

# Credit Suisse

## Second Quarter 2021 Results

### Media Call



Thomas Gottstein, Chief Executive Officer  
David Mathers, Chief Financial Officer

July 29, 2021



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

Please also refer to the 2Q21 Supplemental Presentation Slides and our 2Q21 Financial Report for additional information.

## **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, 2020, in "Credit Suisse – Risk factor" in our 1Q21 Financial Report published on May 6, 2021 and in the "Cautionary statement regarding forward-looking information" in our 2Q21 Financial Report published on July 29, 2021 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.

## **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.

## **Estimates and assumptions**

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.

## **Restatement**

Financial information reflects the latest divisional reporting structure which took effect as of April 1, 2021. Prior periods have been restated to conform to the current presentation.

# Disclaimer (2/2)

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

This presentation contains non-GAAP financial measures, including results excluding certain items included in our reported results as well as return on regulatory capital and return on tangible equity (which is based on tangible shareholders' equity). Further details and information needed to reconcile such non-GAAP financial measures to the most directly comparable measures under US GAAP can be found in the 2Q21 Supplemental Presentation Slides as well as in the 2Q21 Financial Report, which are both available on our website at [www.credit-suisse.com](http://www.credit-suisse.com).

## **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, 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.

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.

## **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.

## **Mandatory Convertible Notes**

These materials are not an offer to sell securities or the solicitation of any offer to buy securities, nor shall there be any offer of securities, in any jurisdiction in which such offer or sale would be unlawful.

These materials are not an offer of securities for sale in the United States or to U.S. persons ("U.S. persons") as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"). The mandatory convertible notes described in these materials and the shares of Credit Suisse Group AG issuable on their conversion have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons, absent registration or an applicable exemption from registration under the U.S. Securities Act.

# Key highlights of 2Q21



## RISK ACTIONS & KEY INVESTMENTS

Comprehensive focus on enhanced risk approach implemented in 2Q21 following the Archegos and SCFF matters

Significant 2Q21 RWA and leverage exposure reduction in the Investment Bank of USD 20 bn<sup>1</sup> and USD 41 bn, respectively

Archegos: Full exit of remaining positions in early June and independent investigation report released today  
SCFF: Continued progress on cash distributions; independent investigation expected to be completed in 3Q21

Delivering on key investments, including expansion of PB coverage teams, notably in APAC/China, further technology and people investments in IB, IWM mid-market advisory capabilities and CSX in SUB



## FINANCIAL PERFORMANCE

Reported pre-tax profit of CHF 0.8 bn including a loss of CHF 0.6 bn relating to Archegos and a CHF 0.3 bn gain related to Allfunds

Resilient performance with underlying pre-tax profit<sup>2</sup> of CHF 1.3 bn

Wealth Management<sup>3</sup> AuM of CHF 853 bn at record level, supporting recurring fee growth of 19% YoY

Continued strength in SUB with underlying PTI<sup>2</sup> up 13% YoY; successful integration of NAB

Resilient performance in the Investment Bank, notwithstanding more conservative approach to risk and a less favorable trading environment, with an adjusted pre-tax profit<sup>4</sup> of USD 601 mn

Strong performance in Asset Management with management fees up 14% and adjusted PTI up 26% YoY



## CAPITAL

Improved CET1 ratio to 13.7%, benefitting from the regulatory capital recognition of the MCN issuance, the reduction in RWA in the Investment Bank and the Allfunds gain

Tier 1 leverage ratio at 6.0%, CET1 leverage ratio at 4.2%

Note: Results excluding certain items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see 2Q21 Supplemental Information presentation

1 Includes the removal of the temporary regulatory RWA add-on of USD 6 bn related to Archegos from 1Q21    2 Refers to adjusted pre-tax income excluding significant items and Archegos

3 Refers to SUB PC, IWM and APAC    4 Refers to adjusted pre-tax income excluding Archegos

# Update on Archegos / Outcome of independent investigation

## Independent investigation report<sup>2</sup> (published today)

### Summary of financial impact<sup>1</sup>

in CHF mn	1Q21	2Q21	1H21
Net revenues	-	(493)	(493)
Provision for credit losses	4,430	70	4,500
Operating expenses	-	31	31
<b>Pre-tax income</b>	<b>(4,430)</b>	<b>(594)</b>	<b>(5,024)</b>

- All remaining long and short positions were exited in early June
- Appropriate HR-related actions taken (terminations, monetary penalties)

### Selected key findings

- Failure to:
- effectively manage risk in Prime Services by both first and second lines of defense
  - escalate risks and to control limit excesses across first and second lines of defense
  - discharge supervisory responsibilities in the Investment Bank and in Risk
  - prioritize risk mitigation and enhancement measures (including dynamic margining)

### Selected key recommendations

- Change leadership in Investment Bank, including Prime Services, and Risk ✓
- Invest in additional resources to improve risk management ✓
- Clearly define roles, responsibilities and accountability ✓
- Strengthen existing processes to protect Credit Suisse from risk ✓
- Re-examine counterparty risk appetite and controls ✓
- Improve quality of risk information and access ✓
- Conduct a read-across and improve risk culture ✓

### Completed / in progress

<sup>1</sup> Credit Suisse reserves its right to pursue claims against various third parties    <sup>2</sup> For the full report, go to [www.credit-suisse.com/archegos](http://www.credit-suisse.com/archegos)

# Update on supply chain finance funds

## Announcement of 4<sup>th</sup> cash payment



### CASH PAYMENT

#### Selected highlights

- **4<sup>th</sup> cash payment in the first half of August** with total cash paid out and current cash & cash equivalents at 66% of NAV as of February 25



### NON-FOCUS AREAS

- **Non-focus areas:** expected overall recovery for non-focus areas of >90%<sup>1</sup>



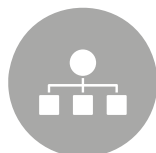
### FOCUS AREAS

- **Focus areas:** advanced negotiations with debtors on restructuring to maximize recovery; all available recovery avenues will be pursued



### INSURANCE

- **On insurance,** continue to work on filing insurance claims with the aid of Greensill Bank

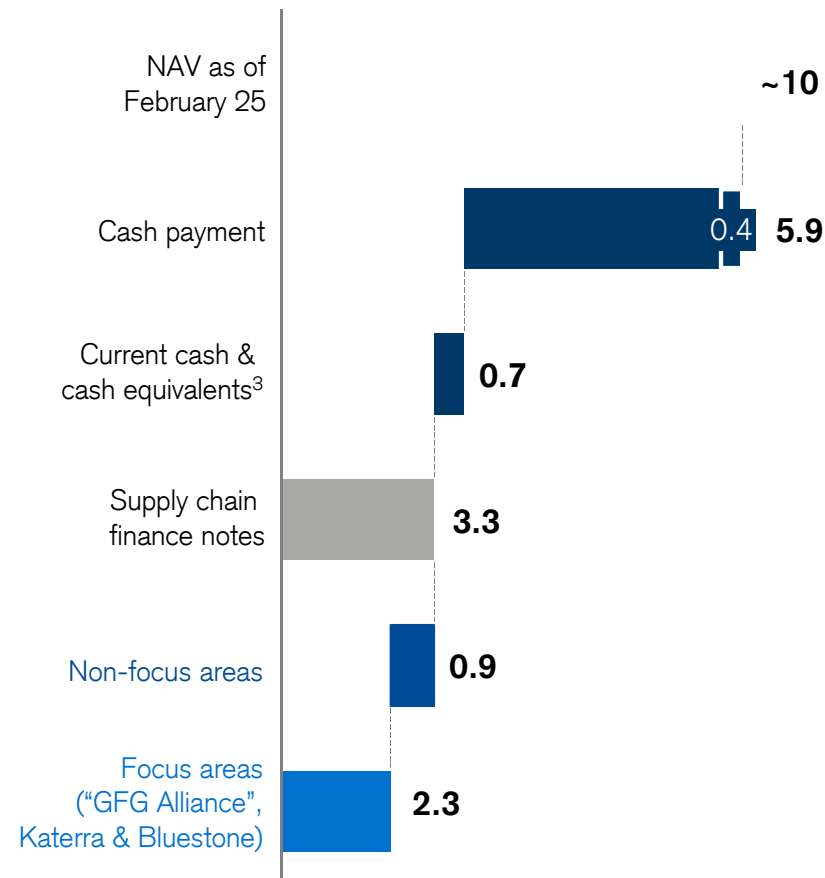


### EXPERTS

- **More than 60 internal and external experts** involved to maximize recovery of the funds

#### Fund volume break-down<sup>2</sup>

in USD bn

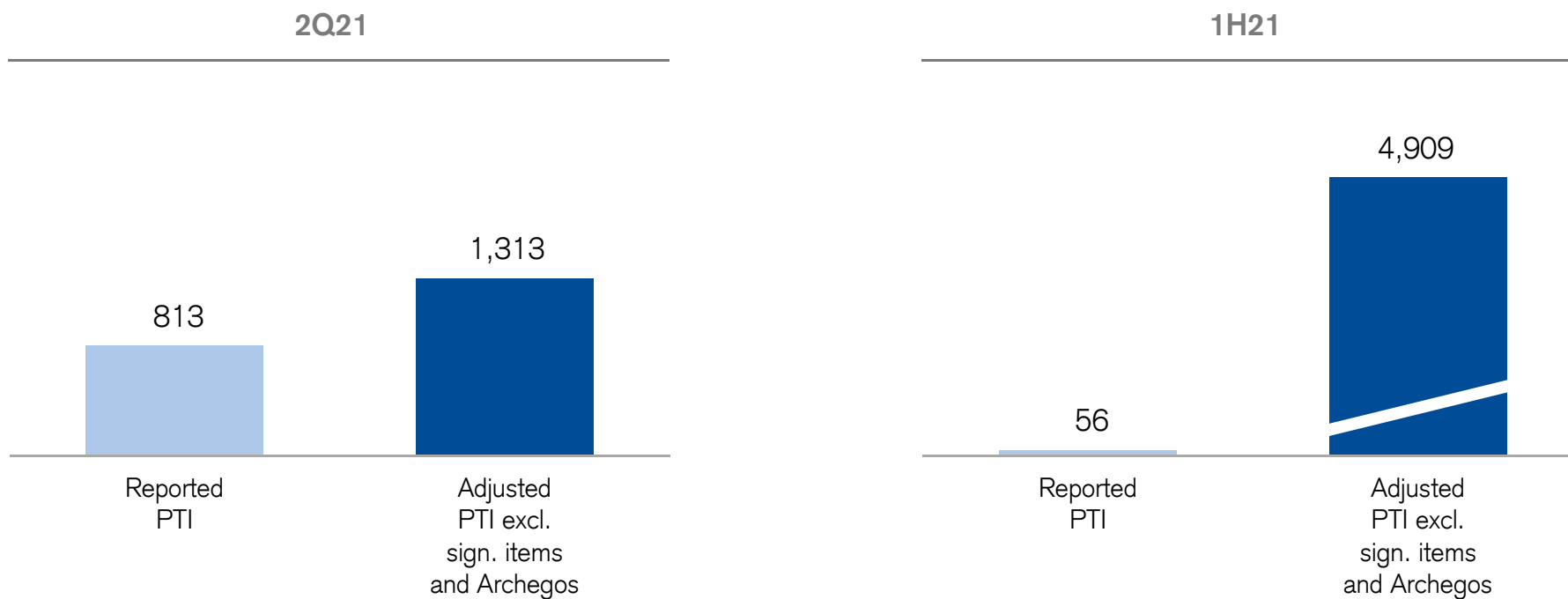


Note: Data as of July 23, 2021; Data Source: CS AM Portfolio Management for all information pertaining to Fund Notional Value after Cash Payout. The NAV is published through the Fund Administrator. Differences (e.g. different data sources, cut-off times, FX rates, etc.) may occur <sup>1</sup> >90% recovery is relative to the ~USD 2.8 bn book value of non-focus areas exposure as of March 31, 2021 <sup>2</sup> Reflects view post 4<sup>th</sup> cash payment <sup>3</sup> Includes collateral requirements for FX hedging and recovery costs accrual

# Reported and adjusted pre-tax income for 2Q21 and 1H21

## Group pre-tax income

in CHF mn

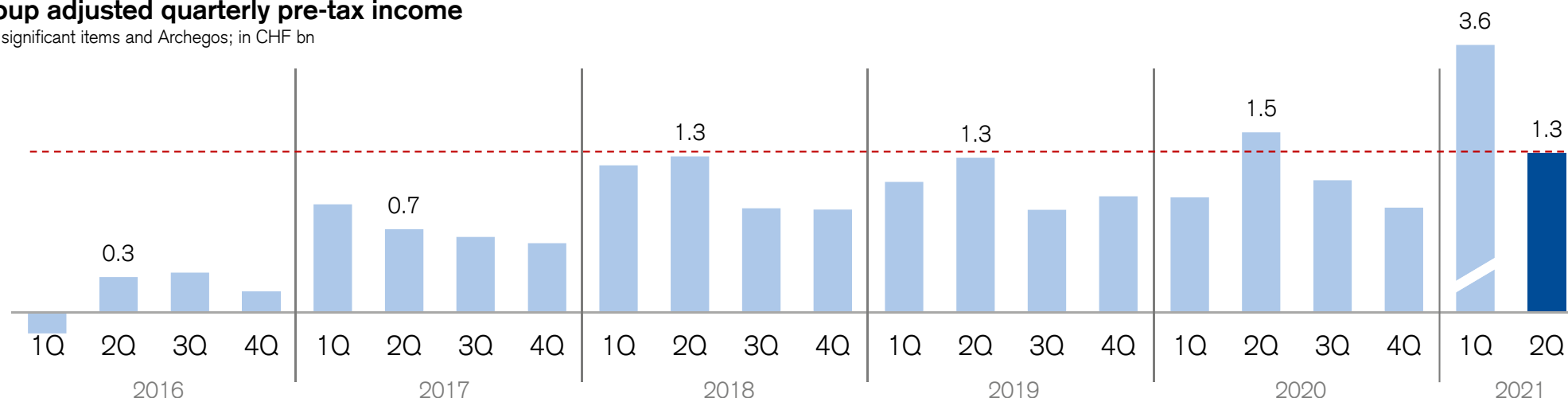


Note: Results excluding certain items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see 2Q21 Supplemental Information presentation

# Excluding Archegos and significant items, solid underlying performance in 2Q21/1H21

## Group adjusted quarterly pre-tax income

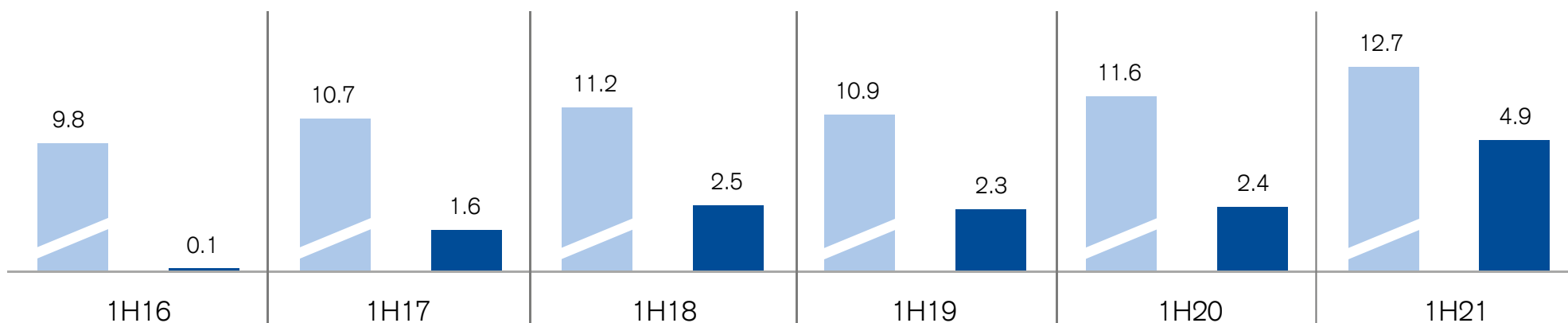
excl. significant items and Archegos; in CHF bn



## Group adjusted half-yearly net revenues and pre-tax income

excl. significant items and Archegos; in CHF bn

■ Net revenues ■ Pre-tax income



Note: Results excluding certain items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see 2021 Supplemental Information presentation






# We are delivering on our key business and infrastructure investments

## Business investments

<b>Expand coverage base</b> 	<ul style="list-style-type: none"><li>▪ Significant new hiring in APAC to build out our leading franchise with an increase in our RM base from 600 to 650 in 1H21</li><li>▪ Further build-out of IWM mid-market advisory capabilities</li><li>▪ Further investments in GTS Solutions and other product capabilities</li></ul>
<b>Drive business growth</b> 	<ul style="list-style-type: none"><li>▪ Continued build-out of our mainland China presence and capabilities</li><li>▪ Deepening footprint in other faster-growth markets</li><li>▪ SUB: Ongoing investments in our CSX digital platform for both (i) retail and affluent clients as well as (ii) in our U/HNW franchise</li></ul>
<b>Invest in ESG solutions</b> 	<ul style="list-style-type: none"><li>▪ Strengthening of investments in SRI to drive ESG integration</li><li>▪ Expanding ESG solutions capabilities across businesses</li><li>▪ Increased activity in impact financing</li></ul>

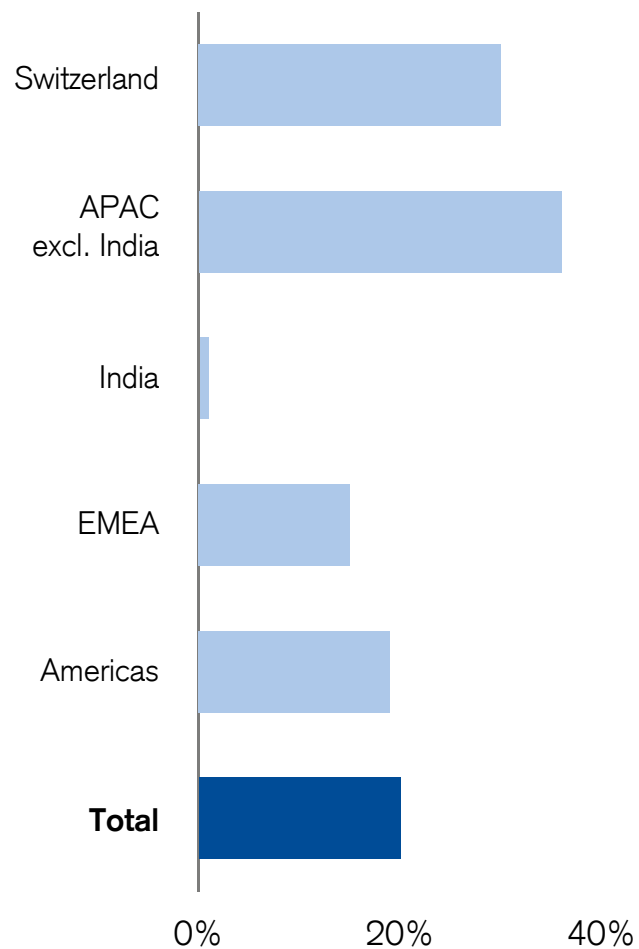
## Other infrastructure investments

<b>Enhance IT platforms</b> 	<ul style="list-style-type: none"><li>▪ Continuing investments in enhancing IT platforms across onshore locations</li><li>▪ Driving further standardization across core platforms</li><li>▪ Building out data analytics</li><li>▪ Investments across AM platform including fund reporting, data management and portfolio management tools</li></ul>
<b>Invest in Cloud and automation</b> 	<ul style="list-style-type: none"><li>▪ Building out cloud and cyber security</li><li>▪ Driving digitalization and automation to improve productivity</li><li>▪ Enhancing digital front-to-back and end-to-end client onboarding</li></ul>
<b>Drive regulatory agenda</b> 	<ul style="list-style-type: none"><li>▪ Investing in climate risk platform</li><li>▪ Delivering regulatory agenda including Recovery &amp; Resolution Plan and Basel III Reform requirements</li></ul>

# Return to office and turnover in employees

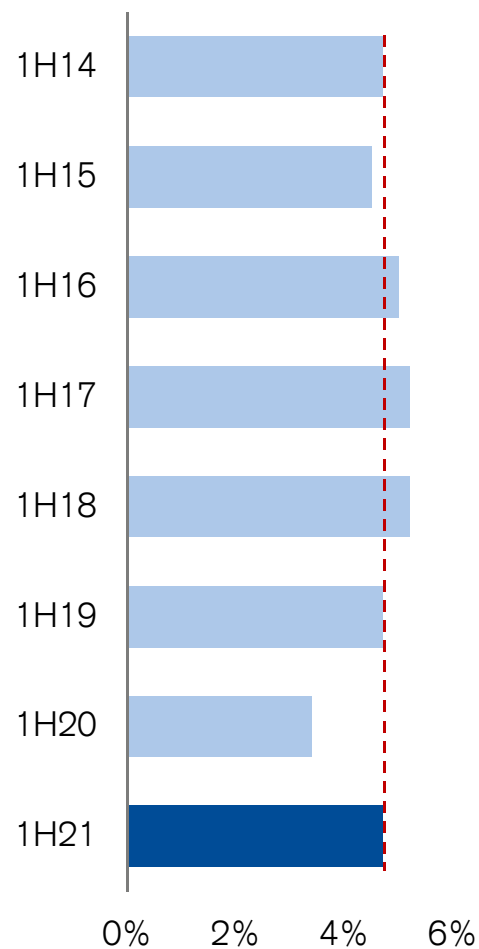
## Return to office<sup>1</sup>

Average daily office access rate in %



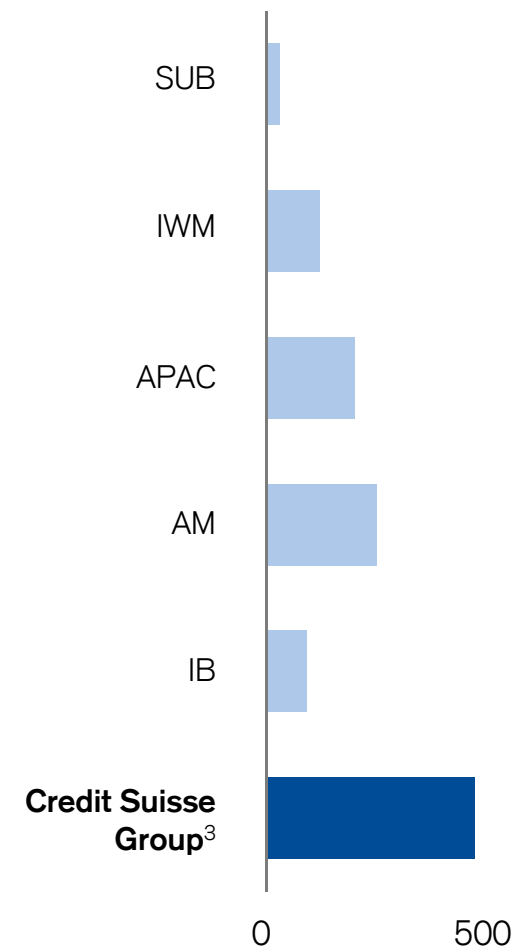
## Turnover in employees<sup>2</sup>

Employees leaving CS voluntarily divided by the total number of employees for the respective year in %



## Net movement in staff

Change in number of employees (FTE) in 1H21

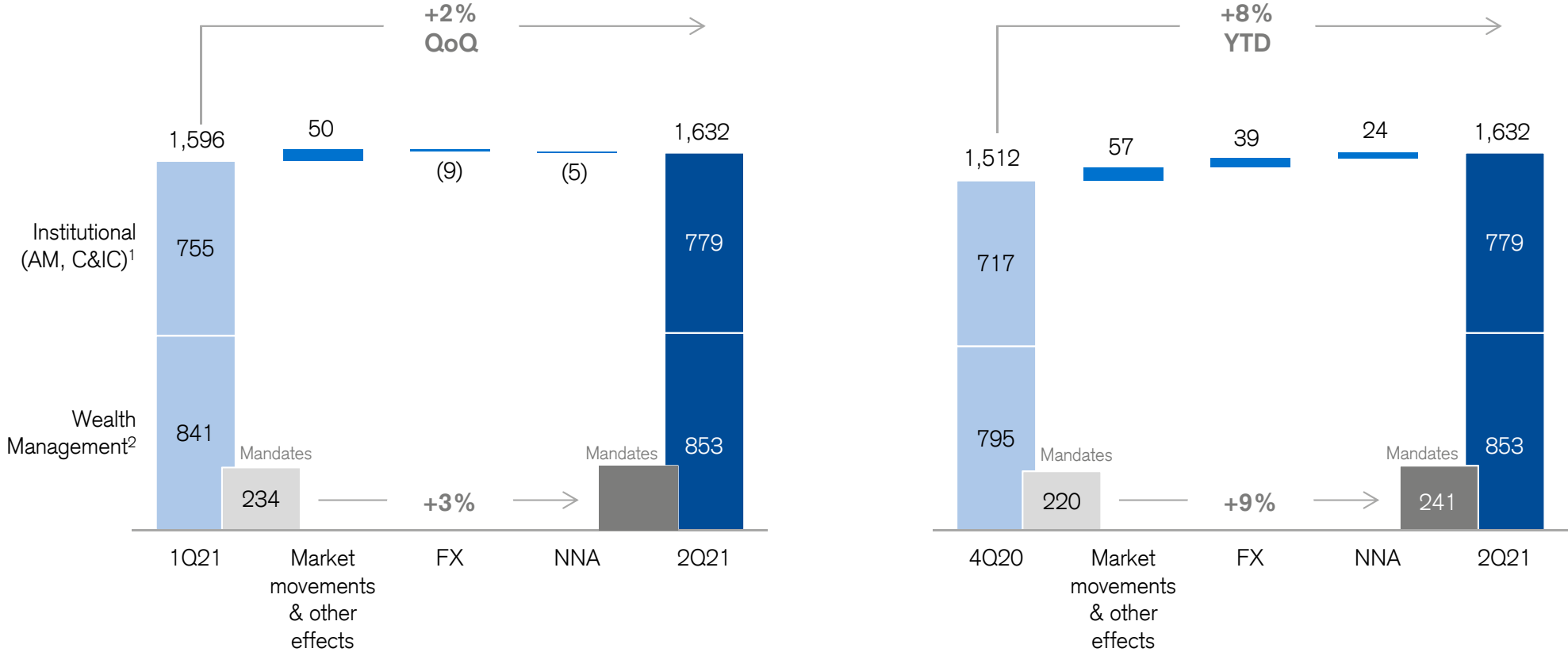


1 For the period of July 12-16, 2021    2 As at June 30, 2021    3 Includes Corporate Center

# AuM grew by 8% YTD with a 9% increase in mandate volumes supporting recurring fees

## Group Assets under Management

in CHF bn



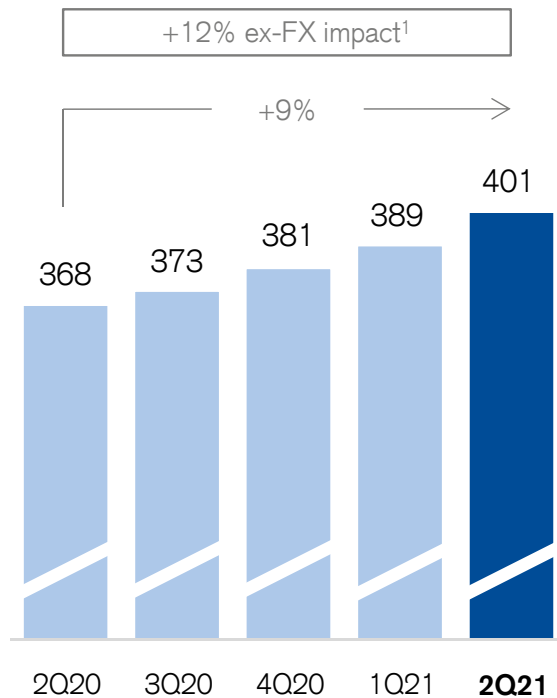
Mandate penetration at 30%, up from 28% in 2Q20, on track to achieve medium-term ambition of ~33%

<sup>1</sup> Includes SUB C&IC, Asset Management and adjustment for assets managed by Asset Management for the other businesses    <sup>2</sup> Refers to SUB PC, IWM and APAC

# Strong growth in Client Business Volume across our Wealth Management businesses

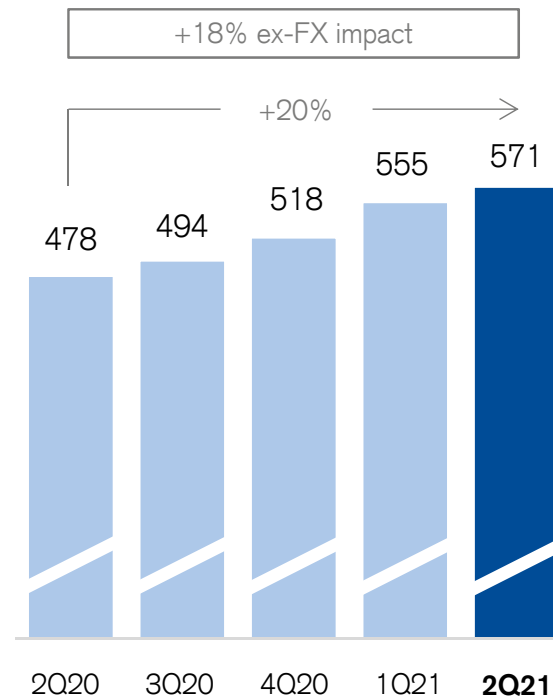
## SUB PC

Client Business Volume (CBV) in CHF bn



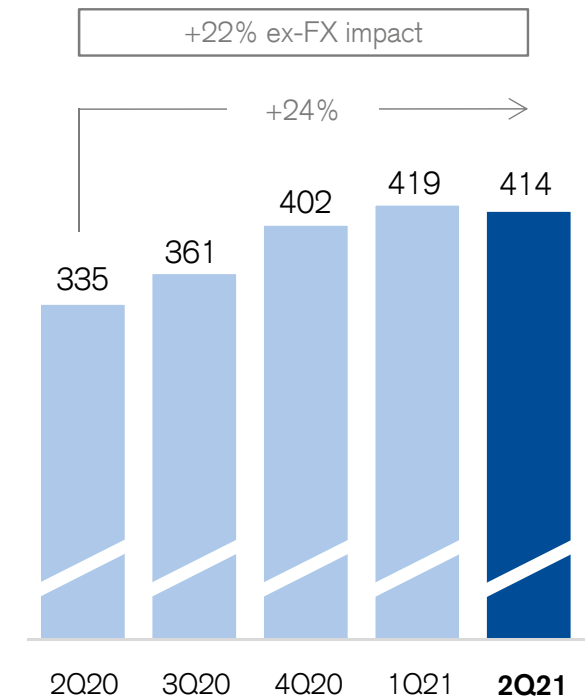
## IWM

Client Business Volume (CBV) in CHF bn



## APAC

Client Business Volume (CBV) in USD bn



Net new assets

(1.6) 2.0 (2.1) 2.2 (0.9)

1.8 6.9 4.3 7.2 (0.3)

4.7 2.3 (1.3) 5.4 (6.7)

**CBV growth ambition<sup>2</sup>**

Mid-single digit

Mid- to high-single digit

Double digit

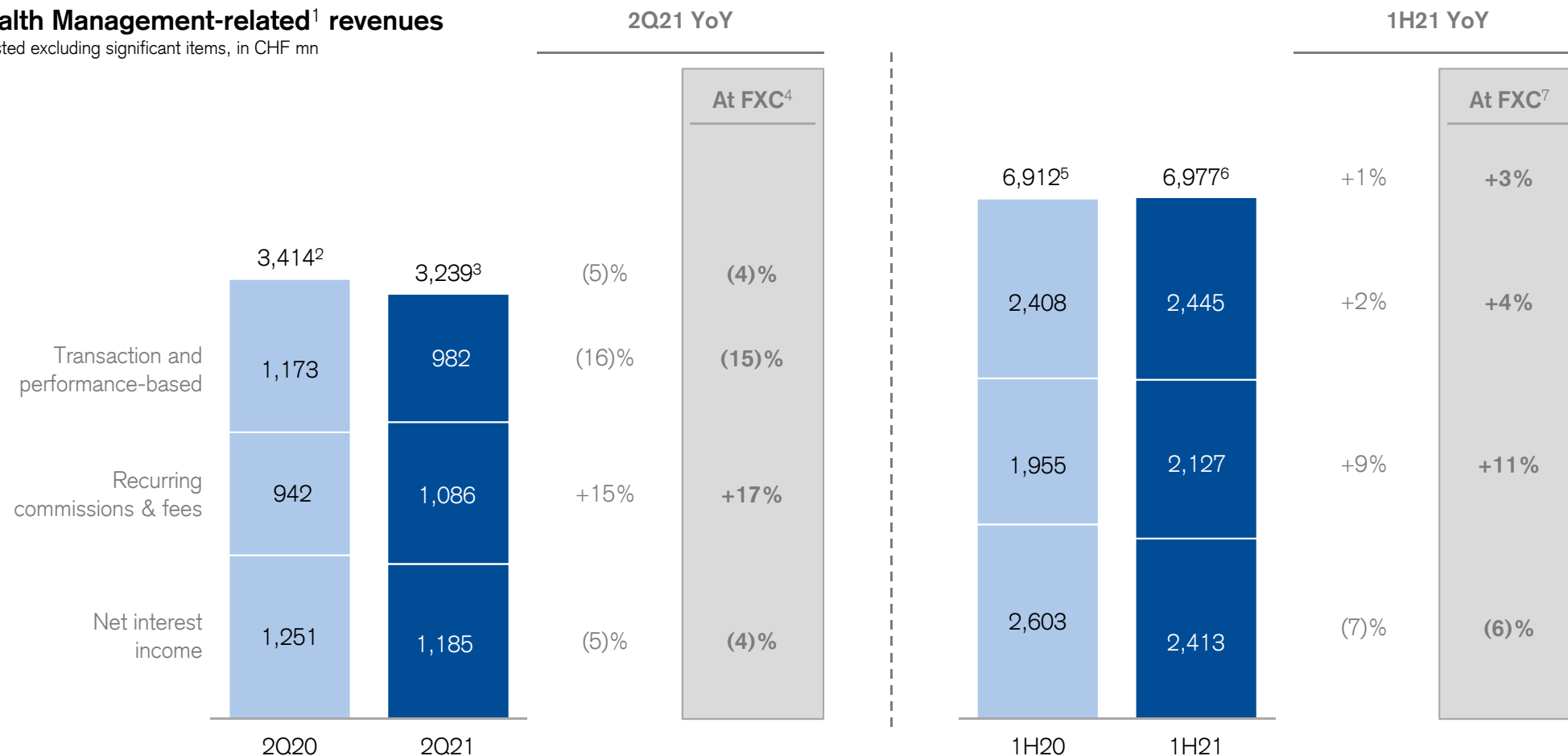
<sup>1</sup> Adjusted for CHF 13 bn structural NAB shift to SUB C&I in January 2021, of which CHF 6 bn in net loans, CHF 4 bn in AuM and CHF 3 bn in custody assets

<sup>2</sup> Excluding estimated cumulative FX impact based on management data, estimates and assumptions

# 1H21 WM-related revenues broadly flat (+1%) with recurring revenues largely offsetting lower NII

## Wealth Management-related<sup>1</sup> revenues

Adjusted excluding significant items, in CHF mn



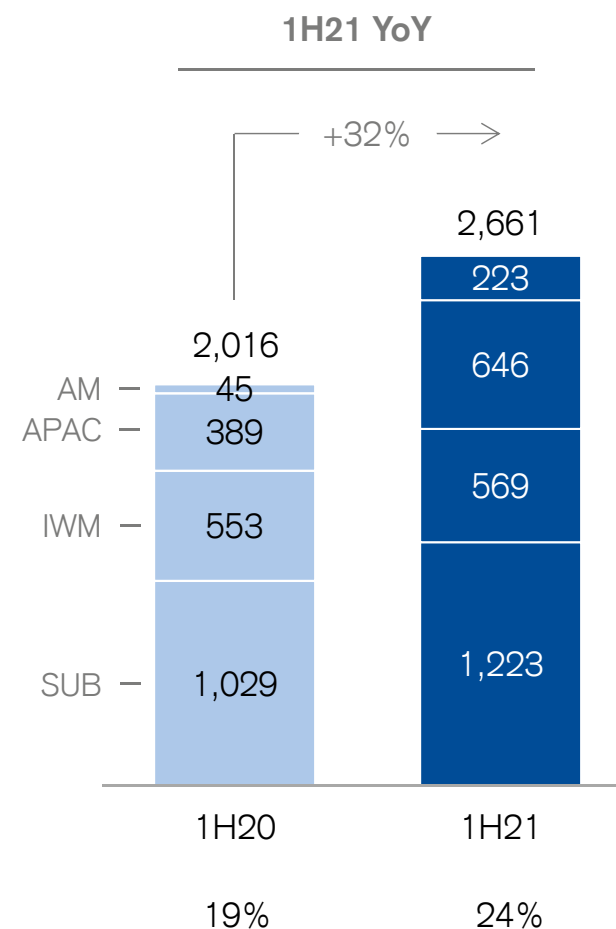
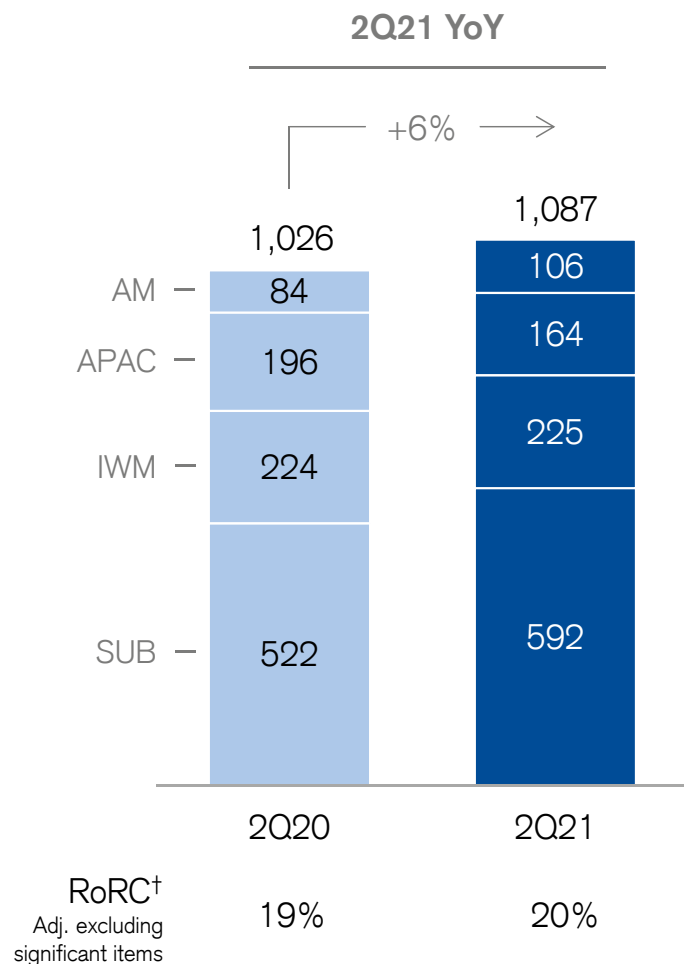
Note: Results excluding certain items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see 2021 Supplemental Information presentation

1 Relates to SUB, IWM, APAC and AM 2 Includes Other revenues of CHF 48 mn 3 Includes Other revenues of CHF (14) mn 4 At constant average 2Q20 FX rates 5 Includes Other revenues of CHF (54) mn 6 Includes Other revenues of CHF (8) mn 7 At constant average 1H20 FX rates

# Solid Wealth Management-related underlying PTI, up 32% YoY in 1H21

## Wealth Management-related<sup>1</sup> pre-tax income

Adjusted excluding significant items, in CHF mn



Note: Results excluding certain items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see 2021 Supplemental Information presentation  
<sup>†</sup> RoRC is a non-GAAP financial measure, see 2021 Supplemental Information presentation    <sup>1</sup> Relates to SUB, IWM, APAC and AM

# Strong 1H21 performance in APAC with investments for future growth

## Selected highlights

### Strong 1H21 profitability and growth

- Underlying pre-tax income<sup>1</sup> in APAC division up 75% YoY and underlying return on regulatory capital<sup>†,1</sup> of 35% (up from 20% in 1H20)

### Asia Pacific region reflects 19% of Group revenues<sup>1,2</sup>

- 14% YoY growth in regional revenues<sup>1,2</sup> in 1H21
- Notably strong contributions from Greater China, South East Asia, India and Korea

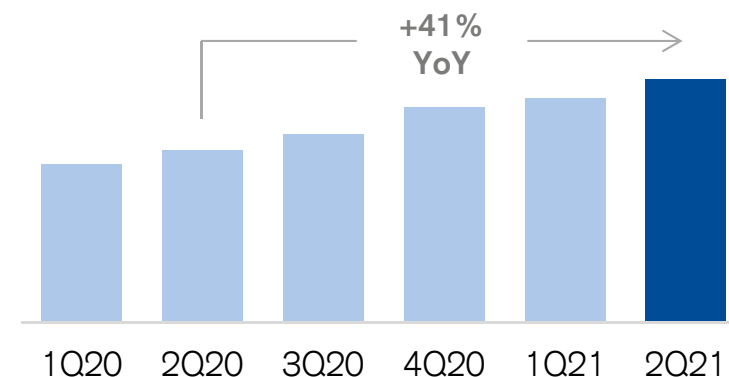
### Strong growth in client business volume

- 24% YoY growth in CBV to a record USD 414 bn
- AuM up 12% YoY, with mandate volumes up 41% YoY, driving 1H21 recurring revenue growth of 24% vs. 1H20

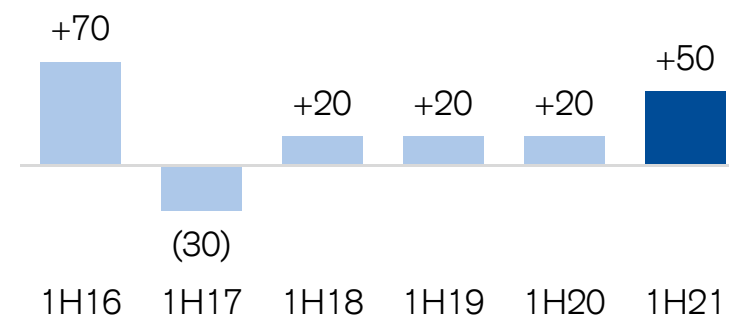
### Executing on our strategy and investments for growth

- Significant new WM hiring with an increase in our RM base from 600 to 650 in 1H21
- Progressive build-out of our mainland China platform
- Continued investment in digital and risk & controls initiatives

## Record level of mandate volumes in 2Q21



## Strongest pace of Private Banking RM net additions since 2016



Note: Unless otherwise stated, all financial numbers presented and discussed are in USD terms. Results excluding certain items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see 2Q21 Supplemental Information presentation † RoRC is a non-GAAP financial measure, see 2Q21 Supplemental Information presentation 1 Refers to adjusted net revenues, pre-tax income and RoRC excluding significant items 2 Includes revenues related to the Asia Pacific region recognized in the Investment Bank and International Wealth Management in USD terms

# Asset Management with strong YoY PTI growth, highlighted by growth in management fees

## Selected highlights

### Strong 1H21 profitability

- Adjusted pre-tax income<sup>1</sup> increased from CHF 45 mn in 1H20 to CHF 223 mn in 1H21; adj. RoRC<sup>†</sup> of 64%
- Strong growth in recurring management fees of 9% YoY
- 1H21 includes gains on seed money investments after COVID-related market losses in 1H20

### AuM

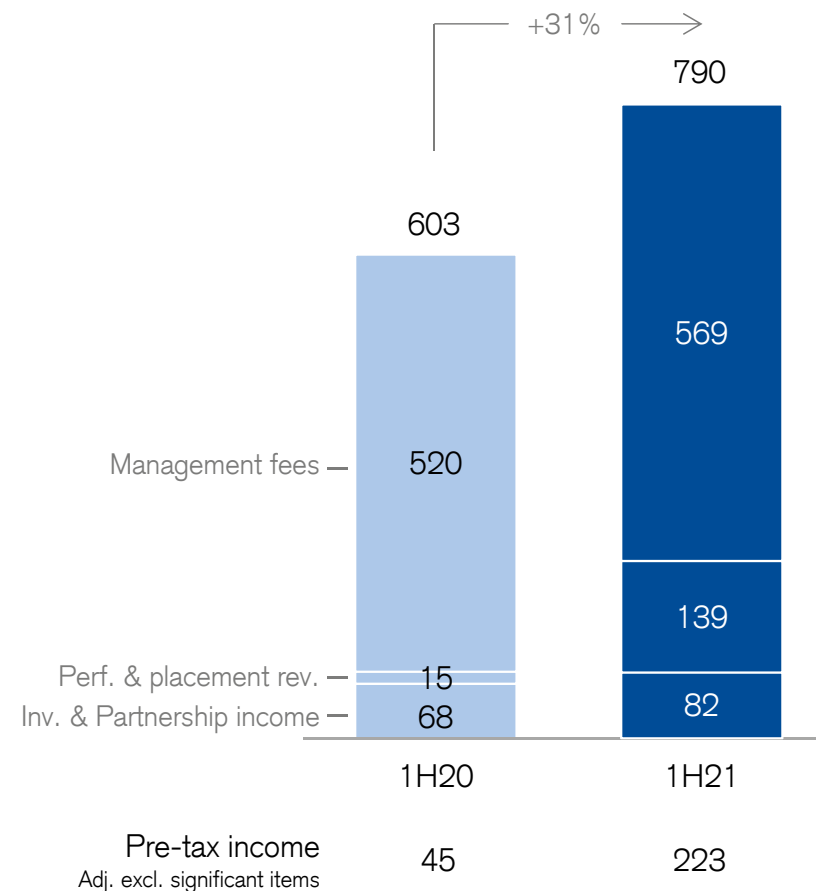
- AuM increased by 11% in 1H21 vs. 1H20 to CHF 471 bn
- 1H21 NNA of CHF 11.6 bn diversified across various products

### Supply Chain Finance Funds

- Announced 4<sup>th</sup> cash payment with total cash paid out and current cash & cash equivalents at 66% of NAV as of February 25

## Asset Management revenues

Excluding significant items, in CHF mn



Note: Results excluding certain items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see 2021 Supplemental Information presentation  
<sup>†</sup> RoRC is a non-GAAP financial measure, see 2021 Supplemental Information presentation    <sup>1</sup> Refers to adjusted pre-tax income excluding significant items



# Resilient performance in the Investment Bank

## Risk management actions

- Following the Archegos matter, conservative approach to capital and risk management with 2Q21 Investment Bank RWA down USD 20 bn<sup>1</sup> QoQ to below end-2020 levels, in line with 1Q21 guidance
- Substantial resizing of Prime Services business supporting leverage exposure reduction in the Investment Bank of USD 41 bn QoQ
- Further de-risking of Prime Services with shift of clients to dynamic margining completed

## Sales & Trading

- Significant normalization of 2Q21 Sales & Trading revenues from exceptionally strong 1Q21 and 2Q20 performances:
  - Fixed Income Sales & Trading outperformed with strength in Securitized Products, particularly in our #1 ranked<sup>2</sup> Asset Finance franchise, with substantial normalization from exceptional strength in Credit and GTS in 1Q21
  - Equity Sales & Trading revenues adversely impacted by significant de-risking in our Prime Brokerage and Prime Financing businesses impacting 2Q21 revenues by ~USD 100 mn<sup>3</sup>

## Capital Markets & Advisory

- Capital Markets revenues increased 23% YoY (ex-Leveraged Finance MtM gains<sup>4</sup> in 2Q20), supported by notable strength in ECM and Leveraged Finance
- M&A revenues declined, partially driven by deal closings moving into 3Q21
- Strong M&A advisory pipeline up both sequentially and notably on a YoY basis, while our ECM pipeline also remains very strong and leveraged finance markets remain robust

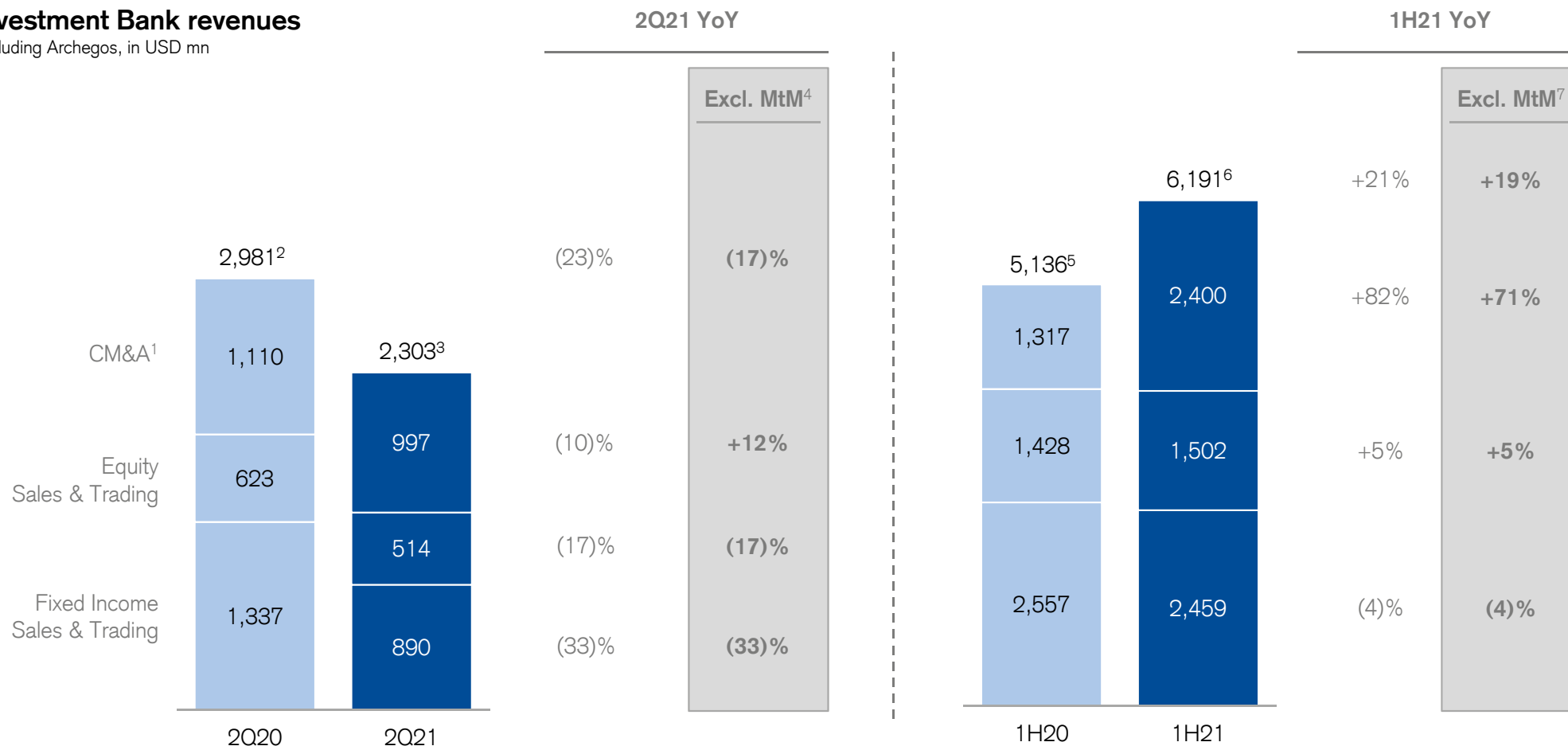
<sup>1</sup> Includes the removal of the temporary regulatory RWA add-on of USD 6 bn related to Archegos from 1Q21    <sup>2</sup> Thomson Reuters as of June 30, 2021    <sup>3</sup> Management estimate

<sup>4</sup> Net revenues include MtM gains of USD 216 mn in 2Q20

# IB revenues down from exceptional 2Q20 levels, but up 21% in 1H21 compared to 1H20

## Investment Bank revenues

excluding Archegos, in USD mn



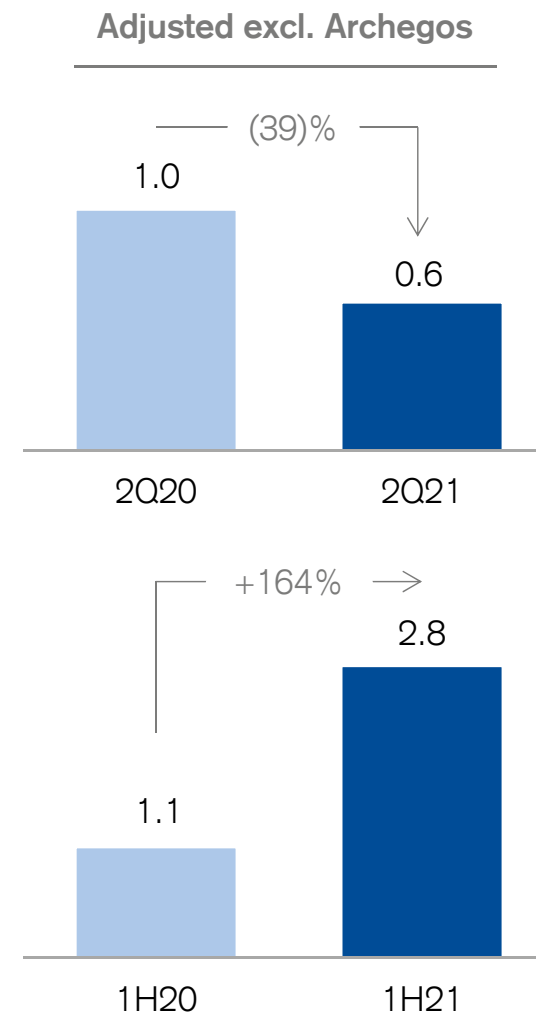
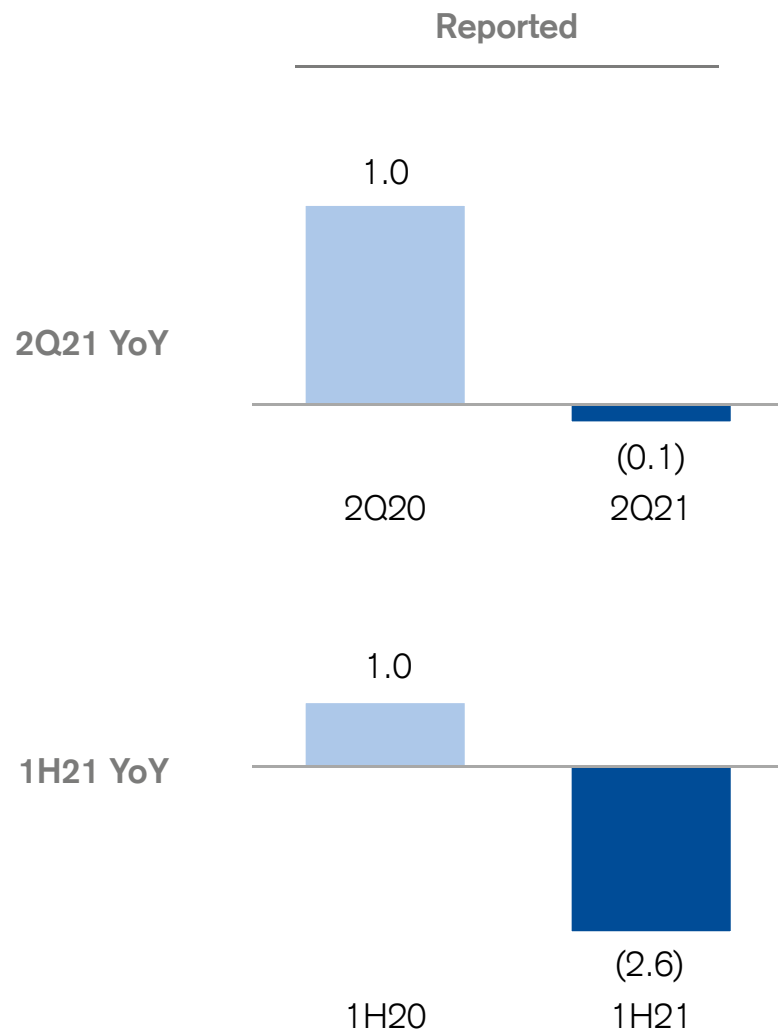
Note: Results excluding certain items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see 2Q21 Supplemental Information presentation

1 Includes capital markets revenues and advisory and other fees 2 Includes Other revenues of USD (89) mn 3 Includes Other revenues of USD (98) mn 4 2Q20 excludes MtM gains of USD 216 mn in Leveraged Finance 5 Includes Other revenues of USD (166) mn 6 Includes Other revenues of USD (170) mn 7 1H20 excludes MtM losses of USD (78) mn in Leveraged Finance. 1H21 excludes MtM gains of USD 9 mn in Leveraged Finance

# Reported vs. adjusted PTI excluding Archegos in the Investment Bank division

## Investment Bank pre-tax income

in USD bn



Note: Results excluding certain items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see 2021 Supplemental Information presentation

# SRI continued to deliver value to clients and stakeholders



## SUSTAINABILITY

### Selected highlights

- 2021 Sustainable AuM of CHF 133 bn<sup>1</sup>, up 13% QoQ and resulting in penetration of Sustainable vs. total AuM of 8.1%, up from 7.4% in 1Q21
- Joined the Net-Zero Banking Alliance (NZBA) and participated in the Principles for Responsible Banking Biodiversity working group
- Organized inaugural Credit Suisse Sustainability Week with ~5,000 participants and 70 industry experts and speakers



## RESEARCH

- Most Improved Bank in All-Asia II Rankings: Credit Suisse more than tripled the number of ranked analyst teams to 17 from 5 in 2020
- Continued to drive sustainability thought leadership with key publications including Sustainable Food, US Climate Goals Outlook, EU Taxonomy Primer, Navigating the Energy Transition and Reforestation
- Launched several global thematic sector reports (e.g. Hydrogen, Scaling to Home (Banks), M&A Wave (Asset & Wealth Managers) and Top 25 Themes (FinTech))



## INVESTMENT SOLUTIONS

- Investment management discretionary and advisory solutions continued to demonstrate significant client demand YoY, reflecting value in our House View to deliver strong track record of performance over the long term
- Increased PB client holdings by >20% YoY in Private & Alternative Markets products through a curated suite of proprietary and third party funds
- Successful migration of more than 4,500 client portfolios in discretionary mandates and fund products from the former NAB

<sup>1</sup> Refers to Credit Suisse's assets managed according to sustainability criteria (Sustainable AuM)

# Key priorities

## Supply Chain Finance Funds

- Continued progress on cash distributions; independent investigation expected to be completed in 3Q21

## Risk Management

- Comprehensive review of risk exposures in a group-wide top down effort, leading to reductions in concentrated exposures across all divisions, notably in the Investment Bank
- Recalibrate risk appetite at group and divisional level
- Strengthen key risk management processes, including stress testing, limit management and risk reporting as well as overall risk culture as lessons learned are and will be implemented

## Governance

- BoD continues to operate a Tactical Crisis Committee; mandate includes full risk review and transactional review & approvals
- Strengthened stature of risk management by reinforcing and extending its authority
- Announced two important ExB appointments: Joanne Hannaford as Chief Technology & Operations Officer (as per January 1, 2022) and David Wildermuth as Chief Risk Officer (as per February 1, 2022 at the latest)

## Clients

- We are fully focused on delivering best-in-class services and advice to our private, corporate and institutional clients globally

## Group Strategy Review

- Joint BoD and ExB long-term vision and mid-term plan to be finalized by the end of the year

# Concluding Remarks



# Concluding Remarks

## **Capital and risk management**

We have taken decisive actions to strongly improve our capital ratios and to strengthen the risk, compliance and control foundations across the bank

## **Lessons learned**

We will learn the lessons from our recent events and implement all the necessary measures to build a better and stronger bank for the future

## **Wealth and Asset Management growth**

We have achieved record assets under management in our Wealth Management and Asset Management businesses, positioning us well for future growth

## **Investment Banking capabilities**

We have strong Investment Banking capabilities providing leading-edge advice, execution, capital markets & financing solutions and thought leadership

## **Swiss-anchored, global reach, integrated model**

We have a strong Swiss franchise and leading positions in fast-growing economies. We believe in the strength of the integrated model and continue to invest for sustainable growth across all our businesses

## **Employees and clients**

We value our deep pool of talented and dedicated employees who are fully committed to serving our clients, whether private, corporate or institutional clients

# Detailed Financials





# Results Overview

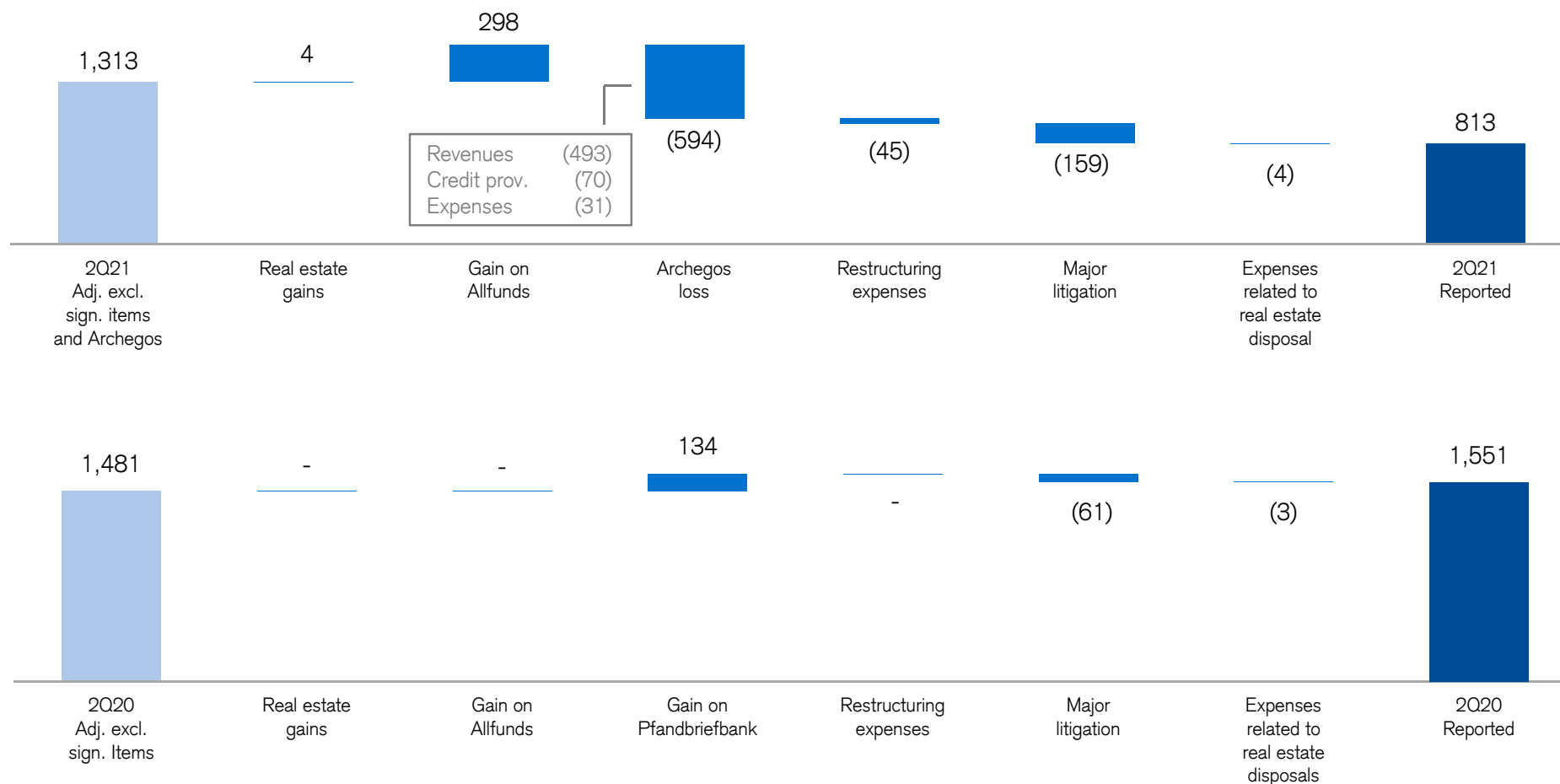
<b>Credit Suisse Group</b> in CHF mn unless otherwise specified	<b>2Q21</b>	1Q21	2Q20	Δ 2Q20	<b>1H21</b>	1H20	Δ 1H20
<b>Net revenues</b>	<b>5,103</b>	<b>7,574</b>	<b>6,194</b>	<b>(18)%</b>	<b>12,677</b>	<b>11,970</b>	<b>6%</b>
o/w Wealth Management-related <sup>1</sup>	3,609	3,882	3,548	2%	7,491	7,314	2%
o/w Investment Bank in USD mn	1,761	3,888	2,981	(41)%	5,649	5,136	10%
<b>Provision for credit losses</b>	<b>(25)</b>	<b>4,394</b>	<b>296</b>		<b>4,369</b>	<b>864</b>	
o/w Archegos	70	4,430	-		4,500	-	
o/w CECL-related	(168)	(59)	130		(227)	435	
<b>Total operating expenses</b>	<b>4,315</b>	<b>3,937</b>	<b>4,347</b>	<b>(1)%</b>	<b>8,252</b>	<b>8,354</b>	<b>(1)%</b>
<b>Pre-tax income</b>	<b>813</b>	<b>(757)</b>	<b>1,551</b>	<b>(48)%</b>	<b>56</b>	<b>2,752</b>	<b>(98)%</b>
Income tax expense	566	(526)	391		40	281	
Effective tax rate	70%	69%	25%		71%	10%	
<b>Net income attributable to shareholders</b>	<b>253</b>	<b>(252)</b>	<b>1,162</b>	<b>(78)%</b>	<b>1</b>	<b>2,476</b>	<b>(100)%</b>
Return on tangible equity <sup>‡</sup>	2.6%	(2.6)%	11.0%		-	12.0%	
Cost/income ratio	85%	52%	70%		65%	70%	
Diluted earnings per share in CHF	0.10	(0.10)	0.46	(78)%	-	0.98	(100)%
<b>Adjusted excluding significant items and Archegos</b> in CHF mn							
Net revenues	5,226	7,430	6,060	(14)%	12,656	11,568	9%
o/w Wealth Management-related <sup>1</sup>	3,239	3,738	3,414	(5)%	6,977	6,912	1%
Pre-tax income	1,313	3,596	1,481	(11)%	4,909	2,427	102%

Note: Results excluding certain items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see 2Q21 Supplemental Information presentation. 1H20 reported results include a gain related to the completed transfer of the InvestLab fund platform to Allfunds Group and Pfandbriefbank. 1H21 reported results include a gain related to the equity investment in Allfunds Group and a loss related to Archegos ‡ RoTE is a non-GAAP financial measure, see 2Q21 Supplemental Information presentation 1 Includes SUB, IWM, APAC and AM

# Resilient WM PTI; IB adversely affected by Archegos loss, Prime resizing and a weaker transaction environment

## Group pre-tax income

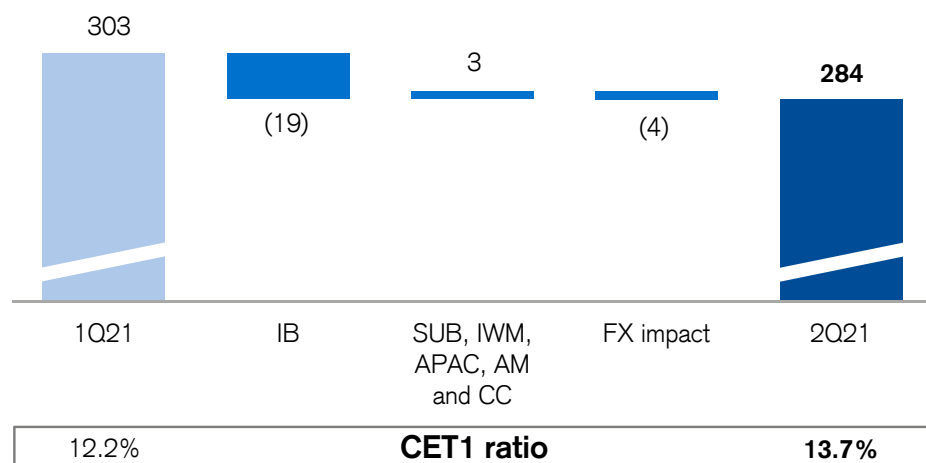
in CHF mn



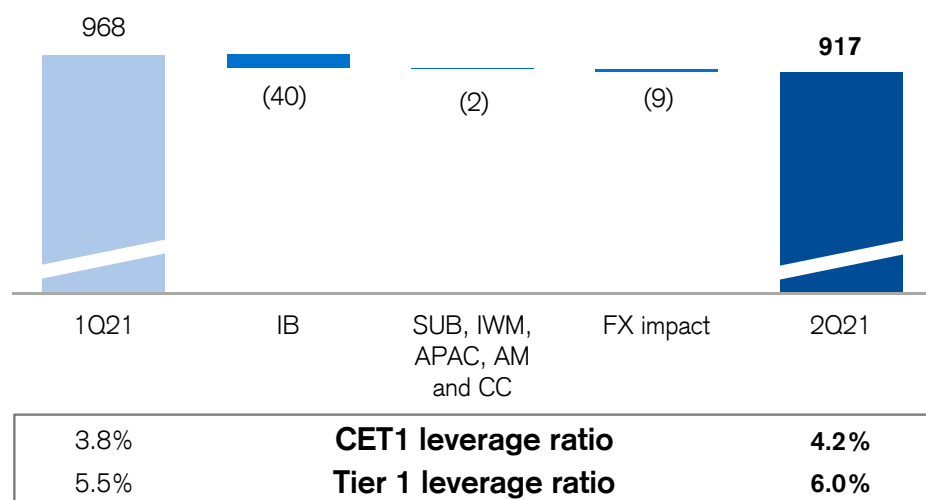
Note: Results excluding certain items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see 2021 Supplemental Information presentation.

# Credit Suisse has substantially reduced capital usage, particularly in the Investment Bank

## Risk-weighted assets in CHF bn



## Leverage exposure in CHF bn



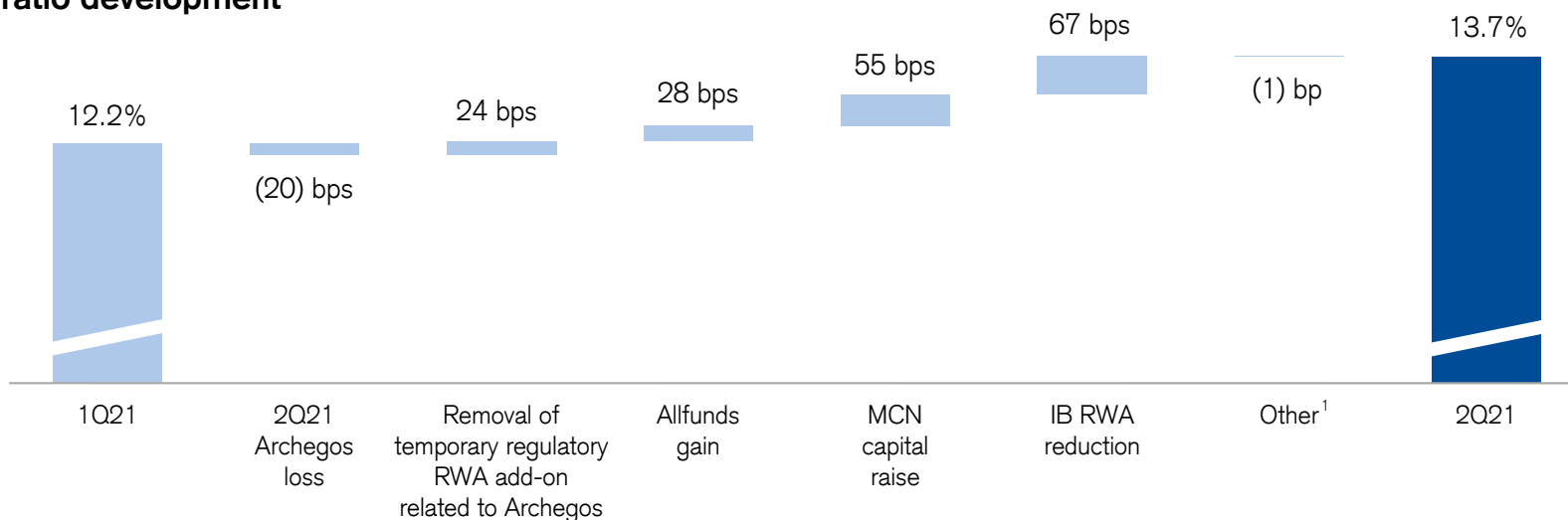
## Key messages

- Following the SCFF and Archegos matters, we have taken a conservative approach to capital management, primarily impacting the Investment Bank, within which we have done the following:
  - Reduced IB RWA and leverage exposure by CHF 19 bn<sup>1,2</sup> and CHF 40 bn<sup>1</sup> QoQ, respectively
  - Increased IB HQLA by CHF 21 bn QoQ
- Broadly maintained capital levels in the Wealth Management-related divisions<sup>3</sup>
- Corporate Center includes an OpRisk impact of CHF 6 bn as a result of the provisions we took in 4Q20 in connection with mortgage-related matters and the settlement with MBIA Insurance Corp in 1Q21
- CET1 ratio of 13.7%, up 150 bps QoQ and CET1 leverage ratio of 4.2%, up 40 bps QoQ, benefitting from the MCN issuance, the Allfunds gain, the removal of the temporary regulatory RWA add-on for Archegos and the reduction of RWA and leverage exposure in the Investment Bank

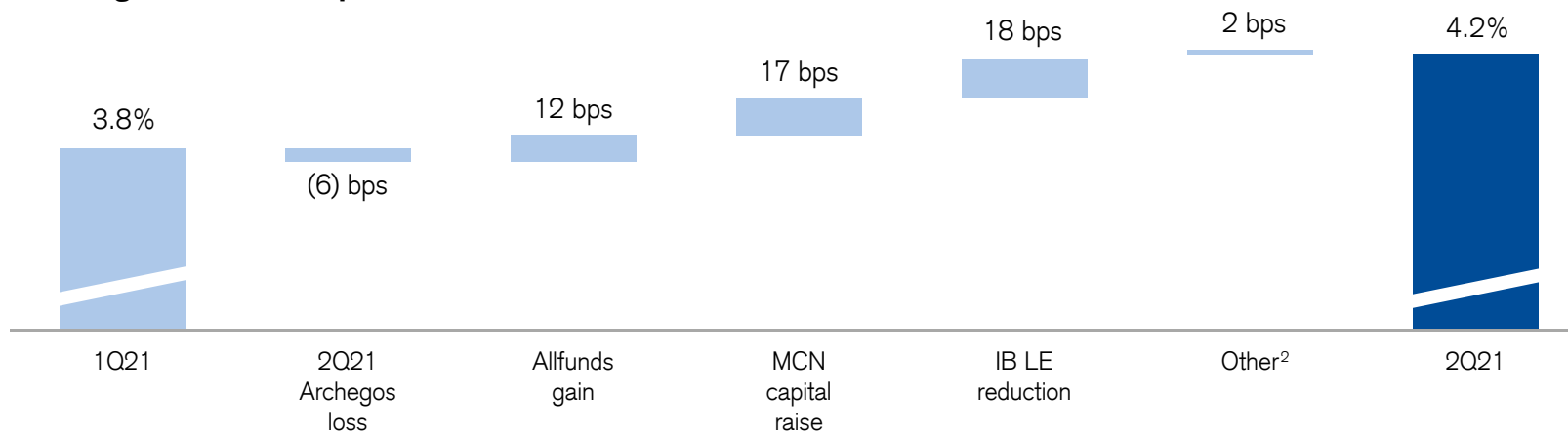
<sup>1</sup> Excluding FX impact    <sup>2</sup> Includes the removal of the temporary regulatory RWA add-on related to Archegos of USD 6 bn    <sup>3</sup> Refers to SUB, IWM, APAC and AM

# CET1 ratio increased to 13.7%; CET1 leverage ratio at 4.2%

## CET1 ratio development



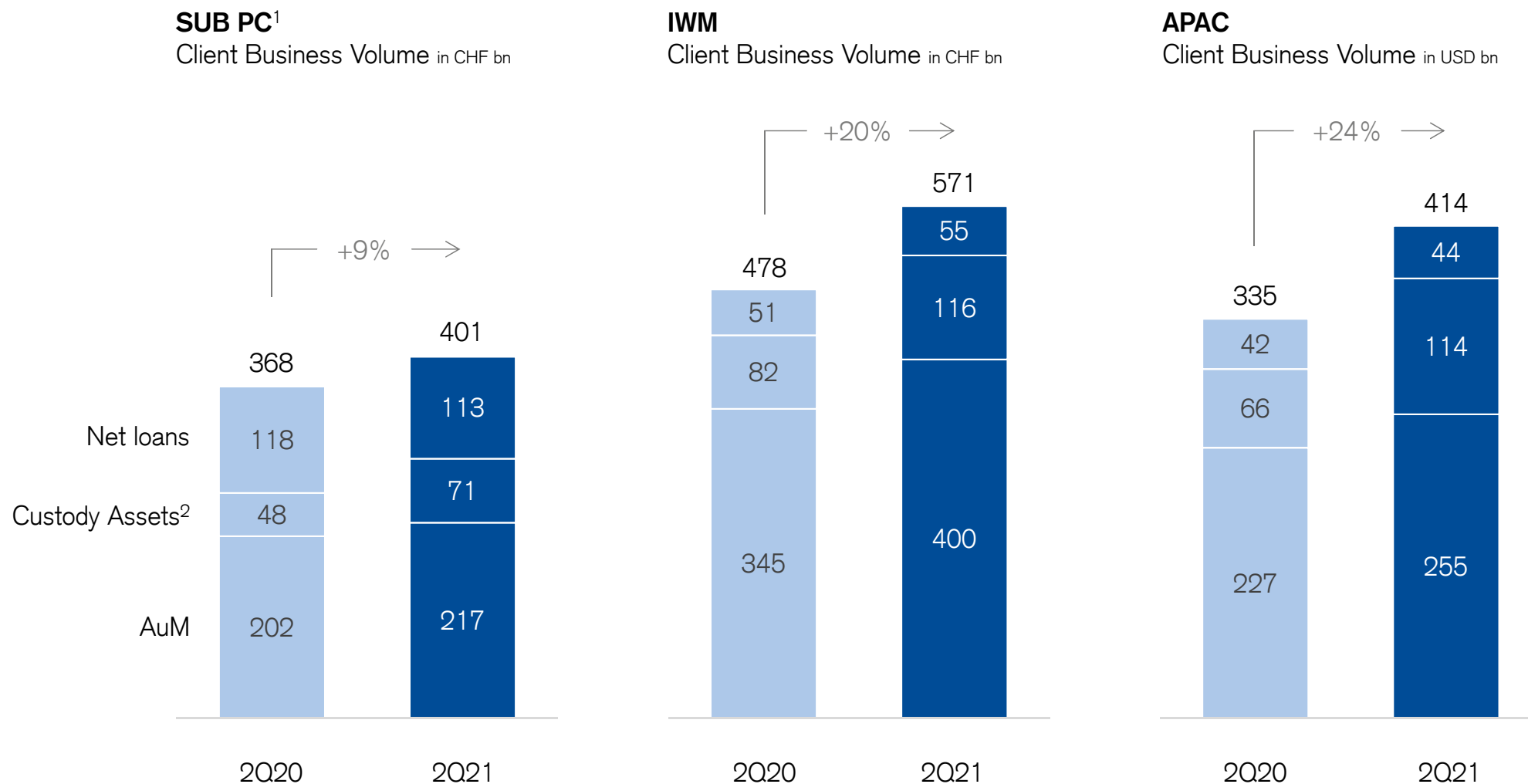
## CET1 leverage ratio development



<sup>1</sup> Includes PTI generation, CET1 taxes, capital payout, OpRisk impact from RMBS of (25) bps and other model impacts

<sup>2</sup> Includes PTI generation, CET1 taxes and capital payout

# Steady growth of Client Business Volume in Wealth Management businesses...

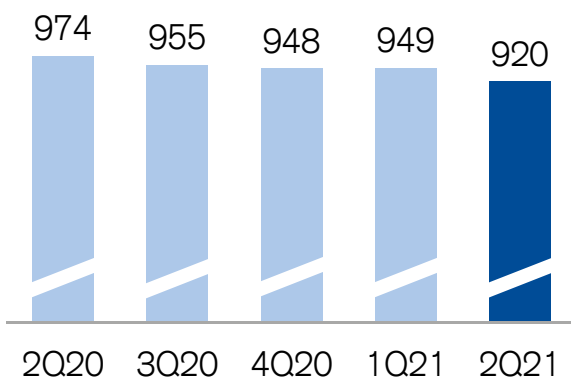


1 2021 figures include declines from the transfer of volumes from Private Clients to Corporate & Institutional Clients following the integration of NAB (net loans CHF 6 bn, AuM CHF 4 bn, custody assets CHF 3 bn)  
 2 Includes assets under custody and commercial assets

# ...benefitting recurring commissions & fees

## Net interest income

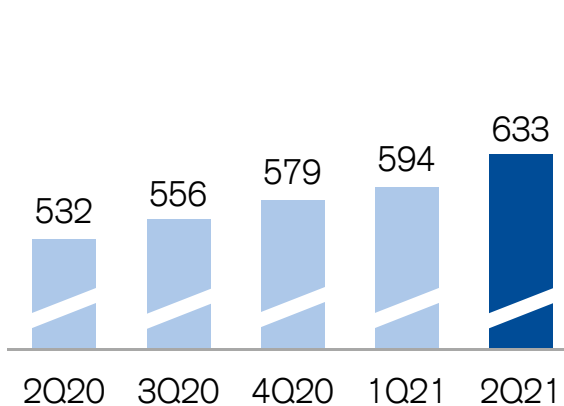
Wealth Management, in CHF mn



- Net interest income slightly down from 1Q21, driven by lower treasury revenues including MCN issuance costs

## Recurring commissions & fees

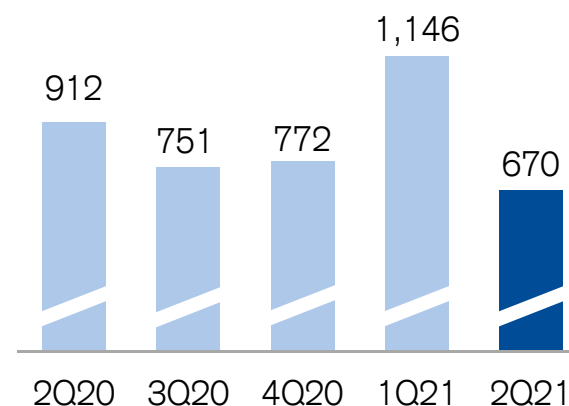
Wealth Management, in CHF mn



- Recurring commissions & fees continued to increase in 2021, benefitting from AuM growth and increased mandate penetration to 30% vs. 28% in 2020

## Transaction-based revenues

Wealth Management, in CHF mn



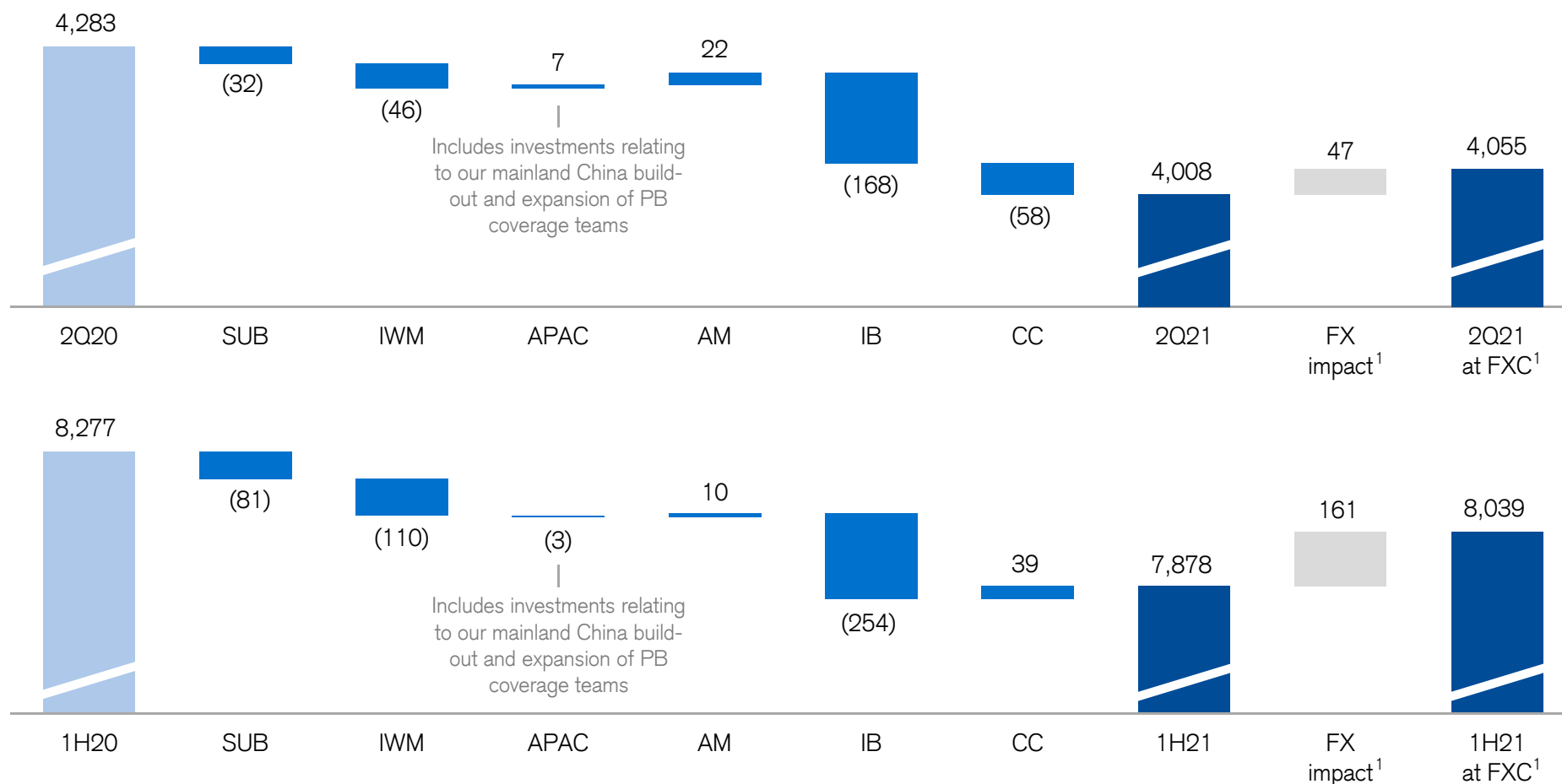
- Transaction-based revenues decreased significantly in 2021 as a result of lower client activity and substantially reduced volatility, which adversely affected GTS revenues

Note: Wealth Management includes SUB PC, IWM and APAC

# Operating expenses reflect continued investments, particularly in APAC, offset by lower variable compensation accruals reflecting Archegos loss

## Group operating expenses

adjusted excluding significant items and Archegos, in CHF mn



Note: Results excluding certain items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see 2021 Supplemental Information presentation  
<sup>1</sup> At constant average 2020/1H20 FX rates

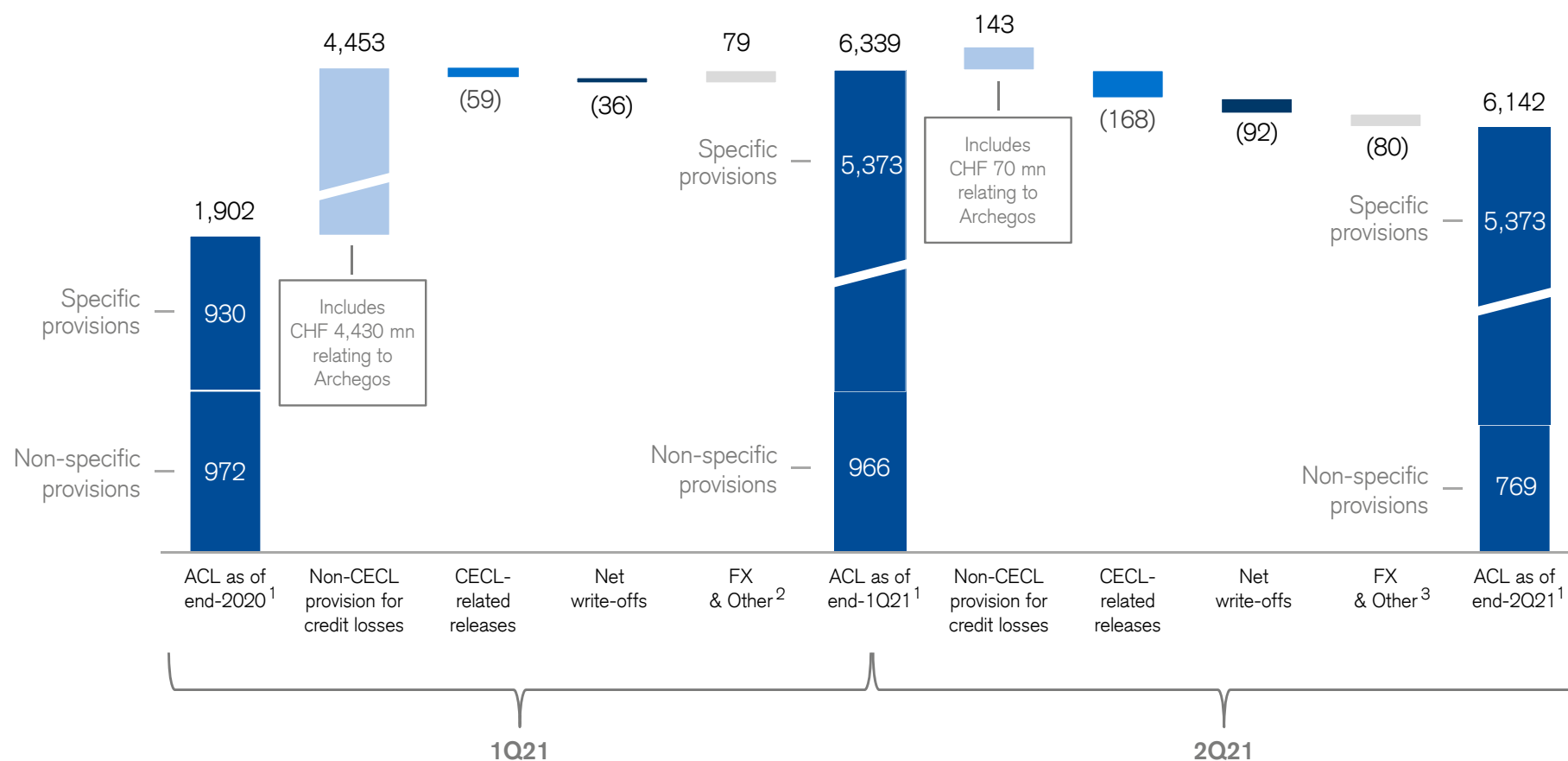
# CECL-related releases increased in 2Q21 mainly reflecting continued improved macroeconomic outlook

## Allowance for credit losses (ACL)<sup>1</sup>

in CHF mn

■ Provision for credit losses – Non-CECL

■ Provision for credit losses – CECL-related



<sup>1</sup> Includes the allowance for credit losses on financial assets held at amortized cost and provisions for off-balance sheet credit exposures <sup>2</sup> Includes FX translation impact and other adjustment items of CHF 78 mn, including CECL impact of CHF 44 mn, and provision for interest of CHF 1 mn <sup>3</sup> Includes FX translation impact and other adjustment items of CHF (95) mn, including CECL impact of CHF (17) mn, and provision for interest of CHF 15 mn



# Swiss Universal Bank

## Strong PTI with resilient revenues and credit provision releases

### Adjusted key financials excl. significant items

in CHF mn	2021	1Q21	2Q20	Δ 2020
Net revenues	1,329	1,406	1,340	(1)%
Provision for credit losses	(21)	26	28	
o/w CECL-related	(47)	6	7	
Total operating expenses	758	749	790	(4)%
<b>Adj. pre-tax income excl. sign. items</b>	<b>592</b>	<b>631</b>	<b>522</b>	<b>13%</b>
<b>Reported pre-tax income</b>	<b>725</b>	<b>665</b>	<b>656</b>	<b>11%</b>
<b>Adj. cost/income ratio excl. sign. items</b>	<b>57%</b>	<b>53%</b>	<b>59%</b>	
<b>Adj. RoRC<sup>†</sup> excl. sign. items</b>	<b>19%</b>	<b>20%</b>	<b>17%</b>	
<b>Reported return on regulatory capital<sup>†</sup></b>	<b>23%</b>	<b>21%</b>	<b>21%</b>	

### Key metrics

in CHF bn	2021	1Q21	2Q20	Δ 2020
Net margin in bps <sup>1</sup>	49	55	42	7
Client Business Volume <sup>1</sup>	401	389	368	9%
Net loans <sup>1</sup>	113	113	118	(4)%
Net new assets	(0.9)	2.2	(1.6)	
Risk-weighted assets	83	85	86	(3)%
Leverage exposure	304	305	293	4%

### Key messages

- Record first half-year adjusted PTI excluding significant items in 1H21 of CHF 1,223 mn
- Reported PTI of CHF 725 mn included a total gain of CHF 89 mn related to the equity investment in Allfunds Group and an insurance claim refund of CHF 49 mn relating to a major litigation case; 2Q20 included a gain of CHF 134 mn related to a revaluation of our equity investment in Pfandbriefbank
- Adjusted PTI excluding significant items up 13% with a release in provision for credit losses driven by CECL and lower operating expenses; RoRC<sup>†</sup> at 19%, up 2 pp.
- Net revenues down 1% with higher recurring revenues, offset by lower deposit income and GTS revenues; Private Clients NII stable, while down 5% in Corporate & Institutional Clients compared to 1Q21
- Ongoing cost discipline including continued synergies from the completed integration of NAB contributing to a 4% reduction of operating expenses and a cost/income ratio of 57%, down 2 pp.
- NNA outflows of CHF 0.9 bn in Private Clients driven by a small number of individual cases; 1H21 NNA of CHF 1.3 bn with contributions from all businesses
- Solid Corporate & Institutional Clients NNA of CHF 1.5 bn in 2Q21 with continued contribution from our external asset managers and pension businesses; 1H21 NNA of CHF 5.4 bn

Note: Unless otherwise stated, all financial numbers presented and discussed are adjusted and exclude significant items. Results excluding certain items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see 2021 Supplemental Information presentation. All percentage changes and comparative descriptions refer to YoY measurements unless otherwise specified

<sup>†</sup> RoRC is a non-GAAP financial measure, see 2021 Supplemental Information presentation. 1 2021 figures include declines from the transfer of volumes from Private Clients to Corporate & Institutional Clients following the integration of NAB (net loans CHF 6 bn, AuM CHF 4 bn, custody assets CHF 3 bn)

# International Wealth Management

## Resilient PTI with benefit of lower costs and credit provision releases

### Adjusted key financials excl. significant items

in CHF mn	2021	1Q21	2Q20	Δ 2Q20
Net interest income	269	285	313	(14)%
Recurring commissions & fees	318	296	273	16%
Transaction-based	216	351	320	(33)%
Net revenues <sup>1</sup>	803	929	905	(11)%
Provision for credit losses	(25)	-	32	
o/w CECL-related	(50)	(5)	(3)	
Total operating expenses	603	585	649	(7)%
<b>Adj. pre-tax income excl. sign. items</b>	<b>225</b>	<b>344</b>	<b>224</b>	-
<b>Reported pre-tax income</b>	<b>340</b>	<b>408</b>	<b>256</b>	<b>33%</b>
<b>Adj. cost/income ratio excl. sign. items</b>	<b>75%</b>	<b>63%</b>	<b>72%</b>	
<b>Adj. RoRC<sup>†</sup> excl. sign. items</b>	<b>19%</b>	<b>29%</b>	<b>19%</b>	
<b>Reported return on regulatory capital<sup>†</sup></b>	<b>28%</b>	<b>34%</b>	<b>22%</b>	

### Key metrics

in CHF bn	2021	1Q21	2Q20	Δ 2Q20
Net margin in bps	23	37	27	(4)
Client Business Volume	571	555	478	20%
Net loans	55	56	51	8%
Net new assets	(0.3)	7.2	1.8	
Risk-weighted assets	34	36	36	(6)%
Leverage exposure	108	106	100	8%

### Key messages

- Reported PTI of CHF 340 mn included a total gain of CHF 120 mn related to the equity investment in Allfunds Group
- Adjusted PTI excluding significant items of CHF 225 mn, as lower revenues were offset by lower expenses and credit provision releases; adverse FX impact of CHF 14 mn on pre-tax income
- Net revenues were down 11%
  - Net interest income with adverse impact on deposit income from lower USD rates of CHF 34 mn, partially offset by income from higher loan volumes
  - Growth in recurring commission and fees from 20% higher client business volume
  - Transaction-based revenues down, with lower client activity and GTS revenues compared to a strong 2Q20
- Provision for credit losses driven by CHF 50 mn CECL-related releases, partially offset by a moderate level of specific provisions
- Total operating expenses down 7%, driven by lower variable compensation
- NNA outflows of CHF 0.3 bn as inflows in Western Europe were offset by outflows in emerging markets; 1H21 NNA of CHF 6.9 bn at annualized growth rate of 4%

Note: Unless otherwise stated, all financial numbers presented and discussed are adjusted and exclude significant items. Results excluding certain items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see 2Q21 Supplemental Information presentation. All percentage changes and comparative descriptions refer to YoY measurements unless otherwise specified

<sup>†</sup> RoRC is a non-GAAP financial measure, see 2Q21 Supplemental Information presentation 1 Includes other revenues of CHF (3) mn in 1Q21 and CHF (1) mn in 2Q20

# Asia Pacific

PTI reflects significantly lower transaction activity and higher investments, partially offset by improved credit provisions

## Adjusted key financials excl. significant items

in USD mn	2Q21	1Q21	2Q20	Δ 2Q20
Net interest income	276	285	271	2%
Recurring commissions & fees	115	109	83	39%
Transaction-based	378	725	486	(22)%
Net revenues <sup>1</sup>	770	1,119	841	(8)%
Provision for credit losses	6	30	90	
o/w CECL-related	(19)	16	7	
Total operating expenses	586	558	547	7%
<b>Adj. pre-tax income excl. sign. items</b>	<b>178</b>	<b>531</b>	<b>204</b>	<b>(13)%</b>
<b>Reported pre-tax income</b>	<b>273</b>	<b>577</b>	<b>204</b>	<b>34%</b>
<b>Adj. cost/income ratio excl. sign. items</b>	<b>76%</b>	<b>50%</b>	<b>65%</b>	
<b>Adj. RoRC<sup>†</sup> excl. sign. items</b>	<b>17%</b>	<b>52%</b>	<b>20%</b>	
<b>Reported return on regulatory capital<sup>†</sup></b>	<b>27%</b>	<b>56%</b>	<b>20%</b>	

## Key metrics

in USD bn	2Q21	1Q21	2Q20	Δ 2Q20
Net margin in bps	28	83	38	(10)
Client Business Volume	414	419	335	24%
Net loans	44	46	42	6%
Net new assets	(6.7)	5.4	4.7	
Risk-weighted assets	31	32	31	-
Leverage exposure	85	88	83	3%

## Key messages

- Reported PTI of USD 273 mn included a total gain of USD 98 mn related to the equity investment in Allfunds Group
- Adjusted PTI excluding significant items of USD 178 mn, down 13%
- Net revenues were down 8%
  - Transaction-based revenues declined 22% with lower GTS and IBCM revenues, partially offset by significantly lower MtM losses<sup>2</sup> and improved private client activity
  - Substantially increased recurring commissions and fees, up 39% mainly reflecting higher mandate and fund volumes
  - NII broadly stable with lower deposit margins partially offset by growth in deposit volumes and increase in net loans
- Provision for credit losses of USD 6 mn, down from USD 90 mn in 2Q20
- Operating expenses increased 7%, reflecting hiring and other investments as well as an adverse FX impact from weakening of USD
- NNA outflows of USD 6.7 bn, including USD 4.2 bn relating to de-risking measures in 2Q21; client business volume increased 24%
- Continued discipline in capital management with QoQ reduction in RWA and leverage exposure

Note: Unless otherwise stated, all financial numbers presented and discussed are adjusted and exclude significant items. Results excluding certain items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see 2Q21 Supplemental Information presentation. All percentage changes and comparative descriptions refer to YoY measurements unless otherwise specified

<sup>†</sup> RoRC is a non-GAAP financial measure, see 2Q21 Supplemental Information presentation <sup>1</sup> Includes other revenues of USD 1 mn in 2Q21 and USD 1 mn in 2Q20 <sup>2</sup> 2Q21 mark-to-market losses of USD 7 mn (net of USD (8) mn of hedges). 2Q20 included mark-to-market losses of USD 45 mn (net of hedges of USD (75) mn)

# Asset Management

## Growth of recurring management fees driving PTI improvement

### Adjusted key financials

in CHF mn	2Q21	1Q21	2Q20	Δ 2Q20
Management fees	285	284	251	14%
Performance & placement rev.	66	73	48	38%
Investment & partnership income	53	29	62	(15)%
Net revenues	404	386	361	12%
Provision for credit losses	1	-	2	
Total operating expenses	297	269	275	8%
<b>Adj. pre-tax income</b>	<b>106</b>	<b>117</b>	<b>84</b>	<b>26%</b>
<b>Reported pre-tax income</b>	<b>104</b>	<b>115</b>	<b>84</b>	<b>24%</b>
<b>Adj. cost/income ratio</b>	<b>74%</b>	<b>70%</b>	<b>76%</b>	
<b>Adjusted return on regulatory capital<sup>†</sup></b>	<b>60%</b>	<b>69%</b>	<b>45%</b>	
<b>Reported return on regulatory capital<sup>†</sup></b>	<b>58%</b>	<b>68%</b>	<b>45%</b>	

### Key metrics

in CHF bn	2Q21	1Q21	2Q20	Δ 2Q20
Assets under management	471	458	424	11%
Net new assets	1.3	10.3	4.1	
Risk-weighted assets	10	9	10	(5)%
Leverage exposure	3	3	3	(21)%

### Key messages

- Pre-tax income of CHF 104 mn, up 24% resulting from the growth of recurring management fees reflecting higher AuM
- Net revenues up 12% reflecting increases in management fees and performance and placement revenues, partially offset by lower investment and partnership income
- Total operating expenses increased 8% driven by expenses related to the departure of an alternative investment fund team, the SCFF matter and the sale of a private equity investment in a fund as well as commission expenses, partially offset by lower discretionary compensation expenses
- NNA of CHF 1.3 bn driven by inflows into Index and Credit, partially offset by outflows in insurance-linked strategies; AuM up 11% benefitting from strong NNA of CHF 22.9 bn since 2Q20

Note: Unless otherwise stated, all financial numbers presented and discussed are adjusted and exclude significant items. Results excluding certain items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see 2Q21 Supplemental Information presentation. All percentage changes and comparative descriptions refer to YoY measurements unless otherwise specified

<sup>†</sup> RoRC is a non-GAAP financial measure, see 2Q21 Supplemental Information presentation

# Investment Bank

Results reflect the Archegos loss, Prime resizing and a less favorable trading environment

## Adjusted key financials excl. Archegos

in USD mn	2Q21	1Q21	2Q20	Δ 2020
Fixed income S&T	890	1,569	1,337	(33)%
Equity S&T	514	988	623	(17)%
Capital markets <sup>1</sup>	874	1,189	925	(6)%
Advisory and other fees	123	214	185	(34)%
Other <sup>2</sup>	(98)	(72)	(89)	
Net revenues	2,303	3,888	2,981	(23)%
Provision for credit losses	(61)	(89)	148	
o/w CECL-related	(58)	(73)	122	
Total operating expenses	1,763	1,778	1,854	(5)%
<b>Adj. pre-tax income excl. Archegos</b>	<b>601</b>	<b>2,199</b>	<b>979</b>	<b>(39)%</b>
Archegos loss <sup>3</sup>	653	4,707	-	
Other adjustments <sup>4</sup>	34	52	28	
<b>Reported pre-tax income</b>	<b>(86)</b>	<b>(2,560)</b>	<b>951</b>	<b>n/m</b>
<b>Adj. cost/income ratio excl. Archegos</b>	<b>77%</b>	<b>46%</b>	<b>62%</b>	
<b>Adj. RoRC<sup>†</sup> excl. Archegos</b>	<b>17%</b>	<b>59%</b>	<b>27%</b>	
<b>Reported return on regulatory capital<sup>†</sup></b>	<b>(2)%</b>	<b>(69)%</b>	<b>26%</b>	

## Key metrics

in USD bn	2Q21	1Q21	2Q20	Δ 2020
Risk-weighted assets	78	99	91	(13)%
Leverage exposure	329	371	343	(4)%

## Key messages

- Substantially reduced RWA, down USD 20 bn<sup>5</sup> QoQ, and leverage exposure, down USD 41 bn QoQ; delivered on Prime Services resizing
  - IB leverage exposure declined USD 41 bn or 11% QoQ, primarily due to Prime Services, achieving year-end target of at least USD 35 bn in reductions
  - IB RWA of USD 78 bn below end-2020 RWA of USD 88 bn
- Net revenues declined vs. strong 2Q20 results, reflecting disciplined risk reductions; net revenues increased 5% vs. 2Q19 highlighting strength of underlying franchise
  - Resilient fixed income revenues as continued outperformance in Securitized Products, particularly in our #1 ranked<sup>6</sup> Asset Finance franchise, was offset by lower Emerging Markets, Global Credit Products and Macro results compared to a record 2Q20
  - Capital Markets revenues declined 6% or increased 23% ex-Leveraged Finance MtM gains in 2Q20<sup>7</sup> as higher ECM and Leveraged Finance activity was offset by reduced DCM issuance
  - M&A declined due to timing of deal closings
  - Equity sales and trading revenues adversely impacted by significant de-risking in our Prime Brokerage and Prime Financing businesses
- Solid PTI of USD 601 mn benefitting from significant CECL releases due to the improved macroeconomic outlook and reduced compensation costs

Note: Unless otherwise stated, all financial numbers presented and discussed are adjusted and exclude the loss related to Archegos. Results excluding certain items included in our reported results are non-GAAP financial measures. For further details and reconciliation information, see 2Q21 Supplemental Information presentation. All percentage changes and comparative descriptions refer to YoY measurements unless otherwise specified  
 † RoRC is a non-GAAP financial measure, see 2Q21 Supplemental Information presentation  
 1 Includes DCM and ECM  
 2 Other revenues include treasury funding costs and changes in the carrying value of certain investments  
 3 Includes USD 542 mn in revenues losses, USD 77 mn in provisions and USD 34 mn in expenses  
 4 Includes restructuring, real estate disposals and major litigation  
 5 Includes the removal of the temporary regulatory RWA add-on for Archegos from 1Q21  
 6 Thomson Reuters as of June 30, 2021  
 7 Net revenues include MtM gains of USD 216 mn in 2Q20

