

# Credit Suisse Investor Day 2016

Asia Pacific

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December 7, 2016

# Disclaimer (1/2)

**The data presented in this presentation relating to the Swiss Universal Bank refers to the division of Credit Suisse Group as the same is currently managed within Credit Suisse Group. The scope, revenues and expenses of the Swiss Universal Bank vary from the planned scope of Credit Suisse (Schweiz) AG and its subsidiaries, planned to be subject to a partial IPO, market conditions permitting. Any such IPO would involve the sale of a minority stake and would be subject to, among other things, all necessary approvals. It is therefore not possible to make a like-for-like comparison of the Swiss Universal Bank as a division of Credit Suisse Group on the one hand and Credit Suisse (Schweiz) AG as a potential IPO vehicle on the other hand.**

## **Cautionary statement regarding forward-looking statements**

This presentation contains forward-looking statements that involve inherent risks and uncertainties, and we might not be able to achieve the predictions, forecasts, projections and other outcomes we describe or imply in forward-looking statements. A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions we express in these forward-looking statements, including those we identify in "Risk Factors" in our Annual Report on Form 20-F for the fiscal year ended December 31, 2015 and in "Cautionary statement regarding forward-looking information" in our media release relating to Investor Day, published on December 7, 2016 and filed with the US Securities and Exchange Commission, and in other public filings and press releases. We do not intend to update these forward-looking statements except as may be required by applicable law.

In particular, the terms "Illustrative", "Ambition", "Outlook" and "Goal" are not intended to be viewed as targets or projections, nor are they considered to be Key Performance Indicators. All such illustrations, ambitions and goals are subject to a large number of inherent risks, assumptions and uncertainties, many of which are completely outside of our control. Accordingly, this information should not be relied on for any purpose. We do not intend to update these illustrations, ambitions or goals.

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

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

## **Estimates and assumptions**

In preparing this presentation, management has made estimates and assumptions that affect the numbers presented. Actual results may differ. Figures throughout presentation may also be subject to rounding adjustments.

## **Cautionary Statements Relating to Interim Financial Information**

This presentation contains certain unaudited interim financial information as of or for periods after September 30, 2016, the date of our last published quarterly financial statements. This information has been derived from management accounts, is preliminary in nature, does not reflect the complete results of the fourth quarter of 2016 and is subject to change, including as a result of any normal quarterly adjustments in relation to the financial statements for the fourth quarter of 2016. This information has not been subject to any review by our independent registered public accounting firm. There can be no assurance that the final results for these periods will not differ from these preliminary results, and any such differences could be material. Quarterly financial results for the fourth quarter of 2016 will be included in our 4Q16 Earnings Release, and audited consolidated financial statements for full-year 2016 will be included in our Annual Report on Form 20-F for the year ended December 31, 2016, when they are published. These interim results of operations are not necessarily indicative of the results to be achieved for the remainder of the fourth quarter or the full year 2016.

# Disclaimer (2/2)

## 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 or a reference thereto can be found in this presentation in the Appendix, which is available on our website at [credit-suisse.com](http://credit-suisse.com).

## Statement regarding capital, liquidity and leverage

As of January 1, 2013, Basel 3 was implemented in Switzerland along with the Swiss "Too Big to Fail" legislation and regulations thereunder (in each case, subject to certain phase-in periods). As of January 1, 2015, the Bank for International Settlements (BIS) leverage ratio framework, as issued by the Basel Committee on Banking Supervision (BCBS), was implemented in Switzerland by FINMA. Our related disclosures are in accordance with our interpretation of such requirements, including relevant assumptions. Changes in the interpretation of these requirements in Switzerland or in any of our assumptions or estimates could result in different numbers from those shown in this presentation. Capital and ratio numbers for periods prior to 2013 are based on estimates, which are calculated as if the Basel 3 framework had been in place in Switzerland during such periods.

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. Leverage amounts for 4Q14, which are presented in order to show meaningful comparative information, are based on estimates which are calculated as if the BIS leverage ratio framework had been implemented in Switzerland at such time. Beginning in 2015, the Swiss leverage ratio is calculated as Swiss total capital, divided by period-end leverage exposure. The look-through BIS tier 1 leverage ratio and CET1 leverage ratio are calculated as look-through BIS tier 1 capital and CET1 capital, respectively, divided by end-period leverage exposure.

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# Key messages

## APAC

- Executing on our Entrepreneurs' Bank strategy
- Growth in U/HNWI & Entrepreneur clients, and multiple leading client franchises
- Slower markets driving revision of PTI target and pace of growth

## Progress since last Investor Day

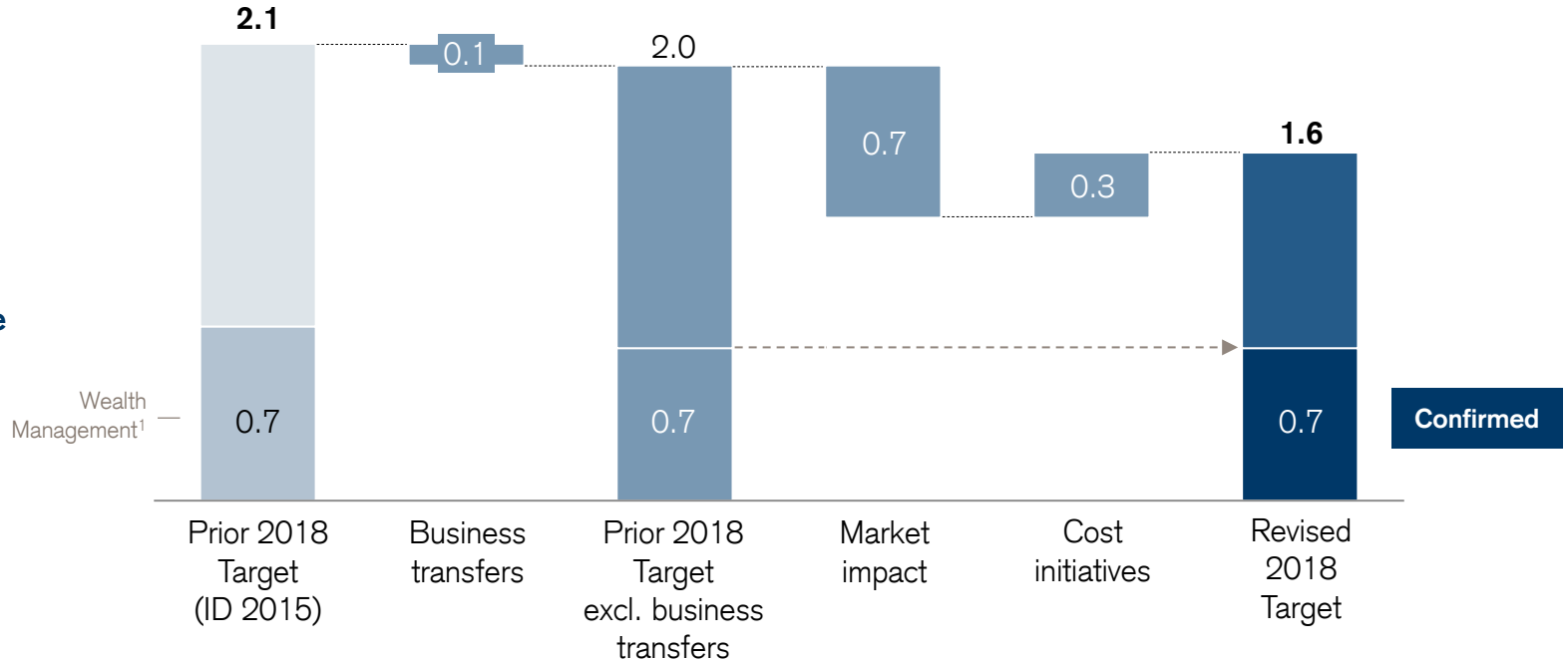
- Record AuM CHF 169 bn at the end of 3Q16
- Record Wealth Management revenues in 3Q16
- Strong return on regulatory capital and profitability through-the-cycle

## Way forward

- Capitalize on APAC wealth management opportunity with integrated, advisory-led solutions
- Extend leading franchises & product strength across APAC markets
- Deliver efficient, scalable and risk-controlled platform
- Seek to grow profitably from higher productivity and operational efficiency

# Recap: APAC Target

**Adjusted pre-tax income**  
in CHF bn

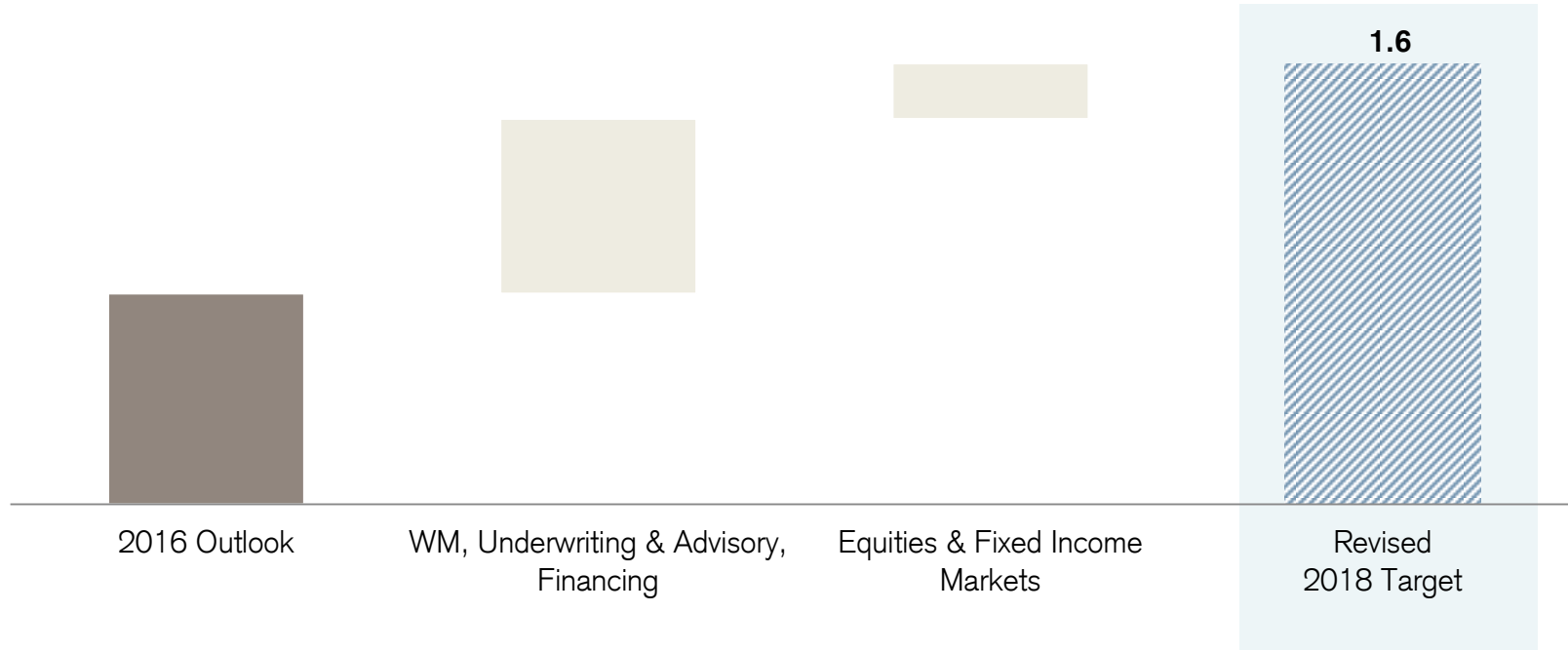


Note: Adjusted results are non-GAAP financial measures. A reference to the reconciliation to reported results is included in the Appendix

<sup>1</sup> Including contributions from wealth management connected activities

# Target supported by Wealth Management growth

Adj. pre-tax income in CHF bn



Note: Adjusted results are non-GAAP financial measures

# Attractive APAC wealth market

**Estimated 16%  
compound annual  
growth in  
UHNWIs to 2020<sup>1</sup>**

**Highest # of  
billionaires globally in  
2016<sup>2</sup>**

**~50% of new global  
billionaires from  
APAC<sup>2</sup>**

**16% of market  
U/HNWI AuM<sup>3</sup>  
captured by Top-20  
PBs<sup>4</sup>**

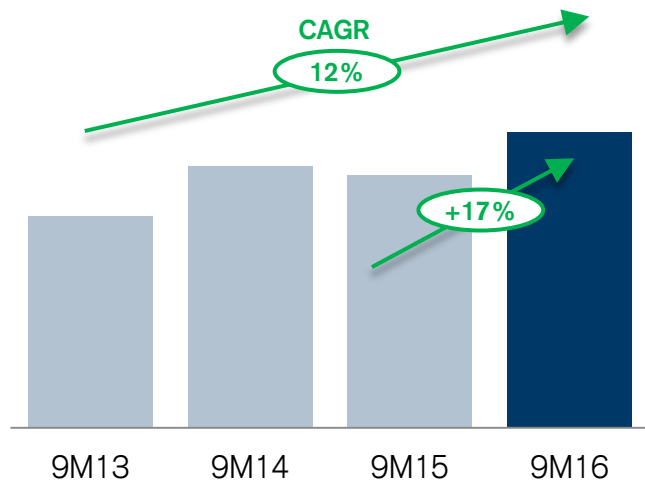
**Entrepreneur-Driven  
Growth**

<sup>1</sup> Based on number of millionaire households with > USD 100 mn private financial wealth. Source: BCG Wealth Report 2016    <sup>2</sup> Source: 2016 Forbes Billionaire List  
<sup>3</sup> Source: Capgemini 2016 Wealth Report; over USD 5 mn investable Wealth    <sup>4</sup> Source: Asian Private Banker

# CS growth momentum in wealth management

## CS APAC U/HNWI & Entrepreneur-related performance<sup>1</sup>

Net revenues



9M15 – 9M16 Growth

|     | SEA                                 | GC                                  | JPN                                 | AUS                                 | KOR                                 | IND <sup>2</sup>                    |
|-----|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Rev | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| AuM | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | n/a                                 | <input checked="" type="checkbox"/> |

Positive       Negative

<sup>1</sup> Includes Wealth Management, Underwriting & Advisory and Financing    <sup>2</sup> India AuM growth includes India onshore and NRIs booked in Singapore and Hong Kong

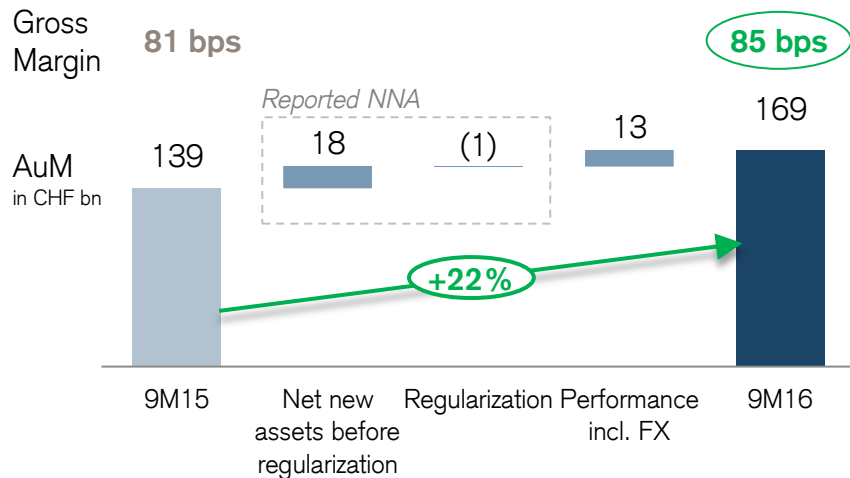


# Growth in U/HNW client base

## Solid asset growth & margins

10%+ NNA growth in 9 of 12 last quarters

CHF 61 bn of NNA since 2013<sup>1</sup>

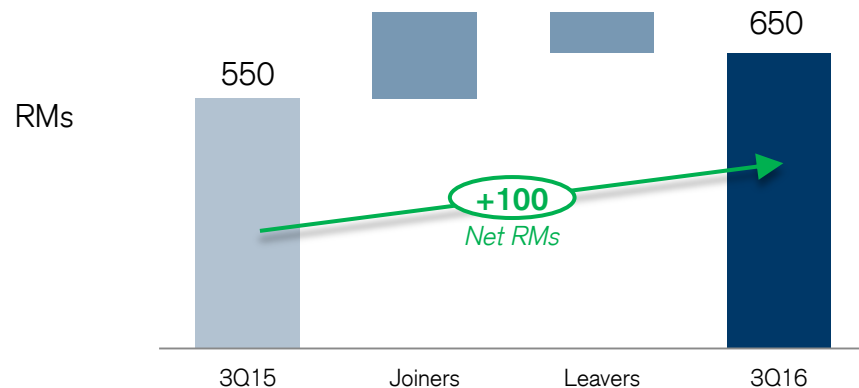


## Higher RM Productivity

AuM / RM  
in CHF mn

253

260



# Broader client activity from advisory-led model

## Extend and maintain strong market positions

### SoW rank amongst international banks<sup>1</sup>

By country/region

|  |           |
|--|-----------|
|  SEA | <b>#1</b> |
|  IND | <b>#2</b> |
|  AUS | <b>#1</b> |
|  KOR | <b>#3</b> |
|  GC  | <b>#8</b> |

By product

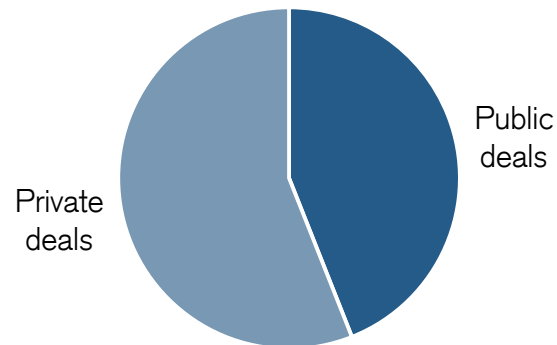
|           |           |
|-----------|-----------|
| M&A       | <b>#2</b> |
| ECM       | <b>#5</b> |
| DCM       | <b>#5</b> |
| Lev Loans | <b>#2</b> |

#1 APAC excl. Japan

## Deepen client relationships

### CS APAC U/HNWI & Entrepreneur / Corporates total fees<sup>2</sup>

9M16



Drive multi-product and global solutions

<sup>1</sup> Source: Dealogic as at December 2, 2016 YTD <sup>2</sup> Includes APAC excl. Japan

# Capital solutions for clients' wealth/business needs

Measured increase in credit portfolio

CHF 4 bn / 12% increase in net loans

3Q15 to 3Q16

Effective risk management

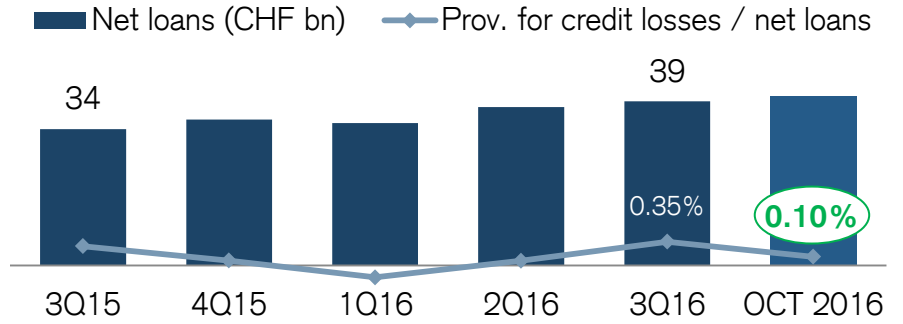
0.09% avg. provision for credit losses / net loans

Creating balance sheet capacity

72% of originated structured credit volume distributed (9M16)

U/HNW & Entrepreneur client focus

~80% of notional credit exposure with U/HNW & Entrepreneur clients (3Q16)



# Connectivity between markets and WM franchise

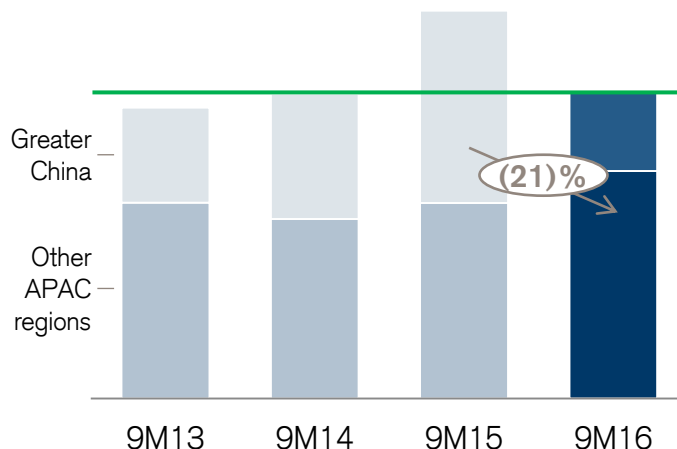
## 2016 market headwinds

APAC equity trading volumes<sup>1</sup>  
(47)%

HKEx Trading Velocity at 20-year low<sup>2</sup>

Equity Capital Markets fee pools<sup>3</sup>  
(26)%

## CS APAC Equities and Fixed Income performance excluding SMG – Net revenues, CHF bn



## Going forward

### Build U/HNWI solutions

e.g. Prime Services for Private Banking and structured funds

### Broader client access

e.g. family offices, External Asset Managers, Sovereign Wealth Funds, Institutional Investors

### Enhance product suite

e.g. investor strategies, structured credit



**Equity Derivatives House of the Year 2016**

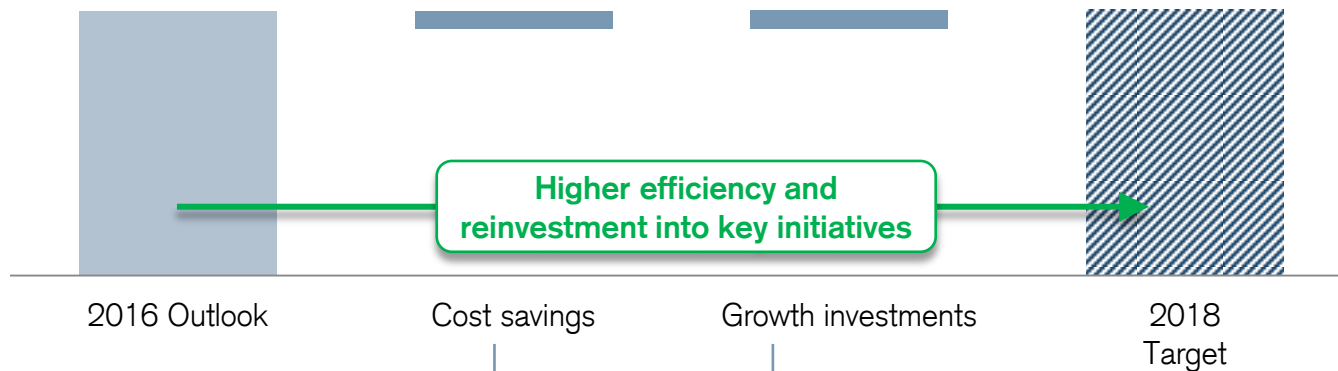
<sup>1</sup> Average daily cash volumes as of YTD December 2, 2016 vs. 2015

<sup>2</sup> HKEx average monthly trading velocity as of end-Oct'16

<sup>3</sup> Source: Dealogic, 2016 YTD vs. 2015 YTD as of December 2, 2016. Excludes China A-shares

# Further operational leverage

Adj. total operating expenses  
In CHF bn



### Synergies from integrating APAC division

- Streamline operating model and processes
- Consolidate product capabilities and coverage
- Workflow automation

### Support focused growth opportunities

- Expand WM footprint and onshore platforms
- Regulatory and controls infrastructure
- Digital innovation

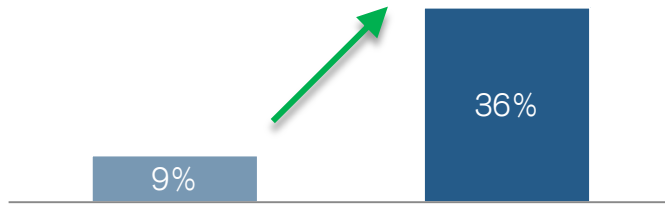
Note: Adjusted results are non-GAAP financial measures

# Seeing results of strategic focus despite challenging market conditions

## Continued growth

**CS APAC U/HNWI & Entrepreneur-related performance** – Net revenues, CHF bn

2016 vs. 2015 change



H1

3Q

## Stronger performance in similar market conditions

**CS APAC Equities and Fixed Income performance excluding SMG** – Net revenues, CHF bn

2016 vs. 2015 change



H1

3Q

# Summary of initiatives

## Build on our momentum

- **Continue growth** in U/HNWI & Entrepreneur client businesses
- Drive firm-wide **interconnectivity** to differentiate client experience
- Deliver our multiple leading business franchises via an **integrated model**

## Stay focused

- **Capture synergies** across APAC division
- **Accelerate productivity** of new hires and resources
- **Deliver balanced franchise with strong returns**

The Entrepreneurs' Bank of Asia Pacific



Photo



“

With Chairman Urs Rohner and CEO Tidjane Thiam of Credit Suisse. Thiam’s strategy is to make CS a global private bank with strong investment banking capabilities. I agree with the strategy, keep @CreditSuisse simple! Laser focus on these 2 activities rather than boiling ocean in all different banking areas!

”

Francis Yeoh, Executive Chairman, YTL Corporation  
on Instagram



## Appendix

# Notes

## General notes

- For **reconciliation of adjusted to reported results**, refer to the appendix of either the CEO or CFO Investor Day 2016 presentation. All reconciliations are available in the respective appendix.
- Throughout the presentation rounding differences may occur.
- All **risk-weighted assets (RWA)** 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 (bps).  
Gross margin = adj. net revenues annualized / average AuM; net margin = adj. pre-tax income annualized / average AuM.
- **Mandates penetration** reflects advisory and discretionary mandates as percentage of total AuM, excluding AuM from the external asset manager (EAM) business.

## Specific notes

\* "Adjusted operating expenses at constant FX rates" include adjustments as made in all our disclosures for restructuring expenses, major litigation expenses and a goodwill impairment taken in 4Q15 as well as adjustments for FX, applying the following main currency exchange rates for 1Q15: USD/CHF 0.9465, EUR/CHF 1.0482, GBP/CHF 1.4296, 2Q15: USD/CHF 0.9383, EUR/CHF 1.0418, GBP/CHF 1.4497, 3Q15: USD/CHF 0.9684, EUR/CHF 1.0787, GBP/CHF 1.4891, 4Q15: USD/CHF 1.0000, EUR/CHF 1.0851, GBP/CHF 1.5123, 1Q16: USD/CHF 0.9928, EUR/CHF 1.0941, GBP/CHF 1.4060, 2Q16: USD/CHF 0.9756, EUR/CHF 1.0956, GBP/CHF 1.3845, 3Q16: USD/CHF 0.9728, EUR/CHF 1.0882, GBP/CHF 1.2764. These currency exchange rates are unweighted, i.e. a straight line average of monthly rates. We apply this calculation consistently for the periods under review.

† Regulatory capital reflects the worst of 10% of RWA and 3.5% of leverage exposure. Return on regulatory capital is based on (adjusted) returns after tax assuming a tax rate of 30% for all periods and capital allocated based on the worst of 10% of average RWA and 3.5% of average leverage exposure. For Global Markets and Investment Banking & Capital Markets, return on regulatory capital is based on US dollar denominated numbers.

## Abbreviations

Adj. = Adjusted; AT1 = Additional Tier 1; AM = Asset Management; ann. = annualized; APAC = Asia Pacific; AuM = Assets under Management; BCBS = Basel Committee on Banking Supervision; BIS = Bank for International Settlements; bps = basis points; BRRD = Bank Recovery and Resolution Directive; CAO = Capital Adequacy Ordinance; CET1 = Common Equity Tier 1; Corp. Ctr. = Corporate Center; C&IB = Corporate & Institutional Banking; CRO = Chief Risk Officer; CCRO = Compliance and Regulatory Affairs; CVA = Credit Valuation Adjustment; ECM = Equity Capital Markets; EM = Emerging Markets; EMEA=Europe, Middle East & Africa; FINMA = Swiss Financial Market Supervisory Authority; FRTB = Fundamental review of the trading book; FSB = Financial Stability Board; FTE = Full time equivalents; FVoD = Fair Value of Own Debt; FX = Foreign Exchange; GM = Global Markets; GMAR = Global Markets Accelerated Restructuring; HoldCo = Holding Company; HQ = Headquarters; HQLA = High Quality Liquid Assets; IB = Investment Banking; IBCM = Investment Banking & Capital Markets; ID = Investor Day; IHC = Intermediate Holding Company; IOSCO = The International Organization of Securities Commissions; IPO = Initial Public Offer; IRB = Internal Ratings-Based; IWM = International Wealth Management; KPI = Key Performance Indicator; LATAM =Latin America; LCR = Liquidity Coverage ratio; M&A = Mergers & Acquisitions; NCWOL = No Creditor Worse Off than in Liquidation; NNA = Net new assets; NSFR = Net Stable Funding Ratio; OpCo = Operating Company; OpRisk = Operational Risk PB = Private Banking; PB&WM = (Former) Private Banking & Wealth Management (division) pp. = percentage points; PTI = Pre-tax income; PONV = Point of Non-Viability; QoQ = Quarter-on-quarter; RM(s) = Relationship Manager(s); RoRC = Return on regulatory capital; RWA = Risk Weighted Assets; SA-CCR = Standardized Approach - Counterparty Credit Risk; SME = Small and Medium Enterprises; SMG = Systematic Market-Making Group; SoW = Share of Wallet; SRU = Strategic Resolution Unit; STS = Sales and Trading Services; SUB = Swiss Universal Bank; T1 = Tier 1 capital; TBTF = Too Big to Fail; TLAC = Total loss absorbing capacity; (U)HNW(I) = (Ultra) High Net Worth (Individuals); WM = Wealth Management; YoY = Year-on-Year; YTD = Year To Date

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