

# Credit Suisse

## Presentation on historical financials under new reporting structure



David Mathers, Chief Financial Officer

October 8, 2020



# Disclaimer (1/2)

This material does not purport to contain all of the information that you may wish to consider. This material is not to be relied upon as such or used in substitution for the exercise of independent judgment.

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

This presentation contains forward-looking statements that involve inherent risks and uncertainties, and we might not be able to achieve the predictions, forecasts, projections and other outcomes we describe or imply in forward-looking statements. A number of important factors could cause results to differ materially from the plans, targets, goals, 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, 2019, in "Credit Suisse – Risk Factor" in our 1Q20 Financial Report published on May 7, 2020 and in the "Cautionary statement regarding forward-looking information" in our 2Q20 Financial Report published on July 30, 2020 and filed with the US Securities and Exchange Commission, and in other public filings and press releases. We do not intend to update these forward-looking statements.

In particular, the terms "Estimate", "Illustrative", "Ambition", "Objective", "Outlook" and "Goal" are not intended to be viewed as targets or projections, nor are they considered to be Key Performance Indicators. All such estimates, illustrations, ambitions, objectives, outlooks and goals are subject to a large number of inherent risks, assumptions and uncertainties, many of which are completely outside of our control. These risks, assumptions and uncertainties include, but are not limited to, general market conditions, market volatility, interest rate volatility and levels, global and regional economic conditions, challenges and uncertainties resulting from the COVID-19 pandemic, political uncertainty, changes in tax policies, regulatory changes, changes in levels of client activity as a result of any of the foregoing and other factors. Accordingly, this information should not be relied on for any purpose. We do not intend to update these estimates, illustrations, ambitions, objectives, outlooks or goals.

## **Statement regarding purpose and basis of presentation**

The purpose of this presentation is to provide a preliminary unaudited restatement of previously published historical financial information reflecting the new divisional reporting structure and management responsibilities announced on July 30, 2020 and updates to certain calculations and allocations. The restated historical financial information in this presentation has not been reviewed by our independent public accountants, remains preliminary and is subject to further review in connection with the publication of the 3Q20 Financial Report, scheduled for October 29, 2020, and audit in connection with the publication of the 2020 Annual Report. In preparing this presentation, management has made estimates and assumptions that affect the numbers presented. Actual results may differ. Annualized numbers do not take into account variations in operating results, seasonality and other factors and may not be indicative of actual, full-year results. Figures throughout this presentation may also be subject to rounding adjustments. All opinions and views constitute judgments as of the date of writing without regard to the date on which the reader may receive or access the information. This information is subject to change at any time without notice and we do not intend to update this information.

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

We may not achieve all of the expected benefits of our strategic initiatives. Factors beyond our control, including but not limited to the market and economic conditions (including macroeconomic and other challenges and uncertainties, for example, resulting from the COVID-19 pandemic), changes in laws, rules or regulations and other challenges discussed in our public filings, could limit our ability to achieve some or all of the expected benefits of these initiatives.

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

This presentation also contains non-GAAP financial measures, including adjusted results as well as return on regulatory capital and return on tangible equity (which is based on tangible shareholders' equity). Information needed to reconcile such non-GAAP financial measures to the most directly comparable measures under US GAAP can be found in this presentation in the Appendix, which is available on our website at [www.credit-suisse.com](http://www.credit-suisse.com).

Our estimates, ambitions, objectives and targets often include metrics that are non-GAAP financial measures and are unaudited. A reconciliation of the estimates, ambitions, objectives and targets to the nearest GAAP measures is unavailable without unreasonable efforts. Adjusted results exclude goodwill impairment, major litigation provisions, real estate gains and other revenue and expense items included in our reported results, all of which are unavailable on a prospective basis. Return on tangible equity is based on tangible shareholders' equity, a non-GAAP financial measure also known as tangible book value, which is calculated by deducting goodwill and other intangible assets from total shareholders' equity as presented in our balance sheet, both of which are unavailable on a prospective basis. Return on regulatory capital (a non-GAAP financial measure) is calculated using income / (loss) after tax and assumes a tax rate of 25% and capital allocated based on the average of 10% of average RWA and 3.5% of average leverage exposure; the essential components of this calculation are unavailable on a prospective basis. Such estimates, ambitions, objectives and targets are calculated in a manner that is consistent with the accounting policies applied by us in preparing our financial statements.

# Disclaimer (2/2)

## **Statement regarding capital, liquidity and leverage**

Credit Suisse is subject to the Basel III framework, as implemented in Switzerland, as well as Swiss legislation and regulations for systemically important banks (Swiss Requirements), which include capital, liquidity, leverage and large exposure requirements and rules for emergency plans designed to maintain systemically relevant functions in the event of threatened insolvency. Credit Suisse has adopted the Bank for International Settlements (BIS) leverage ratio framework, as issued by the Basel Committee on Banking Supervision (BCBS) and implemented in Switzerland by the Swiss Financial Market Supervisory Authority FINMA.

References to phase-in and look-through included herein refer to Basel III capital requirements and Swiss Requirements. Phase-in reflects that, for the years 2014-2018, there was a five-year (20% per annum) phase-in of goodwill, other intangible assets and other capital deductions (e.g., certain deferred tax assets) and a phase-out of an adjustment for the accounting treatment of pension plans. For the years 2013-2022, there is a phase-out of certain capital instruments. Look-through assumes the full phase-in of goodwill and other intangible assets and other regulatory adjustments and the phase-out of certain capital instruments.

Unless otherwise noted, leverage exposure is based on the BIS leverage ratio framework and consists of period-end balance sheet assets and prescribed regulatory adjustments. The tier 1 leverage ratio and CET1 leverage ratio are calculated as BIS tier 1 capital and CET1 capital, respectively, divided by period-end leverage exposure. Swiss leverage ratios are measured on the same period-end basis as the leverage exposure for the BIS leverage ratio.

## **Sources**

Certain material in this presentation has been prepared by Credit Suisse on the basis of publicly available information, internally developed data and other third-party sources believed to be reliable. Credit Suisse has not sought to independently verify information obtained from public and third-party sources and makes no representations or warranties as to accuracy, completeness or reliability of such information.

# Overview of key changes

## Principles of restatement

- The **creation of one global Investment Bank** across GM, IBCM and APAC Markets
- The related **formation of GTS (Global Trading Solutions)**, combining the success of ITS and APAC Solutions
- The **launch of SRI (Sustainability, Research & Investment Solutions) capability**, led at Executive Board level and combining Research<sup>1</sup>, IS&P<sup>2</sup>, IA&F<sup>3</sup> and Marketing and Branding
- **Revised allocations, both corporate functions and funding costs**, to align to the new organizational structure

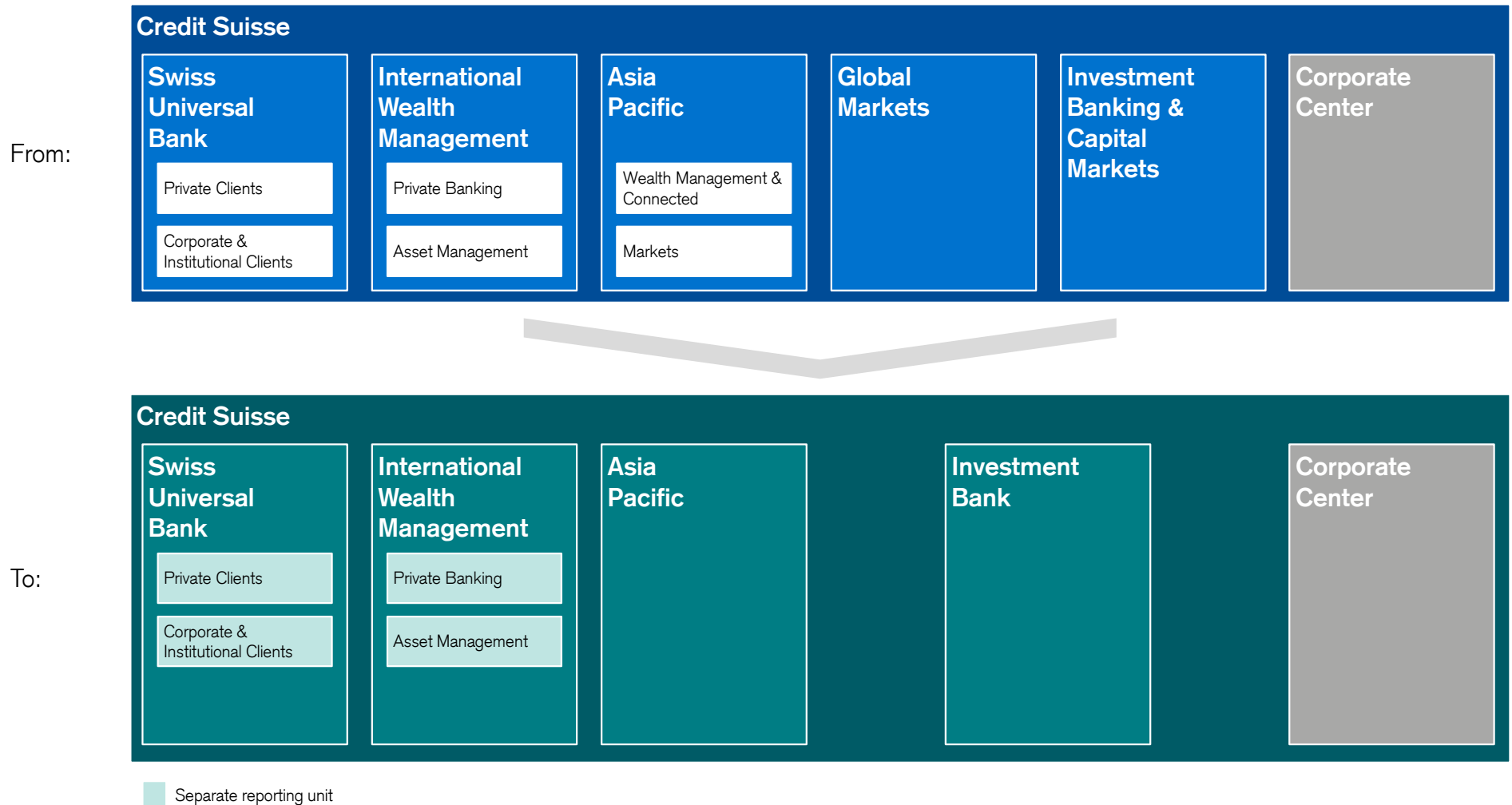
## Change in divisional and Group return on regulatory capital

- Usage of **25% tax rate** (instead of 30%) for return on regulatory capital from 2020 onwards to align with our guidance for the 2021 Group tax rate
- **Revert to an average rather than “worst of” definition of regulatory capital** given the increased alignment of leverage exposure and RWA towards a 35% risk density in line with the calibration of “Too Big To Fail”

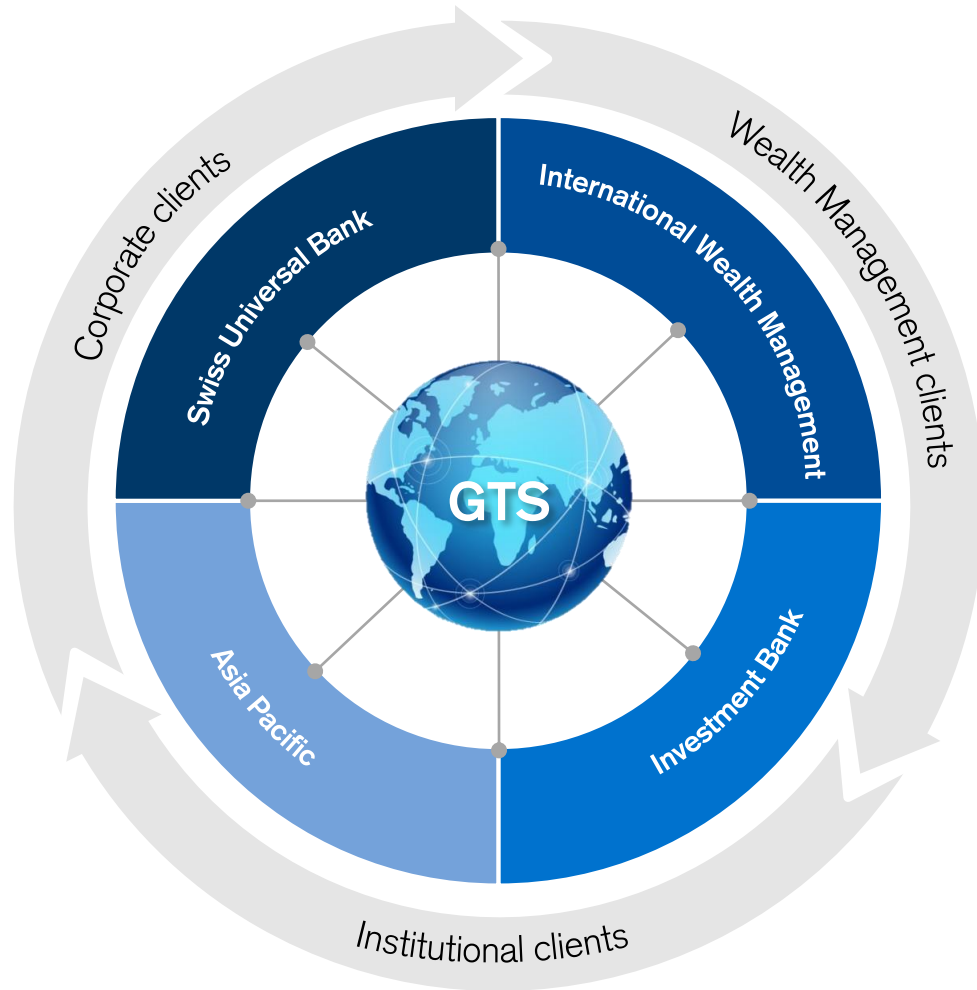
Note: Effective as of August 1, 2020

1 Equity research across Global Markets and APAC 2 Investment Solutions & Products within IWM 3 Impact Advisory & Finance

# High-level overview of changes to reporting units



# GTS overview



- Integration of ITS and APAC Solutions to create a single hub
- GTS is a cross-divisional platform that provides innovative products and services to our Wealth Management-focused divisions
- This includes institutional solutions and is based on wholesale pricing sourced from the Investment Bank
- GTS revenues, costs and capital are allocated to each of the Wealth Management-focused divisions and the Investment Bank
- GTS is housed in the Investment Bank

# SRI overview



## SRI capability at ExB level

- Integrate and centralize Equity Research, Investment Solutions & Products, Impact Advisory & Finance/Sustainability and Marketing/Branding efforts under one roof
- Provide one single “House View” with Supertrends and sustainability at its core
- Increase connectivity of Research with CIO and the sustainability agenda; deliver market-leading thematic insights and content across public and private markets, leveraging data
- Drive a globally consistent sustainability strategy

**SRI is a corporate function and provides services to all four divisions and the group overall; costs are allocated accordingly**

# Pro-forma 1H20

**Old structure** in CHF unless otherwise noted

Swiss Universal Bank	International Wealth Management	Asia Pacific WM&C	APAC Markets in USD	Global Markets in USD	Investment Banking & Capital Markets in USD	Corporate Center
Rev: 3,013 mn PTI: 1,276 mn RWA: 83 bn LE: 272 bn RoRC <sup>1</sup> : 19%	Rev: 2,776 mn PTI: 885 mn RWA: 46 bn LE: 106 bn RoRC <sup>1</sup> : 28%	Rev: 1,182 mn PTI: 208 mn RWA: 24 bn LE: 57 bn RoRC <sup>1</sup> : 11%	Rev: 941 mn PTI: 355 mn RWA: 13 bn LE: 54 bn RoRC <sup>1</sup> : 27%	Rev: 3,668 mn PTI: 957 mn RWA: 65 bn LE: 265 bn RoRC <sup>1</sup> : 14%	Rev: 921 mn PTI: (180) mn RWA: 24 bn LE: 49 bn RoRC <sup>1</sup> : n.m.	Rev: (324) mn PTI: (704) mn RWA: 50 bn LE <sup>3</sup> : 52 bn RoRC <sup>1</sup> : n.m.

**New structure** in CHF unless otherwise noted

Swiss Universal Bank	International Wealth Management	Asia Pacific	Investment Bank in USD	Corporate Center
Rev: 2,928 mn PTI: 1,187 mn RWA: 86 bn LE: 293 bn RoRC <sup>2</sup> : 19%	Rev: 2,743 mn PTI: 849 mn RWA: 47 bn LE: 103 bn RoRC <sup>2</sup> : 32%	Rev: 1,643 mn PTI: 414 mn RWA: 29 bn LE: 79 bn RoRC <sup>2</sup> : 21%	Rev: 5,136 mn PTI: 1,037 mn RWA: 91 bn LE: 343 bn RoRC <sup>2</sup> : 14%	Rev: (286) mn PTI: (693) mn RWA: 52 bn LE <sup>3</sup> : 37 bn RoRC <sup>2</sup> : n.m.

1 Regulatory capital is calculated as the worst of 10% of RWA and 3.5% of leverage exposure. Return on regulatory capital (a non-GAAP financial measure) is calculated using income / (loss) after tax and assumes a tax rate of 30% and capital allocated based on the worst of 10% of average RWA and 3.5% of average leverage exposure 2 Regulatory capital is calculated as the average of 10% of RWA and 3.5% of leverage exposure. Return on regulatory capital (a non-GAAP financial measure) is calculated using income / (loss) after tax and assumes a tax rate of 25% and capital allocated based on the average of 10% of average RWA and 3.5% of average leverage exposure 3 Excludes CHF 104 bn of cash held at central banks, after adjusting for the dividend paid in 2Q20 and the planned dividend payment in 4Q20 as required by FINMA



# Appendix



# Pro-forma 2019

**Old structure** in CHF unless otherwise noted

Swiss Universal Bank	International Wealth Management	Asia Pacific WM&C	APAC Markets in USD	Global Markets in USD	Investment Banking & Capital Markets in USD	Corporate Center
Rev: 6,020 mn PTI: 2,697 mn RWA: 78 bn LE: 265 bn RoRC <sup>1</sup> : 21%	Rev: 5,887 mn PTI: 2,138 mn RWA: 44 bn LE: 101 bn RoRC <sup>1</sup> : 35%	Rev: 2,491 mn PTI: 888 mn RWA: 27 bn LE: 64 bn RoRC <sup>1</sup> : 23%	Rev: 1,106 mn PTI: 14 mn RWA: 10 bn LE: 53 bn RoRC <sup>1</sup> : 1%	Rev: 5,789 mn PTI: 960 mn RWA: 59 bn LE: 266 bn RoRC <sup>1</sup> : 7%	Rev: 1,677 mn PTI: (161) mn RWA: 24 bn LE: 44 bn RoRC <sup>1</sup> : n.m.	Rev: (431) mn PTI: (1,811) mn RWA: 51 bn LE: 129 bn RoRC <sup>1</sup> : n.m.

**New structure** in CHF unless otherwise noted

Swiss Universal Bank	International Wealth Management	Asia Pacific	Investment Bank in USD	Corporate Center
Rev: 5,905 mn PTI: 2,573 mn RWA: 80 bn LE: 285 bn RoRC <sup>2</sup> : 20%	Rev: 5,816 mn PTI: 2,065 mn RWA: 44 bn LE: 99 bn RoRC <sup>2</sup> : 37%	Rev: 3,029 mn PTI: 922 mn RWA: 32 bn LE: 81 bn RoRC <sup>2</sup> : 21%	Rev: 8,216 mn PTI: 1,033 mn RWA: 85 bn LE: 343 bn RoRC <sup>2</sup> : 7%	Rev: (427) mn PTI: (1,866) mn RWA: 52 bn LE: 113 bn RoRC <sup>2</sup> : n.m.

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# Pro-forma 2018

**Old structure** in CHF unless otherwise noted

Swiss Universal Bank	International Wealth Management	Asia Pacific WM&C	APAC Markets in USD	Global Markets in USD	Investment Banking & Capital Markets in USD	Corporate Center
Rev: 5,564 mn PTI: 2,125 mn RWA: 76 bn LE: 255 bn RoRC <sup>1</sup> : 17%	Rev: 5,414 mn PTI: 1,705 mn RWA: 40 bn LE: 99 bn RoRC <sup>1</sup> : 31%	Rev: 2,290 mn PTI: 691 mn RWA: 26 bn LE: 61 bn RoRC <sup>1</sup> : 22%	Rev: 1,134 mn PTI: (24) mn RWA: 11 bn LE: 46 bn RoRC <sup>1</sup> : n.m.	Rev: 5,115 mn PTI: 169 mn RWA: 60 bn LE: 249 bn RoRC <sup>1</sup> : 1%	Rev: 2,228 mn PTI: 350 mn RWA: 25 bn LE: 41 bn RoRC <sup>1</sup> : 11%	Rev: 100 mn PTI: (239) mn RWA: 30 bn LE: 105 bn RoRC <sup>1</sup> : n.m.

**New structure** in CHF unless otherwise noted

Swiss Universal Bank	International Wealth Management	Asia Pacific	Investment Bank in USD	Corporate Center
Rev: 5,443 mn PTI: 1,991 mn RWA: 79 bn LE: 275 bn RoRC <sup>2</sup> : 16%	Rev: 5,320 mn PTI: 1,610 mn RWA: 40 bn LE: 97 bn RoRC <sup>2</sup> : 30%	Rev: 2,759 mn PTI: 632 mn RWA: 32 bn LE: 77 bn RoRC <sup>2</sup> : 16%	Rev: 8,215 mn PTI: 850 mn RWA: 86 bn LE: 317 bn RoRC <sup>2</sup> : 6%	Rev: 102 mn PTI: (298) mn RWA: 30 bn LE: 94 bn RoRC <sup>2</sup> : n.m.

1 Regulatory capital is calculated as the worst of 10% of RWA and 3.5% of leverage exposure. Return on regulatory capital (a non-GAAP financial measure) is calculated using income / (loss) after tax and assumes a tax rate of 30% and capital allocated based on the worst of 10% of average RWA and 3.5% of average leverage exposure 2 Regulatory capital is calculated as the average of 10% of RWA and 3.5% of leverage exposure. Return on regulatory capital (a non-GAAP financial measure) is calculated using income / (loss) after tax and assumes a tax rate of 30% and capital allocated based on the average of 10% of average RWA and 3.5% of average leverage exposure

# Update on strategic initiatives and structural refinements (1/5)

As per 2Q20 Earnings presentation

We reaffirm our strategy...

**A leading Wealth Manager  
with strong global  
Investment Banking capabilities**

Balanced approach between Mature and Emerging Markets

Bank for Entrepreneurs focused on UHNWI as core strength

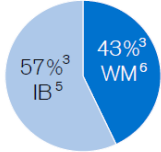
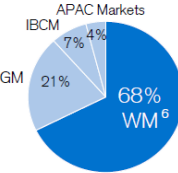
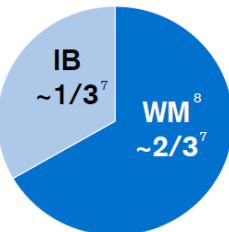
Regional Wealth Management model with proximity to clients

# Update on strategic initiatives and structural refinements (2/5)

As per 2Q20 Earnings presentation

...which has driven success; our transformation continues...

*in CHF bn, unless otherwise noted*


		2015	1H20 LTM	Medium-term
<b>De-risking</b>	GM leverage exposure (in USD bn)	439 <sup>1</sup>	265	(40)%
	Cost base	21.3 <sup>2</sup>	16.9 <sup>4</sup>	(21)%
	CET1 capital (look-through)	29.0 <sup>3</sup>	37.3	+29%
<b>Repositioning – Increasing allocation of RWA to Wealth Management businesses</b>				
<b>Growing Wealth Management</b>	AuM <sup>9</sup>	1,149 <sup>3,10</sup>	1,443	+26%
	Net revenues <sup>11</sup>	11.8	13.3 <sup>12</sup>	+13%
	Pre-tax income <sup>11</sup>	3.0 <sup>13</sup>	4.3 <sup>12</sup>	+45%
	RoRC <sup>†,11</sup>	16% <sup>13</sup>	20% <sup>12</sup>	↑
<b>Group returns</b>	RoTE <sup>‡</sup>	4.4% <sup>2</sup> (excl. significant items)	10.4%	↑
	Payout ratio	n/m	28% of net income <sup>14</sup>	↑

Our transformation continues...

...building on our strong growth in Wealth Management

at least 50% of net income<sup>15</sup>

Note: Results excluding items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see Appendix 1, † RoRC and RoTE are non-GAAP financial measures, see Appendix 1. As per 3Q15 and based on our structure prior to our re-segmentation on October 21, 2015; on the basis of the current structure, the 3Q15 leverage exposure amounts to USD 313 bn. 2 Operating expenses excluding CHF 3.8 bn of goodwill impairment and CHF 0.8 bn of major litigation provisions. 3 Per 3Q15. 4 Operating expenses excluding CHF 0.4 bn of major litigation provisions. 5 Includes GM, IBCM, APAC Markets and SRU. 6 Includes SUB, IWM, APAC WM&C and Corp. Ctr. 7 Before final impact of Basel III reforms. 8 Includes SUB, IWM, APAC and Corp. Ctr. 9 Group AuM. 10 Excluding CHF 137 bn of AuM in the SRU. 11 Includes SUB, IWM, APAC WM&C excluding certain significant items where indicated. 12 3Q19 and 1Q20 exclude the gains related to the transfer of the InvestLab platform to Allfunds, 4Q19 excludes the gain related to the revaluation of our equity investment in SIX Group and 2Q20 excludes the gain related to our investment in Pfandbriefbank. 13 Excludes CHF 446 mn of expenses for goodwill impairment and CHF 299 mn for major litigation provisions. 14 Includes share buybacks between July 2019 and March 2020 and the first half of the 2019 dividend paid in May 2020. 15 In a normalized environment, subject to market and economic conditions.

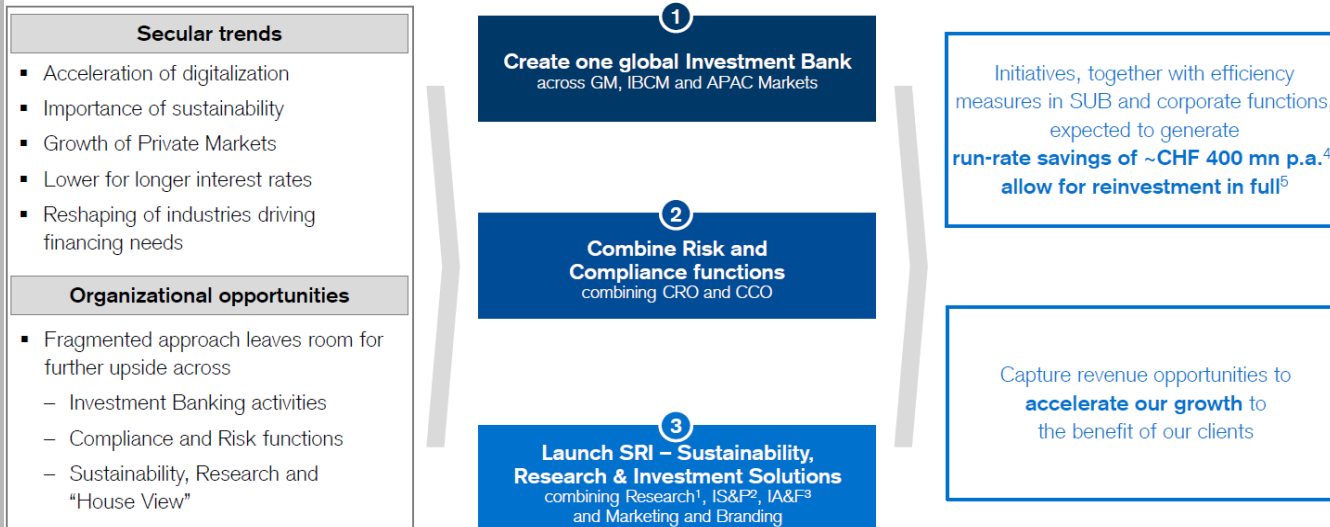
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# Update on strategic initiatives and structural refinements (3/5)

As per 2Q20 Earnings presentation

...and we will optimize our model to drive further upside



Note: Effective as of August 1, 2020

1 Equity research across Global Markets and APAC 2 Investment Solutions & Products within IWM 3 Impact Advisory & Finance 4 Full run-rate savings expected from 2022 onward 5 Subject to market and economic conditions

# Update on strategic initiatives and structural refinements (4/5)

As per 2Q20 Earnings presentation

## Three structural refinements driving effectiveness and efficiency

**Create one global investment banking division: “Investment Bank” (IB)**

- Integrate global IB capabilities across GM, IBCM and APAC Markets to **achieve critical scale**
  - Leverage globally integrated Equities platform; create Global Trading Solutions (GTS) combining the success of ITS and APAC Solutions; combine Capital Markets origination & execution; integrate IBCM EMEA mid-market capabilities into IWM
- **Drive more dynamic capital allocation, optimize RWA/leverage exposure** and generate efficiency
- Capture growth opportunities and **RoRC<sup>†</sup> ambition of at least 10%** in the medium-term

**Combine Risk and Compliance functions under one leadership: “Group Chief Risk and Compliance Officer” (CRCO)**

- Build on our progress in the second line of defense organizations and **enhance collaboration across Risk and Compliance**
- **Leverage scalability** in common technology and data platforms
- **Reduce fragmentation and complexity**, eliminate duplications
- **Enhance effectiveness of control environment** across continuum of financial and non-financial risk

**Launch new ExB function: “Sustainability, Research & Investment Solutions” (SRI)**

- Integrate and centralize Equity Research (GM/APAC), Investment Solutions & Products (IWM), Impact Advisory & Finance/Sustainability and Marketing/Branding efforts under one roof
- Provide **one single “House View”** with Supertrends and sustainability at its core
- Increase connectivity of Research with CIO and sustainability agenda; deliver **market-leading thematic insights and content** across public and private markets, leveraging data
- Drive **globally consistent sustainability strategy**

<sup>†</sup> RoRC is a non-GAAP financial measure, see Appendix


# Update on strategic initiatives and structural refinements (5/5)

As per 2Q20 Earnings presentation

## Capture revenue opportunities to accelerate our growth

	Accelerate our growth	RoRC <sup>†</sup> ambition medium-term	Capital allocation medium-term
APAC	<ul style="list-style-type: none"> <li>Broaden and deepen our <b>successful coverage of UHNW and entrepreneur clients</b></li> <li>Grow wealth-linked strategic <b>solutions</b>, including enhanced financing capabilities and distribution</li> <li>Deepen <b>onshore franchises</b> to tap into faster growing markets and <b>accelerate our China build-out</b> with the aim to take full ownership of our securities JV, Credit Suisse Founder Securities Limited</li> </ul>		
IWM	<ul style="list-style-type: none"> <li>Aim to double revenue growth contribution from <b>UHNW strategic clients</b> over the next 3 years<sup>3</sup> and strengthen client coverage through integration of IBCM EMEA mid-market capabilities</li> <li>More integrated solution delivery through creation of the <b>International Financing Group</b></li> <li>Optimize <b>regional PB coverage</b> to create a more effective operating model</li> </ul>	>20%	~2/3 <sup>1,2</sup>
SUB	<ul style="list-style-type: none"> <li>Build on our leading 'high-touch' market positions with <b>HNW / UHNW, institutional and large corporate clients</b></li> <li>Leverage our <b>Direct Banking</b> business to transform and grow our 'high-tech' business with retail and smaller corporate clients and optimize collaboration with subsidiaries</li> <li>Goal to reduce <b>cost/income-ratio</b> from high-50s to mid-50s in the medium-term</li> </ul>		
Investment Bank	<ul style="list-style-type: none"> <li>Leverage <b>globally integrated platform</b> across Equities, Capital Markets, Advisory, Credit and Global Trading Solutions (GTS)</li> <li>Target growth opportunities across <b>Advisory / M&amp;A, ESG and Private Markets</b></li> <li>Optimize <b>resource allocation</b> and generate savings</li> </ul>	>10%	~1/3 <sup>1</sup>

† RoRC is a non-GAAP financial measure, see Appendix between 2020 to 2022 compared to 2016 to 2018    1 Before final impact of Basel III reforms    2 Includes SUB, IWM, APAC and Corporate Center    3 Refers to estimated net revenue increase from strategic clients

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Results excluding the significant items noted below are non-GAAP financial measures. Management believes that these provide a useful presentation of our operating results for purposes of assessing our Group and divisional performance, on a basis that excludes items that management does not consider representative of our underlying performance. Provided below is a reconciliation to the most directly comparable US GAAP measures.

## Reconciliation of significant items (1/2)

Group in CHF mn	1H20 LTM	2015
<b>Total operating expenses reported</b>	<b>17,296</b>	<b>25,895</b>
Goodwill impairment	-	(3,797)
Major litigation provisions	(433)	(820)
<b>Cost base</b>	<b>16,863</b>	<b>21,278</b>

in CHF mn	Wealth Management <sup>1</sup>		SUB		IWM		APAC WM&C	
	1H20 LTM	2015	1H20 LTM	2015	1H20 LTM	2015	1H20 LTM	2015
<b>Net revenues reported</b>	<b>14,549</b>	<b>11,779</b>	<b>6,178</b>	<b>5,721</b>	<b>5,877</b>	<b>4,552</b>	<b>2,494</b>	<b>1,506</b>
o/w related to InvestLab transfer	595	-	123	-	349	-	123	-
o/w related to SIX revaluation	498	-	306	-	192	-	-	-
o/w Pfandbriefbank gain	134	-	134	-	-	-	-	-
<b>Net revenues excl. one-offs</b>	<b>13,322</b>	<b>11,779</b>	<b>5,615</b>	<b>5,721</b>	<b>5,336</b>	<b>4,552</b>	<b>2,371</b>	<b>1,506</b>
<b>Provision for credit losses</b>	<b>538</b>	<b>174</b>	<b>225</b>	<b>138</b>	<b>104</b>	<b>5</b>	<b>209</b>	<b>31</b>
<b>Total operating expenses reported</b>	<b>8,476</b>	<b>9,375</b>	<b>3,184</b>	<b>3,908</b>	<b>3,717</b>	<b>3,824</b>	<b>1,575</b>	<b>1,643</b>
<b>Pre-tax income reported</b>	<b>5,535</b>	<b>2,230</b>	<b>2,769</b>	<b>1,675</b>	<b>2,056</b>	<b>723</b>	<b>710</b>	<b>(168)</b>
o/w Goodwill impairment (2015)	-	(446)	-	-	-	-	-	(446)
o/w Major litigation (2015)	-	(299)	-	(25)	-	(268)	-	(6)
<b>Pre-tax income excl. one-offs, goodwill impairment and major litigation</b>	<b>4,308</b>	<b>2,975</b>	<b>2,206</b>	<b>1,700</b>	<b>1,515</b>	<b>991</b>	<b>587</b>	<b>284</b>

1 SUB, IWM and APAC WM&C

Results excluding the significant items noted below are non-GAAP financial measures. Management believes that these provide a useful presentation of our operating results for purposes of assessing our Group and divisional performance, on a basis that excludes items that management does not consider representative of our underlying performance. Provided below is a reconciliation to the most directly comparable US GAAP measures.

## Reconciliation of significant items (2/2)

in CHF mn unless otherwise specified	2015
<b>Income/(loss) from continuing operations before taxes</b>	<b>(2,422)</b>
Impact from Goodwill impairment	3,797
Impact from major litigation provisions	820
<b>Income/(loss) from continuing operations before taxes before Goodwill impairment and major litigation provisions</b>	<b>2,195</b>
<b>Income tax expense</b>	<b>523</b>
Impact from Goodwill impairment	-
Impact from major litigation provisions	134
<b>Income tax expense excl. Goodwill impairment and major litigation provisions</b>	<b>657</b>
<b>Net income attributable to shareholders</b>	<b>(2,944)</b>
Impact from Goodwill impairment	3,797
Impact from major litigation provisions	686
<b>Net income attributable to shareholders excl. Goodwill impairment and major litigation provisions</b>	<b>1,539</b>
<b>Reported return on tangible equity</b>	<b>(8.4)%</b>
<b>Return on tangible equity excl. Goodwill impairment and major litigation provisions</b>	<b>4.4%</b>

# Notes

## General notes

- Throughout the presentation rounding differences may occur
- Unless otherwise noted, all CET1 ratio, risk-weighted assets and leverage exposure figures shown in this presentation are as of the end of the respective period and, for periods prior to 2019, on a "look-through" basis

## Specific notes

† Prior to 3Q20, regulatory capital was calculated as the worst of 10% of RWA and 3.5% of leverage exposure and return on regulatory capital (a non-GAAP financial measure) was calculated using income / (loss) after tax and assumed a tax rate of 30%. In 3Q20, we updated our calculation approach, following which regulatory capital is calculated as the average of 10% of RWA and 3.5% of leverage exposure and return on regulatory capital (a non-GAAP financial measure) is calculated using income / (loss) after tax and assumes a tax rate of 30% for periods prior to 2020 and 25% from 2020 onward. For the Investment Bank division, return on regulatory capital is based on US dollar denominated numbers. Adjusted return on regulatory capital is calculated using adjusted results, applying the same methodology to calculate return on regulatory capital.

‡ Return on tangible equity is based on tangible shareholders' equity, a non-GAAP financial measure, which is calculated by deducting goodwill and other intangible assets from total shareholders' equity as presented in our balance sheet. Management believes that return on tangible equity is meaningful as it is a measure used and relied upon by industry analysts and investors to assess valuations and capital adequacy.

For end-4Q15, tangible shareholders' equity excluded goodwill of CHF 4,808 mn and other intangible assets of CHF 196 mn from total shareholders' equity of CHF 44,382 mn as presented in our balance sheet.

For end-3Q19, tangible shareholders' equity excluded goodwill of CHF 4,760 mn and other intangible assets of CHF 219 mn from total shareholders' equity of CHF 45,150 mn as presented in our balance sheet.

For end-4Q19, tangible shareholders' equity excluded goodwill of CHF 4,663 mn and other intangible assets of CHF 291 mn from total shareholders' equity of CHF 43,644 mn as presented in our balance sheet.

For end-1Q20, tangible shareholders' equity excluded goodwill of CHF 4,604 mn and other intangible assets of CHF 279 mn from total shareholders' equity of CHF 48,675 mn as presented in our balance sheet.

For end-2Q20, tangible shareholders' equity excluded goodwill of CHF 4,676 mn and other intangible assets of CHF 273 mn from total shareholders' equity of CHF 46,535 mn as presented in our balance sheet.

## Abbreviations

APAC = Asia Pacific; AuM = Assets under Management; BCBS = Basel Committee on Banking Supervision; BIS = Bank for International Settlements; CCO = Chief Compliance Officer; CET1 = Common Equity Tier 1; CIO = Chief Investment Office; Corp Ctr. = Corporate Center; COVID-19 = Coronavirus disease 2019; CRCO = Group Chief Risk and Compliance Officer; CRO = Chief Risk Officer; EMEA = Europe, Middle East and Africa; ESG = Environmental, Social and Governance; ExB = Executive Board; excl. = excluding; FINMA = Swiss Financial Market Supervisory Authority; GAAP = Generally Accepted Accounting Principles; GM = Global Markets; GTS = Global Trading Solutions; IA&F = Impact Advisory & Finance; IB = Investment Bank; IBCM = Investment Banking & Capital Markets; IS&P = Investment Solutions & Products; ITS = International Trading Solutions; IWM = International Wealth Management; JV = Joint Venture; LE = Leverage Exposure; LTM = Last Twelve Months; M&A = Mergers & Acquisitions; p.a. = per annum; PB = Private Banking; PTI = Pre-tax income; Rev = revenues; RoRC = Return on Regulatory Capital; RoTE = Return on Tangible Equity; RWA = Risk-weighted assets; SIX = Swiss Infrastructure and Exchange; SRI = Sustainability, Research & Investment Solutions; SRU = Strategic Resolution Unit; SUB = Swiss Universal Bank; U/HNW = (Ultra) High Net Worth; U/HNWI = (Ultra) High Net Worth Individuals; WM = Wealth Management; WM&C = Wealth Management & Connected

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