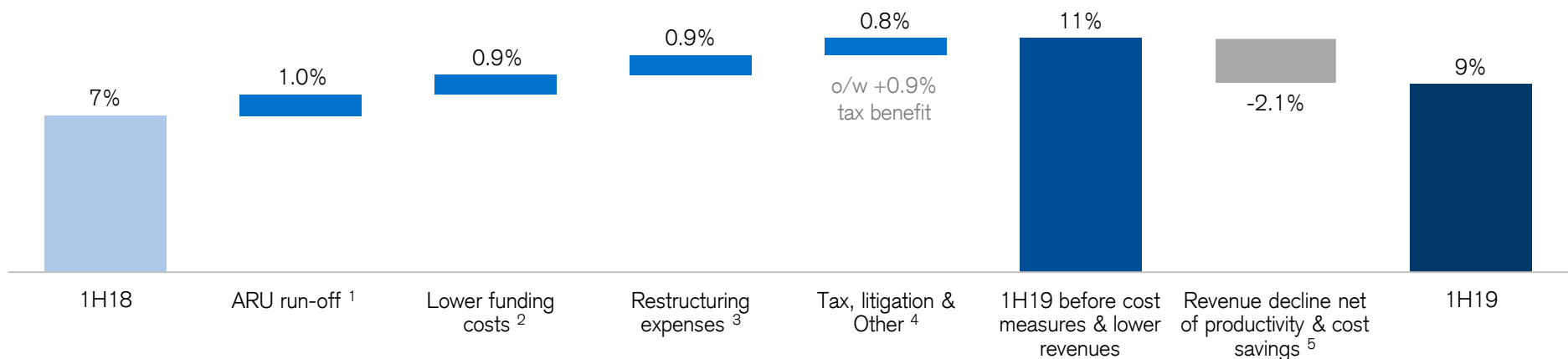
## Return on tangible equity<sup>‡</sup> development – 2Q18 to 2Q19

based on CHF



## Return on tangible equity<sup>‡</sup> development – 1H18 to 1H19

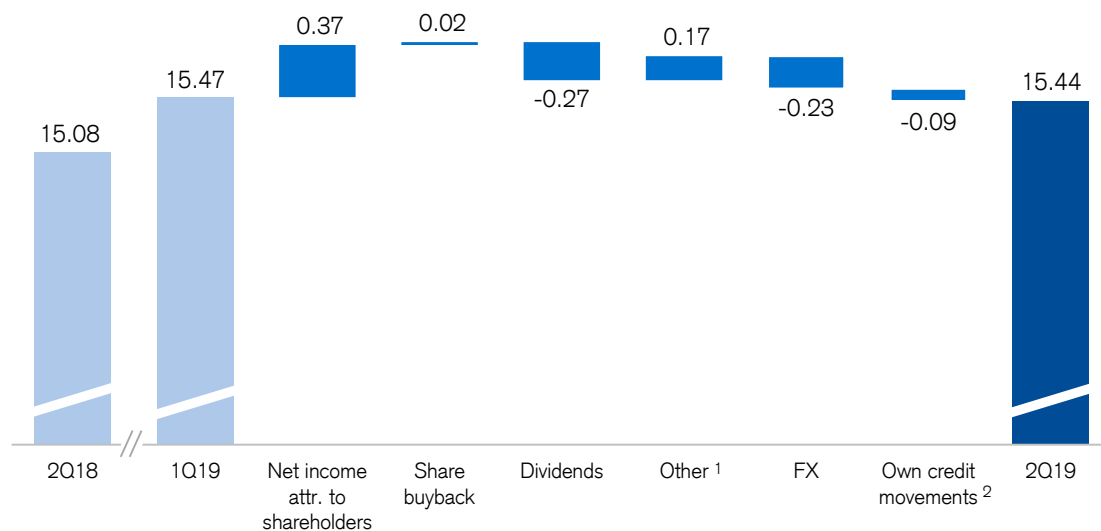
based on CHF



<sup>‡</sup> RoTE is a non-GAAP financial measure, see Appendix; RoTE figures are rounded up and down to the nearest whole number <sup>1</sup> Excludes restructuring and litigation expenses and lower funding costs <sup>2</sup> Includes impact from funding cost savings in the ARU and from funding instruments volatility <sup>3</sup> Includes expenses related to real estate disposals <sup>4</sup> Includes provision for credit losses, fair value gains / losses from debit valuation adjustments (DVA) on deferred compensation and impact from higher average tangible shareholders' equity <sup>5</sup> Excludes impact from ARU run-off on revenues before funding costs

# Tangible book value per share broadly stable at CHF 15.44

## Tangible book value per share (TBVPS)<sup>‡</sup> in CHF



## Key messages

- Tangible book value per share development during 2Q19 reflects growth from net income generated for the quarter and the re-measurement of the Group's pension assets and liabilities, offset by the payment of annual dividends and adverse movements, primarily from the strengthening of the CHF against the USD
- Share-count stable at 2,507.8 million as a reduction of 17 million from our share-buyback program was offset by impacts related to share-based compensation

<sup>‡</sup> Tangible book value per share (TBVPS) is a non-GAAP financial measure, see Appendix

<sup>1</sup> Includes net impact related to share-based compensation awards and net gains from the re-measurement of the Group's pension assets and liabilities, relating to the introduction of the new Swiss defined contribution plan

<sup>2</sup> Reflects impact on tangible shareholders' equity from own credit movements via other comprehensive income and tax expenses related to own credit movements

# Currency mix & Group capital metrics

## Credit Suisse Group results

Group results	2Q19 LTM in CHF mn	Contribution				
		CHF	USD	EUR	GBP	Other
Net revenues	20,657	24%	49%	11%	3%	13%
Total expenses <sup>1</sup>	17,027	31%	36%	4%	10%	19%

### Swiss Universal Bank

Net revenues	5,569	75%	16%	5%	1%	3%
Total expenses <sup>1</sup>	3,356	82%	12%	2%	2%	2%

### International Wealth Management

Net revenues	5,453	16%	57%	18%	2%	7%
Total expenses <sup>1</sup>	3,698	44%	27%	9%	7%	13%

### Asia Pacific

Net revenues	3,255	2%	38%	4%	2%	54%
Total expenses <sup>1</sup>	2,622	6%	12%	-%	2%	80%

### Global Markets

Net revenues	5,033	4%	68%	14%	7%	7%
Total expenses <sup>1</sup>	4,683	4%	60%	5%	22%	9%

### Investment Banking & Capital Markets

Net revenues	1,815	-%	90%	6%	2%	2%
Total expenses <sup>1</sup>	1,727	3%	74%	6%	13%	4%

<sup>1</sup> Total expenses include provisions for credit losses    <sup>2</sup> Sensitivity analysis based on weighted average exchange rates of USD/CHF of 0.99 and EUR/CHF of 1.13 for the 2Q19 LTM results

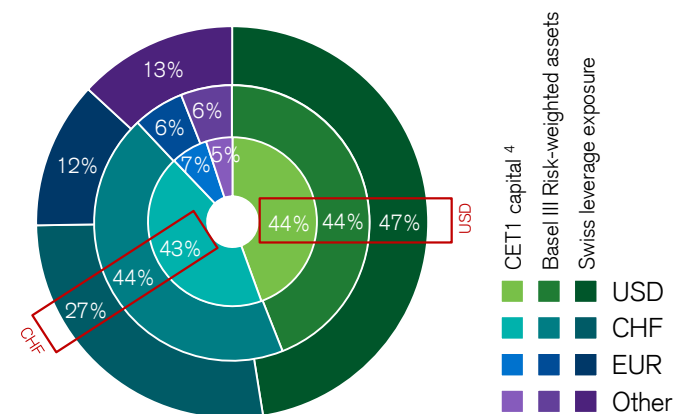
<sup>3</sup> Data based on June 2019 month-end currency mix and on a "look-through" basis    <sup>4</sup> Reflects actual capital positions in consolidated Group legal entities (net assets) including net asset hedges less applicable Basel III regulatory adjustments (e.g. goodwill)

## Sensitivity analysis on Group results<sup>2</sup>

Applying a +/- 10% movement on the average FX rates for 2Q19 LTM, the sensitivities are:

- USD/CHF impact on LTM pre-tax income by CHF +391 / - 391 mn
- EUR/CHF impact on LTM pre-tax income by CHF +152 / -152 mn

## Currency mix capital metric<sup>3</sup>



A 10% strengthening / weakening of the USD (vs. CHF) would have a **+0.6 bps / -0.7 bps impact** on the **BIS CET1 ratio**

Adjusted results are non-GAAP financial measures that exclude certain items included in our reported results. During the implementation of our strategy, it was important to measure the progress achieved by our underlying business performance. Management believes that adjusted results provide a useful presentation of our operating results for purposes of assessing our Group and divisional performance consistently over time, on a basis that excludes items that management does not consider representative of our underlying performance. Provided below is a reconciliation of our adjusted results to the most directly comparable US GAAP measures.

## Reconciliation of adjustment items

<b>Group</b> in CHF mn	1H19	1H18	1H17	1H16	<b>GM</b> in USD mn	2018	2017	2016	2015
<b>Total operating expenses reported</b>	<b>8,498</b>	<b>9,004</b>	<b>9,352</b>	<b>9,909</b>	<b>Net revenues reported</b>	<b>5,115</b>	<b>5,662</b>	<b>5,575</b>	<b>7,124</b>
Restructuring expenses	-	-319	-206	-346	<b>Net revenues adjusted</b>	<b>5,115</b>	<b>5,662</b>	<b>5,575</b>	<b>7,124</b>
Major litigation provisions	-35	-140	-130	-	<b>Provision for credit losses</b>	<b>24</b>	<b>32</b>	<b>-4</b>	<b>11</b>
Expenses related to real estate disposals	-51	-	-	-	<b>Total operating expenses reported</b>	<b>4,922</b>	<b>5,172</b>	<b>5,522</b>	<b>9,004</b>
Expenses related to business sales	-	-1	-	-	Goodwill impairment	-	-	-	-2,690
Debit valuation adjustments (DVA)	-32	13	-43	104	Restructuring expenses	-246	-154	-220	-97
<b>Total operating cost base adjusted</b>	<b>8,380</b>	<b>8,557</b>	<b>8,973</b>	<b>9,667</b>	Major litigation provisions	-10	-	-7	-240
FX adjustment	-68	-	5	-89	Expenses related to business sales	-	-8	-	-
<b>Total operating cost base adjusted at constant FX*</b>	<b>8,312</b>	<b>8,557</b>	<b>8,978</b>	<b>9,578</b>	<b>Total operating expenses adjusted</b>	<b>4,666</b>	<b>5,010</b>	<b>5,295</b>	<b>5,977</b>
					<b>Pre-tax income/loss (-) reported</b>	<b>169</b>	<b>458</b>	<b>57</b>	<b>-1,891</b>
					Total adjustments	256	162	227	3,027
					<b>Pre-tax income adjusted</b>	<b>425</b>	<b>620</b>	<b>284</b>	<b>1,136</b>

\* Adjusted operating cost base at constant 2018 FX rates; see Notes page

# Notes

## General notes

- 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 = net revenues annualized / average AuM; net margin = 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

\* Following the successful completion of our restructuring program in 2018, we updated our calculation approach for adjusted operating cost base at constant FX rates. Beginning in 1Q19, adjusted operating cost base at constant FX rates includes adjustments for major litigation provisions, expenses related to real estate disposals and business sales as well as for debit valuation adjustments (DVA) related volatility and FX, but not for restructuring expenses and certain accounting changes. Adjustments for FX apply unweighted 2018 currency exchange rates, i.e., a straight line average of monthly rates, consistently for the periods under review. Under the current presentation, adjusted operating cost base at constant FX rates for periods prior to 1Q19 still include adjustments for restructuring expenses and a goodwill impairment taken in 4Q15, but no longer include an adjustment for certain accounting changes.

† Regulatory capital is calculated as the worst of 10% of RWA and 3.5% of leverage exposure. Return on regulatory capital is calculated using 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.

‡ Return on tangible equity is based on tangible shareholders' equity, a non-GAAP financial measure, which is calculated by deducting goodwill and other intangible assets from total shareholders' equity as presented in our balance sheet. Tangible book value, a non-GAAP financial measure, is equal to tangible shareholders' equity. Tangible book value per share is a non-GAAP financial measure, which is calculated by dividing tangible shareholders' equity by total number of shares outstanding. Management believes that tangible shareholders' equity/tangible book value, return on tangible equity and tangible book value per share are meaningful as they are measures used and relied upon by industry analysts and investors to assess valuations and capital adequacy. For end-2Q16, tangible equity excluded goodwill of CHF 4,745 mn and other intangible assets of CHF 191 mn from total shareholders' equity of CHF 44,962 mn as presented in our balance sheet. For end-2Q17, tangible equity excluded goodwill of CHF 4,673 mn and other intangible assets of CHF 195 mn from total shareholders' equity of CHF 43,493 mn as presented in our balance sheet. For end-2Q18, tangible equity excluded goodwill of CHF 4,797 mn and other intangible assets of CHF 212 mn from total shareholders' equity of CHF 43,470 mn as presented in our balance sheet. For end-4Q18, tangible equity excluded goodwill of CHF 4,766 mn and other intangible assets of CHF 219 mn from total shareholders' equity of CHF 43,922 mn as presented in our balance sheet. For end-1Q19, tangible equity excluded goodwill of CHF 4,807 mn and other intangible assets of CHF 224 mn from total shareholders' equity of CHF 43,825 mn as presented in our balance sheet. For end-2Q19, tangible equity excluded goodwill of CHF 4,731 mn and other intangible assets of CHF 216 mn from total shareholders' equity of CHF 43,673 mn as presented in our balance sheet. Shares outstanding were 2,550.0 mn at end-2Q18, 2,507.8 mn at end-1Q19 and 2,507.8 mn at end-2Q19.

## Abbreviations

Adv. = Advisory; AES = Advanced Execution Services; AM = Asset Management; APAC = Asia Pacific; ARU = Asset Resolution Unit; attr. = attributable; AuM = Assets under Management; BCBS = Basel Committee on Banking Supervision; BIS = Bank for International Settlements; bps = basis points; CAGR = Compound Annual Growth Rate; CET1 = Common Equity Tier 1; Corp. = Corporate(s); Corp. Ctr. = Corporate Center; DVA = Debit Valuation Adjustments; E = Estimate; e.g. = for example; EMEA = Europe, Middle East & Africa; excl. = excluding; FINMA = Swiss Financial Market Supervisory Authority; FX = Foreign Exchange; G&A = General & Administrative; GAAP = Generally Accepted Accounting Principles; GDP = Gross Domestic Product; GM = Global Markets; IBCM = Investment Banking & Capital Markets; IMF = International Monetary Fund; IPO = Initial Public Offering; ITS = International Trading Solutions; IWM = International Wealth Management; LevFin = Leveraged Finance; LTM = Last Twelve Months; M&A = Mergers & Acquisitions; Mgmt. = Management; n/m = not meaningful; NII = Net interest income; NNA = Net New Assets; o/w = of which; PB = Private Banking; PC = Private Clients; perf. = performance; pp. = percentage point; PTI = Pre-tax income; QoQ = Quarter on quarter; rev. = revenues; RM = Relationship Manager; RoRC = Return on Regulatory Capital; RoTE = Return on Tangible Equity; RWA = Risk-weighted assets; SMI = Swiss Market Index; SRU = Strategic Resolution Unit; SUB = Swiss Universal Bank; TBVPS = Tangible Book Value Per Share; (U)HNW = (Ultra) High Net Worth; Underwr. = Underwriting; VaR = Value at Risk; WM&C = Wealth Management & Connected; YoY = Year on year; YTD = Year to Date

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