

# Second Quarter 2013 Results

Presentation to Investors and Media

July 25, 2013

# Disclaimer

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

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements 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, 2012 and in "Cautionary statement regarding forward-looking information" in our second quarter report 2013 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 laws.

## **Statement regarding non-GAAP financial measures**

This presentation also contains non-GAAP financial measures, including underlying 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 and in our second quarter report 2013 both of which can be found on our website at [credit-suisse.com](http://credit-suisse.com).

## **Statement regarding Basel 3 disclosures**

As of January 1, 2013, Basel 3 was implemented in Switzerland along with the Swiss "Too Big to Fail" legislation and regulations thereunder. Our related disclosures are in accordance with our current interpretation of such requirements, including relevant assumptions. In addition, we have calculated our Basel 3 net stable funding ratio (NSFR) based on the current FINMA framework. Changes in the interpretation of these requirements in Switzerland or in any of our assumptions and/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.

## Introduction

Brady W. Dougan, Chief Executive Officer

# Results show effectiveness of repositioned Basel 3-compliant business model

Net income of CHF 2.3 bn with underlying RoE of 13% in 6M13 and net income of CHF 1.0 bn and reported RoE of 10% in 2Q13

## Private Banking & Wealth Management

Solid 2Q13 pre-tax income of **CHF 1.0 bn**<sup>1</sup> characterized by client-activity pick-up

Cost/income ratio of **69%**<sup>1</sup>

Wealth Management Clients gross margin increased to **111 bp** and net new assets of **CHF 7.5 bn**

## Investment Banking

Solid 2Q13 pre-tax income of **CHF 0.8 bn**, more than double 2Q12

**Return on Basel 3 capital** of 12% for 2Q13 and **18% for 6M13**, double 6M12, despite the volatile environment

Achieved CHF 2.7 bn of annualized expense savings

Reduced Swiss leverage exposure by CHF 147 bn since 3Q12 and remain on track for further CHF 70 bn reduction to achieve end 2013 target; projected year-end 2013 Swiss phase-in leverage ratio of around 4.5%<sup>2</sup>

“Look-through” Swiss Core Capital ratio of 10.4%, pro forma of 10.6% for remaining capital measures; includes 6M13 accrual for resumed cash dividend

All data for Core Results. All expenses reductions are measured at constant FX rates against 6M11 annualized total expenses, excluding realignment and other significant expense items and variable compensation expenses. Return on allocated Basel 3 capital is calculated based on after-tax income on capital allocated at 10% of Basel 3 risk-weighted assets. <sup>1</sup> Excluding expense provision of CHF 100 mn related to the withholding tax treaty between Switzerland and the UK. <sup>2</sup> See slides 25 and 40 of this presentation for more detail.

## Financial results

David Mathers, Chief Financial Officer

# Results overview

<b>Underlying</b> <sup>1</sup> in CHF mn	<b>2Q13</b>	1Q13	2Q12	6M13	6M12 <sup>2</sup>
Net revenues	6,774	7,200	6,088	13,974	13,332
<b>Pre-tax income</b>	<b>1,555</b>	<b>2,032</b>	<b>1,148</b>	<b>3,587</b>	<b>2,632</b>
<b>Net income attributable to shareholders</b>	<b>1,041</b>	<b>1,462</b>	<b>815</b>	<b>2,503</b>	<b>1,870</b>
Diluted earnings per share in CHF	0.52	0.84	0.46	1.36	1.23
Cost/income ratio	76%	71%	81%	74%	80%
<b>Return on equity</b>	<b>10%</b>	<b>16%</b>	<b>9%</b>	<b>13%</b>	<b>11%</b>
<b>Reported</b> in CHF mn					
Net revenues	6,904	7,099	6,227	14,003	12,095
Pre-tax income	1,534	1,822	1,111	3,356	1,151
Net income attributable to shareholders	1,045	1,303	788	2,348	832
Diluted earnings per share in CHF	0.52	0.75	0.44	1.28	0.49
Return on equity	10%	14%	9%	12%	5%
<b>Net new assets</b> in CHF bn	<b>7.6</b>	<b>12.0</b>	<b>4.4</b>	<b>19.6</b>	<b>(1.3)</b>

<sup>1</sup> Underlying results are non-GAAP financial measures. A reconciliation to reported results can be found in our second quarter 2013 report.

<sup>2</sup> Underlying and reported results include 1Q12 expenses of CHF 534 mn related to PAF2.

# Solid profitability in Private Banking & Wealth Management

in CHF mn	2Q13	1Q13	2Q12	6M13	6M12
<b>Net revenues</b>	<b>3,424</b>	<b>3,285</b>	<b>3,398</b>	<b>6,709</b>	<b>6,873</b>
<i>of which gains from disposals<sup>1</sup></i>	6	47	107	53	285
Provision for credit losses	46	28	40	74	79
Compensation and benefits	1,353	1,379	1,412	2,732	2,939
<i>of which PAF2 related</i>					120
Other operating expenses	1,108	997	969	2,105	1,927
<i>of which UK withholding tax charge</i>	100			100	
<b>Total operating expenses</b>	<b>2,461</b>	<b>2,376</b>	<b>2,381</b>	<b>4,837</b>	<b>4,866</b>
<b>Pre-tax income</b>	<b>917</b>	<b>881</b>	<b>977</b>	<b>1,798</b>	<b>1,928</b>
<b>Underlying pre-tax income<sup>2</sup></b>	<b>916</b>	<b>839</b>	<b>870</b>	<b>1,755</b>	<b>1,643</b>
<i>excl. UK withholding tax charge</i>	<b>1,016</b>			<b>1,855</b>	
Underlying cost/income ratio <sup>2</sup>	72%	73%	72%	73%	74%
<i>excl. UK withholding tax charge</i>	69%			71%	
Net new assets in CHF bn	7.6	12.0	4.4	19.6	(1.3)
Assets under management in CHF bn	1,297	1,312	1,213	1,297	1,213

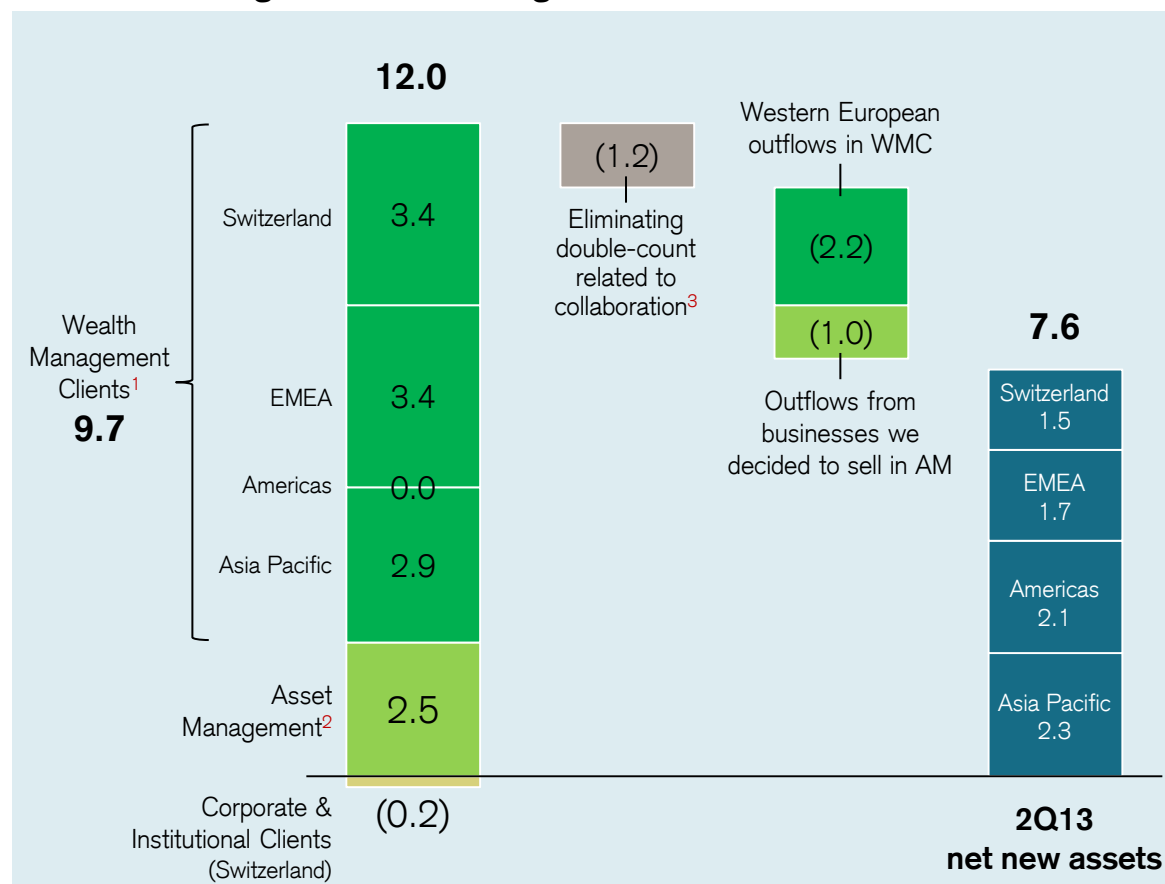
- Revenues driven by higher transactional and fee-based income
  - 6M12 included CHF 244 mn gain on sale of stake in Aberdeen AM
- Excluding UK withholding tax charge in 2Q13:
  - Pre-tax income exceeds CHF 1 bn
  - Cost/income ratio improved to 69%
  - Operating expenses slightly down both QoQ and YoY, driven by lower compensation expenses

<sup>1</sup> Includes gains on private equity disposals of CHF 6 mn and CHF 13 mn in 2Q13 and 1Q13 respectively, a gain of CHF 34 mn related to the sale of JO Hambro in 1Q13, a gain on sale of stake in Aberdeen Asset Management of CHF 66 mn and CHF 178 mn in 2Q12 and 1Q12 respectively, and a gain of CHF 41 mn related to the sale of a non-core business from the integration of Clariden Leu in 2Q12.

<sup>2</sup> Excludes gains from disposals and legal fees relating to Asset Management disposals of CHF 5 mn in 2Q13 and CHF 5 mn in 1Q13.

# Continued solid net new asset inflows, driven by inflows in Emerging Markets

## Private Banking & Wealth Management net new assets in 2Q13 in CHF bn



### Continued strong inflows in Wealth Management Clients business:

- Over 10% growth in Emerging Markets with inflows of CHF 8.5 bn across all regions
- Continued strong momentum in Switzerland
- Growing UHNWI client segment with inflows of CHF 4.2 bn
- Americas with solid inflows in Latin America, offset by outflows in the US from a small number of large accounts and seasonal impacts

- Asset Management with strong inflows in Alternative Investments, partially offset by outflows in businesses we have decided to exit
- Corporate & Institutional Clients net outflows driven by a small number of large institutional clients rebalancing their investment strategy

WMC = Wealth Management Clients AM = Asset Management EMEA = Europe, Middle East and Africa

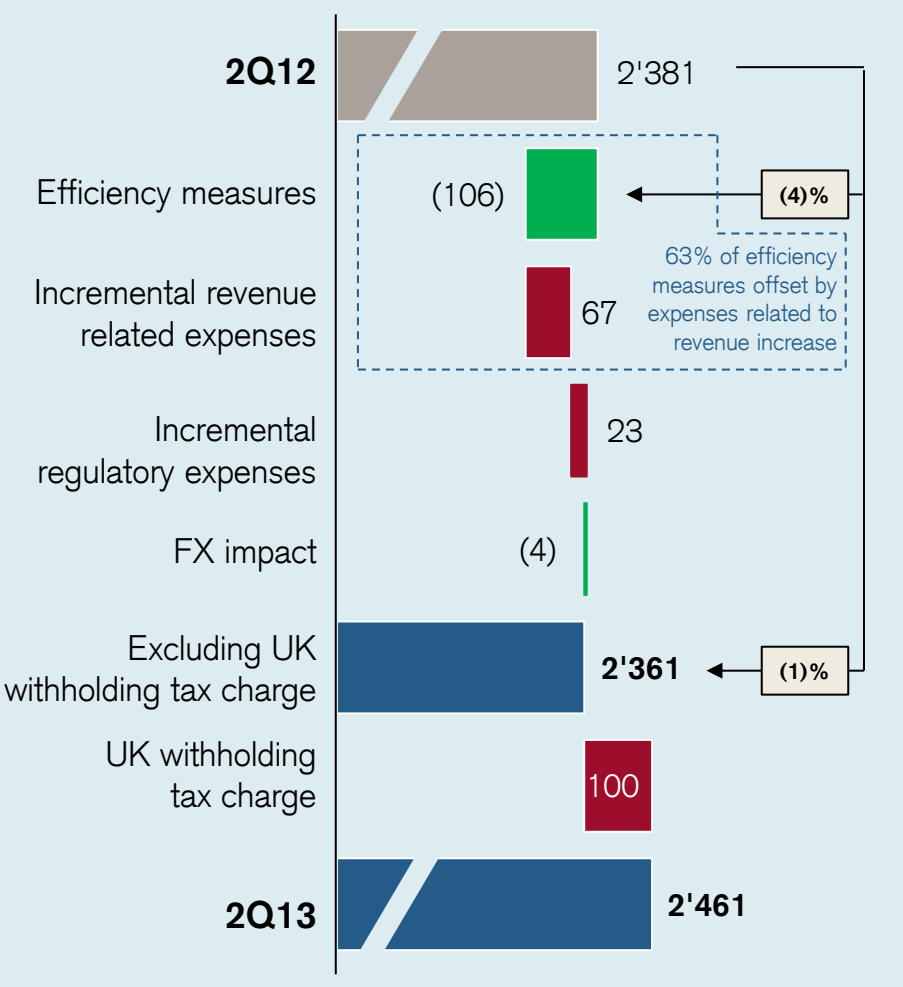
1 Excluding outflows from Western Europe of CHF (1.6) bn in EMEA and CHF (0.6) bn in Switzerland. 2 Excluding CHF (1.0) bn outflows from businesses we decided to sell.

3 Assets managed by Asset Management for Wealth Management Clients and Corporate & Institutional Clients.



# Progress made in achieving efficiency measures in Private Banking & Wealth Management

Reported operating expenses in CHF mn



**Efficiency measures delivered CHF 106 mn, or 4%, cost savings**

- Continued benefits from successful Clariden Leu integration
- Rationalized front office and support areas, in part from simplification of operating platform
- Streamlined offshore affluent client coverage model

**Measures implemented expected to result in additional approx. CHF 150 mn of cost run-rate reductions in 2H13**

- Benefit from announced divestments of non-core businesses
- Streamlining of the Swiss client coverage model
- Exit from a number of small non-core markets

# Improving results in Wealth Management Clients business

in CHF mn	2Q13	1Q13	2Q12	6M13	6M12
<b>Net revenues</b>	<b>2,337</b>	<b>2,232</b>	<b>2,298</b>	<b>4,569</b>	<b>4,535</b>
<i>of which gains from disposals<sup>1</sup></i>		34	41	34	41
Provision for credit losses	20	19	29	39	49
<b>Total operating expenses</b>	<b>1,788</b>	<b>1,702</b>	<b>1,677</b>	<b>3,490</b>	<b>3,453</b>
<i>of which PAF2 related</i>					63
<i>of which UK withholding tax charge</i>	100			100	
<b>Pre-tax income</b>	<b>529</b>	<b>511</b>	<b>592</b>	<b>1,040</b>	<b>1,033</b>
<b>Underlying pre-tax income<sup>2</sup></b>	<b>529</b>	<b>477</b>	<b>551</b>	<b>1,006</b>	<b>992</b>
<i>excl. UK withholding tax charge</i>	629			1,106	
Underlying cost/income ratio <sup>2</sup>	77%	77%	74%	77%	77%
<i>excl. UK withholding tax charge</i>	72%			75%	
Net new assets in CHF bn	7.5	5.5	5.5	13.0	11.0
Assets under management in CHF bn	824	836	774	824	774

- **Underlying revenues increase** by 6% vs. 1Q13 and by 4% vs. 2Q12, driven by positive momentum in transactional and fee income
- Excluding UK withholding tax charge in 2Q13:
  - **Pre-tax income of CHF 629 mn**
  - **Cost/income ratio improved** to 72%
  - **Operating expenses broadly stable** both QoQ and YoY

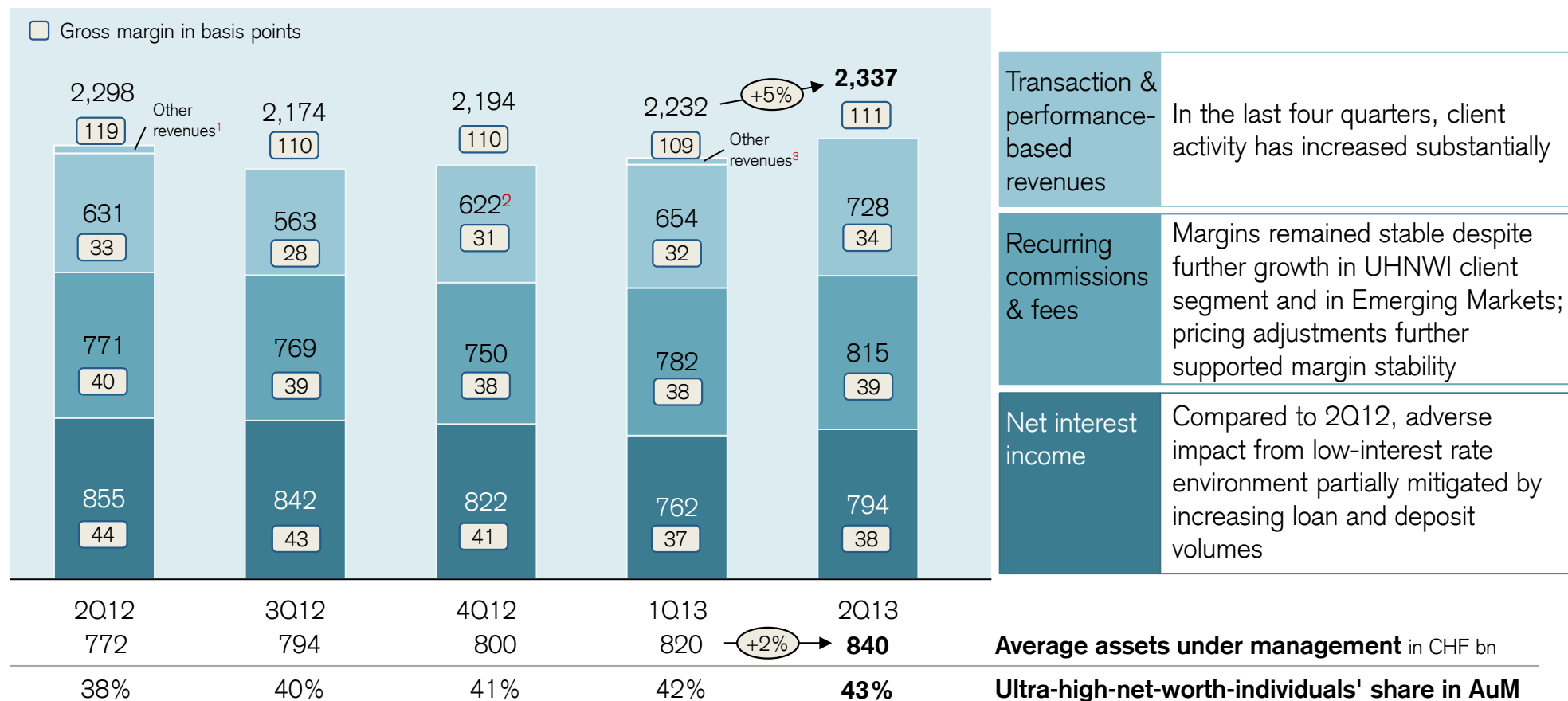
Note: Prior periods have been restated to conform to the current presentation.

<sup>1</sup> Includes gains of CHF 34 mn related to the sale of JO Hambro in 1Q13 and a gain of CHF 41 mn related to the sale of a non-core business from the integration of Clariden Leu in 2Q12.

<sup>2</sup> Excludes gains from disposals.

# Wealth Management with improving gross margin driven by higher fee revenues

## Net revenues in CHF mn



Note: Prior periods have been restated to conform to the current presentation.

1 Includes a gain of CHF 41 mn related to the sale of a non-core business from the integration of Clariden Leu.

2 Includes a gain of CHF 35 mn related to a change in life insurance accounting.

3 Includes gains of CHF 34 mn related to the sale of JO Hambro.

# Continued strong contribution from Corporate & Institutional Clients

in CHF mn	2Q13	1Q13	2Q12	6M13	6M12
Net interest income	285	283	303	568	600
Recurring commission & fees	115	113	115	228	230
Trans. & perf.-based revenues	131	129	120	260	261
Other revenues <sup>1</sup>	(6)	(5)	(4)	(11)	(20)
<b>Net revenues</b>	<b>525</b>	<b>520</b>	<b>534</b>	<b>1,045</b>	<b>1,071</b>
Provision for credit losses	26	9	11	35	30
<b>Total operating expenses</b>	<b>255</b>	<b>261</b>	<b>278</b>	<b>516</b>	<b>549</b>
of which PAF2 related					10
<b>Pre-tax income</b>	<b>244</b>	<b>250</b>	<b>245</b>	<b>494</b>	<b>492</b>
Cost/income ratio	49%	50%	52%	49%	51%
Net new assets in CHF bn	(0.2)	4.5	(2.1)	4.3	0.3
Assets under management in CHF bn	238	239	214	238	214

- **Stable pre-tax income** despite low-interest rate environment
- **Strong cost/income ratio** of 49%
- **Credit provisions driven by isolated cases** – overall still low reflecting a well diversified credit portfolio and strong risk management

<sup>1</sup> Reflects fair value losses on the Clock Finance transaction.

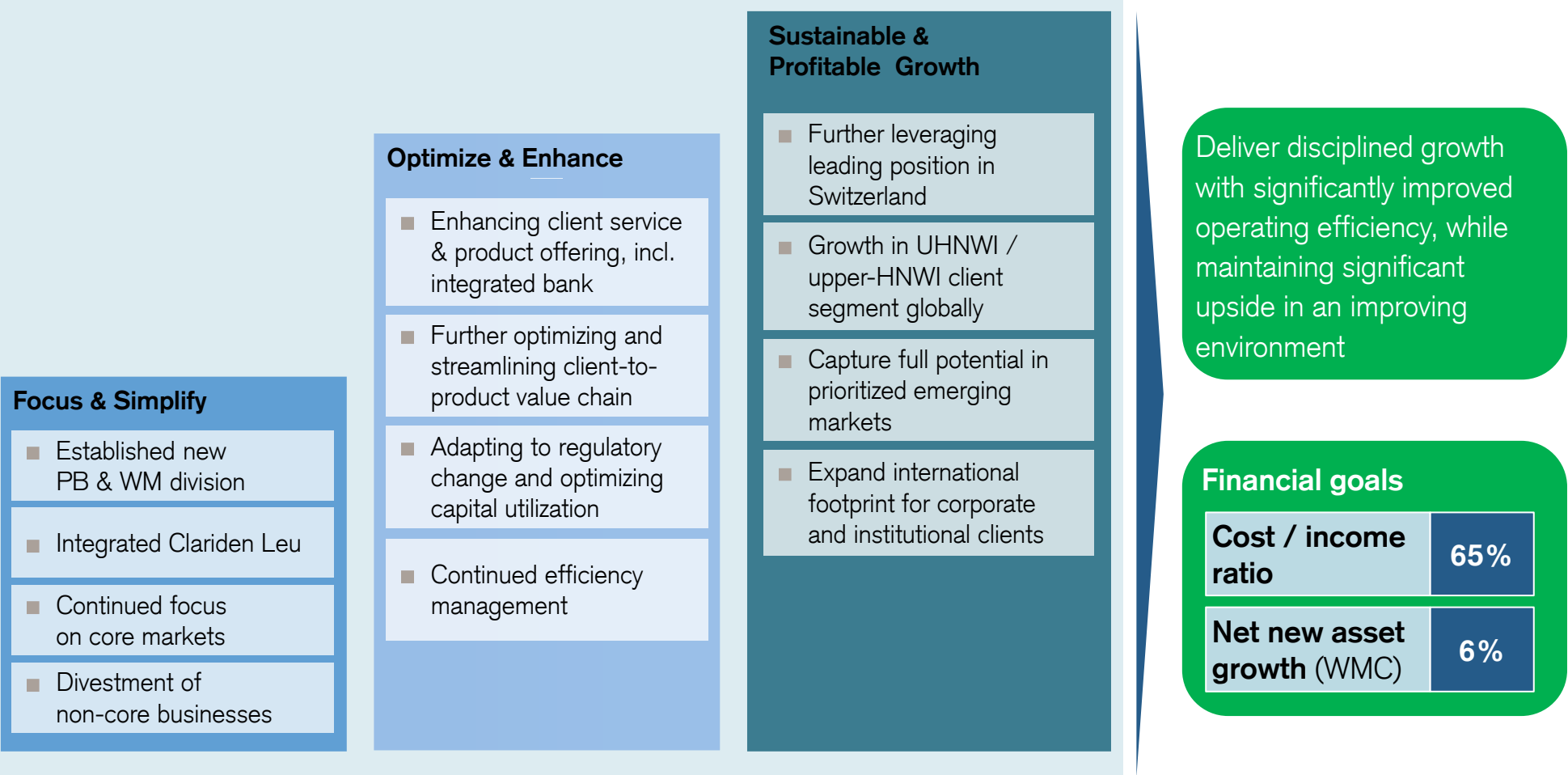
# Asset Management pre-tax income higher on performance based and recurring revenue growth

in CHF mn	2Q13	1Q13	2Q12	6M13	6M12
<b>Net revenues</b>	<b>562</b>	<b>533</b>	<b>566</b>	<b>1,095</b>	<b>1,267</b>
<i>of which gains from disposals<sup>1</sup></i>	6	13	66	19	244
<b>Total operating expenses</b>	<b>418</b>	<b>413</b>	<b>426</b>	<b>831</b>	<b>864</b>
<i>of which PAF2 related</i>					47
<b>Pre-tax income</b>	<b>144</b>	<b>120</b>	<b>140</b>	<b>264</b>	<b>403</b>
<b>Underlying pre-tax income<sup>2</sup></b>	<b>143</b>	<b>112</b>	<b>74</b>	<b>255</b>	<b>159</b>
Underlying cost/income ratio <sup>2</sup>	74%	78%	85%	76%	84%
Fee-based margin in basis points	54	47	53	50	50
Net new assets in CHF bn	1.5	6.4	0.4	7.9	(11.0)
Assets under management in CHF bn	391	393	361	391	361

- **Underlying revenues up** 11% vs. 2Q12 and 7% vs. 1Q13
  - YoY increase primarily due to higher carried interest on private equity realizations and higher asset management fees
  - QoQ increase due to semi-annual performance fees and higher carried interest on private equity realizations, partially offset by lower investment-related gains
- 2Q12 and 6M12 revenues with **gains on sale of Aberdeen stake** of CHF 66 mn and CHF 244 mn, respectively
- **Underlying pre-tax income up** 28% vs. 1Q13 and 93% vs. 2Q12
- **Strong net new assets in Alternative Investments** of CHF 2.7 bn, partially offset by CHF (1.0) bn outflows from businesses we have decided to exit

<sup>1</sup> Includes gains on private equity disposals of CHF 6 mn and CHF 13 mn in 2Q13 and 1Q13 respectively, and a gain on sale of stake in Aberdeen Asset Management of CHF 66 mn and CHF 178 mn in 2Q12 and 1Q12 respectively. <sup>2</sup> Excludes gains from disposals and legal fees relating to Asset Management disposals of CHF 5 mn in 2Q13 and CHF 5 mn in 1Q13.

# Further progress in transforming Private Banking & Wealth Management franchise towards enhanced profitability and growth



Note: We define goals for our Key Performance Indicators (KPIs) that are to be achieved over a three to five year period across market cycles and income statement-based KPIs will be measured on underlying results.

# Solid Investment Banking returns in a volatile environment

in CHF mn	2Q13	1Q13	2Q12	6M13	6M12
<b>Net revenues</b>	<b>3,400</b>	<b>3,945</b>	<b>2,751</b>	<b>7,345</b>	<b>6,710</b>
Provision for credit losses	4	(6)	(15)	(2)	(20)
Compensation and benefits	1,466	1,485	1,408	2,951	3,421
<i>of which PAF2</i>	–	–	–	–	411
Other operating expenses <sup>1</sup>	1,176	1,166	1,044	2,342	2,088
Total operating expenses	2,642	2,651	2,452	5,293	5,509
<b>Pre-tax income</b>	<b>754</b>	<b>1,300</b>	<b>314</b>	<b>2,054</b>	<b>1,221</b>
Cost / income ratio	78%	67%	89%	72%	82%
Basel 3 RWA in USD bn	177	182	202	177	202
Return on Basel 3 capital <sup>2</sup>	12%	23%	5%	<b>18%</b>	<b>9%</b>
Total Assets in USD bn	594	613	687	594	687

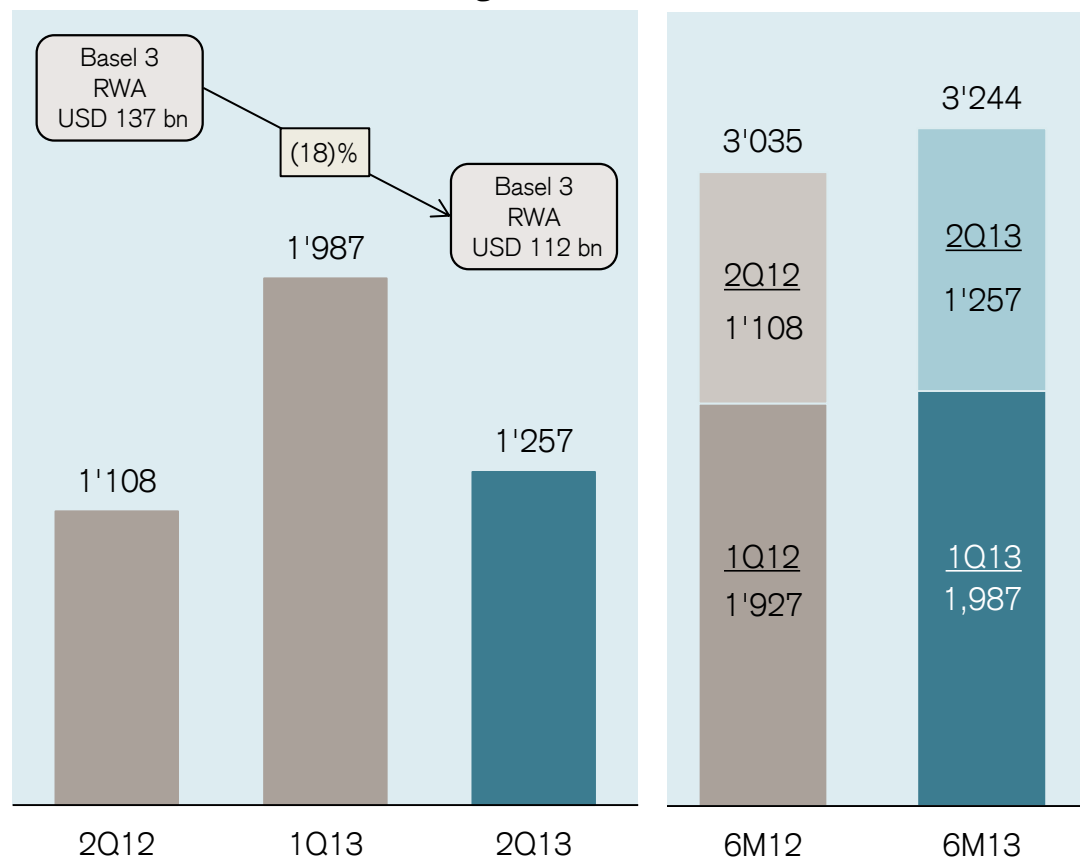
- **6M13 after-tax return** on Basel 3 capital of 18% doubled from 9% for 6M12; supports Group return on equity target of >15% across market cycles
- **Strong pre-tax income** of CHF 754 mn in 2Q13, more than doubled from 2Q12
- **Higher revenues** from 2Q12 with balanced business contribution and lower capital usage
  - **Strong equities and underwriting** results reflecting improved market conditions and franchise strength
  - **Resilient fixed income** revenues despite a decrease in client activity and higher volatility towards the end of the quarter
- **Total expenses** stable from 1Q13; further savings to come from both direct and infrastructure expenses
- **RWA** down USD 25 bn, or 12%, from 2Q12 to USD 177 bn; year-end target of < USD 175 bn
- **Total assets** down USD 93 bn, or 14%, from 2Q12 with limited revenue impact

<sup>1</sup> Includes certain litigation provisions of CHF 90 mn and accelerated compensation accruals of CHF 25 mn in 1Q13 and certain litigation provisions of CHF 93 mn in 2Q13.

<sup>2</sup> Assumes a tax rate of 30% in 2Q13, 25% in 1Q12, 2Q12 and 1Q13, 27% in 6M13, 25% in 6M12 and capital allocated at 10% of Basel 3 risk-weighted assets.

# Diversified and capital-efficient fixed income business delivering resilient results

Fixed income sales & trading revenues in CHF mn



Fixed income sales & trading revenues in USD mn				
2012	1Q13	2Q13	6M12	6M13
1,177	2,142	1,326	3,298	3,468

## 2Q13 vs. 2Q12

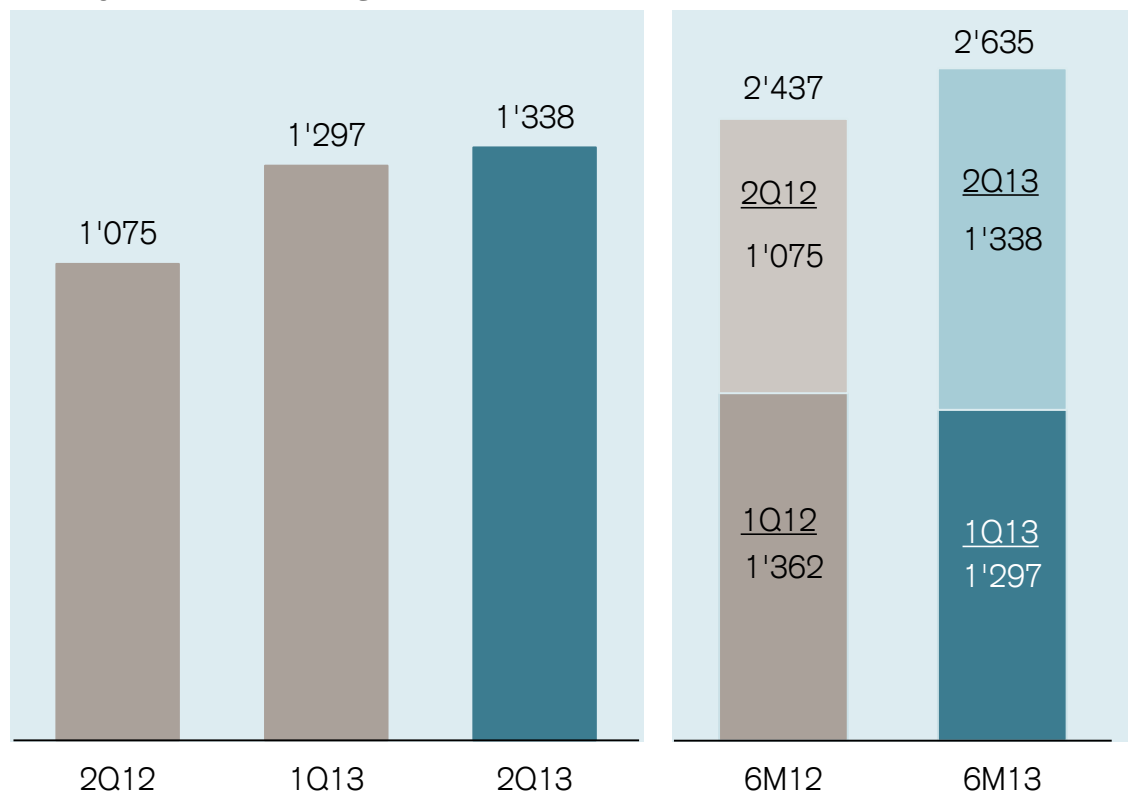
- **Revenues increased by 13%** while Basel 3 risk-weighted assets declined by 18%
- **Strong first half of the quarter, followed by more challenging conditions in the latter part** as market volatility from rising interest rates adversely impacted client activity
- **Continued strength** in market-leading franchises including **Credit**, driven by leveraged finance, and **Securitized Products** from diversified business model
- **Lower revenues in Emerging Markets** due to reduced financing activity and volatile trading conditions
- **Substantially improved FX** revenues and **strong Commodities** results driven by higher trading revenues
- **Continued low Rates revenues** due to reduced client activity in a difficult trading environment
- Significantly lower losses of CHF 34 mn from wind-down portfolio compared to losses of CHF 139 mn in 2Q12

Note: Fixed income sales & trading revenues include gains/(losses) from wind-down portfolio of CHF (139) mn in 2Q12, CHF 4 mn in 1Q13, CHF (34) mn in 2Q13, CHF (399) mn in 6M12 and CHF (30) mn in 6M13.



# Strong equity sales & trading results reflecting stable, market-leading franchise and improved trading conditions

Equity sales & trading revenues in CHF mn



## 2Q13 vs. 2Q12

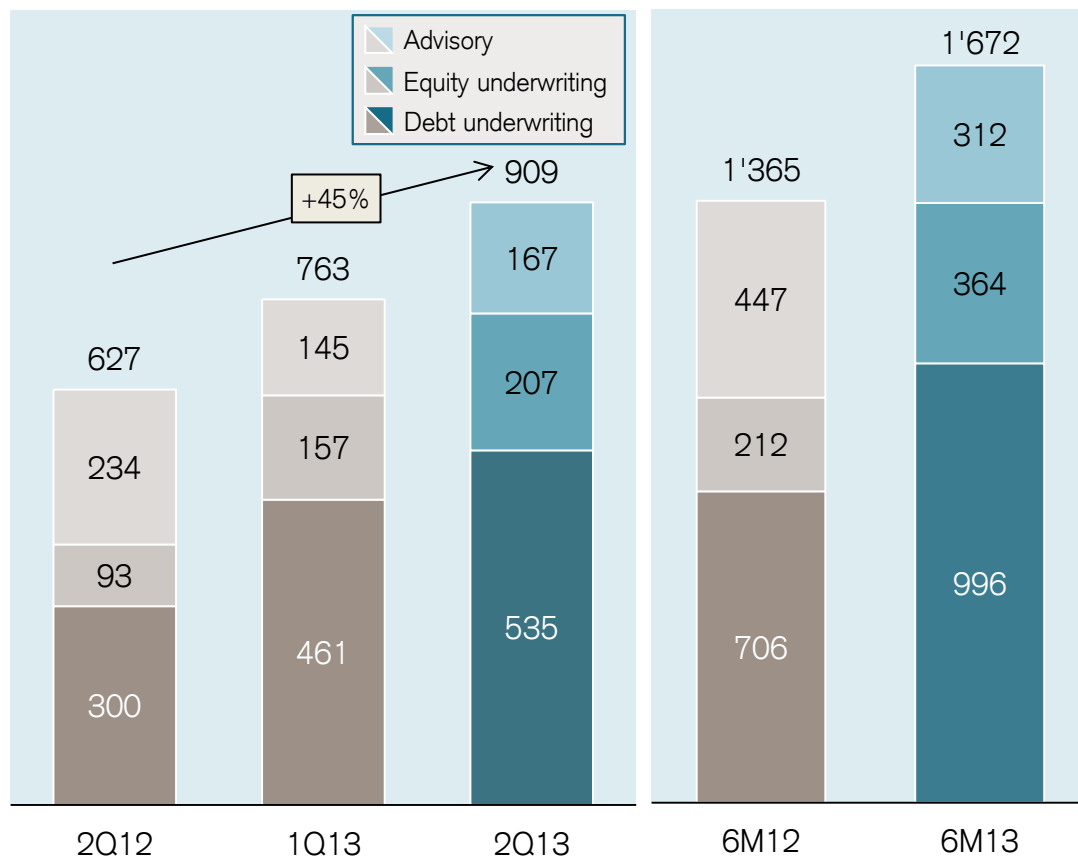
- **Strong and consistent revenues** reflecting continued market leadership and an improvement in trading conditions
- **Improved operating efficiency** and significantly reduced risk vs. 2Q12; headcount and cost reductions driving higher franchise profitability
- **Substantially higher Derivatives revenues** driven by improved client activity and stronger trading results, particularly in Asia and the US
- **Higher Cash Equities performance** reflecting market share gains, particularly in electronic and program trading
- **Lower Prime Services results** reflecting strong Prime Brokerage revenues, offset by lower financing results, particularly in Europe

Equity sales & trading revenues in USD mn

1,140	1,399	1,414	2,636	2,812
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# Strong performance in Underwriting & Advisory driven by higher underwriting results

Underwriting & Advisory revenues in CHF mn



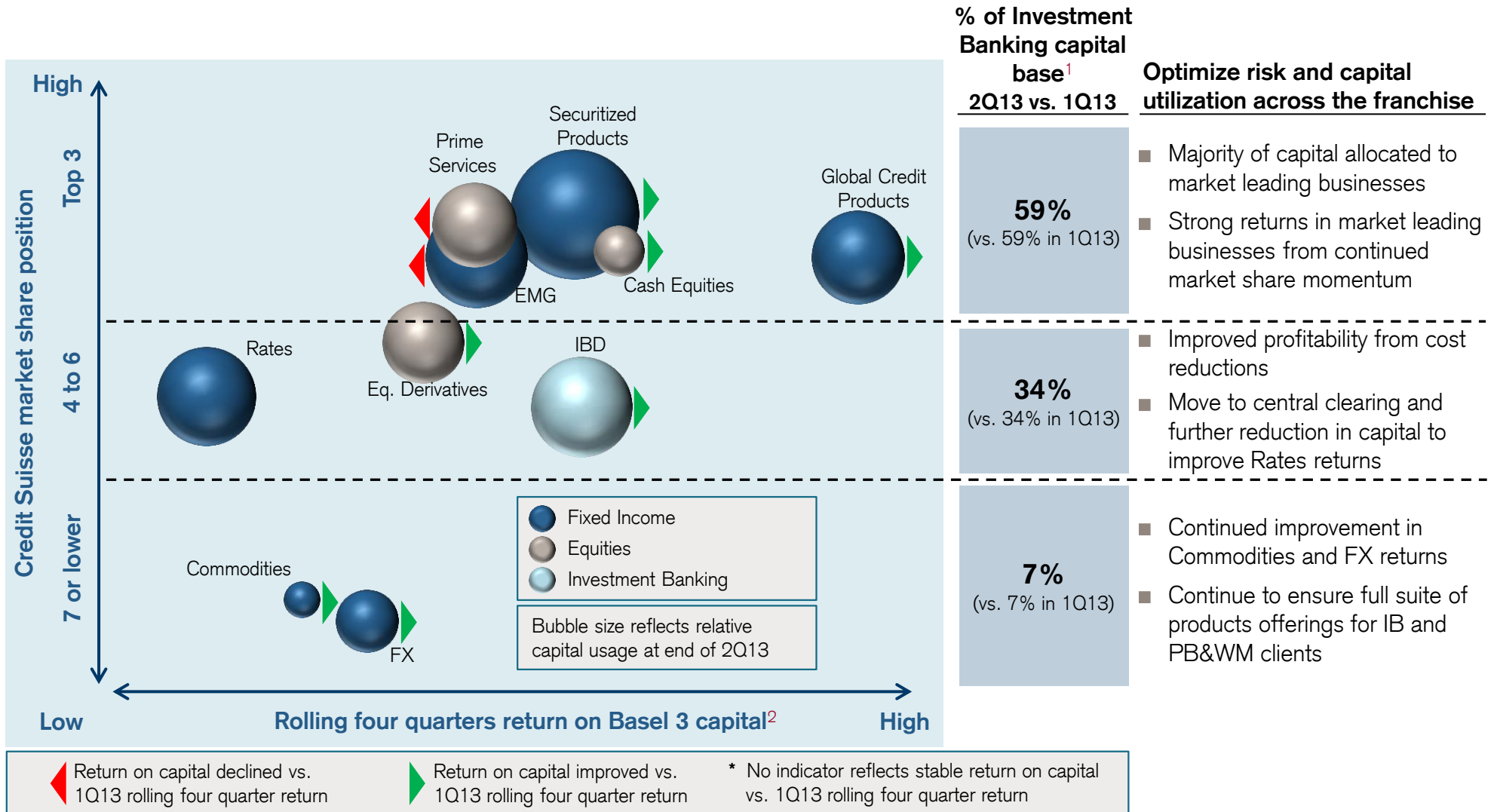
## 2Q13 vs. 2Q12

- **Revenues increased 45%** on a lower cost base driving improved profitability, particularly in Europe and Asia
- **Lower advisory revenues** reflecting substantially reduced completed M&A industry volumes and lower market share
- **Equity underwriting revenues doubled** driven by substantially improved performance in Americas ECM reflecting higher issuance volumes in follow-ons and IPOs
- **Substantially higher debt underwriting performance** driven by strong leveraged finance results

Underwriting & Advisory revenues in USD mn

665	819	960	1,479	1,779
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# Focused Investment Banking strategy with continued shift in capital to high market share and high return businesses



<sup>1</sup> Percent of capital base (based on internal reporting structure) reflects Basel 3 risk-weighted assets at quarter-end 2Q13 vs. quarter-end 1Q13 for ongoing businesses.

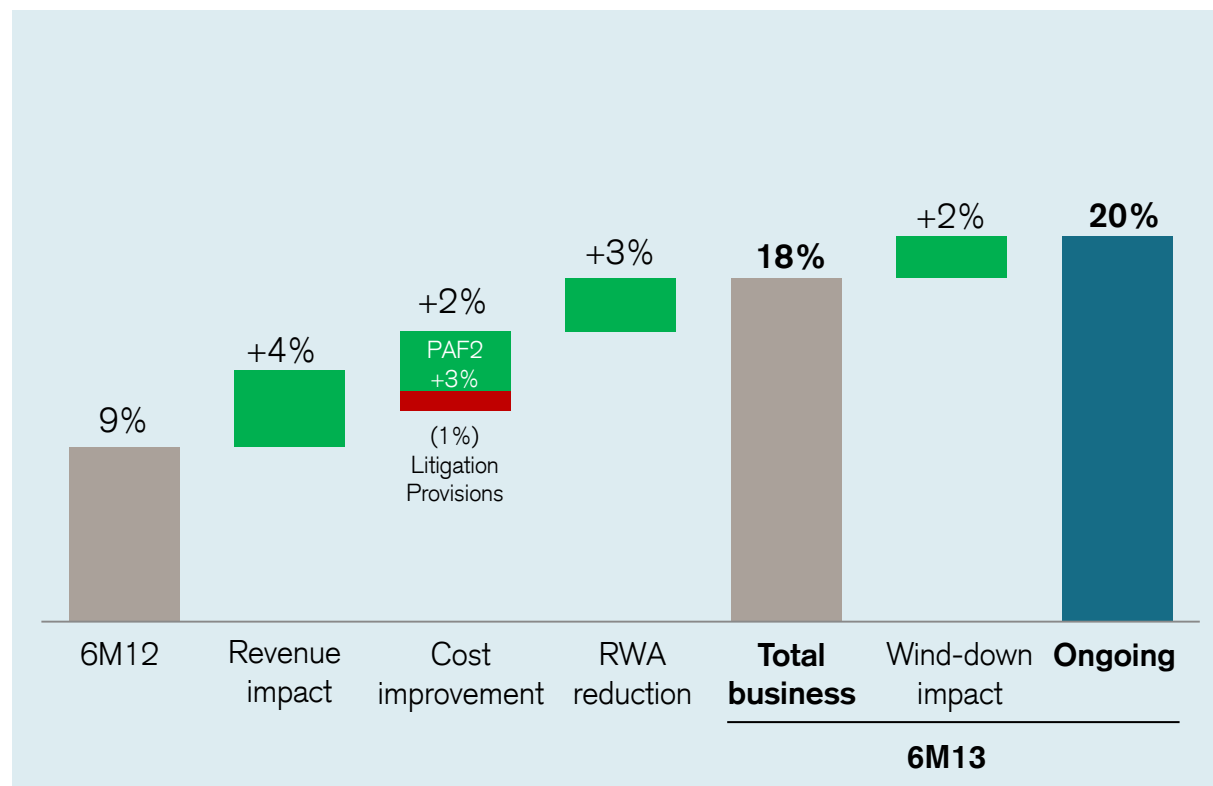
<sup>2</sup> Presentation based on internal reporting structure.

# Continued progress on evolving the Investment Banking business model to the new market and regulatory environment

	End target	Progress achieved to date
Basel 3 risk-weighted assets	<ul style="list-style-type: none"> <li>RWA of &lt; USD 175 bn by year-end 2013</li> </ul>	<ul style="list-style-type: none"> <li>RWA of USD 177 bn for 2Q13, down USD 112 bn from peak-3Q11 levels</li> </ul>
Balance sheet & Swiss leverage exposure	<ul style="list-style-type: none"> <li>On-balance sheet assets of &lt; USD 600 bn by year-end 2013</li> <li>Swiss leverage exposure of USD 840 bn by year-end 2013</li> </ul>	<ul style="list-style-type: none"> <li>On-balance sheet assets of USD 594 bn for end 2Q13, down USD 93 bn from end 2Q12</li> <li>Swiss leverage exposure of USD 909 bn for end 2Q13, down USD 150 bn from end 2Q12</li> </ul>
Expenses	<ul style="list-style-type: none"> <li>Cost/income ratio of 70% across market cycles</li> </ul>	<ul style="list-style-type: none"> <li>Cost/income ratio of 72% for 6M13</li> <li>Achieved bulk of CHF 1.8 bn direct expense reduction target</li> </ul>
Regional profitability	<ul style="list-style-type: none"> <li>Continued focus on regional optimization</li> </ul>	<ul style="list-style-type: none"> <li>Balanced revenue contribution across regions on lower cost base driving increased profitability</li> </ul>

# Continued improvement in Basel 3 return driven by increased capital and operating efficiency

## Investment Banking after-tax return on Basel 3 allocated capital



- Strong **after-tax return on Basel 3 allocated capital of 18%** in 6M13
  - Continued **market share momentum**
  - **Significant Basel 3 RWA reduction** of USD 25 bn from 6M12
  - **Minimal impact on after-tax return** from **balance sheet deleveraging**
  - **Substantially lower pre-tax loss** from **wind-down portfolio**
- Full year 2013 return to benefit from **lower cost base** and **further risk-weighted asset reduction**

202

177

167

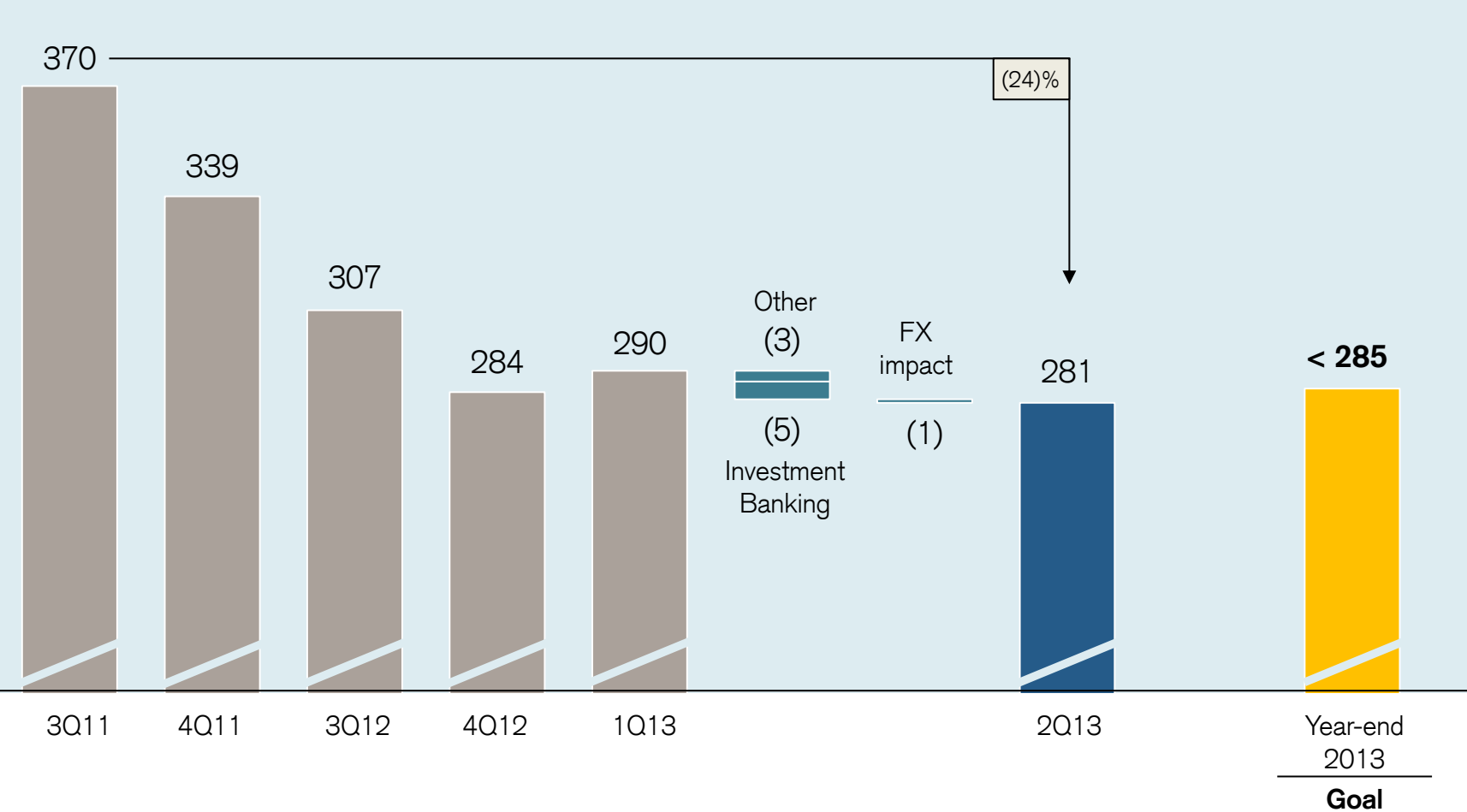
Basel 3 risk-weighted assets in USD bn

Note: Ongoing returns exclude revenues, expenses and risk-weighted assets from wind-down portfolio. Wind-down primarily comprises revenues from businesses we are exiting and funding costs. After-tax return on Basel 3 allocated capital assumes a tax rate of 30% in 2Q13, 25% in 1Q12, 2Q12 and 1Q13, 27% in 6M13, 25% in 6M12 and capital allocated at 10% of Basel 3 risk-weighted assets.

**Strong capital, funding and liquidity &  
significant further progress in expense  
reduction**

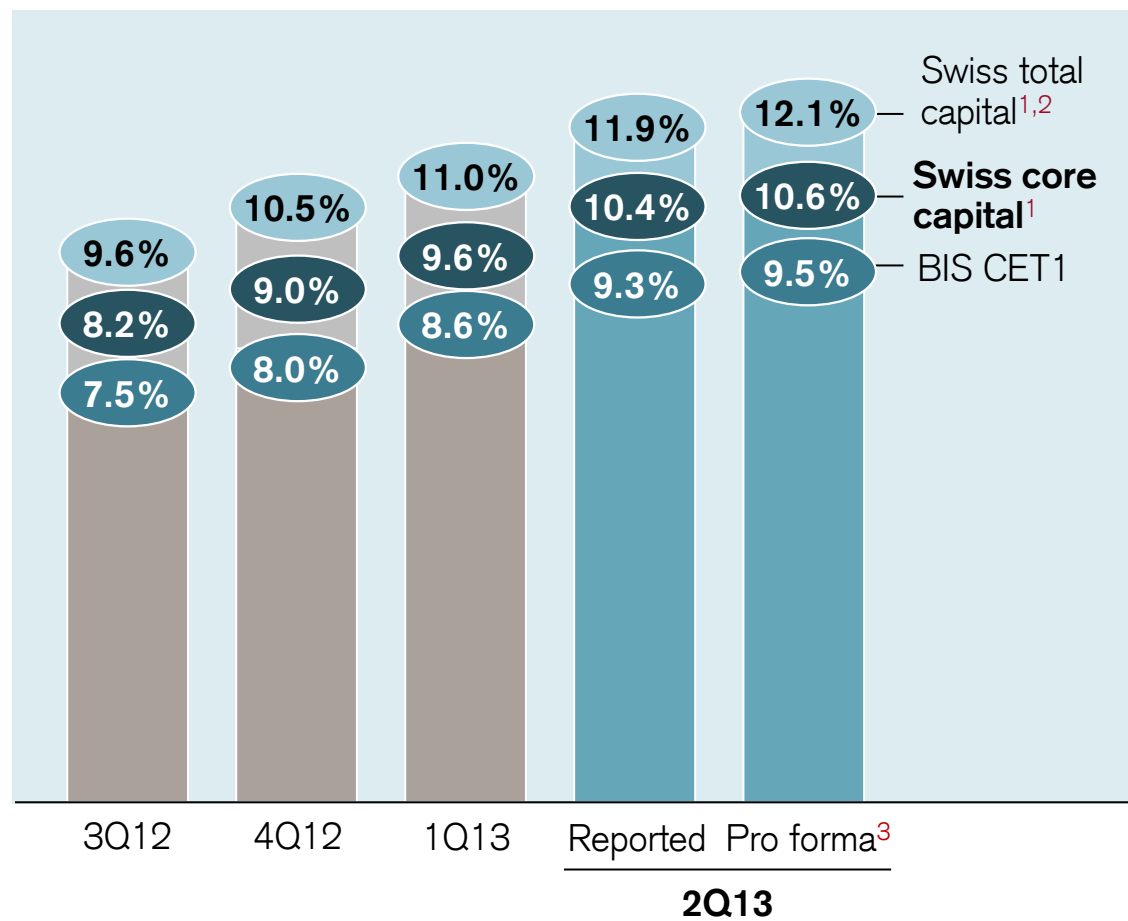
# Exceeded year-end 2013 RWA reduction target

Group Basel 3 "look-through" risk-weighted assets (RWA) in CHF bn



# “Look-through” Swiss core capital ratio of 10.4%, exceeding 10% target

## "Look-through" Basel 3 capital ratios



- Reported “look-through” Swiss core **capital ratio of 10.4%**
- **2Q13 capital ratios include pro-rata cash dividend accrual for 2013** (to be paid in 2014)
- Of original capital benefit of CHF 1.1 bn expected from divestments:
  - CHF 0.6 bn already reflected in reported capital at end 2Q13
  - CHF 0.4 bn already signed but not closed at end 2Q13
  - remainder on track for completion during 2013; expect to exceed original target

CET1 = Common equity tier 1

1 Includes existing USD 3 bn Tier 1 participation securities (with a haircut of 20%).

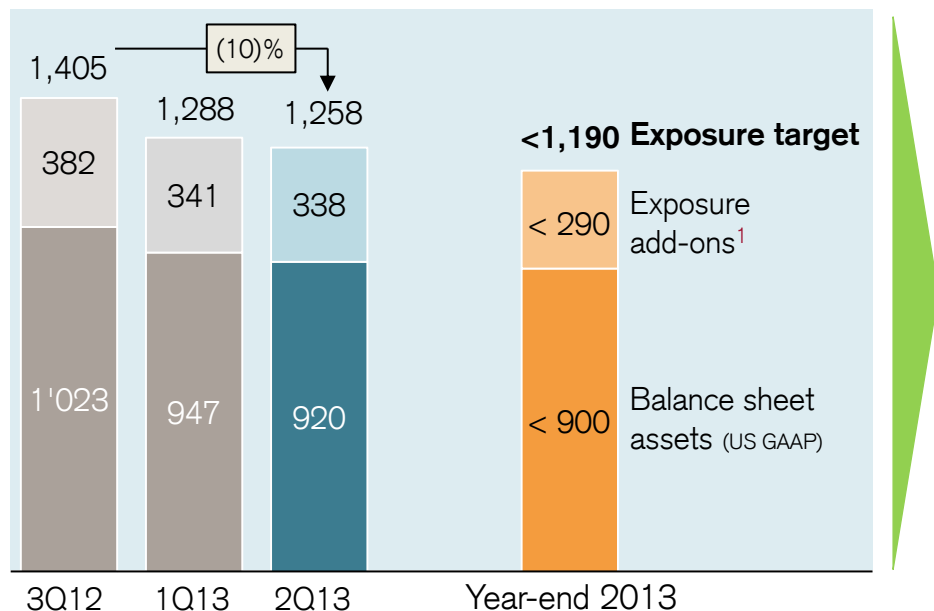
2 Includes issued high-trigger Buffer Capital Notes of CHF 4.2 bn.

3 Pro forma calculation assumes successful completion of the remaining capital measures announced in July 2012.



# Swiss leverage exposure reduced by CHF 147 bn since 3Q12

Swiss leverage exposure end of period in CHF bn



- Well advanced leverage reduction program with **exposure reduced by CHF 147 bn** since 3Q12
- Phase-in leverage ratio of 3.9%** at end 2Q13 projected to be at **~4.5%** by end 2013
- "Look-through" leverage ratio projected to be at ~3.2%** by end 2013
- The future issuance of low-trigger contingent capital, in line with the 1.1% requirement, will enable **Credit Suisse to exceed the Swiss leverage requirement of 4.2% ahead of the 2019 deadline**

## Reported 2Q13 Swiss leverage ratio

Including:

**3.9%**

phase-in

- CHF 4.2 bn of issued high-trigger BCNs
- CHF 2.5 bn of issued Tier 1 participation securities (Claudius)

## Projected year-end 2013 leverage ratio

Assumptions:

- CHF 1,224 bn for Swiss leverage exposure, based on simple average of end 2Q13 amount and year-end 2013 target
- Consensus retained earnings for 2H13<sup>2</sup>
- Agreed exchange in October 2013 of CHF 3.8 bn Tier 1 Capital Notes into additional high-trigger BCNs

Note: this projection assumes no redemption of Tier 1 participation securities or issuance of low-trigger contingent capital

**~3.2%**

"look-through"

**~4.5%**

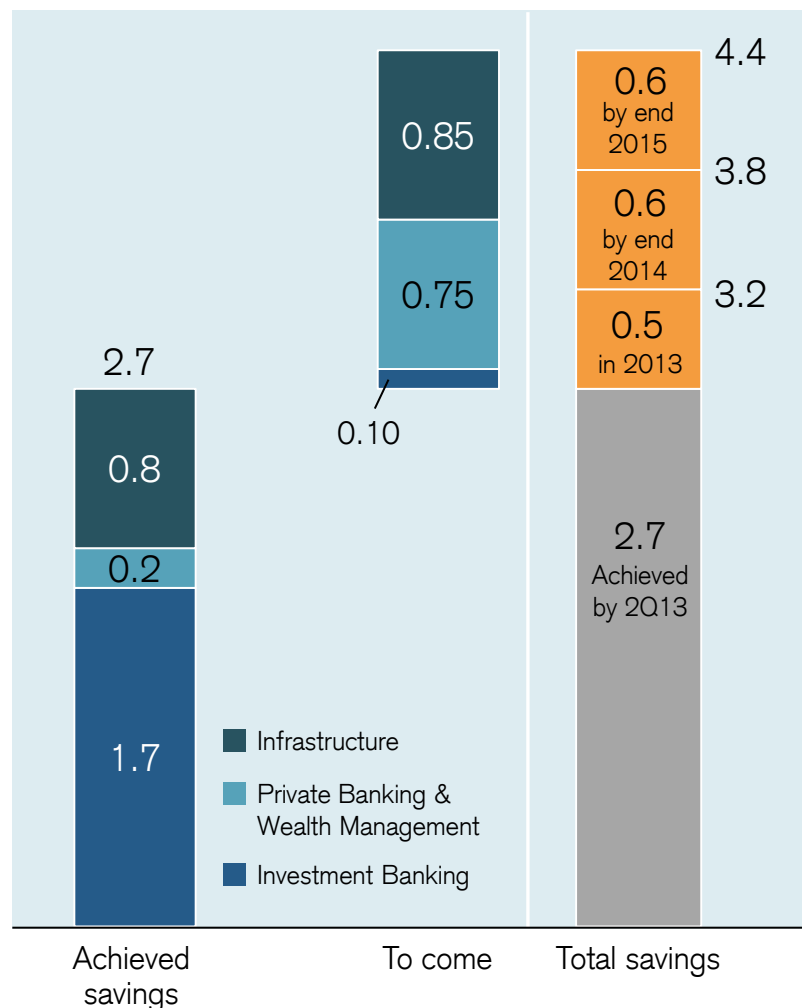
phase-in

<sup>1</sup> Off-balance sheet exposures and regulatory adjustments. Illustrative purposes. Actual amounts may differ significantly.

<sup>2</sup> Based on net income and dividend per share estimates as per Bloomberg consensus as of July 23, 2013, which is not endorsed or verified and is used solely for illustrative purposes.

# On track to achieve CHF 4.4 bn expense savings by end 2015

## Group expense reductions target in CHF bn



## New and continued initiatives

### Infrastructure (CHF 0.8 bn achieved, CHF 0.85 bn to come)

- Consolidation of fragmented and duplicate shared services
- Continued consolidation of technology applications
- Leverage global deployment opportunities
- Closer aligned to business demand levels
- Continued efficiency improvement across all shared services

### Private Banking & Wealth Management (CHF 0.2 bn achieved, CHF 0.75 bn to come)

- Efficiencies related to the formation of the new division
- Rationalization of front office and support areas, including simplification of operating platform
- Streamline offshore affluent and Swiss client coverage model
- Announced divestitures

### Investment Banking (CHF 1.7 bn achieved, CHF 0.10 bn to come)

- Drive cost benefits from initiatives already completed in 2012
- Continue to review and realize efficiencies across business lines and geographic regions
- Continue to refine business mix and align resources against highest returning opportunities

Note: All expense reduction targets are measured at constant FX rates against 6M11 annualized total expenses, excluding realignment and other significant expense items and variable compensation expenses. Infrastructure includes Corporate Center.

# Strong funding and liquidity

Assets and liabilities by category, end 2Q13 in CHF bn

920			920	
Reverse repo	102	<b>Match funded</b>	Repo	121
Encumbered trading assets	68		Short positions	49
Funding-neutral assets <sup>1</sup>	155		Funding-neutral liabilities <sup>1</sup>	155
		325 ↑		
Cash & due from banks	58	595 ↓	Other short-term liab. <sup>2</sup>	33
Unencumbered liquid assets <sup>3</sup>	156		Due to banks	65
			Short-term borrowings	21
Loans <sup>4</sup>	241	122% coverage	Deposits <sup>5</sup>	293
Other longer-maturity assets	140		Long-term debt	134
			Total equity	49
<b>Assets</b>			<b>Equity &amp; Liabilities</b>	

## Well prepared for Basel 3 liquidity requirements

- Basel 3 Net Stable Funding Ratio<sup>6</sup> (1-year) in excess of 100%
- Short-term (30 days) liquidity under Swiss regulation in excess of requirement

1 Primarily includes brokerage receivables/payables, positive/negative replacement values and cash collateral.

2 Primarily includes excess of funding neutral liabilities (brokerage payables) over corresponding assets.

3 Primarily includes unencumbered trading assets, unencumbered investment securities and excess reverse repurchase agreements, after haircuts.

4 Excludes loans with banks.

5 Excludes due to banks and certificates of deposit.

6 Estimate under current FINMA framework. Basel 3 liquidity rules and FINMA framework are not finalized; amounts and statements and ratios shown here are based on interpretation of current proposals.

## Summary

Brady W. Dougan, Chief Executive Officer

# Summary

Net income of CHF 2.3 bn with underlying RoE of 13% in 6M13 and net income of CHF 1.0 bn and reported RoE of 10% in 2Q13

Achieved CHF 2.7 bn of annualized expense savings

Reduced Swiss leverage exposure by CHF 147 bn since 3Q12 and remain on track for further CHF 70 bn reduction to achieve end 2013 target; projected year-end 2013 Swiss phase-in leverage ratio of around 4.5%<sup>1</sup>

“Look-through” Swiss Core Capital ratio of 10.4%, pro forma of 10.6% for residual capital measures; includes 6M13 accrual for resumed cash dividend

**Results show effectiveness of repositioned Basel 3-compliant business model**

All data for Core Results. All expenses reductions are measured at constant FX rates against 6M11 annualized total expenses, excluding realignment and other significant expense items and variable compensation expenses.  
<sup>1</sup> See slides 25 and 40 of this presentation for more detail.

## Supplemental slides

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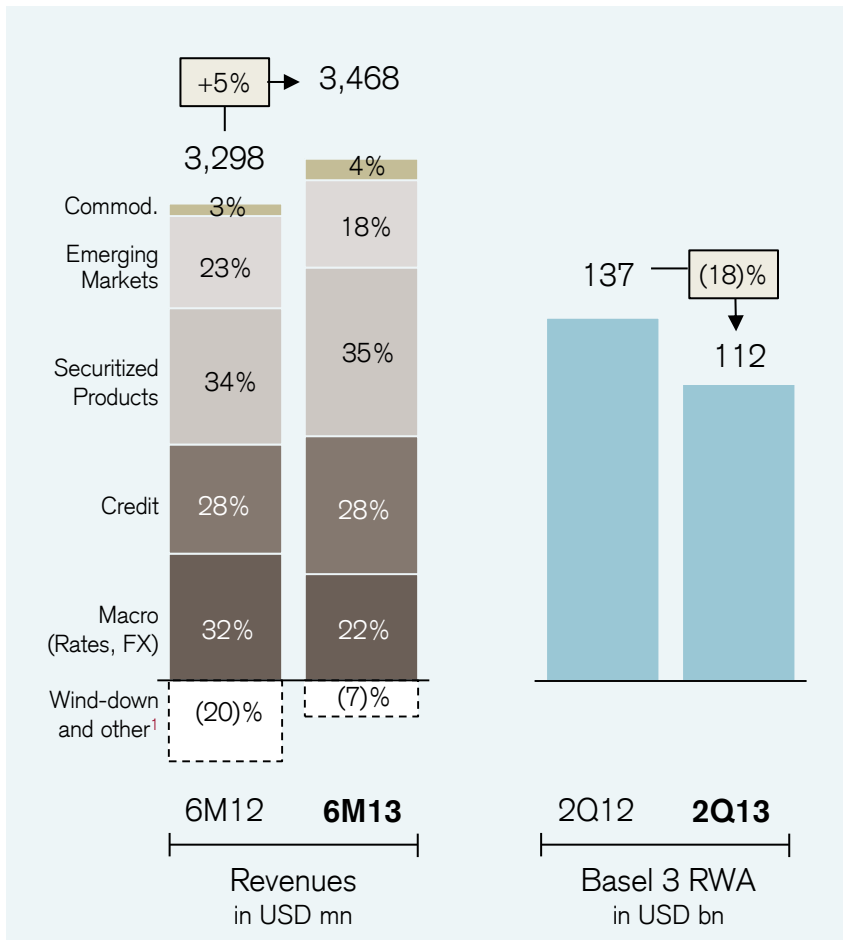
# Investment Banking results in USD

in USD mn	2Q13	1Q13	2Q12	6M13	6M12
Debt underwriting	565	494	318	1,059	765
Equity underwriting	218	169	99	387	231
Advisory and other fees	177	156	248	333	483
Fixed income sales & trading	1,326	2,142	1,177	3,468	3,298
Equity sales & trading	1,414	1,399	1,140	2,812	2,636
Other	(109)	(108)	(63)	(217)	(138)
<b>Net revenues</b>	<b>3,591</b>	<b>4,252</b>	<b>2,919</b>	<b>7,842</b>	<b>7,275</b>
Provision for credit losses	5	(6)	(16)	(1)	(22)
Compensation and benefits	1,552	1,598	1,500	3,151	3,720
Other operating expenses	1,244	1,252	1,108	2,496	2,258
Total operating expenses <sup>1</sup>	2,796	2,850	2,608	5,646	5,977
<b>Pre-tax income</b>	<b>790</b>	<b>1,408</b>	<b>327</b>	<b>2,197</b>	<b>1,319</b>
Cost/income ratio	78%	67%	89%	72%	82%

<sup>1</sup> Includes PAF2 expense of USD 455 mn in 1Q12.

# Increased capital efficiency and more balanced business mix in Fixed Income, reflecting execution of refined strategy

## Fixed income sales & trading in USD



- 6M13 revenue up 5% while Basel 3 RWA reduced by 18%
- Significantly lower drag from wind-down businesses in 6M13 vs. 6M12
- Continued stable inventory levels to support client flow while minimizing risks

<sup>1</sup> Wind-down and other primarily comprise revenues / (losses) from businesses we are exiting and funding costs.



# Fixed Income and Equities Basel 3 RWA reduction

## Basel 3 risk-weighted assets in USD bn

	2Q12	1Q13		2Q13		2Q12	1Q13		2Q13
Macro (Rates & FX)	39	27	(2)	25	Cash Equities	5	5	-	5
Securitized Products	37	29	+1	30	Prime Services	10	14	(1)	13
Credit	18	16	+2	18	Derivatives	15	12	-	12
Emerging Markets	17	19	-	19	Equities Arbitrage Trading	3	3	-	3
Commodities	3	2	-	2	Other	1	3	(1)	2
Wind-down	14	13	(3)	10	<b>Equities</b>	<b>34</b>	<b>37</b>	<b>(2)</b>	<b>35</b>
Other <sup>1</sup>	9	10	(2)	8					
<b>Fixed Income</b>	<b>137</b>	<b>116</b>	<b>(4)</b>	<b>112</b>					

<sup>1</sup> Includes Fixed Income other, CVA management and Fixed Income treasury.

# Results in the Corporate Center

CHF mn	1Q12	2Q12	3Q12	4Q12	2012	1Q13	2Q13
<b>Reported</b> pre-tax-income / (loss)	(1,818)	(180)	(1,060)	(840)	(3,898)	(359)	(137)
Losses / (gains) from movements in credit spreads on own liabilities	1,554	(39)	1,048	376	2,939	80	(130)
Business realignment costs	68	183	144	285	680	92	133
(Gains) on real estate sale	–	–	(382)	(151)	(533)	–	–
Litigation provisions	–	–	–	227	227	–	–
Cumulative translation adjustments from the sale of JO Hambro	–	–	–	–	–	80	–
IT architecture simplification costs	–	–	–	–	–	–	19
<b>Underlying</b> pre-tax income / (loss)	(196)	(36)	(250)	(103)	(585)	(107)	(115)

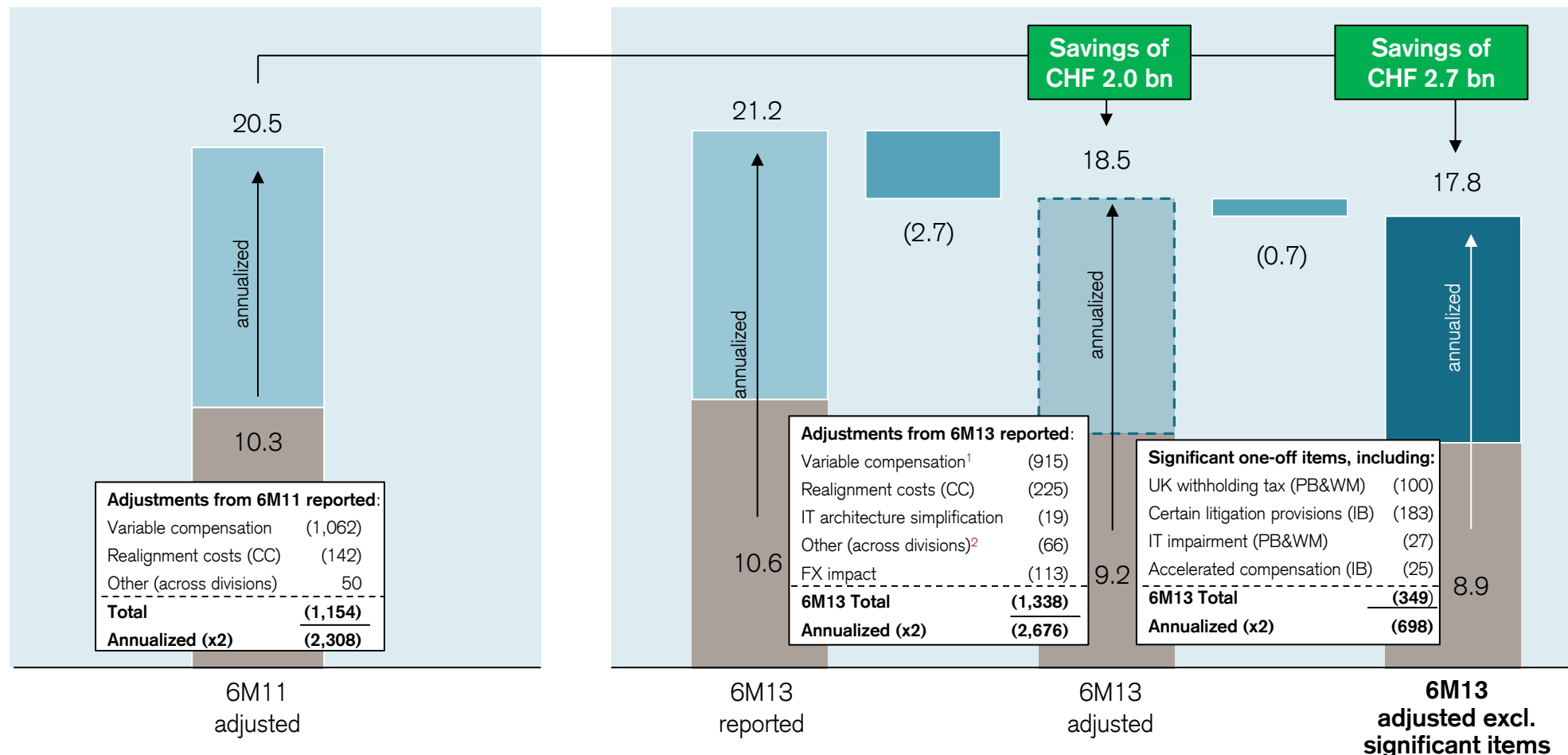
The underlying Corporate Center pre-tax results reflect:

- consolidation and elimination adjustments
- expenses for centrally sponsored projects
- certain expenses and revenues that have not been allocated to the segments

Note: Underlying results are non-GAAP financial measures.

# Achieved CHF 2.7 bn annualized expense savings through 6M13 since expense measures announced in mid-2011

Group expense reduction achieved in CHF bn

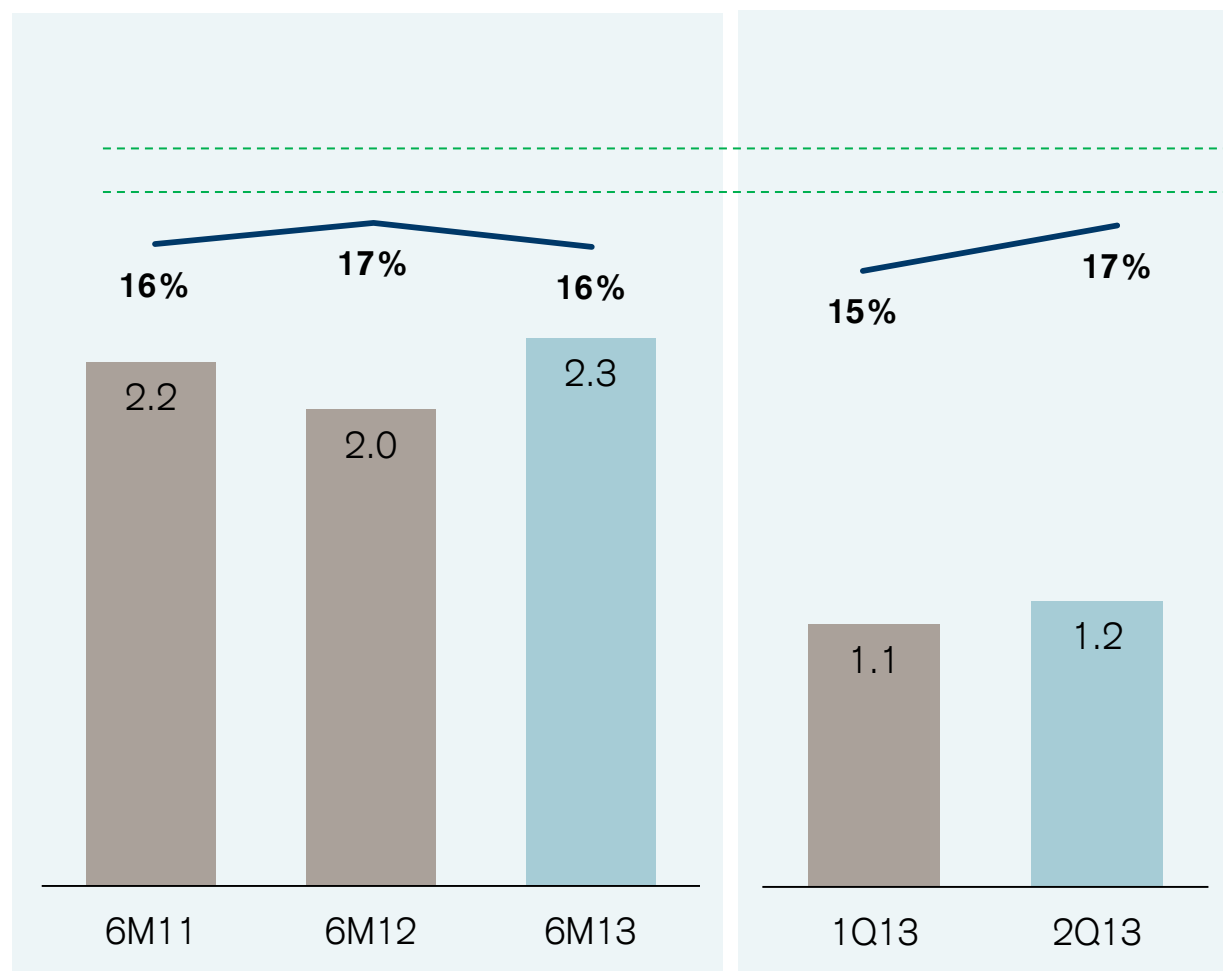


All data for Core Results. All expenses reductions are measured at constant FX rates against 6M11 annualized total expenses, excluding realignment and other significant expense items and variable compensation expenses.

1 Related to existing population. 2 Primarily due to variable compensation related savings on reduction of force.

# Collaboration revenues

Collaboration revenues in CHF bn and as % of net revenues (core results)



**Collaboration revenues target range of 18% to 20% of net revenues**

- Significant Collaboration revenue with an increase of 12% vs. 6M12
- Contribution to overall Credit Suisse result continues to be significant
- Strong performance in providing tailored solutions to UHNW clients
- CHF 4.7 bn of collaboration assets referred to Private Banking & Wealth Management

# Currency mix

## Credit Suisse Core Results

CHF mn	6M13	Contribution				
		CHF	USD	EUR	GBP	Other
Net revenues	14,003	20%	56%	13%	1%	10%
Total expenses <sup>1</sup>	10,647	32%	39%	5%	10%	14%

CHF mn	6M12	Contribution				
		CHF	USD	EUR	GBP	Other
Net revenues	12,095	22%	50%	18%	1%	9%
Total expenses <sup>1</sup>	10,944	32%	38%	6%	10%	14%

## Sensitivity analysis<sup>2</sup>

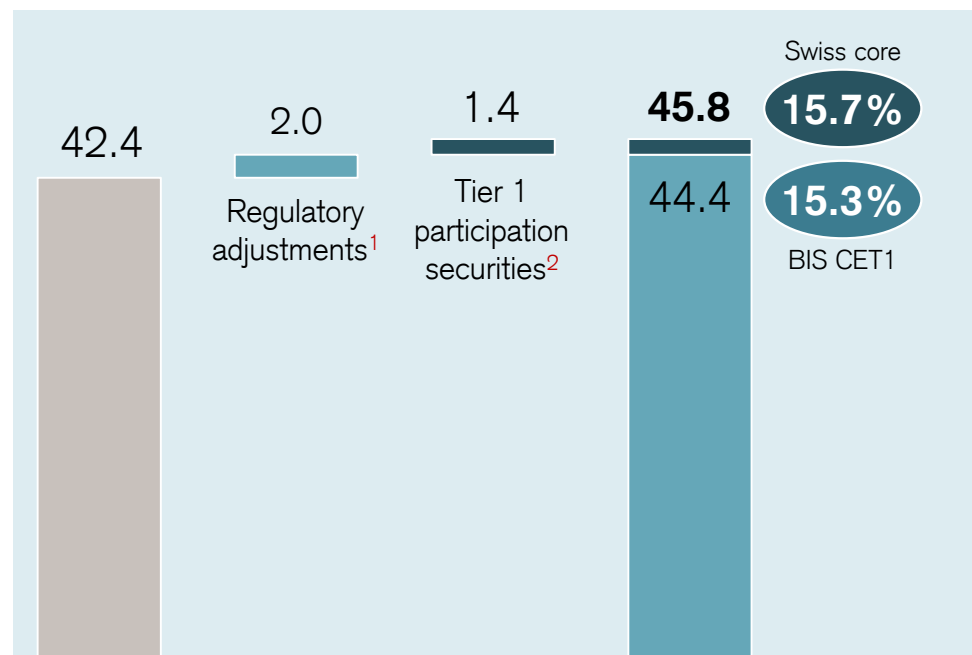
- A 10% movement in the USD/CHF exchange rate affects **6M13 pre-tax income by CHF 365 mn** and 6M12 pre-tax income by CHF 188 mn
- A 10% movement in the EUR/CHF exchange rate affects **6M13 pre-tax income by CHF 120 mn** and 6M12 pre-tax income by CHF 160 mn

<sup>1</sup> Total operating expenses and provisions for credit losses.

<sup>2</sup> Based on 6M12 and 6M13 revenue and expense levels, currency mix and average exchange rates, respectively.

# Strong 2Q13 Basel 3 capital ratios

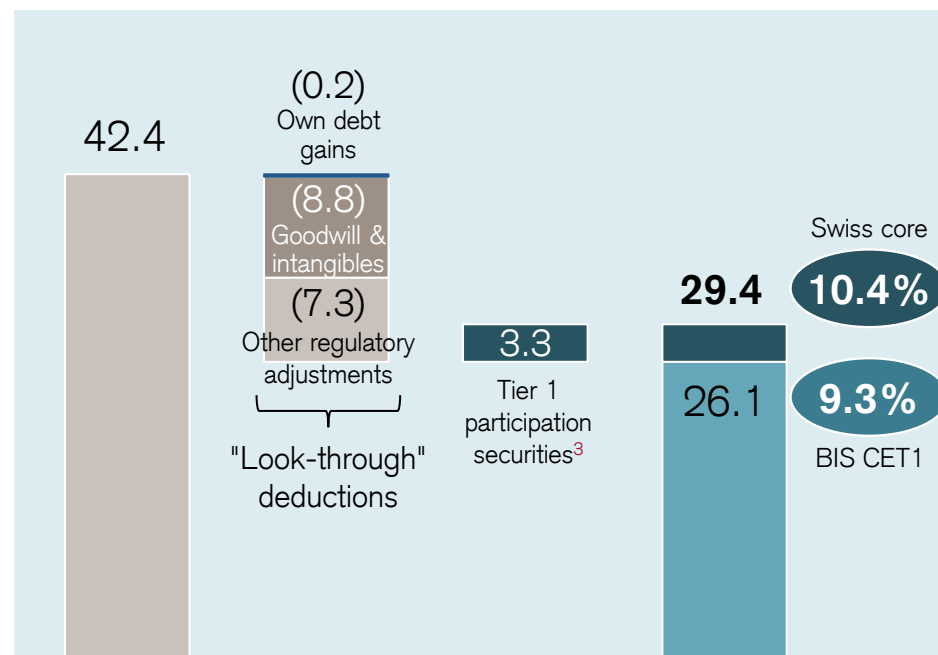
Swiss core and BIS CET1 capital in CHF bn



Shareholders' equity 2013

Regulatory capital end 2013

"Look-through" Swiss core and BIS CET1 capital in CHF bn



Shareholders' equity 2013

"Look-through" capital 2013

Basel 3 risk-weighted assets in CHF bn

**290**

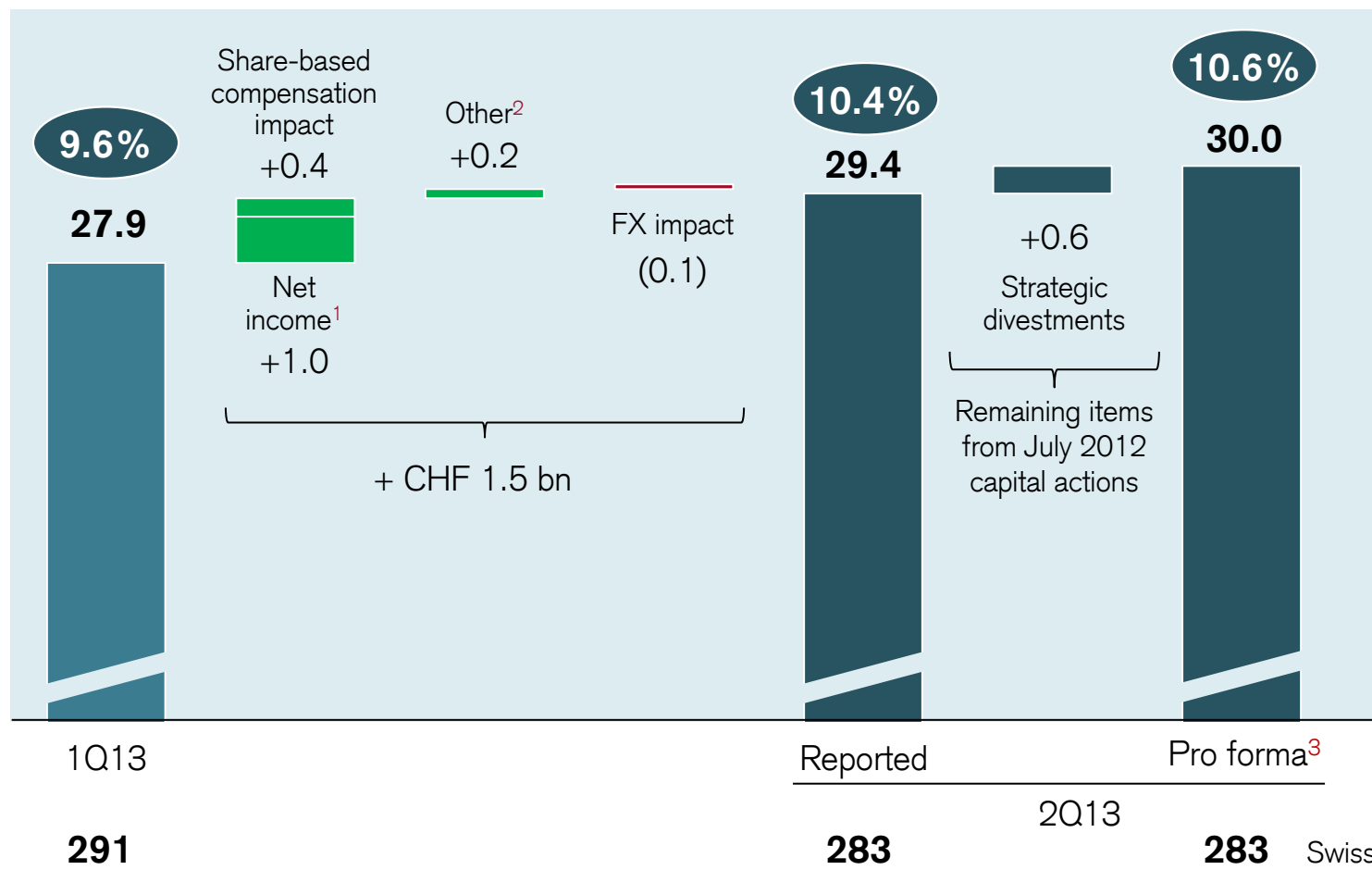
**281**

Rounding differences may occur.

1 Includes an adjustment of CHF 2.6 bn for the accounting treatment of pension plans pursuant to phase-out requirements and other regulatory adjustments and regulatory adjustments of CHF (0.6) bn not subject to phase in, including the cumulative dividend accrual. 2 Consists of tier 1 participation securities of CHF 2.5 bn, additional tier 1 deductions for which there is not enough tier 1 capital available and therefore is deducted from Swiss Core Capital, and other Swiss regulatory adjustments. 3 Consists of existing tier 1 participation securities of CHF 2.5 bn and other Swiss regulatory adjustments.

# Achieved reported 10.4% Swiss core capital ratio, exceeding 10% target

"Look-through" Swiss core capital and ratios in CHF bn



Swiss Basel 3 "look-through" RWA in CHF bn

Rounding differences may occur.

1 Before impact from movement in own credit spreads.

2 Including dividend accrual.

3 Pro forma calculation assumes successful completion of the remaining capital measures announced in July 2012.

# Swiss leverage calculation and year-end 2013 projection

in CHF bn	Phase-in view				"Look-through" view			
	2Q13		End 2013 projections	as % of CHF 1,224 bn exposure <sup>1</sup>	2Q13		End 2013 projections	as % of CHF 1,224 bn exposure <sup>1</sup>
<b>Common equity tier 1 (CET1)</b>	<b>44.4</b>	<b>+1.2<sup>3</sup></b>	<b>45.6</b>	<b>3.7%</b>	<b>26.1</b>	<b>+1.2<sup>3</sup></b>	<b>27.3</b>	<b>2.2%</b>
Swiss regulatory adjustments <sup>2</sup>	(1.1)		(1.1)	(0.1)%	0.8		0.8	0.1%
Tier 1 participation securities (Claudius)	2.5		2.5	0.2%	2.5		2.5	0.2%
<b>Swiss Core Capital</b>	<b>45.8</b>		<b>47.0</b>	<b>3.8%</b>	<b>29.4</b>		<b>30.6</b>	<b>2.5%</b>
High-trigger Buffer Capital Notes	4.2	<b>+3.8<sup>4</sup></b>	8.0	0.7%	4.2	<b>+3.8<sup>4</sup></b>	8.0	0.7%
Low-trigger contingent capital	–		–	–	–		–	–
<b>Swiss Total Capital</b>	<b>50.0</b>		<b>55.0</b>	<b>~4.5%</b>	<b>33.6</b>		<b>38.6</b>	<b>~3.2%</b>

The future issuance of low-trigger contingent capital, in line with the 1.1% requirement, will enable Credit Suisse to exceed the Swiss leverage requirement of 4.2% ahead of the 2019 deadline

Rounding differences may occur.

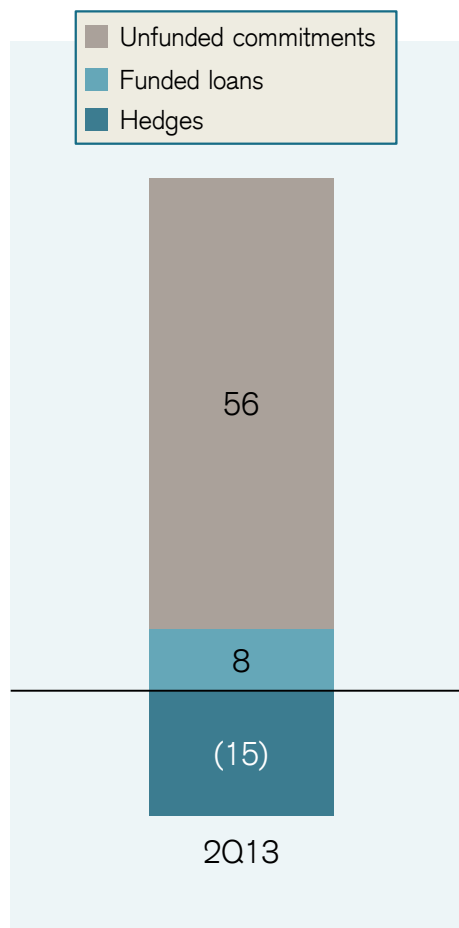
1 Simple average of Swiss leverage exposure of CHF 1,258 bn at end 2Q13 and target of CHF 1,190 bn at year-end 2013. 2 Consists of additional tier 1 deductions for which there is not enough tier 1 capital available and is therefore deducted from Swiss Core Capital and other Swiss regulatory adjustments. 3 Based on net income and dividend per share estimates per Bloomberg consensus as of July 23, 2013, which is not endorsed or verified and is used solely for illustrative purposes. Actual amounts may differ significantly. 4 Assumes exchange in October 2013 of remaining CHF 3.8 bn hybrid tier1 notes into high-trigger BCNs, subject to FINMA approval.



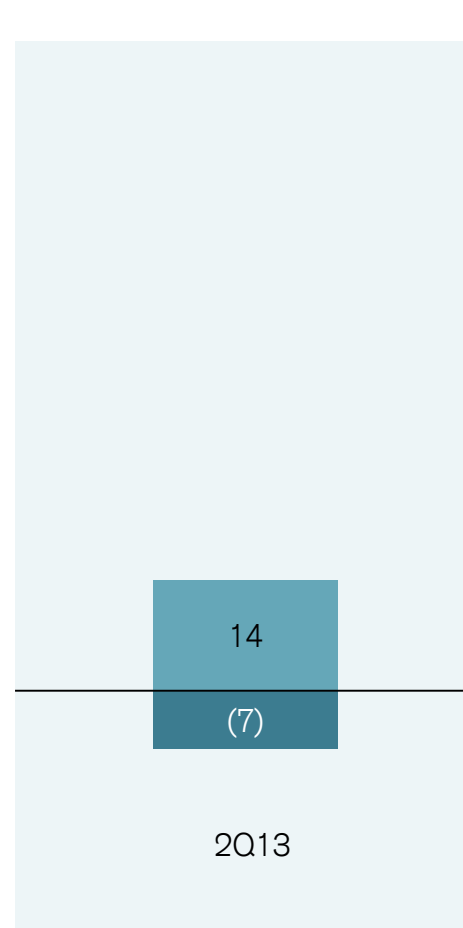
# Investment Banking loan book

- Corporate loan portfolio is 73% investment grade, of which most (65%) accounted for on a fair value basis
- Fair value is a forward looking view which balances accounting risks, matching treatment of loans and hedges
- Loans are carried at an average mark of approx. 99% with average mark of 98% in non-investment grade portfolio
- Continuing good performance of individual credits: no specific provisions during the quarter

**Developed markets** in CHF bn



**Emerging markets** in CHF bn



- Well-diversified by name and evenly spread between EMEA, Americas and Asia and approx. 70% accounted for on a fair value basis
- Emerging market loans are carried at an average mark of approx. 100%
- No significant provisions during the quarter

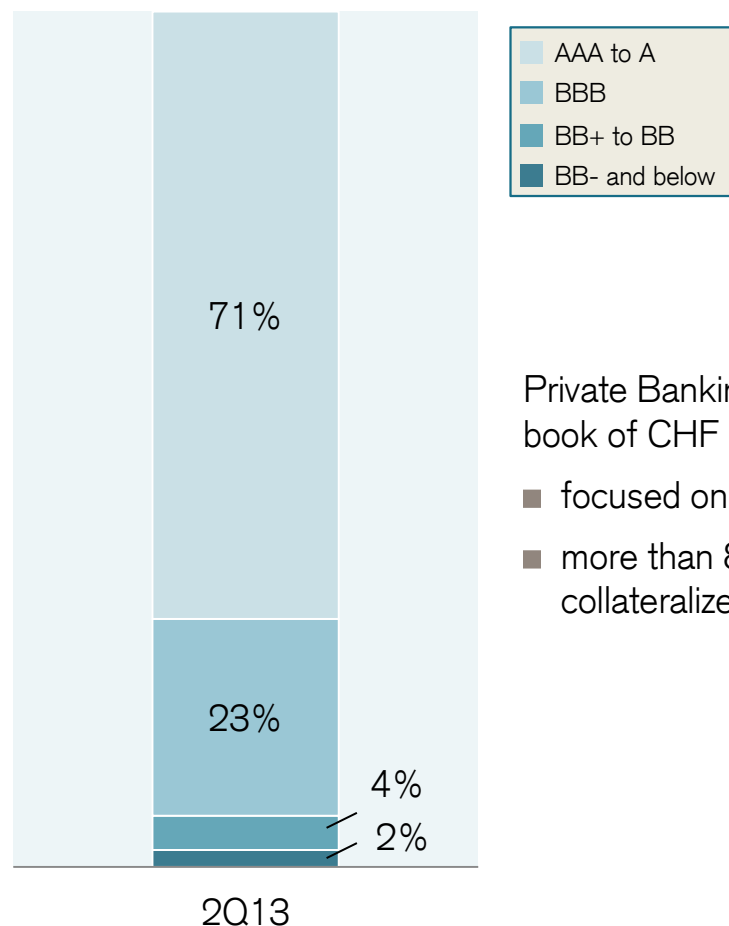
Average mark data is net of fair value discounts and credit provisions. Average marks and composition of the loan portfolio is based on gross amounts.

# Private Banking loan book

## Wealth Management Clients (CHF 152 bn)

- Portfolio remains geared towards **mortgages** (CHF 100 bn) and **securities-backed lending** (CHF 46 bn)
- Lending is based on well-proven, **conservative standards**
- Lombard (securities-backed) lending with excellent credit quality
- Price development for residential property in Switzerland remains under special focus

## Portfolio ratings composition, by transaction rating



Private Banking total loan book of CHF 215 bn

- focused on Switzerland
- more than 85% collateralized

## Corporate & Institutional Clients (CHF 63 bn)

- **Over 65% collateralized** by mortgages and securities
- Counterparties **mainly Swiss corporates** incl. real estate industry
- **Sound credit quality with low concentrations**

# Libor matter

- Regulatory authorities in a number of jurisdictions have for an extended period of time been investigating the setting of LIBOR and other reference rates.
- Credit Suisse, which is a member of only three rate-setting LIBOR panels (US Dollar LIBOR, Swiss Franc LIBOR and Euro LIBOR), is cooperating fully with these investigations.
- Credit Suisse has done a significant amount of work over the last two years to respond to regulatory inquiries.
- Based on our work to date, we do not currently believe that Credit Suisse is likely to have material issues in relation to LIBOR and we have shared these findings with the relevant regulators; of course, our review in response to ongoing regulatory inquiries is continuing.
- In addition Credit Suisse has been named in various civil lawsuits filed in the United States relating to LIBOR. These lawsuits are factually and legally meritless with respect to Credit Suisse and we will vigorously defend ourselves against them.

CREDIT SUISSE

