

Media Release

Credit Suisse announces 3Q15 results

- **Reported Core pre-tax income of CHF 861 million**
- **Reported net income of CHF 779 million**
- **Both Private Banking & Wealth Management and Investment Banking results were impacted by low levels of client activity and adverse market conditions**
- **Continued strong net new assets of CHF 16.4 billion**
- **Substantial leverage reduction in Investment Banking: Year-end target achieved ahead of schedule**

October 21, 2015 **In 3Q15, we saw a continuation of both the positive trends seen in 2Q15 – strength in Asia and in equities and strong net new assets – and the negative trends with results impacted adversely by challenging market conditions and low levels of client activity, mainly in the fixed income sales and trading businesses.**

Tidjane Thiam, Chief Executive Officer, said: “In the third quarter, difficult market conditions led to low client activity in both our Investment Banking and Private Banking & Wealth Management divisions. This translated into lower profits and was particularly visible in our fixed income sales and trading performance. The reduction of the capital allocation to the Investment Bank continued, with USD 615.4 billion of leverage exposure at the end of 3Q, thus achieving the year-end 2015 target that was announced in February 2015. We made good progress in our Private Banking & Wealth Management division with strong net new asset inflows across all regions. This is encouraging in an environment in which private clients tend to be cautious about their portfolios. Mandates penetration continued to increase. The quarter-on-quarter increase in our share of wallet in our Investment Banking advisory business as well as the revenue growth we achieved in our Corporate & Institutional Clients business are a testament to Credit Suisse’s strong relationships with corporate clients and entrepreneurs.”

On the outlook, he said: “The adverse impact of difficult market conditions in the third quarter on client issuance and trading activity has continued so far in October, offsetting a resilient performance by our Asian business and sustained higher net interest income. In the coming months, we will focus on the implementation of our strategy, announced today. Our third-quarter results reinforce the need for a restructuring of the bank aimed at reducing the volatility of our earnings and better aligning the activities of our Investment Bank behind the needs of the clients of our Private Banking & Wealth Management division. Our aim remains to generate long-term, profitable and capital generative growth through the implementation of the strategy and organizational structure announced today.”

Selected Core Results highlights

	in / end of		% change		in / end of		% change	
	3Q15	2Q15	3Q14	QoQ	YoY	9M15	9M14	YoY
Reported results (CHF million, except where indicated)								
Net revenues	5,982	6,941	6,537	(14)	(8)	19,596	19,439	1
Income from continuing operations before taxes	861	1,646	1,301	(48)	(34)	4,045	2,331	74
Net income attributable to shareholders	779	1,051	1,025	(26)	(24)	2,884	1,184	144
Return on equity (%)	7.1	10.0	9.7	-	-	9.0	3.7	-
Strategic results (CHF million, except where indicated)								
Net revenues	5,623	6,758	6,287	(17)	(11)	18,971	19,126	(1)
Income from continuing operations before taxes	826	1,812	1,622	(54)	(49)	4,460	5,341	(16)
Net income attributable to shareholders	699	1,418	1,115	(51)	(37)	3,352	3,807	(12)
Return on equity (%)	6.6	13.9	11.0	-	-	10.8	12.7	-
Non-strategic results (CHF million)								
Net income/(loss) attributable to shareholders	80	(367)	(90)	-	-	(468)	(2,623)	(82)

Core Results do not include noncontrolling interests without significant economic interests.

Reported Core results

- Net income attributable to shareholders of CHF 779 million

In the third quarter, Credit Suisse reported Core pre-tax income of CHF 861 million, primarily reflecting lower results in Investment Banking due to unfavorable market conditions. Net income attributable to shareholders was CHF 779 million, down 24% compared to the same period of last year. Return on equity attributable to shareholders was 7%, a decrease of 3 percentage points compared to the previous quarter.

Reported Core net revenues decreased 8% year on year, as lower net revenues in Investment Banking and Private Banking & Wealth Management were partially offset by higher net revenues in the Corporate Center. Reported total operating expenses decreased 3% compared to 3Q14, with reductions in Investment Banking partially offset by an increase in expenses in the Corporate Center and in Private Banking & Wealth Management.

In the non-strategic businesses, pre-tax income improved to CHF 35 million compared to a loss of CHF 321 million in 3Q14.

Strategic Core Results – selected highlights

	in / end of		% change		in / end of		% change	
	3Q15	2Q15	3Q14	QoQ	YoY	9M15	9M14	YoY
Strategic results (CHF million)								
Income/(loss) from continuing operations before taxes	826	1,812	1,622	(54)	(49)	4,460	5,341	(16)
of which Private Banking & Wealth Management	753	1,001	872	(25)	(14)	2,692	2,719	(1)
of which Investment Banking	282	910	995	(69)	(72)	2,307	3,165	(27)
of which Corporate Center	(209)	(99)	(245)	111	(15)	(539)	(543)	(1)

Strategic Core results

- Strategic results in Private Banking & Wealth Management impacted by weaker client activity and adverse market conditions
- These conditions also led to weaker strategic Investment Banking results

For the third quarter of 2015, strategic pre-tax income was CHF 826 million, a decline of 49% compared to the same period a year ago. Strategic net income attributable to shareholders was CHF 699 million, down 37% compared to CHF 1,115 million in 3Q14. Strategic return on equity for 3Q15 was 7%.

Private Banking & Wealth Management

Private Banking & Wealth Management

	in / end of			% change		in / end of			% change	
	3Q15	2Q15	3Q14	QoQ	YoY	9M15	9M14	YoY		
Reported results (CHF million)										
Net revenues	2,935	3,152	3,125	(7)	(6)	9,059	9,411	(4)		
Provision for credit losses	80	44	25	82	220	153	81	89		
Compensation and benefits	1,214	1,248	1,194	(3)	2	3,691	3,719	(1)		
Total other operating expenses	994	923	963	8	3	2,797	4,405	(37)		
Total operating expenses	2,208	2,171	2,157	2	2	6,488	8,124	(20)		
Income before taxes	647	937	943	(31)	(31)	2,418	1,206	100		
Metrics (%)										
Return on regulatory capital	16.5	23.5	27.3	-	-	20.4	12.0	-		
Cost/income ratio	75.2	68.9	69.0	-	-	71.6	86.3	-		
Assets under management (CHF billion)										
Assets under management	1,293.9	1,355.7	1,366.1	(4.6)	(5.3)	1,293.9	1,366.1	(5.3)		
Net new assets	16.4	14.2	7.4	15.5	121.6	47.6	31.2	52.6		

Private Banking & Wealth Management – strategic results

	in / end of			% change		in / end of			% change	
	3Q15	2Q15	3Q14	QoQ	YoY	9M15	9M14	YoY		
Strategic results (CHF million)										
Net interest income	1,137	1,096	968	4	17	3,214	2,885	11		
Recurring commissions and fees	1,047	1,082	1,149	(3)	(9)	3,196	3,424	(7)		
Transaction- and performance-based revenues	750	925	827	(19)	(9)	2,597	2,611	(1)		
Other revenues	(23)	(12)	(5)	92	360	(35)	(18)	94		
Net revenues	2,911	3,091	2,939	(6)	(1)	8,972	8,902	1		
Provision for credit losses	76	31	26	145	192	132	73	81		
Total operating expenses	2,082	2,059	2,041	1	2	6,148	6,110	1		
Income before taxes	753	1,001	872	(25)	(14)	2,692	2,719	(1)		
of which Wealth Management Clients	477	669	536	(29)	(11)	1,782	1,683	6		
of which Corporate & Institutional Clients	210	244	240	(14)	(13)	684	697	(2)		
of which Asset Management	66	88	96	(25)	(31)	226	339	(33)		
Metrics (%)										
Return on regulatory capital	19.7	25.8	26.7	-	-	23.3	28.7	-		
Cost/income ratio	71.5	66.6	69.4	-	-	68.5	68.6	-		
Net new assets (CHF billion)										
Net new assets	17.3	15.4	8.8	12.3	96.6	51.1	36.6	39.6		

Private Banking & Wealth Management: Strong net asset inflows across all regions

- Private Banking & Wealth Management with stable net revenues in the strategic businesses compared to 3Q14, with solid contributions from Wealth Management Clients and Corporate & Institutional Clients
- Total net new assets of CHF 16.4 billion

In 3Q15, Private Banking & Wealth Management reported net revenues of CHF 2,935 million and pre-tax income of CHF 647 million. The strategic businesses of Private Banking & Wealth Management generated pre-tax income of CHF 753 million with stable net revenues of CHF 2,911 million, slightly higher expenses and an increase in provision for credit losses mainly in Corporate & Institutional Clients compared to the third quarter of 2014. Strategic net revenues were stable as higher net interest income offset lower recurring commissions and fees,

mainly reflecting the deconsolidation of the cards issuing business (refer to “Business developments” section below), and lower transaction- and performance-based revenues. The return on regulatory capital for the strategic businesses was 20% and the cost/income ratio increased to 72%.

Private Banking & Wealth Management recorded strategic net new assets of CHF 17.3 billion and reported net new assets of CHF 16.4 billion in 3Q15. Wealth Management Clients contributed net new assets of CHF 10.5 billion with growth in all regions and balanced contributions from all client segments. In addition, mandates penetration within Wealth Management Clients increased from 17% at the end of 2014 to 21% at the end of 3Q15, reflecting the *Credit Suisse Invest* sales momentum. Assets under management for Private Banking & Wealth Management decreased by CHF 61.8 billion from the end of 2Q15 to CHF 1,293.9 billion at the end of 3Q15, mainly due to unfavorable market conditions and the introduction of an updated assets under management policy.

Effective July 1, 2015, the Group updated its assets under management policy primarily to introduce more specific criteria and indicators to evaluate whether client assets qualify as assets under management. The introduction of this updated policy resulted in a reclassification of CHF 46.4 billion of assets under management to client assets, which has been reflected as a structural effect in 3Q15. Of the CHF 46.4 billion reclassification, CHF 38.1 billion was in Wealth Management Clients and CHF 8.3 billion was in Corporate & Institutional Clients.

Wealth Management Clients reported a net margin of 23 basis points, 2 basis points lower than in 3Q14, as both quarters were impacted by litigation provisions. Compared to 2Q15, the net margin was down 8 basis points, reflecting lower transaction- and performance-based revenues, the increased litigation provisions and lower recurring commissions and fees, partially offset by a decrease in assets under management and higher net interest income.

Private Banking & Wealth Management’s risk-weighted assets increased by CHF 2.6 billion during the quarter to CHF 108.3 billion, mainly driven by positive foreign exchange movements, model updates and methodology changes, and its leverage exposure decreased by CHF 7.2 billion to CHF 373.0 billion. As of the end of 3Q15, the non-strategic businesses of Private Banking & Wealth Management reported risk-weighted assets of CHF 4.4 billion and leverage exposure of CHF 3.9 billion, both stable compared to the end of 2Q15.

The non-strategic businesses reported a pre-tax loss of CHF 106 million, compared to pre-tax income of CHF 71 million in 3Q14, which included a gain on the sale of Credit Suisse’s domestic private banking business booked in Germany. Operating expenses were CHF 126 million, including costs of CHF 68 million to meet requirements related to the settlements with US authorities regarding US cross-border matters.

Business developments:

On July 1, 2015, the Group transferred the credit and charge cards issuing business (cards issuing business) to Swisscard AECS GmbH (Swisscard), an entity in which the Group holds a significant equity interest. As a result of the transfer, the cards issuing business was deconsolidated as of July 1, 2015, including the pre-existing non-controlling interest in the cards issuing business. Consequently, income/revenues and expenses from the cards issuing business are no longer fully reflected in the Group’s consolidated financial statements or in the Wealth Management Clients results within the Private Banking & Wealth Management segment, but the Group’s share of net income from the equity method investment in Swisscard is recorded within net revenues in all three presentations. At the same time, the Group’s net income attributable to non-controlling interest is reduced as a result of the deconsolidation. Given that Swisscard continues to be an equity method investment of the Group, the aggregate impact of the deconsolidation on the Group’s net income/(loss) attributable to shareholders is not expected to be material.

Investment Banking

Investment Banking

	in / end of			% change		in / end of			% change
	3Q15	2Q15	3Q14	QoQ	YoY	9M15	9M14	YoY	
Reported results (CHF million)									
Net revenues	2,356	3,381	3,303	(30)	(29)	9,320	10,061	(7)	
Provision for credit losses	30	7	36	329	(17)	38	31	23	
Compensation and benefits	1,159	1,545	1,450	(25)	(20)	4,256	4,470	(5)	
Total other operating expenses	1,292	1,214	1,301	6	(1)	3,591	3,465	4	
Total operating expenses	2,451	2,759	2,751	(11)	(11)	7,847	7,935	(1)	
Income/(loss) before taxes	(125)	615	516	-	-	1,435	2,095	(32)	
Metrics (%)									
Return on regulatory capital	-	9.9	8.3	-	-	7.7	11.4	-	
Cost/income ratio	104.0	81.6	83.3	-	-	84.2	78.9	-	

Investment Banking – strategic results

	in / end of			% change		in / end of			% change
	3Q15	2Q15	3Q14	QoQ	YoY	9M15	9M14	YoY	
Strategic results (CHF million)									
Debt underwriting	326	467	519	(30)	(37)	1,125	1,470	(23)	
Equity underwriting	117	240	214	(51)	(45)	510	665	(23)	
Total underwriting	443	707	733	(37)	(40)	1,635	2,135	(23)	
Advisory and other fees	192	207	170	(7)	13	531	511	4	
Total underwriting and advisory	635	914	903	(31)	(30)	2,166	2,646	(18)	
Fixed income sales and trading	888	1,393	1,544	(36)	(42)	4,005	4,587	(13)	
Equity sales and trading	1,201	1,320	1,069	(9)	12	3,865	3,394	14	
Total sales and trading	2,089	2,713	2,613	(23)	(20)	7,870	7,981	(1)	
Other	(103)	(78)	(97)	32	6	(240)	(288)	(17)	
Net revenues	2,621	3,549	3,419	(26)	(23)	9,796	10,339	(5)	
Provision for credit losses	15	7	29	114	(48)	23	24	(4)	
Total operating expenses	2,324	2,632	2,395	(12)	(3)	7,466	7,150	4	
Income before taxes	282	910	995	(69)	(72)	2,307	3,165	(27)	
Metrics (%)									
Return on regulatory capital	4.8	15.6	17.1	-	-	13.1	18.9	-	
Cost/income ratio	88.7	74.2	70.0	-	-	76.2	69.2	-	

Investment Banking: Substantial reduction of leverage exposure

- Resilient results in equities offset by significantly lower performance in fixed income and underwriting due to challenging market conditions that resulted in reduced client activity

In 3Q15, Investment Banking reported net revenues of CHF 2,356 million and a loss before taxes of CHF 125 million. Compared to 3Q14, revenues declined 29%, reflecting higher results in equities, more than offset by a significantly weaker performance in fixed income and underwriting. Total operating expenses in Investment Banking decreased 11% during the quarter.

In the strategic businesses, Investment Banking reported pre-tax income of CHF 282 million and net revenues of CHF 2,621 million. Compared to an exceptionally strong 3Q14, which included significant client deals, revenues in the strategic businesses decreased 23% due to challenging market conditions during 3Q15, which led to reduced levels of client activity in fixed income sales and trading and underwriting. Fixed income sales and trading revenues declined significantly compared to a strong 3Q14 as material credit market volatility resulted in low client activity

in 3Q15. Equity sales and trading results improved, as increased market volatility led to higher trading volumes. Underwriting and advisory results declined as higher advisory results were offset by a weaker equity and debt underwriting performance in line with lower industry-wide underwriting activity. Compared to 3Q14, strategic total operating expenses declined 3% as lower variable compensation expenses were mainly offset by higher litigation expenses, including CHF 128 million relating to a CDS settlement, and increased investments in our risk, regulatory and compliance infrastructure.

Substantial progress was made on reducing leverage exposure in Investment Banking. In 3Q15, Investment Banking reduced its leverage exposure by USD 59.9 billion to USD 615.4 billion, reaching the end-2015 divisional target of USD 600-620 billion ahead of schedule. As of the end of 3Q15, Investment Banking reported risk-weighted assets of USD 164.3 billion, down USD 2.6 billion since the end of 2Q15.

In 3Q15, Investment Banking's non-strategic businesses reported a pre-tax loss of CHF 407 million and negative net revenues of CHF 265 million. Compared to 3Q14, negative net revenues were higher but total operating expenses decreased due to lower litigation provisions.

Capital, leverage and costs

Capital and leverage metrics

end of	Phase-in			Look-through		
	3Q15	2Q15	4Q14	3Q15	2Q15	4Q14
BIS capital ratios (%)						
CET1 ratio	14.0	13.9	14.9	10.2	10.3	10.1
Tier 1 ratio	16.8	16.7	17.1	14.3	14.3	14.0
Total capital ratio	20.1	20.1	20.8	16.7	16.6	16.5
Leverage metrics (% , except where indicated)						
Leverage exposure (CHF billion)	1,050.7	1,067.4	1,157.6	1,044.9	1,061.8	1,149.7
BIS CET1 leverage ratio	3.9	3.7	3.7	2.8	2.7	2.5
BIS tier 1 leverage ratio	4.6	4.4	4.3	3.9	3.7	3.5
Swiss leverage ratio	5.5	5.3	5.2	4.5	4.3	4.1

Further leverage reductions

- Continued progress on reducing leverage exposure
- Look-through CET1 ratio of 10.2%

In recent years, regulators have focused increasingly on the unweighted view of capital in the form of more restrictive leverage requirements. In order to comply with these stricter requirements, Credit Suisse has laid out a plan to significantly reduce its leverage exposure.

During the quarter, Credit Suisse further reduced its look-through leverage exposure by 2% to CHF 1,044.9 billion. At quarter-end, the look-through Swiss leverage ratio was 4.5% and the look-through BIS tier 1 leverage ratio was 3.9%, of which the CET1 component was 2.8%.

Another important metric to measure banks' capital positions is the look-through CET1 ratio, which fully applies the requirements as of 2019. At the end of 3Q15, Credit Suisse's look-through CET1 ratio stood at 10.2%, slightly down from 10.3% as of the end of 2Q15, reflecting RWA increases within Wealth Management Clients due to model updates and methodology changes.

Dividend policy

As per the strategy announcement, Credit Suisse plans to continue with a dividend policy, which is targeting a dividend payout of a minimum of CHF 0.70 per share, or a minimum of 40% of operating free capital generated over a five-year period, a new KPI defined as part of the strategy announcement made today. Credit Suisse also intends to phase out the scrip dividend alternative once it achieves its capital and leverage targets, expected to be no later than 2017 when more clarity on capital rules should be available. (For further information, please see the strategy presentations of October 21, 2015)

Quarterly results documentation

This Media Release contains selected information from our full 3Q15 Earnings Release that we believe is of particular interest to media professionals. The complete 3Q15 Earnings Release, which has been distributed simultaneously, contains more comprehensive information about our results and operations for the quarter, as well as important information about our reporting methodology and some of the terms used in these documents. The complete Earnings Release is not incorporated by reference into this Media Release.

The complete Earnings Release and Results Presentation Slides are available for download from 06:00 CEST today at: <https://www.credit-suisse.com/results>.

Presentation of 3Q15 results – Wednesday, October 21, 2015

Event	Investor day	Media briefing
Time	12:00 Zurich 11:00 London 06:00 New York	07:30 Zurich 06:30 London 01:30 New York
Language	The presentation will be held in English.	The presentation will be held in English. Simultaneous interpreting (English/German and German/English) will be available.
Access via Internet	Live webcast: https://www.credit-suisse.com/investorday Audio playback available	Live webcast: www.credit-suisse.com/results Video playback available
Access via Telephone	+41 44 580 40 01 (Switzerland) +44 1452 565 510 (Europe) +1 866 389 9771 (US) Reference: Credit Suisse Group Investor Day All participants will be asked to state the password "investor" Please dial in 20 minutes before the start of the presentation.	+41 44 580 40 01 (Switzerland) +44 1452 565 510 (Europe) +1 866 389 9771 (US) Reference: Credit Suisse Group quarterly results All participants will be asked to state the password "media" Please dial in 10-15 minutes before the start of the presentation.
Playback	Replay available approximately one day after the event: +41 44 580 34 56 (Switzerland) +44 1452 550 000 (Europe) +1 866 247 4222 (US) Conference ID: 52619186#	Replay available approximately one hour after the event: +41 44 580 34 56 (Switzerland) +44 1452 550 000 (Europe) +1 866 247 4222 (US) Conference ID English: 60034614# Conference ID German: 60041211#

Information

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Cautionary statement regarding forward-looking information

This media release contains statements that constitute forward-looking statements. In addition, in the future we, and others on our behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the following:

- our plans, objectives or goals;
- our future economic performance or prospects;
- the potential effect on our future performance of certain contingencies; and
- assumptions underlying any such statements.

Words such as “believes,” “anticipates,” “expects,” “intends” and “plans” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. We do not intend to update these forward-looking statements except as may be required by applicable securities laws.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include:

- the ability to maintain sufficient liquidity and access capital markets;
- market volatility and interest rate fluctuations and developments affecting interest rate levels;
- the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations, in particular the risk of continued slow economic recovery or downturn in the US or other developed countries in 2015 and beyond;
- the direct and indirect impacts of deterioration or slow recovery in residential and commercial real estate markets;
- adverse rating actions by credit rating agencies in respect of us, sovereign issuers, structured credit products or other credit-related exposures;
- the ability to achieve our strategic objectives, including improved performance, reduced risks, lower costs and more efficient use of capital;
- the ability of counterparties to meet their obligations to us;
- the effects of, and changes in, fiscal, monetary, exchange rate, trade and tax policies, as well as currency fluctuations;
- political and social developments, including war, civil unrest or terrorist activity;
- the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations;
- operational factors such as systems failure, human error, or the failure to implement procedures properly;
- actions taken by regulators with respect to our business and practices and possible resulting changes to our business organization, practices and policies in countries in which we conduct our operations;
- the effects of changes in laws, regulations or accounting policies or practices in countries in which we conduct our operations;
- competition or changes in our competitive position in geographic and business areas in which we conduct our operations;
- the ability to retain and recruit qualified personnel;
- the ability to maintain our reputation and promote our brand;
- the ability to increase market share and control expenses;
- technological changes;
- the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users;
- acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets;
- the adverse resolution of litigation, regulatory proceedings and other contingencies;
- the ability to achieve our cost efficiency goals and cost targets; and
- our success at managing the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, including the information set forth in “Risk factors” in I – Information on the company in our Annual Report 2014.