Check against delivery

Speech by Tidjane Thiam
Chief Executive Officer

Thank you, Mr. Chairman.

Dear shareholders,

It is my pleasure to welcome you to our Annual General Meeting here in Zurich.

This year's Annual General Meeting represents my first opportunity to welcome you with an annual profit, which totaled more than 4 billion Swiss francs for 2018. It is also the first time that I am addressing you since the completion of our three-year restructuring on December 31, 2018. That is effectively the date on which we finally closed our Strategic Resolution Unit or SRU, as promised.

I am pleased to have a chance to update you on our bank's progress, and listen to your views and opinions, which I know will be… **diverse**.

As I hope to illustrate through my presentation this morning, much has changed at Credit Suisse in the last three years. I would like to respectfully take a few moments of your time to share with you where we have come from and what we believe we have achieved during that time.

Ladies and Gentlemen, I will now switch to English for the main part of my presentation.

So what was our position in 2015?

The bank had some well-known and clear strengths:

- a strong position in our home market here in Switzerland,
- one of the most attractive international wealth management footprints,
- significant trading and investment banking capabilities,
- high quality and dedicated staff,
- and a culture and tradition of innovation and entrepreneurship.

Alongside these strengths, our board had also identified the bank had some significant challenges, which needed to be urgently addressed and it is important that we talk about those challenges in a frank and transparent manner.

Our **growth** was weaker than that of our peers. This was most clear in our assets under management, a key measure for a wealth manager, which grew at a compound annual growth rate of 4% between 2011 and 2015, less than half the industry average, and almost one-third of the performance of the market leader at the time.

Our **capital** position was significantly weaker than that of our peers, with our look-through CET1 ratio standing at 10.2% for the third quarter of 2015, and we were even more severely leverage constrained, which is another measure of capital.

Our **capital generation** was also adversely impacted by relatively high costs of funding which made us less competitive. We estimate that extra cost of funding handicap at several billions in the period between 2010 to 2018[i].

Our **cost base** was high and inflexible, with group operating expenses of 22[ii] billion Swiss francs for 2015, excluding goodwill. There was a lack of operating leverage, meaning profitability was under pressure at a time when most other banks had been successful at reducing their costs. We estimate that over that period, US banks had reduced their costs by 12%.

Our capital allocation was geared towards the more volatile trading businesses, as regulators after the 08-09 crisis made those activities more and more costly in terms of capital. What is more, there was an **increase of Value at Risk** in the investment bank, which led to its own challenges.

In addition to those challenges regarding our **growth** rate, our **capital** position, our **cost** level and the balance of our activities, we had to deal with a number of issues linked to past activities which we call **legacy** issues:

- we faced the unresolved US Department of Justice RMBS matter, relating to activities conducted through to 2007
- **we had portfolios of** non-core businesses and assets that we would need to offload
- we had to deal with the challenge of goodwill from the value-eroding acquisition of Donaldson, Lufkin & Jenrette Inc. in 2000.

The board, led by our Chairman Urs Rohner, made a clear diagnostic of our situation and reached the conclusion that a new direction was needed for Credit Suisse. There was a change of management in 2015 and I was recruited by Urs Rohner and by the board with a mandate to set the company on a new course.

The plan that the new management team developed together with the board to transform – to rescue – Credit Suisse was predicated on a number of key beliefs and convictions.

One, that given our history, with domestic and international high-net worth families and entrepreneurs at the heart of Credit Suisse, that this should be our future: the preservation and the growth of our clients' wealth.

We needed to be once again the **leading wealth manager that we had once been**. A leading wealth manager with an understanding of and a belief in the **importance of our home market**: Switzerland. And one with an understanding of the need for balance between emerging and mature markets.

Two, that we needed to reduce the size of our **investment banking and markets businesses** because of the pressures they placed on our capital, and to get them to work more in collaboration with our wealth management businesses.

It was on that basis that we set out our new priorities.

To deliver profitable **growth** and generate capital organically.

To strengthen our **capital** position.

To reduce our **cost base.**

To right-size and **de-risk** our Global Markets activities.

And to resolve our **legacy** issues, including winding-down the Strategic Resolution Unit that I mentioned earlier. I would just underline that when we established the SRU, it was our largest division by risk-weighted assets, bigger even than our Swiss Universal Bank, so winding it down was not going to be a small task.

Conducting all these tasks in parallel is what needed to be done to take Credit Suisse back.

Back to our roots of focusing on serving the world's entrepreneurs through high quality wealth management and investment banking solutions.

Back to Switzerland, our attractive home market, by establishing the Swiss Universal Bank, for the first time creating a single business unit focused on Switzerland, enhancing management focus and building on our entrepreneurial heritage.

And **to the future** by expanding core activities in regions like Central and Eastern Europe, the Middle East, Latin America and Asia Pacific, where a larger and larger number of people are becoming wealthy.

So we used those priorities – **growth, capital, costs, de-risking, and legacy** – to develop a strategy that has changed the balance between our wealth management and trading activities, so that risk-weighted assets are now skewed two-thirds in favour of wealth management, which should enable us to grow these higher quality, more stable revenues.

We wanted the bank to be more resilient at times of stress and grow in a profitable, compliant manner when conditions were more favourable.

We believe that by the end of 2018, we delivered on these priorities. Please allow me to illustrate this with a few facts.

Growth
We have steered the bank back into profitability; but this was not only achieved as is often wrongly argued purely through cost-cutting. We have actually grown over the period and grown very strongly. Since 2015, we have been able to attract over 110 billion Swiss francs of Wealth Management Net New Assets.

Specifically we have grown our ultra-high-net-worth franchise, and, with positive inflows each quarter, our Wealth Management Assets under Management are at record levels.

We have delivered adjusted revenue growth across our three Wealth Management-related businesses since 2015.

Here in Switzerland, in our home market, our activities have been growing. Between the third quarter of 2015 and the third quarter of 2018, business volume in SUB's Private Clients segment – taking in net loans, assets under management and assets under custody - grew by **approximately 16%.** SUB's adjusted* pre-tax income grew by 38% between 2015 and 2018[iii]. These results were achieved against a backdrop where GDP in Switzerland grew at 1.8%[iv] per annum over the same period.

In International Wealth Management, a division which was newly created, Assets under Management grew by 22% and adjusted* pre-tax income grew by 78% between 2015 and 2018.

In APAC Wealth Management and Connected, Assets under Management grew by 34% and adjusted* pre-tax income grew by 180% - between 2015 and 2018.

Our Investment Banking and Capital Markets franchise, which used to lag the market in revenue growth prior to 2015, has outpaced peers since 2015.

Capital
We made the business model less capital consumptive, with a higher return on regulatory capital and the expectation of further improvements. We have strengthened our balance sheet, with our CET1 ratio increasing from 10.2 %to 12.6% between 3Q 2015 and the end of 2018, and reduced our risk.

Cost
We made this progress on growth and capital while also conducting a significant cost reduction programme, delivering 4.6 billion Swiss francs of net savings within three years, reducing our adjusted* operating cost base from 21.2 billion Swiss francs in 2015 to 16.5 billion in 2018.

Risk
We continued throughout the restructuring to invest in risk management and controls to make your bank safer. We right-sized Global Markets, reducing leverage exposure by 43%[v] and risk weighted assets by 46%[vi] over the restructuring period.

Legacy issues
When dealing with legacy issues, there is always the option, in such cases, to 'kick the can down the road' and not actually resolve the issue. We at Credit Suisse feel that that is the wrong approach, and potentially, far more costly in the long run.

Along with other European and US banks, we faced a number of large and severe threats from legacy issues; principally over our residential mortgage-backed securities – or RMBS – business, a significant legacy matter from the pre-financial crisis era.

We believe we did the right thing. We made the courageous choice to deal with the matter upfront. It has had clear short-term costs as we paid a fine, and had to declare a loss in 2016 in an otherwise profitable year but we believe that this was the right approach. It removed a very large cloud from our horizon and allowed us to move forward with our capital raising and our turnaround plans and generate the performance we achieve today.

We can now see the advantages of an early settlement: our capital ratios are "clean", and as a result, in January, we were able to get approval from regulators to commence a share buyback programme as a result.

In addition to the RMBS issue, the other major legacy issue was what some of our peers would call a "bad bank" – the Strategic Resolution Unit – which we closed on schedule.

I am sure you'd all agree that prevention is much better than cure, so we have made great strides in strengthening our compliance framework and controls to avoid such problems in the future. For example, we have created what we call 'Single Client View', which allows us to see in a single place and in real time all the relationships we have with a client.

This now covers 99% of our wealth management clients and we have moved from 12 legacy platforms to one strategic platform. We have increased headcount in Compliance by over 40%, hiring more than 800 people, while carrying out legacy reviews of more than 30,000 clients for financial crime and tax.

In parallel, we have driven improvements in our culture which have contributed to achieving the sustainable, compliant and profitable growth we have seen since 2016.

The result of all this, three years on, is that we have created a **profitable, well performing bank with a strong balance sheet. An efficient bank, with low and competitive costs, up-to-date technology and a low risk model.**

The end of restructuring
Our results for 2018, which I presented back on February 14, reflect the strength and resilience of the model it took us three years to put in place.

I am pleased to say that in 2018, the final year of our restructuring, we delivered a group adjusted* pre-tax income of 4.2 billion Swiss francs, double what we produced in 2015, reflecting a compound annual growth rate of 25%.

Net income attributable to shareholders stood at 2.0 billion Swiss francs for 2018, as we generated our first annual post-tax profit since 2014.

The thinking behind our strategy was not just to do well in good times. It was also to protect the bank during periods of market volatility, and make it more resilient by reducing risks.

This was illustrated in the fourth quarter of last year, when we witnessed widespread volatility and lower activity levels across the market. Credit spreads widened significantly; there was a notable absence of primary market activity in areas including equity and debt underwriting.

Under such conditions, our bank, pre-restructuring, would have likely faced severe losses. And yet our Credit Suisse, the new Credit Suisse, did not.

In the fourth quarter, we delivered reported pre-tax income of 628 million Swiss francs, more than three times above that in the same period in 2017.

As I said on February 14, the day we published our full year and fourth quarter results, this was our very own “stress test”, and I am pleased to tell you, dear shareholders, that we passed.

The model is working
The results that we published on Wednesday April 24, earlier this week, for the first quarter of 2019, represented the first set of earnings since the formal end of the restructuring – and again, provided an opportunity to demonstrate our resilience.

Despite a 35-day US government shutdown at the start of the period, continued concerns about the state of global trade, and the drag of ongoing uncertainty surrounding the UK’s pending exit from the EU, we generated 1.06 billion Swiss francs of reported pre-tax income in the first three months of this year.

Net income attributable to you, our shareholders, was 749 million Swiss francs, the highest quarterly profit since the third quarter of 2015.

We delivered strong Group Net New Assets of 35.8 billion Swiss francs, up 43% on the same quarter last year, and a growth rate of 10.6%. Record Wealth Management Assets under Management stood at 786.1 billion Swiss francs at the end of the quarter.

Our Global Markets division delivered a pre-tax income of 283 million US dollars, and a return on regulatory capital of 9%, reflecting some of the early benefits of its restructuring. It was pleasing that in a challenging market environment, GM's equity sales and trading revenues were up by 4% in US dollars.

Collaboration between our divisions was also evident in our first quarter numbers, as we disclosed that International Trading Solutions (ITS) – which operates between GM, IWM and SUB – saw revenues rise by 23% in the quarter, as we bring institutional quality solutions to our ultra-high-net-worth clients.

Our balance sheet remained resilient – with a CET1 ratio of 12.6% and a Tier 1 leverage ratio of 5.2% – and we continue to keep a ceiling on costs, with total operating expenses of 4.2 billion Swiss francs in the first quarter against 4.5 billion Swiss francs in the same quarter a year ago.

Our message to you today is that our strategy of focusing on our unique wealth management franchise with strong investment banking capabilities, low risk and a strong balance sheet is working, allowing us to continue to support our clients and create growing value for our shareholders.

Investor returns

But why then, you might ask, if the strategy is so successful, is our share price where it is?

That is a fair question, and one to which I know the majority of you gathered here today will want to hear an answer. I would emphasise that you are not alone in this: many employees are shareholders, and you will know that a large portion of the remuneration for your Executive Board members comes in the form of deferred Credit Suisse shares.

To explain where we are, it is important to put the current share price in context.

The story of our share price is not a Credit Suisse story alone. It is also a story of European banks.

During the course of our restructuring, the European banking sector suffered two major valuation declines.

Between the summer of 2015 and the summer of 2016, European bank share prices fell by 48%.

During 2018, that fall was 33%[vii]. These were two of the steepest share price drops for the banking sector in the last decade…

… and have had a significant impact on our own valuation.

Perhaps the most obvious way to recognise the value of any bank is through its tangible book value per share. To simplify, one can think about it as the net assets of the bank divided by the number of shares in issue.

In Q2 2015, our tangible book value was 34.2 billion Swiss francs, here on the left.
As we move to the right, you can see the effects of the restructuring to our book value. Losses from the Strategic Resolution Unit, settling our RMBS fine, the cost of lowering our operating expense base and other items.

Against this, you supported us through two capital increases and we have delivered compliant, profitable growth over the past three years.

At the end of the first quarter 2019, you can see that our tangible book value has actually seen healthy growth.

What is often misunderstood is that in order to fix our balance sheet and raise capital we now have almost 60% more shares in issue. When we look at the tangible book value per share, the higher number of shares is the main reason we trade at a discount to book value.

It is our ambition and commitment to you, our shareholders, that from here on, we will grow our book value per share which should over time drive the share price upwards.

I mentioned earlier the “stress test” that the bank underwent in the fourth quarter of last year: in that period, our share price fell 23%, demonstrating a strong correlation with the widening high-yield credit spreads in that period.

The market had priced in the expected performance of the old Credit Suisse, not the new, resilient Credit Suisse – and sure enough, the numbers we reported for the fourth quarter suggested that the fears that drove our share price down in Q4 were unwarranted.

And since the start of the year, our share price has begun to rise, strengthening by 27% and outperforming European peers, as we start to demonstrate that our de-risking measures, and focus on more stable revenue streams are paying off.

And if you compare us to our European peers, who have gone through similar restructurings during the same time period, we have held our own, with a higher share price to tangible book value than the likes of Barclays, Standard Chartered and Deutsche Bank.

That said, we have started to grow our tangible book value per share, rising from 14.83 Swiss francs in 1Q 18 to 15.47 at the end of 1Q 19, with the ambition to significantly grow this over time. **We believe that it is as a direct result of RoTE growth that institutional investors will further buy into our shares**.

My focus is to ensure that we operate profitably and grow TBVPS in order to provide momentum for the share price to benefit all our investors, by growing, in a compliant manner, our wealth management businesses, which we believe are key to our future share price trajectory.

One final word, if I may, on share price.

We have said that we intended to return at least 50% of our net income to our shareholders over the next two years and we have started on that path. As I mentioned earlier, we commenced in January a share buyback programme, and as of this morning, April 26th, had repurchased 286 million Swiss francs of shares.

Based on where our shares are trading, these actions are accretive to our shareholders, increasing our tangible book value per share and in turn driving our share price higher. In the first quarter, taking the value of the share buyback and the dividend accrued in the period into account, we paid out 59% of net income.

We have further to go: for 2019, we expect a total buyback of at least 1 billion Swiss francs, subject to market and economic conditions. For 2020, we have said to expect a buyback programme similar to that of 2019, subject to approval by the Board of Directors.

Wider returns
Now, financial returns are important – but any company of the size and scale of Credit Suisse has to be about more than just money.

Corporate responsibility is a topic that is rightly viewed as important here in Switzerland, and it is one that all 45,000 of us who are proud to say that we work for Credit Suisse take very seriously.

You hopefully saw in the foyer as you entered this morning a number of the ways that we as a bank give back to the communities in which we operate. And if you didn't get a chance, please do spend some time after the formal proceedings of today's AGM are over, and talk to our colleagues in the different booths who can explain the different types of projects we are involved in.

We have a particular focus on education in countries including Brazil, India, Rwanda and Tanzania. I am a strong believer that education drives economic empowerment and social mobility. Over the last five years, through our global Financial Education for Girls programme, I am delighted to say that some 3,620 teachers have been trained and some 1,544 schools have benefited.

I am also a believer in financial inclusion, and our microfinance programme, which existed long before me, is a beacon of the work that we do in this area.

Corporate responsibility in this regard is not just about charity and what we can do for others. It is about changing the way society thinks and invests for the long term, and working with our clients on this, which is why I am so happy that we started our Impact Advisory and Finance business in September 2017.

That team is at the forefront of coordinating our impact investing services across the bank as a whole, an area we have been heavily involved in since 2002, but which has stepped up a gear over the past 18 months.

Clients, both individuals and companies, are increasingly interested in investing in trends and businesses which have a measurable societal impact, from which they can also generate a return. It is our job to help tailor those investments and ensure that through innovations in measurement and understanding we continue to grow this extremely important part of our business.

I would like to highlight one very recent example of our involvement in the codification of the 502 billion US dollar impact investing market: earlier this month, the International Finance Corporation, which is part of the World Bank, announced the launch of nine principles designed to bring greater transparency, comparability and rigour to the market, in the belief that the absence of globally accepted definitions had been holding back investor interest. Credit Suisse has supported the initiative from the outset and was closely involved in the development of these principles, underscoring our expertise in a market that the IFC thinks can top 26 trillion US dollars if it is brought further into the mainstream.

Management changes
As well as the work we are doing externally, I also wanted to shine a light on what we are doing internally, and inform you of a few changes we have made to our leadership.

In February, we announced a series of changes to the Executive Board, which were a reflection of the strength of talent we have across our business, and of the diverse backgrounds and experience of our leaders.

Lara Warner, who has been a member of the Executive Board since 2015, was appointed Group Chief Risk Officer (CRO), leading one of our most vital of corporate functions. Lara spent the previous three years developing our Single Client View software that gives us state of the art abilities to ensure we remain compliant across our wealth management businesses. Lara moved from New York to Zurich when she became CCRO in 2015.

Lydie Hudson, previously Chief Operating Officer of our Global Markets division, was appointed Chief Compliance Officer, furthering the work that Lara has done. Lydie is also moving to Zurich from New York to take up her role.

And Antoinette Poschung was appointed Global Head of Human Resources, taking on the vital role of stewarding our 45,000 colleagues and developing our next generation of leaders.

Each is already operating in her respective new role, and adding to the culture of the bank in their own ways.

I wanted to pass my own personal thanks to Peter Goerke and Jo Oechslin who stepped down from the Executive Board as a result of these changes, but who will remain with us in senior roles at the bank.

The way forward
Having set out why we needed to restructure, how we did it, and the results, allow me to take a moment to talk about why, despite the need to still deal with a few remaining issues from the past, there are grounds to be optimistic about the future.

One, we are uniquely positioned as a Swiss bank, given that Switzerland is one of the most attractive banking markets in the world, with the highest average wealth per capita[viii], the highest density of affluent clients[ix], a strong currency and a vibrant entrepreneur population. It is one of the best-managed economies globally, and its political neutrality is a benefit for our clients and for us.

Two, global wealth continues to grow. Globally, wealth has nearly doubled over the last 10 years, with contributions from both mature and emerging markets. And the ultra-high-net-worth and high-net-worth client segments, segments which we are focused on across our three wealth management-focused divisions, continue to grow and remain highly profitable.

Three, we are making significant in-roads in leveraging our markets and investment banking businesses for the benefit of our wealth management clients. Through our International Trading Solutions (ITS) business, we are able to utilise Global Markets' capabilities to meet previously untapped client demand.

In the first quarter, ITS revenues rose by 23% compared to the first quarter of 2018, powered by a number of landmark transactions. As a result of the success of ITS across GM, IWM and SUB, earlier this month we announced the creation of Asia Pacific Trading Solutions. ATS, as it will be known for short, is intended to capitalise on the significant opportunity across the region and further build on the success of ITS.

As a result of these factors, we are well positioned to drive shareholder value yet further.

Our wealth management focused strategy is supported by strong secular trends in global wealth with growth above gross domestic product.

Our distinctive global client franchise has a differentiated approach which allows us to cater to ultra-high-net-worth individuals and families and entrepreneurs.

With the restructuring now complete, we are beginning to realise the benefits by unlocking our full earnings potential.

And we have ensured, as we saw in the first quarter of this year, that the bank is now more resilient to withstand adverse market volatility.

Closing

Ladies and Gentlemen, in closing, I hope you will excuse me if I switch to my mother tongue, French.

Since late 2015, Credit Suisse has been transformed. We now have a bank that is safer – with less risk and more capital.

A bank that is more nimble – with lower costs and greater ability to grow. And a bank that can operate profitably and grow in a compliant manner, avoid the issues of the past and return capital to its shareholders.

I would like to assure you once again that all my efforts, and those of the entire Executive Board and all my colleagues, are focused on making Credit Suisse a bank that grows profitably, in a fully compliant manner, and safely, with a strong capital base.

I want to take this opportunity to thank all our teams, both here in Switzerland and the 50 countries we operate in around the world, for leading this restructuring to a successful close, through their commitment and efforts.

I said last year to close my remarks that 'Credit Suisse was back'. I hope that as we produced our first profit in four years in 2018 and a strong Q1 2019, you are starting to see the evidence of this.

I want to thank you for listening, and for the trust that you place in this new Credit Suisse, a Credit Suisse which is resilient and ready to take on the opportunities and challenges that the coming years will bring.

Thank you.

Footnotes
* Adjusted results are non-GAAP financial measures. For a reconciliation of the adjusted results to the most directly comparable US GAAP measures, see the Appendix of this speech.

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[i] As of November 2018.
[ii] Excludes goodwill impairment of CHF 3.8bn in 4Q15
[iii] Excludes Swisscard pre-tax income of CHF 25 million in the first half of 2015
[iv] CAGR; before inflation basis
[v] Based on 2018 vs. 3Q15. Figures for 3Q15 present financial information based on results under our structure prior to our re-segmentation announcement on October 21, 2015; on the basis of our current structure, the 3Q15 RWA and leverage exposure for GM are USD 63 bn and USD 313 bn, resp.
[vi] As previous footnote
[vii] EuroStoxx Banks Index SX7P, indexed (January 1, 2015 = 100%). Source: Bloomberg as of December 31, 2018
[viii] Credit Suisse Global Wealth Report 2018
[ix] As previous footnote

Appendix

Important Information

Credit Suisse has not finalized its 1Q19 Financial Report and Credit Suisse's independent registered public accounting firm has not completed its review of the condensed consolidated financial statements (unaudited) for the period. Accordingly, the financial information contained in this document is subject to completion of quarter-end procedures, which may result in changes to that information.

This document 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, 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, 2018 and in "Cautionary statement regarding forward-looking information" in our 1Q19 Earnings Release, published on April 24, 2019 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.

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, 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.

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, 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.

In preparing this document, 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 document 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.

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 (also known as tangible book value), 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, both of which are unavailable on a prospective basis. Tangible book value per share excludes the impact of any dividends paid during the performance period, share buybacks, own credit movements, foreign exchange rate movements and pension-related impacts, all of which 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.

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. Tangible book value, a non-GAAP financial measure, is equal to tangible shareholders' equity. Tangible book value per share is a non-GAAP financial measure, which is calculated by dividing tangible shareholders' equity by total number of shares outstanding. Management believes that tangible shareholders' equity/tangible book value, return on tangible equity and tangible book value per share are meaningful as they are measures used and relied upon by industry analysts and investors to assess valuations and capital adequacy. For end-1Q19, tangible equity excluded goodwill of CHF 4,807 million and other intangible assets of CHF 224 million from total shareholders' equity of CHF 43,825 million as presented in our balance sheet. For end-4Q18, tangible equity excluded goodwill of CHF 4,766 million and other intangible assets of CHF 219 million from total shareholders' equity of CHF 43,922 million as presented in our balance sheet. For end-1Q18, tangible equity excluded goodwill of CHF 4,667 million and other intangible assets of CHF 212 million from total shareholders' equity of CHF 42,540 million as presented in our balance sheet. For end-4Q17, tangible equity excluded goodwill of CHF 4,742 million and other intangible assets of CHF 223 million from total shareholders' equity of CHF 41,902 million as presented in our balance sheet. For end-2Q15, tangible equity excluded goodwill of CHF 8,238 million and other intangible assets of CHF 205 million from total shareholders' equity of CHF 42,642 million as presented in our balance sheet. Shares outstanding were 2,507.8 million at end-1Q19, 2,550.6 million at end-4Q18, 2,539.6 million at end-1Q18, 2,550.3 million at end-4Q17 and 1,632.4 million at end-2Q15.

Regulatory capital is calculated as the worst of 10% of RWA and 3.5% of leverage exposure. Return on regulatory capital 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. For the Markets business within the APAC division and for the Global Markets and Investment Banking & Capital Markets divisions, 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.

Our cost savings program, until the end of 2018, was measured using an adjusted operating cost base at constant 2015 foreign exchange (FX) rates. "Adjusted operating cost base at constant FX rates" includes adjustments as made in all our disclosures for restructuring expenses, major litigation expenses, expenses related to business sales and a goodwill impairment taken in 4Q15 as well as adjustments for debit valuation adjustments (DVA) related volatility, FX and for certain accounting changes (which had not been in place at the launch of the cost savings program). Adjustments for certain accounting changes were restated to reflect grossed up expenses in the Corporate Center and, starting in 1Q18, also included adjustments for changes from ASU 2014-09 "Revenue from Contracts with Customers", which is described further in our 1Q18, 2Q18 and 3Q18 Financial Reports. Adjustments for FX apply unweighted currency exchange rates, i.e., a straight line average of monthly rates, consistently for the periods under review. Starting from 1Q19, we began to express our operating cost base at constant 2018 FX rates and adjust for major litigation provisions, expenses related to real estate disposals and business sales as well as for debit valuation adjustments (DVA) related volatility, but not for restructuring expenses and certain accounting changes. Adjustments for FX will continue to apply unweighted currency exchange rates.

Credit Suisse is subject to the Basel III framework, as implemented in Switzerland, as well as Swiss legislation and regulations for systemically important banks, 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 (FINMA). 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 look-through tier 1 leverage ratio and CET1 leverage ratio are calculated as look-through 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.

Unless otherwise noted, all CET1 ratio, Tier-1 leverage ratio, risk-weighted assets and leverage exposure figures in this document are as of the end of the respective period and on a "look-through" basis.

Until the end of 2018, the results of Credit Suisse Group comprised the results of our six reporting segments, including the Strategic Resolution Unit, and the Corporate Center. Core results excluded revenues and expenses from our Strategic Resolution Unit.

Beginning in 2019, the Strategic Resolution Unit has ceased to exist as a separate division of the Group. The legacy portfolio remaining as of December 31, 2018 is now managed in an Asset Resolution Unit and is separately disclosed within the Corporate Center. Certain activities such as legacy funding costs and noncontrolling interest without significant economic interest, which were previously part of the Strategic Resolution Unit, have been moved into the Corporate Center.

References to Wealth Management mean Private Clients within Swiss Universal Bank, Private Banking within International Wealth Management and Private Banking within Wealth Management & Connected in Asia Pacific or their combined results. References to Markets mean Global Markets and Markets within Asia Pacific or their combined results.

Information referenced in this document, whether via website links or otherwise, is not incorporated into this document.

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.

In various tables, use of "–" indicates not meaningful or not applicable.

Reconciliation of adjustment items

Adjusted results are non-GAAP financial measures that exclude certain items included in our reported results. During the implementation of our strategy, it was important to measure the progress achieved by our underlying business performance. Management believes that adjusted results provide a useful presentation of our operating results for purposes of assessing our Group and divisional performance over time, on a basis that excludes items that management does not consider representative of our underlying performance. Provided below is a reconciliation of our adjusted results to the most directly comparable US GAAP measures.

Reconciliation tables

	Group				SUB			
in CHF mn	2018	2017	2016	2015	2018	2017	2016	2015[1]
Net revenues reported	20,920	20,900	20,323	23,797	5,564	5,396	5,759	5,573
Fair value on own debt	-	-	-	-298	-	-	-	-
Real estate gains	-28	-	-424	-95	-21	-	-366	-95
Gains (-)/losses on business sales	-71	13	58	-34	-37	-	-	-23
Net revenues adjusted	20,821	20,913	19,957	23,370	5,506	5,396	5,393	5,455
Provision for credit losses	245	210	252	324	126	75	79	138
Total operating expenses reported	17,303	18,897	22,337	25,895	3,313	3,556	3,655	3,785
Goodwill impairment	-	-	-	-3,797	-	-	-	-
Restructuring expenses	-626	-455	-540	-355	-101	-59	-60	-42
Major litigation provisions	-244	-493	-2,707	-820	-37	-49	-19	-25
Expenses related to business sales	-51	-8	-	-	-	-	-	-
Total operating expenses adjusted	16,382	17,941	19,090	20,923	3,175	3,448	3,576	3,718
Pre-tax income/loss (-) reported	3,372	1,793	-2,266	-2,422	2,125	1,765	2,025	1,650
Total adjustments	822	969	2,881	4,545	80	108	-287	-51
Pre-tax income/loss (-) adjusted	4,194	2,762	615	2,123	2,205	1,873	1,738	1,599

	IWM				APAC		IBCM		GM	
in CHF mn	2018	2017	2016	2015	2018	2017	2018	2017	2018	2017
Net revenues reported	5,414	5,111	4,698	4,552	3,393	3,504	2,177	2,139	4,980	5,551
Fair value on own debt	-	-	-	-	-	-	-	-	-	-
Real estate gains	-2	-	-54	-	-	-	-	-	-	-
Gains (-)/losses on business sales	-55	28	-	-11	-	-	-	-	-	-
Net revenues adjusted	5,357	5,139	4,644	4,541	3,393	3,504	2,177	2,139	4,980	5,551
Provision for credit losses	35	27	20	5	35	15	24	30	24	31
Total operating expenses reported	3,674	3,733	3,557	3,824	2,694	2,760	1,809	1,740	4,802	5,070
Goodwill impairment	-	-	-	-	-	-	-	-	-	-
Restructuring expenses	-115	-70	-54	-36	-61	-63	-84	-42	-242	-150
Major litigation provisions	-	-48	12	-268	-79	-	-1	-	-10	-
Expenses related to business sales	-47	-	-	-	-	-	-	-	-	-8
Total operating expenses adjusted	3,512	3,615	3,515	3,520	2,554	2,697	1,724	1,698	4,550	4,912
Pre-tax income/loss (-) reported	1,705	1,351	1,121	723	664	729	344	369	154	450
Total adjustments	105	146	-12	293	140	63	85	42	252	158
Pre-tax income/loss (-) adjusted	1,810	1,497	1,109	1,016	804	792	429	411	406	608

in CHF mn	APAC WM&C				SRU in USD mn		
unless otherwise specified	2018	2017	2016	2015	2018	2017	2016
Net revenues reported	2,290	2,322	1,904	1,506	-725	-905	-1,285
Fair value on own debt	-	-	-	-	-	-	-
Real estate gains	-	-	-	-	-1	-	-4
Gains (-)/losses on business sales	-	-	-	-	-	-39	6
Net revenues adjusted	2,290	2,322	1,904	1,506	-726	-944	-1,283
Provision for credit losses	25	15	29	31	1	31	115
Total operating expenses reported	1,574	1,508	1,386	1,643	690	1,243	4,353
Goodwill impairment	-	-	-	-446	-	-	-
Restructuring expenses	-27	-21	-14	-1	-21	-59	-123
Major litigation provisions	-79	-	-	-6	-120	-275	-2,646
Expenses related to business sales	-	-	-	-	-5	-	-
Total operating expenses adjusted	1,468	1,487	1,372	1,190	544	909	1,584
Pre-tax income/loss (-) reported	691	799	489	-168	-1,416	-2,179	-5,753
Total adjustments	106	21	14	453	145	295	2,771
Pre-tax income/loss (-) adjusted	797	820	503	285	-1,271	-1,884	-2,982

1 Excludes net revenues and total operating expenses for Swisscard of CHF 148 mn and CHF 123 mn, respectively

	Group							
in CHF mn	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
Net revenues reported	4,801	4,888	5,595	5,636	5,189	4,972	5,205	5,534
Fair value on own debt	-	-	-	-	-	-	-	-
Real estate gains	-12	-15	-	-1	-	-	-	-
Gains (-)/losses on business sales	-3	5	-	-73	28	-	-	-15
Net revenues adjusted	4,786	4,878	5,595	5,562	5,217	4,972	5,205	5,519
Provision for credit losses	59	65	73	48	43	32	82	53
Total operating expenses reported	4,147	4,152	4,470	4,534	5,005	4,540	4,541	4,811
Goodwill impairment	-	-	-	-	-	-	-	-
Restructuring expenses	-136	-171	-175	-144	-137	-112	-69	-137
Major litigation provisions	-82	-22	-55	-85	-255	-108	-33	-97
Expenses related to business sales	-48	-2	-1	-	-8	-	-	-
Total operating expenses adjusted	3,881	3,957	4,239	4,305	4,605	4,320	4,439	4,577
Pre-tax income/loss (-) reported	595	671	1,052	1,054	141	400	582	670
Total adjustments	251	185	231	155	428	220	102	219
Pre-tax income/loss (-) adjusted	846	856	1,283	1,209	569	620	684	889

in CHF mn	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14	2Q14	1Q14
Net revenues reported	5,181	5,396	5,108	4,638	4,210	5,985	6,955	6,647	6,372	6,578	6,463	6,829
Fair value on own debt	-	-	-	-	697	-623	-228	-144	-297	-318	-17	89
Real estate gains	-78	-346	-	-	-72	-	-23	-	-375	-	-5	-34
Gains (-)/losses on business sales	2	-	-	56	-34	-	-	-	-101	-	-	-
Net revenues adjusted	5,105	5,050	5,108	4,694	4,801	5,362	6,704	6,503	5,599	6,260	6,441	6,884
Provision for credit losses	75	55	-28	150	133	110	51	30	75	59	18	34
Total operating expenses reported	7,309	5,119	4,937	4,972	10,518	5,023	5,248	5,106	5,405	5,181	6,791	5,052
Goodwill impairment	-	-	-	-	-3,797	-	-	-	-	-	-	-
Restructuring expenses	-49	-145	-91	-255	-355	-	-	-	-	-	-	-
Major litigation provisions	-2,401	-306	-	-	-563	-204	-63	10	-393	-290	-1,711	-42
Expenses related to business sales	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses adjusted	4,859	4,668	4,846	4,717	5,803	4,819	5,185	5,116	5,012	4,891	5,080	5,010
Pre-tax income/loss (-) reported	-2,203	222	199	-484	-6,441	852	1,656	1,511	892	1,338	-346	1,743
Total adjustments	2,374	105	91	311	5,306	-419	-188	-154	-380	-28	1,689	97
Pre-tax income/loss (-) adjusted	171	327	290	-173	-1,135	433	1,468	1,357	512	1,310	1,343	1,840

	Group	
in CHF mn	2018	2015
Total operating expenses reported	17,303	25,895
Goodwill impairment	-	-3,797
Restructuring expenses	-626	-355
Major litigation provisions	-244	-820
Expenses related to business sales	-51	-
Debit valuation adjustments (DVA)	46	-
Certain accounting changes	-228	-58
Total operating cost base adjusted	16,200	20,865
FX adjustment	334	310
Total operating cost base adjusted at constant 2015 FX	16,534	21,175