

Credit Suisse in Switzerland launches next phase in execution of strategy: Focusing of business areas and investments in growth

Measures are a response to the changed market environment and will enable significant further growth

Zurich, August 26, 2019 – **The Swiss division of Credit Suisse ('Swiss Universal Bank'; SUB) is making organizational adjustments and focusing its business areas, as well as making substantial investments, to create the basis to strengthen and further expand its leading position as a Swiss universal bank and as the Bank for Entrepreneurs. In the future, retail and commercial clients, who primarily use core banking products, will be served in a separate, newly created business area, 'Direct Banking'. In addition, Investment Banking will be moved out of the 'Corporate & Investment Banking' business area and will report directly to the CEO of SUB. Importantly, SUB remains committed to achieving its medium-term financial ambitions and it plans to invest a sum in the high three-digit million range in its client business – especially in digitalization, in the hiring of additional employees in client advisory, and in marketing – by the end of 2021. At the same time, further efficiency gains are to be generated going forward. When implementing the measures announced today, the bank is acting from a position of strength: These investments in growth are possible thanks to the significantly increased profitability of Credit Suisse in Switzerland since 2015.**

Since the creation of the Swiss Universal Bank division in October 2015, Credit Suisse has successfully executed its strategy in Switzerland and has outperformed its competitors in terms of the most important key performance indicators, i.e. growth in pre-tax income, improvement in the cost/income ratio and return on equity. The division increased its pre-tax income from CHF 1.6 billion in 2015 to CHF 2.2 billion in 2018, while the cost/income ratio improved from 68% to 58% over the same period. Credit Suisse in Switzerland has also strengthened its leading market position as number one or number two across most client segments. To illustrate this point: Since the end of 2015, the divisional Client Business Volume across all SUB businesses (defined as the sum of total loan volume, assets under management and assets under custody) increased by CHF 127 billion (from CHF 806 billion to CHF 933 billion) or by 16%.

Systematic focusing of business model on changed client needs

Banks are today confronted with a variety of challenges and a changed market environment, shaped by negative interest rates, growing pressure on margins, digitalization, new competitors, and evolving client behavior with a trend towards high-tech and high-touch needs. Furthermore, Credit Suisse's market share tends to be lower in Swiss retail banking and among young bank clients than in most other client segments. Against this backdrop, Credit Suisse has decided to adjust the business model of its Swiss division and to make substantial investments. In particular, retail and commercial clients,

who mainly use core banking products and services, will be served by the new 'Direct Banking' business area from September 1, 2019. In addition, the Swiss Universal Bank is making further organizational adjustments and will invest a sum in the high three-digit million range in digitalization, client advisory and marketing over the next three years. While making these investments, the division remains committed to the financial ambitions communicated at Investor Day 2018: The achievement of above-market growth in revenues and client business volume, as well as a cost/income ratio of less than 60% should lead to further profitable growth over the medium term – with a return on regulatory capital of more than 18%. These investments in growth are possible thanks to the significantly increased profitability of Credit Suisse in Switzerland since 2015 as well as further efficiency gains. The measures announced today can thus be funded by the division itself. Credit Suisse also benefits from the fact that the management structure of Credit Suisse (Switzerland) Ltd. and of the SUB division is virtually identical and that all important decisions can continue to be implemented by the same group of people in the future.

'Direct Banking': Easier and broader access to core services

The aim of the new 'Direct Banking' business area is to focus exclusively on private and commercial clients, who mainly use core banking products. A new, needs-oriented product and service offering will provide swifter and easier access to banking services going forward. Digital solutions will be optimally combined with personal advice, ensuring Credit Suisse's continued attractiveness as a banking partner in the future. A further goal is to achieve substantial growth in market share in the high-tech client segments served by 'Direct Banking'. In addition to offering digital solutions, Credit Suisse will place an even greater emphasis on personal contact options going forward – thus setting itself apart from its competitors. This includes increasing the availability of telephone advisory services provided by employees in Customer Service Centers – both through extended hours and the expansion of teams. This service will be complemented by additional options for digital interaction as well as the provision of personal advice in the regional network of branches. Further details of the new offering and branch concept will be provided in the first half of 2020.

The new 'Direct Banking' business area, which will serve around one million retail clients and 60,000 commercial clients and will have more than 500 employees, will be headed by Mario Cramer. In his previous position, he was responsible for the IT & Operations unit of the Swiss Universal Bank. Prior to that, he held a wide variety of management positions in the finance industry and has spent 17 years at Credit Suisse. As part of his new function, Mario Cramer will become a member of the Executive Board of Credit Suisse (Switzerland) Ltd. and of the SUB division. IT and Operations will be managed separately and headed by Kirsten Renner and Daniel Eggenschwiler respectively, both reporting directly to the SUB COO, Robert Wagner.

Thomas Gottstein, CEO of the Swiss Universal Bank and of Credit Suisse (Switzerland) Ltd., stated: "The new business area is our response to the significant changes in the market environment in recent years. Maintaining the status quo was not an option – not least because we believe that the achievement of long-term success will not depend on having the biggest branch network in the future. Instead, having the best digital offering – combined with access to advice from any location and the best service quality – will be the deciding factor. With the appointment of Mario Cramer as Head

Direct Banking, we have an absolute professional with extensive experience at the helm of the new digitally-focused business area.”

Investment Banking Switzerland is now a separate business area

The Investment Banking unit of Credit Suisse in Switzerland, which is currently part of Corporate & Investment Banking, will be managed as a separate business area in the future. It will continue to be headed by Jens Haas, who will also become a member of the Executive Board of Credit Suisse (Switzerland) Ltd. and of the SUB division. This organizational change underscores the importance of the M&A and capital markets business for Credit Suisse and creates new opportunities for collaboration beyond the Swiss corporate clients business – primarily in the delivery of services for UHNW and institutional clients and also in terms of the cooperation with other divisions of Credit Suisse Group.

Thomas Gottstein stated: “Credit Suisse has been the market leader in investment banking in Switzerland for many years and successfully defended this position under the expert leadership of Jens Haas in 2017 and 2018. This organizational change creates the basis to further intensify the already effective internal collaboration – both with business areas in SUB that serve companies, entrepreneurs, family offices and institutional clients, and with the international divisions Investment Banking & Capital Markets, International Wealth Management, Asia Pacific and Global Markets.”

Substantial investments in client business with a strong advisory focus

In addition to the development of the new product range for clients in ‘Direct Banking’ and the organizational change to Investment Banking, substantial investments will be made in digital solutions for areas with a strong advisory focus – thus benefiting wealthy clients, entrepreneurs, companies and institutional clients. The Digitalization & Products business area led by Anke Bridge Haux will continue to coordinate and manage the design, development and implementation of the digital offering across all client segments (high-tech and high-touch).

In addition, teams in areas with a strong advisory focus will be expanded: A high double-digit number of additional client advisory positions are to be created by the end of 2021 – primarily in the following business areas:

- In the **Wealth Management Clients** business area led by Serge Fehr, investments will be targeted primarily at the business with HNW clients and Entrepreneurs & Executives.
- In the **Premium Clients** business, which is headed by Felix Baumgartner and is responsible for serving UHNW clients, an even clearer distinction will be made between advisory services for institutional UHNW clients (single family offices) and for UHNW individual clients and UHNW families. Furthermore, the teams at the two main hubs in Zurich and Geneva are to be significantly expanded.

- In the **Corporate Banking** business area led by Didier Denat, the focus will be on increasing the number of SME advisors to further strengthen Credit Suisse's leading position as the Bank for Entrepreneurs in Switzerland.
- In the **Institutional Clients** business area, headed by André Helfenstein, strong growth momentum in assets under management provides the basis for the expansion of client advisory, the product offering and the technical platform – primarily in our Asset Services platform in our hubs in Zurich, Luxembourg, Poland and Ireland, as well as in our Pension Fund, EAM and Financial Institutions businesses.
- In the business area **SUB Sales & ITS Switzerland**, headed by Damian Hoop, we are continuing the collaboration with International Trading Services (ITS) / Global Markets on the Swiss trading platform and are investing to extend product capabilities for all our SUB clients and to further enhance the cross-asset electronic trading offering.

Finally, investments in marketing and sponsorship are to be increased in the future. In total, Credit Suisse in Switzerland is planning to spend a sum in the high three-digit million range in the period from 2019 to 2021 on digitalization/ IT innovations, the hiring of additional employees in client advisory, and also on the Marketing & Sponsorship unit.

Measures form the basis for the long-term success of Credit Suisse in Switzerland

With the measures announced today, Credit Suisse is ensuring that it remains the bank of choice in the future – for private clients of all age groups, for entrepreneurs, for corporate and institutional clients, for the digitally savvy as well as for clients who still want to have personal contact with their bank.

Thomas Gottstein commented: "These investments are possible thanks to the significantly increased profitability of the Swiss Universal Bank since 2015 and also as a result of measures to further enhance efficiency and continued strict cost management – which will remain of vital importance in the future, despite our plans to invest in the business. The steps we are announcing today reflect our commitment to the Swiss market and form the foundations for a journey that has a clear end-goal: Generating substantial further growth, gaining market share and thus also securing the long-term success of Credit Suisse as a Swiss universal bank."

Management Committee of Swiss Universal Bank and Executive Board of Credit Suisse (Switzerland) Ltd. from September 1, 2019

Thomas Gottstein Chief Executive Officer

Front and product areas:

Felix Baumgartner	Head Premium Clients
Anke Bridge Haux	Head Digitalization & Products
Mario Cramer	Head Direct Banking
Didier Denat	Head Corporate Banking
Serge Fehr	Head Wealth Management Clients
Jens Haas	Head Investment Banking Switzerland
André Helfenstein	Head Institutional Clients
Damian Hoop	Head SUB Sales & ITS Switzerland

Corporate functions:

Antoine Boubllil	Chief Financial Officer
Philippe Cléménçon*	Chief Risk Officer (primary reporting line to the Group CRO)
Erwin Grob	Chief Compliance Officer (primary reporting line to the Group CCO)
Thomas Grotzer	General Counsel (primary reporting line to the Group GC)
Claude Täschler	Head HR (primary reporting line to the Group Head HR)
Robert Wagner	Chief Operating Officer

* From January 1, 2020: Serena Fioravanti

Further information

Media Relations Credit Suisse AG, +41 844 33 88 44, media.relations@credit-suisse.com

Credit Suisse AG

Credit Suisse AG is one of the world's leading financial services providers and is part of the Credit Suisse group of companies (referred to here as 'Credit Suisse'). Our strategy builds on Credit Suisse's core strengths: its position as a leading wealth manager, its specialist investment banking capabilities and its strong presence in our home market of Switzerland. We seek to follow a balanced approach to wealth management, aiming to capitalize on both the large pool of wealth within mature markets as well as the significant growth in wealth in Asia Pacific and other emerging markets, while also serving key developed markets with an emphasis on Switzerland. Credit Suisse employs approximately 46,360 people. The registered shares (CSGN) of Credit Suisse AG's parent company, Credit Suisse Group AG, are listed in Switzerland and, in the form of American Depositary Shares (CS), in New York. Further information about Credit Suisse can be found at www.credit-suisse.com.

Disclaimer

This document was produced by and the opinions expressed are those of Credit Suisse as of the date of writing and are subject to change. It has been prepared solely for information purposes and for the use of the recipient. It does not constitute an offer or an invitation by or on behalf of Credit Suisse to any person to buy or sell any security. Any reference to past performance is not necessarily a guide to the future. The information and analysis contained in this publication have been compiled or arrived at from sources believed to be reliable but Credit Suisse does not make any representation as to their accuracy or completeness and does not accept liability for any loss arising from the use hereof.