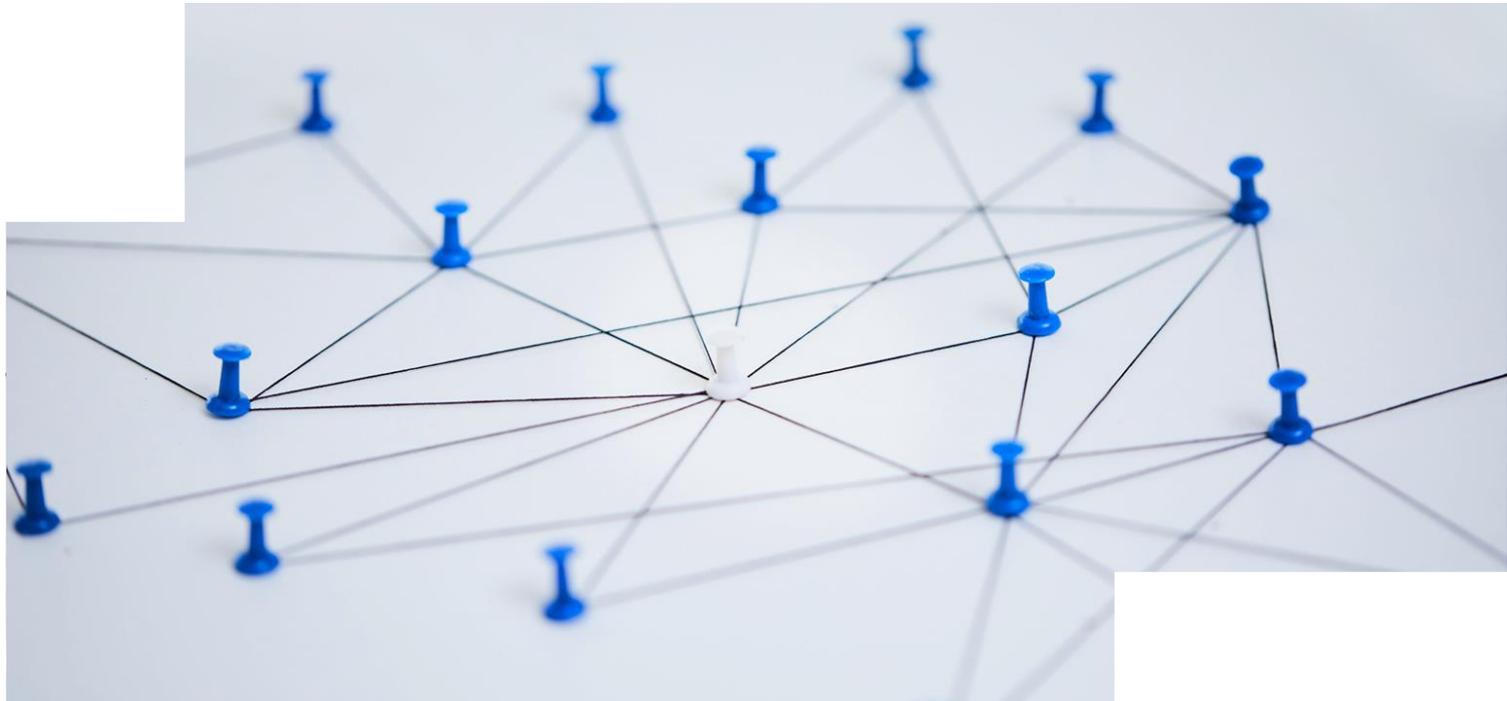


# Brexit Planning with Credit Suisse

## Client Communication

Investment Banking and Capital Markets  
October 2018



These materials may not be used or relied upon for any purpose other than as specifically contemplated by a written agreement with Credit Suisse Group AG and/or its Affiliates (hereafter "Credit Suisse").

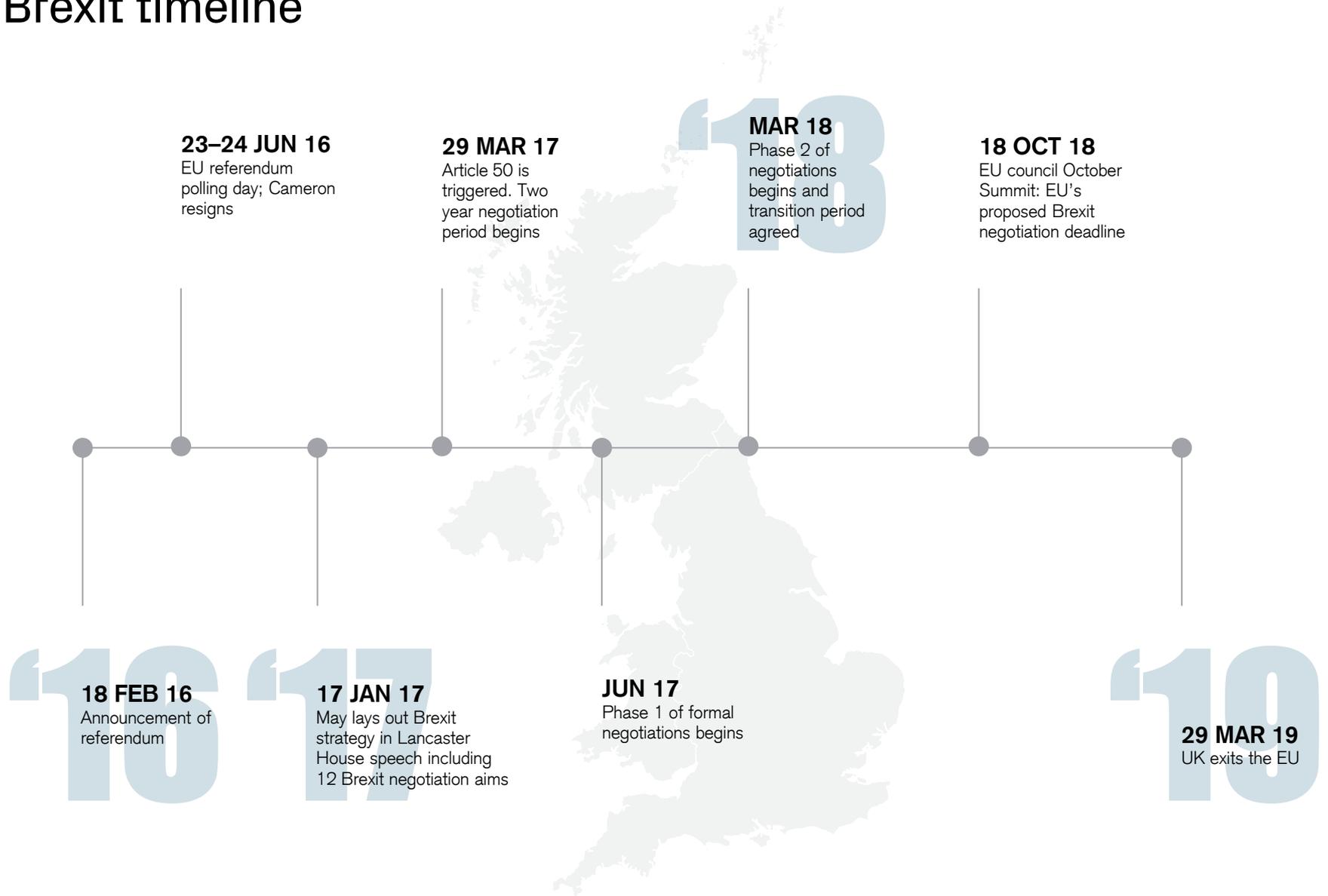
# Executive summary

- CS continues to prepare for a Hard Brexit scenario, in order to provide continued services to EU clients and access to EU markets if no agreement is reached by 29 March 2019
- Our solution involves expanding existing operations across the EU, including offices in Frankfurt, Paris, Madrid, Milan and Amsterdam
  - We have long established presence in these cities and we will reinforce our teams of seasoned professionals
- We intend to leverage our existing legal entity network:
  - Our Spanish Legal Entity Credit Suisse Securities Sociedad de Valores, S.A. (CSSSV) has a fully approved investment firm license for broker-dealer activities (for instance trading or primary issuance in the Capital Markets)
  - Our German Legal Entity Credit Suisse (Deutschland) Aktiengesellschaft (CSD) will function as our Credit Institution, leveraging our existing banking license (e.g. to perform lending activities)
- CS is committed to maintaining a presence in the UK for servicing non-EU clients
- We will continue to call on personnel in the UK, the EU, the US and Asia Pacific as required to serve your needs. We are confident that CS will be able to support all of its clients needs irrespective of their location
- We are focused on operational readiness ahead of March 2019 and will continue to monitor UK/ EU political developments
- Your CS coverage banker remains your key contact and will partner with the Credit Suisse dedicated Brexit Program to answer any questions. Alternatively, the Program can be contacted on [eu.program@credit-suisse.com](mailto:eu.program@credit-suisse.com)

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Note: Our Brexit plan is subject to regulatory approval and as a result is subject to change.

# Brexit timeline



# Our location strategy for Investment Banking and Capital Markets (IBCM) clients



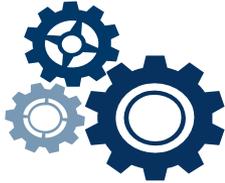
- Currently, Credit Suisse supports its clients with a mix of UK and EU based employees. UK based employees can carry out business in the EU because the UK entity they work for (Credit Suisse International (CSI) or Credit Suisse Securities (Europe) Limited (CSSEL)) uses EU passporting rights to carry out business in other countries that are part of the EU Single Market
- If the UK leaves the EU without an arrangement to maintain access to the EU Single Market, our UK legal entity will lose the right to carry out regulated business activity with EU clients. However, our other business units, including our Spanish and German legal entities and their branches will retain these rights as they have their own individual licenses
- As a result, we will be expanding existing operations across the EU, including IBCM offices in Frankfurt, Paris, Madrid, Milan and Amsterdam. We expect these locations to increase significantly in size over time and they will constitute a robust network of EU locations
- UK based clients will continue to be covered out of the UK and we will continue to support them in all their needs

We are present in all major hubs across Europe.  
**We will be ready to support our EU clients whatever 29 March 2019 brings.**

# Doing business with Credit Suisse

## Investment Banking and Capital Markets clients

### What changes



- We are evolving our coverage to a more client-centric model. A number of bankers will relocate from London to our continental European offices to better reflect the domicile of our clients
  - Bankers to be realigned to mirror the EU domicile of their clients
- Investments in Spain and Germany
  - Madrid will be the hub for broker dealer activities, leveraging our existing investment firm license of Credit Suisse Securities Sociedad de Valores, S.A.
  - Frankfurt will be the hub for credit and corporate bank business, leveraging our existing banking license of Credit Suisse (Deutschland) Aktiengesellschaft



### What doesn't change

- We are committed to find solutions that minimize the disruption to our clients and staff
  - Continued offering of full suite of Investment Banking products in all locations
  - Continued access for our clients to the global network of specialized Product and Industry experts
  - Maintenance of existing coverage relationships, while ensuring that we can continue addressing our client's needs seamlessly after the UK exits the EU

We will realign our coverage and product expertise to better reflect the physical location of our clients.  
**We want to serve our clients wherever they are based and whatever their financial needs are.**

# What to expect

## Rating

As of October 2018, CSSSV has received a long term rating of A with positive outlook (<https://www.credit-suisse.com/corporate/en/investor-relations/information-for-debt-investors/ratings-and-reports.html>).

We are currently engaged with an agency to secure a rating for CSD. We believe a rating in-line with other key CS entities can be expected.

## Contractual Continuity

We are focused on ensuring that we remain able to service existing transactions and loans we have entered into / extended to our clients.

It is our preference that such existing transactions and lending arrangements booked with CSI / CSSEL prior to March 29, 2019 should continue in and be serviced by these entities on the same terms as currently until their maturity (subject to a regulated lifecycle event occurring which may trigger a transaction / loan to be transferred to CSSSV or CSD as appropriate). This will help to preserve industry-wide financial stability, avoid triggering mandatory clearing or margining requirements and minimize operational risk and novation costs for both clients and banks. Credit Suisse is monitoring developments on contractual continuity and actively participates in industry forums on these topics.

## Advisory and capital markets mandates

Our current assumption is, mandates with CSI / CSSEL and a completion date before March 29, 2019 will not be migrated to an EU entity and amendments will not be required.

For mandates with a completion date post March 29, 2019, Credit Suisse is performing a detailed assessment on the impact of the UK electorate's decision to vote to leave the EU to ensure consideration of all aspects and compliance with local regulations.

## Legal Repapering

In relation to derivatives and other trading activities, Credit Suisse will request clients to replicate their existing relationship (including commercial terms) to CSSSV / CSD without requesting any amendments or re-negotiation of terms (other than amendments required by local laws or regulations applicable to the new EU entity). The governing law of the new documentation is expected to remain the same as that of the existing relationship with CSI / CSSEL. This practical repapering approach will ensure that the transition to the new entity is as smooth, seamless and efficient as possible.

New loans executed with CSD will be on terms and conditions to be agreed at the relevant time.

# EU client migration for trading agreements

## Phase 1

TODAY

**Client outreach**

- Your Credit Suisse point person will contact you to discuss changes to Credit Suisse operations that might impact you
- Follow-up meetings can be scheduled with the EU program to discuss more specifics as needed
- Your Credit Suisse point person will guide you through the process

## Phase 2

Starting 3Q2018

**Legal repapering**

- Any master trading documentation (e.g. ISDA, GMRA, GMSLA and Listed Derivative Agreements) and our Terms of Business will need to be repapered with CSSSV and/or CSD
- Master Replication Agreements are being drafted and sent out to clients

## Phase 3

1Q2019 onwards

**Client migration**

- Client cut over to the CS EU entities will commence from Q1 2019 (assuming Hard Brexit, March 2019).
- New EU client trading activity will be conducted with the CS EU entity from the point of cut over

We will keep serving you and your needs from the relevant CS legal entity and location.

# We are here for our clients and we are standing to our value proposition

Delivering ideas.  
With impact.

We are **passionate** about delivering **innovative**, differentiated ideas to help our **clients** grow.

Partnering for the  
long term.  
With integrity.

We are a highly **committed** and **reliable** partner.

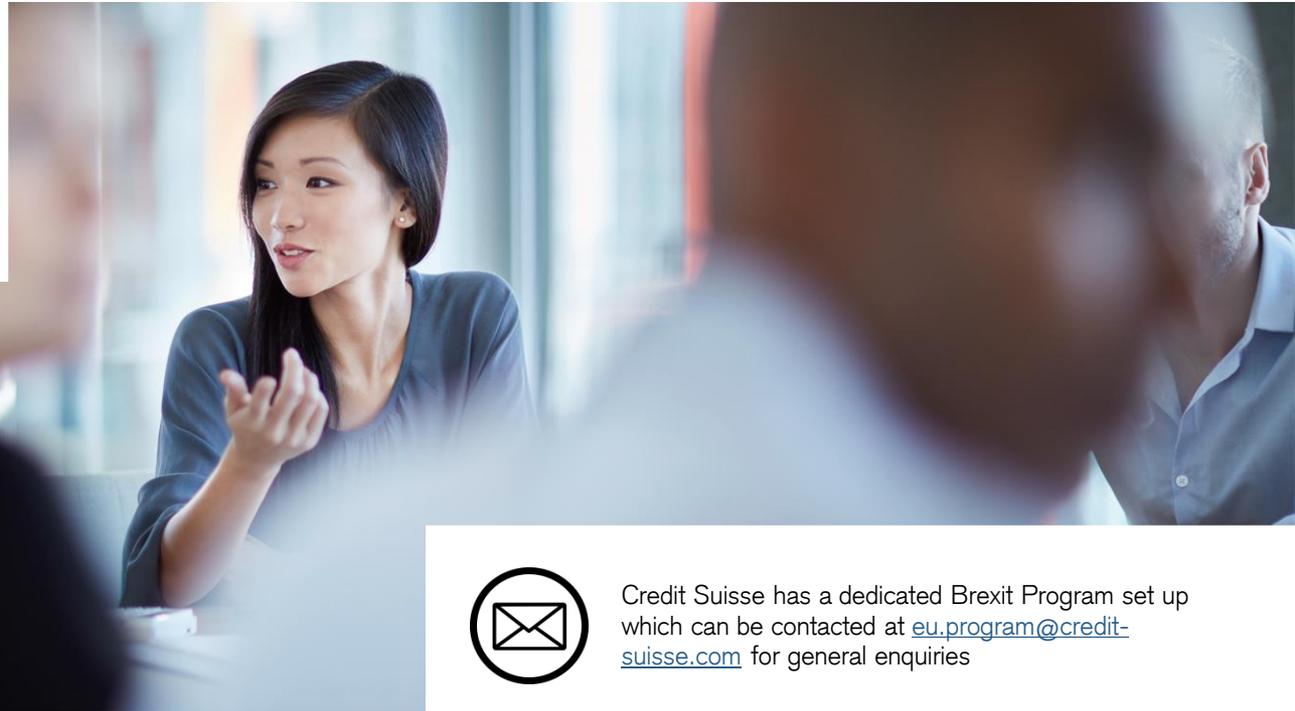
Driving results.  
With dedication.

We offer a high-touch approach, combined with the breadth and reach of a powerful global network, to deliver **best-in-class** advice and execution.

We will continue to serve our clients at the same level and with the **same commitment and excellent quality** of service throughout this period and following Brexit. As a global investment bank, we are used to operating in ever-changing political, regulatory and economic environments.

# Contact us

**Adapt now.  
Thrive tomorrow.**



Credit Suisse has a dedicated Brexit Program set up which can be contacted at [eu.program@credit-suisse.com](mailto:eu.program@credit-suisse.com) for general enquiries