

Second quarter 2020 financial results

Highest first-half net income of CHF 2.5 billion in a decade¹

- 2Q20 pre-tax income of CHF 1.6 billion, up 19% year on year; net income attributable to shareholders of CHF 1.2 billion, up 24% year on year; net revenues of CHF 6.2 billion, up 11% year on year
- 2Q20 Return on Tangible Equity (RoTE) of 11.0%
- 1H20 pre-tax income of CHF 2.8 billion, up 16% year on year; net income attributable to shareholders of CHF 2.5 billion, up 47% year on year; net revenues of CHF 12 billion, up 9% year on year
- 1H20 RoTE of 12.0%
- CET1 ratio of 12.5% in 2Q20, up from 12.1% at the end of 1Q20, and Tier 1 leverage ratio of 6.2%² in 2Q20, up from 5.8% at the end of 1Q20
- Total Assets under Management (AuM) were CHF 1.4 trillion at the end of 2Q20
- Net New Assets (NNA) were CHF 9.8 billion for 2Q20, up compared to CHF 5.8 billion in 1Q20; NNA were CHF 15.6 billion for 1H20

Urs Rohner, Chairman of the Board of Directors of Credit Suisse Group AG, said:

“Thanks to our proven strategy, solid capital position and an agile and well-executed crisis response, Credit Suisse has been able to effectively address the challenges of the COVID-19 pandemic from a position of strength and deliver a very good 1H20 result. In light of the strong 1H20 performance, the Board of Directors expects to distribute the second half of the full dividend amount of CHF 0.2776 gross per share as originally proposed to shareholders for the financial year 2019, subject to approval by shareholders at an Extraordinary General Meeting (EGM) to be held on November 27, 2020, and subject to market and economic conditions.”

Thomas Gottstein, Chief Executive Officer of Credit Suisse Group AG, commented:

“In a continued volatile market environment, we delivered a strong performance. Despite persistent challenges caused by COVID-19, our employees again showed outstanding commitment and dedication. With an RoTE of 11.0% for the second quarter and 12.0% for the first six months 2020, we delivered on our pre-COVID-19 ambition to achieve an RoTE of approximately 10% for 2020, confirming the resilience of our integrated business model as a leading wealth manager with strong global investment banking capabilities. Amid the turbulent market environment, we were also able to improve our CET1 ratio in the second quarter to 12.5%. Having achieved strong results in the first half of the year, we would like to take this opportunity to reaffirm our strategy and to announce several structural changes, which we will implement going forward. The changes should allow us to extract significant potential to improve effectiveness and efficiency, navigate the current environment with the necessary far-sightedness, and to unlock additional growth potential in the future to the benefit of our clients.”

Credit Suisse Group (in CHF million)	2Q20	1Q20	2Q19	Δ2Q19		1H20	1H19	Δ1H19
Net revenues	6,194	5,776	5,581	11%		11,970	10,968	9%
Provision for credit losses	296	568	25	-		864	106	-
Total operating expenses	4,347	4,007	4,254	2%		8,354	8,498	(2)%
Pre-tax income	1,551	1,201	1,302	19%		2,752	2,364	16%
Net income attributable to shareholders	1,162	1,314	937	24%		2,476	1,686	47%
Return on tangible equity (%)	11.0	13.1	9.7	-		12.0	8.7	-

CET1 capital	37,346	36,332	36,394	3%		37,346	36,394	3%
CET1 ratio (%)	12.5	12.1	12.5	-		12.5	12.5	-
CET1 leverage ratio (%)³	4.5	4.2	4.1	-		4.5	4.1	-
Tier 1 leverage ratio (%)²	6.2	5.8	5.3	-		6.2	5.3	-

SUMMARY

As in the previous quarter, 2Q20 results were heavily influenced by the COVID-19 pandemic. Despite the resulting challenges and continued geopolitical difficulties, profitability significantly increased compared to 2Q19. Pre-tax income of CHF 1.6 billion was up 19% year on year, while net income attributable to shareholders increased by 24% year on year to CHF 1.2 billion, the highest second quarter in a decade. In 1H20, pre-tax income was CHF 2.8 billion, up 16% year on year, and net income attributable to shareholders was CHF 2.5 billion, up 47%, again the highest first six months result in a decade. We delivered positive operating leverage for the 15th consecutive quarter, with higher net revenues of CHF 6.2 billion, up 11% year on year, more than offsetting slightly higher total operating expenses of CHF 4.3 billion, up 2% year on year. 1H20 net revenues were CHF 12.0 billion, up 9% year on year, and total operating expenses were CHF 8.4 billion, down 2%. Our RoTE for 2Q20 was 11.0%, for 1H20 it was 12.0% and over the last twelve months it was 10.4%, all in excess of our pre-COVID-19 ambition of approximately 10% for 2020.

Our Private Banking businesses⁴ delivered a solid performance in 2Q20, with slightly lower net revenues, down 3% year on year, mainly reflecting stable transaction-based revenues, as well as lower recurring revenues, down 11%, and slightly lower net interest income, down 3%. For 1H20, net revenues were up 4% year on year. On an FX-adjusted basis, net revenues would have been stable in 2Q20⁵ and up 8% in 1H20⁶, year on year.

Total Investment Banking⁷ net revenues in 2Q20 were up 38% year on year, on a US dollar basis, benefitting from a diversified portfolio, with IBCM net revenues up 61% and Markets activities⁸ net revenues up 33% year on year. For 1H20, total Investment Banking⁷ net revenues were up 25% year on year, on a US dollar basis.

To reflect the challenging economic environment, we recorded CHF 296 million additional provision for credit losses in 2Q20, of which CHF 130 million were related to the recently implemented CECL methodology under US GAAP. In 1H20, we absorbed provision for credit losses of CHF 864 million, of which CHF 435 million were CECL-related. Our 1H20 provision for credit losses was 12 times higher than the average of the last ten years of first six months credit provisions, demonstrating both the degree

of challenges in the current environment but also the resilience of our integrated business model given the strong profitability.

We recorded NNA of CHF 9.8 billion across our businesses in 2Q20, with CHF 5.9 billion in IWM, CHF 4.5 billion in APAC and flat NNA in SUB. Our AuM were stable in 2Q20, compared to 1Q20, at CHF 1.4 trillion, with favorable market movements significantly offsetting negative foreign exchange-related effects. Total NNA for 1H20 were CHF 15.6 billion, with CHF 0.6 billion in SUB, CHF 9.7 billion in IWM and CHF 7.5 billion in APAC. Pure Private Banking⁴ NNA were CHF 4.7 billion in 2Q20 and CHF 7.2 billion for the first half 2020.

Our capital position at the end of 2Q20 remained strong, with a CET1 ratio of 12.5% compared to 12.1% at the end of 1Q20, as a result of our resilient and diversified business model as well as organic capital generation. Our Tier 1 leverage ratio was 6.2% at the end of 2Q20, up from 5.8% at the end of 1Q20, driven by higher Tier 1 capital and lower leverage exposure².

Following our successful restructuring and repositioning years and the strong 2Q20 results, Credit Suisse reaffirms its strategy as a leading wealth manager with strong global investment banking capabilities. We intend to launch a series of structural improvements and investment initiatives, delivering additional financial benefits for our shareholders for the coming years. The strategic update was announced separately this morning.

OUTLOOK

Our strong 2Q20 and first half results have confirmed the strength and resilience of our integrated business model, delivering double-digit return on tangible equity. While the scale of the adverse economic impact of the COVID-19 crisis and path to recovery is still difficult to assess, the US GAAP CECL approach to provisioning should generally lead to earlier recognition of potential credit losses. Moreover, a substantial proportion of our overall loan book is collateralized and our profitable and resilient operations in our Swiss home market have historically experienced low credit losses. While US dollar interest rate headwinds are likely to persist, we expect a more stable net interest income performance from our Swiss Franc-denominated business.

In recent months, capital markets have worked effectively to allow for refinancing of corporates around the world and we expect this trend to continue. Although elevated activity levels have subsided in our trading and transaction-based businesses, we expect volatility to persist and present opportunities to support our clients. We are accelerating the pace of change to make our organization even more effective in how we serve our clients and generate efficiencies for further growth investments and for our continued digitalization efforts across all of our divisions. We believe we are well prepared for further potential risks from COVID-19 as well as increased geopolitical uncertainties and can maintain a resilient financial performance and robust capital position through this challenging period.

CAPITAL DISTRIBUTION

In light of the strong 1H20 performance, we expect to distribute the full dividend amount of CHF 0.2776 gross per share as originally proposed to shareholders for the financial year 2019. To this end, the Board of Directors intends to propose a second dividend distribution equal to the first distribution of CHF 0.1388 gross per share for approval by shareholders at an EGM to be held on November 27, 2020, subject to market and economic conditions and according to the Ordinance of the Swiss Federal Council regarding measures on combatting the coronavirus.

The Board of Directors intends to review our 2020 share buyback program subsequent to the EGM, subject to market and economic conditions. In 1Q20, prior to the suspension of the program, we bought back 28.5 million shares for a total of CHF 325 million under the current program.

In the medium term, in a normalized environment, we expect to distribute at least 50% of our net income to our shareholders, subject to market and economic conditions. We continue to intend to sustainably increase our ordinary dividend by at least 5% per annum. To that end, we have been accruing for the 2020 dividend accordingly.

DETAILED DIVISIONAL SUMMARIES

Swiss Universal Bank (SUB)

SUB (in CHF million)	2Q20	1Q20	2Q19	Δ2Q19	1H20	1H19	Δ1H19
Net revenues	1,504	1,509	1,476	2%	3,013	2,855	6%
Provision for credit losses	30	124	10	-	154	39	-
Total operating expenses	787	796	812	(3)%	1,583	1,612	(2)%
Pre-tax income	687	589	654	5%	1,276	1,204	6%
Cost/income ratio (%)	52	53	55	-	53	56	-

In a challenging economic environment, SUB recorded a strong pre-tax income of CHF 687 million in 2Q20, up 5% year on year. Net revenues increased by 2% year on year to CHF 1.5 billion, including a gain from the revaluation of our equity investment in Pfandbriefbank⁹; during 2Q19, revenues reflected real estate gains and a special SIX dividend¹⁰. Higher revenues from our collaboration with Global Markets (GM) and International Wealth Management (IWM) – International Trading Solutions (ITS), as well as increased revenues in our ultra-high-net-worth client segment further contributed to our revenues. Total operating expenses were down 3% year on year in 2Q20; our ongoing cost discipline helped fund continued investments in digitalization and selected hires. As a result, the cost/income ratio in 2Q20 was 52%. Provision for credit losses of CHF 30 million was mostly driven by Private Clients, primarily related to our consumer finance business.

Private Clients generated pre-tax income of CHF 366 million in 2Q20, up 3% year on year. Net revenues of CHF 856 million increased by 3% year on year, driven by the Pfandbriefbank revaluation gain⁹ and increased revenues in our ultra-high-net-worth client segment. This was partially offset by lower recurring revenues, primarily relating to our investment in Swisscard; additionally, 2Q19 net revenues included real estate gains¹¹. AuM increased by 4% to CHF 202 billion compared to 1Q20, mainly due to favorable market developments. Net asset outflows of CHF 1.6 billion were partially driven by deleveraging in our ultra-high-net-worth client segment.

Corporate & Institutional Clients reported pre-tax income of CHF 321 million, up 8% year on year. Net revenues were stable year on year, with higher revenues from ITS and our Swiss investment banking business as well as higher fees from lending activities, which helped to offset decreased revenues from our foreign exchange business. AuM of CHF 427 billion increased by 5% compared to 1Q20. NNA in 2Q20 were CHF 1.6 billion, reflecting positive momentum in our pension fund business.

International Wealth Management (IWM)

IWM (in CHF million)	2Q20	1Q20	2Q19	Δ2Q19	1H20	1H19	Δ1H19
Net revenues	1,274	1,502	1,369	(7)%	2,776	2,786	-
Provision for credit losses	35	39	9	-	74	19	-
Total operating expenses	891	926	916	(3)%	1,817	1,800	1%
Pre-tax income	348	537	444	(22)%	885	967	(8)%
Cost/income ratio (%)	70	62	67	-	66	65	-

IWM's results in 2Q20 continued to be supported by higher levels of client activity, which was offset by certain adverse market impacts and higher credit provisions. Pre-tax income in 2Q20 decreased 22% year on year to CHF 348 million, with net revenues down 7% and higher credit provisions, partially offset by lower operating expenses, down 3% year on year. IWM recorded a return on regulatory capital of 21% and solid NNA of CHF 5.9 billion for 2Q20.

Private Banking recorded pre-tax income of CHF 268 million in 2Q20, down 21% year on year, affected by higher credit provisions and lower net revenues of CHF 919 million in 2Q20, down 7% year on year. Net revenues benefitted from higher client activity, which was more than offset by lower net interest income and recurring commissions and fees. Within transaction- and performance-based revenues, significantly higher brokerage and structured product issuance fees benefitted from higher industry-wide transaction volumes and proactive client engagement. Net interest income in part reflected the impact of further reductions in US dollar interest rates. Recurring commissions and fees declined in line with AuM, which were negatively impacted by FX movements. NNA stood at CHF 1.8 billion with solid contributions from emerging markets and Europe, bringing the half year 2020 total to CHF 5.5 billion at an annualized growth rate of 3%.

Asset Management's pre-tax income in 2Q20 decreased 23% year on year to CHF 80 million, with a 7% decline in net revenues and stable operating expenses. Lower revenues mainly reflect decreased management fees, primarily due to a reduction in real estate-related transaction fees. Performance and placement revenues and investment and partnership income in 2Q20 included unrealized gains of CHF 20 million on seed money investments, partially recovering unrealized losses in 1Q20. NNA of CHF 4.1 billion in 2Q20, reflecting strong institutional inflows, driven by Index Solutions and Credit.

Asia Pacific (APAC)

APAC (in CHF million)	2Q20	1Q20	2Q19	Δ2Q19	1H20	1H19	Δ1H19
Net revenues	1,064	1,025	913	17%	2,089	1,767	18%
Provision for credit losses	81	97	(1)	-	178	16	-
Total operating expenses	685	676	677	1%	1,361	1,331	2%
Pre-tax income	298	252	237	26%	550	420	31%
Cost/income ratio (%)	64	66	74	-	65	75	-

APAC delivered pre-tax income of CHF 298 million in 2Q20, a record since the formation of the division and up 26% year on year, with strong revenues of CHF 1.1 billion, up 17% year on year. These results were supported by higher performance in both our Markets business and our advisory, underwriting and financing business within Wealth Management & Connected (WM&C). Operating expenses for APAC in 2Q20 were stable year on year. APAC delivered a return on regulatory capital of 22% in 2Q20 and a cost/income ratio of 64%. In APAC, we recorded provision for credit losses of CHF 81 million.

WM&C reported pre-tax income of CHF 123 million in 2Q20, down 43% year on year and impacted by a provision for credit losses of CHF 79 million. Our Private Banking revenues were down 6% year on year, driven by lower recurring commissions and fees and lower net interest income. In 2Q20, we recorded AuM of CHF 216 billion and generated strong NNA of CHF 4.5 billion, supported by deposit inflows from Japan, Southeast Asia and Greater China. Advisory, underwriting and financing revenues for the quarter were up 9% year on year, reflecting higher equity-related activities. Unrealized mark-to-market gains on the fair valued lending portfolio in financing were offset by hedge losses. APAC advisory, underwriting and financing ranked as number 1 in terms of share of wallet in the first half of 2020¹², continuing our market leadership from 2019.

Markets delivered strong pre-tax income of USD 182 million in 2Q20, compared to pre-tax income of USD 21 million in 2Q19. Net revenues were up 60% year on year, supported by higher client activity across both equity and fixed income sales and trading. Equity sales and trading revenues were up 23% year on year, with a strong performance in equity derivatives and cash equities. Fixed income sales and trading revenues were up by 151% year on year, driven by emerging markets rates, credit and FX products.

Investment Banking & Capital Markets (IBCM)

IBCM (in USD million)	2Q20	1Q20	2Q19	Δ2Q19	1H20	1H19	Δ1H19
Net revenues	732	189	455	61%	921	812	13%
Provision for credit losses	69	161	0	-	230	8	-
Total operating expenses	451	420	447	1%	871	890	(2)%
Pre-tax income/loss	212	(392)	8	-	(180)	(86)	-
Cost/income ratio (%)	62	222	98	-	95	110	-

IBCM reported net revenues of USD 732 million for 2Q20, up 61% year on year, driven by strong client activity across debt and equity underwriting and advisory, despite the global market disruption that continued throughout the quarter. We reported pre-tax income of USD 212 million, compared to pre-tax income of USD 8 million in 2Q19. Total operating expenses were slightly up year on year at USD 451 million. We recorded provision for credit losses of USD 69 million in 2Q20, reflecting the impact of macroeconomic factors under the recently implemented CECL methodology.

Advisory revenues were up 21% year on year at USD 193 million, reflecting strong conversions of announced deals, including the closings of several large deals during the quarter. Advisory revenues were up significantly compared to the Street¹³, which was down 22% year on year.

Equity underwriting revenues were up 65% year on year at USD 183 million, driven by strong follow-on and convertible performance. Equity underwriting revenues were in line with the Street's performance, which was up 63% year on year¹³. Credit Suisse ranked number 1 in global IPOs for both the second quarter and the first half of 2020, a position which we last held in 2001¹⁴.

Debt underwriting revenues were up 83% year on year at USD 387 million, primarily driven by mark-to-market gains on leveraged finance underwriting commitments, strong revenues from investment grade debt issuance and net gains on hedges for our corporate derivatives portfolio. We reported a 73% recovery of our first quarter's mark-to-market losses of USD 147 million in our leveraged finance underwriting portfolio, led by improved credit and large successful syndications.

In terms of strategic initiatives, IBCM recently formed an Environmental, Social and Governance (ESG) Advisory Group tasked with capturing future investment banking opportunities through the identification of new high-growth clients that are addressing global ESG challenges as well as advising existing clients on sustainable growth and finance opportunities.

Global Markets (GM)

GM (in USD million)	2Q20	1Q20	2Q19	Δ2Q19	1H20	1H19	Δ1H19
Net revenues	1,979	1,689	1,553	27%	3,668	3,031	21%
Provision for credit losses	80	156	2	-	236	13	-
Total operating expenses	1,284	1,191	1,192	8%	2,475	2,376	4%
Pre-tax income/loss	615	342	359	71%	957	642	49%
Cost/income ratio (%)	65	71	77	-	68	78	-

GM achieved pre-tax income of USD 615 million, up 71% year on year, with a return on regulatory capital of 17%, in 2Q20. Our diversified client franchise delivered the best second quarter revenue performance since 2015, highlighting the strength of our de-risked business model. Net revenues of USD 2 billion in 2Q20 increased 27% year on year, driven by strong fixed income sales and trading results and increased underwriting activity as well as constructive market conditions. Total operating expenses in 2Q20 increased 8% year on year reflecting increased compensation and benefits and higher revenue related expenses, partially offset by continued efficiency savings. Additionally, we recorded provision for credit losses of USD 80 million, primarily reflecting the impact of macroeconomic factors under the recently implemented CECL methodology.

Fixed income¹⁵ revenues of USD 1.5 billion in 2Q20 increased 42% year on year, driven by higher trading and financing activity and market share gains¹⁶ across credit, macro and emerging markets products. In addition, results benefitted from a 73% recovery of unrealized mark-to-market losses of USD 147 million in leveraged finance incurred in 1Q20.

Equities¹⁷ revenues of USD 572 million in 2Q20 were stable year on year, with increasing market share in cash equities trading¹⁸ and underwriting¹⁹.

We continue to see strong momentum in our ITS business driven by increased collaboration with IWM and SUB to serve our wealth management, institutional and corporate clients.

ONGOING COMMITMENT TO SOCIETY AND SUSTAINABILITY

The safety of our employees, clients and communities remained the highest priority in 2020. During the pandemic, we have enabled 90% of our staff globally to work from home and we have offered free antibody testing to our employees. So far, more than 6,000 tests have been conducted in Switzerland, with a global roll-out now under preparation. We continued to offer paid family leave until schools reopened, and launched an initiative in July to explore new ways of working, with Switzerland being the first trial market of a broader study.

Credit Suisse continued to play a critical role in the bridging loan solution for Swiss companies that was introduced on March 25, 2020. Since the start of the Swiss SME support program and shortly before its official expiration, we granted around 16,500 COVID-19 bridging loans with a total volume of approximately CHF 3.2 billion as of today.

Credit Suisse's global donation matching campaign, encouraging employee donations to charities, including those working to alleviate the impact of the COVID-19 pandemic and to support those affected by inequality, raised CHF 25 million, benefiting 1,400 charitable organizations. Also, in response to the challenges brought about by the COVID-19 pandemic, Credit Suisse offers ongoing support to its non-profit partner organizations by providing flexibility in how grants are spent, including providing some emergency funding to partners in the US and India. Additionally, where possible, employee volunteering assignments have been and are being shifted to virtual settings.

Our Impact Advisory and Finance (IAF) Department continued to drive key initiatives to further the bank's sustainable and impact investing agenda in 2Q20. Over the quarter, Credit Suisse was involved in the issuance of over USD 5.5 billion of green bonds²⁰. Furthermore, in May, Credit Suisse announced the successful pricing of its inaugural green bond, which raised EUR 500 million in proceeds to be allocated to eligible green projects or assets as defined by our Green Finance Framework.

In June, Credit Suisse Asset Management and IAF launched the Credit Suisse (Lux) Environmental Impact Equity Fund, which will invest in publicly traded, mostly small and mid-cap companies that provide products, services and technologies aimed at solving the most pressing environmental challenges such as climate change, pollution and natural resource depletion. Also in June, Credit Suisse became a member of the International Corporate Governance Network, an investor-led organization that promotes best standards of corporate governance and investor stewardship, globally. Additionally, Credit Suisse published its annual International Finance Corporation Operating Principles for Impact Management disclosure statement.

Finally, the bank sponsored the Asian Venture Philanthropy Network (virtual) conference in APAC, showcasing Credit Suisse's contributions to collective impact, shared learning and capacity building in the region.

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The Financial Report and Presentation Slides for 2020 are available to download from 7:00 CEST today at: <https://www.credit-suisse.com/results>

PRESENTATION OF 2Q20 RESULTS – THURSDAY, JULY 30, 2020

Event Time	Analyst Call	Media Call
	08:00 Zurich 07:00 London 02:00 New York	10:30 Zurich 09:30 London 04:30 New York
Language	English	English
Access	Switzerland: +41 44 580 48 67 Europe: +44 203 057 6528 US: +1 866 276 8933	Switzerland: +41 44 580 48 67 Europe: +44 203 057 6528 US: +1 866 276 8933
	Reference: Credit Suisse Analysts and Investors Call	Reference: Credit Suisse Media Call
	Conference ID: 1847265	Conference ID: 8985759
	Please dial in 10 minutes before the start of the call	Please dial in 10 minutes before the start of the call
	Webcast link here .	Webcast link here .
Q&A Session	Following the presentation, you will have the opportunity to ask the speakers questions	Following the presentation, you will have the opportunity to ask the speakers questions
Playback	Replay available approximately one hour after the event	Replay available approximately one hour after the event
	Switzerland: +41 44 580 40 26 Europe: +44 333 300 9785 US: +1 917 677 7532	Switzerland: +41 44 580 40 26 Europe: +44 333 300 9785 US: +1 917 677 7532
	Conference ID: 1847265	Conference ID: 8985759

Note: Our 2Q20 results include a gain of CHF 134 million related to the revaluation of our equity investment in Pfandbriefbank. Our 1Q20 and 3Q19 results include gains of CHF 268 million and CHF 327 million, respectively, related to the transfer of the InvestLab fund platform to Allfunds Group. Our 4Q19 results include a gain of CHF 498 million related to the revaluation of our equity investment in SIX Group AG.

Footnotes

- ¹ Refers to net income attributable to shareholders
- ² Including cash held at central banks, our Tier 1 leverage ratio would have been 5.5% for 2Q20 and 5.3% for 1Q20
- ³ Including cash held at central banks, our CET1 leverage ratio would have been 4.0% for 2Q20 and 3.8% for 1Q20
- ⁴ Includes Private Clients in SUB, Private Banking in IWM and APAC Private Banking within Wealth Management & Connected
- ⁵ Excludes CHF (85) million of negative FX impact in 2Q20; underlying revenue base at constant 1H19 average FX rates, applying a straight line average of monthly rates
- ⁶ Excludes CHF (165) million of negative FX impact in 1H20; underlying revenue base at constant 1H19 average FX rates, applying a straight line average of monthly rates
- ⁷ Includes Global Markets, APAC Markets and Investment Banking & Capital Markets
- ⁸ Includes Global Markets and APAC Markets
- ⁹ Gains from a Pfandbriefbank revaluation of CHF 134 million in Private Clients other revenues in 2Q20
- ¹⁰ Real estate gains of CHF 87 million in Private Clients other revenues and a special SIX dividend of CHF 29 million in transaction-based revenues in 2Q19
- ¹¹ Real estate gains of CHF 87 million in other revenues in 2Q19
- ¹² Source: Dealogic for the period ending June 30, 2020 (APAC excluding Japan and China onshore among International banks)
- ¹³ Source: Dealogic for the period ending June 30, 2020 (Americas and EMEA only)
- ¹⁴ Source: Dealogic for the period ending June 30, 2020 (Global)
- ¹⁵ Includes Fixed Income Sales and Trading and Underwriting revenues
- ¹⁶ Source: Dealogic as of June 30, 2020 (Americas and EMEA only) and Bloomberg as of June 30, 2020
- ¹⁷ Includes Equity Sales and Trading and Underwriting revenues
- ¹⁸ Source: Third Party competitive analysis 1Q20 vs. 1Q19
- ¹⁹ Source: Dealogic as June 30, 2020 (Americas and EMEA only)
- ²⁰ Source: Bloomberg, April 1, 2020 – June 30, 2020, Americas and EMEA

Abbreviations

APAC – Asia Pacific; AuM – assets under management; BIS – Bank for International Settlements; CECL – US GAAP accounting standard for current expected credit losses; CET1 – common equity tier 1; CHF – Swiss francs; C&I – Corporate & Institutional Clients; EGM – Extraordinary General Meeting; ESG – Environmental, Social and Governance; FINMA – Swiss Financial Market Supervisory Authority FINMA; FX – Foreign Exchange; GAAP – Generally accepted accounting principles; GM – Global Markets; IAF – Impact Advisory and Finance; IBCM – Investment Banking & Capital Markets; IPO – Initial Public Offering; ITS – International Trading Solutions; IWM – International Wealth Management; NNA – net new assets; PB – Private Banking; PC – Private Clients; RoTE – Return on Tangible Equity; RWA – risk weighted assets; SEC – U.S. Securities and Exchange Commission; SIX – Swiss Stock Exchange; SME – Small and Medium Enterprises; SUB – Swiss Universal Bank; USD – US dollar; WM&C – Wealth Management & Connected.

Important information

This document contains select information from the full 2Q20 Financial Report and 2Q20 Results Presentation slides that Credit Suisse believes is of particular interest to media professionals. The complete 2Q20 Financial Report and 2Q20 Results Presentation slides, which have been distributed simultaneously, contain more comprehensive information about our results and operations for the reporting quarter, as well as important information about our reporting methodology and some of the terms used in these documents. The complete 2Q20 Financial Report and 2Q20 Results Presentation slides are not incorporated by reference into this document.

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.

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.

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. 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. 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. Management believes that return on tangible equity is meaningful as it is a measure used and relied upon by industry analysts and investors to assess valuations and capital adequacy. For end-2Q20, tangible shareholders' equity excluded goodwill of CHF 4,676 million and other intangible assets of CHF 273 million from total shareholders' equity of CHF 46,535 million as presented in our balance sheet. For end-1Q20, tangible shareholders' equity excluded goodwill of CHF 4,604 million and other intangible assets of CHF 279 million from total shareholders' equity of CHF 48,675 million as presented in our balance sheet. For end-4Q19, tangible shareholders' equity excluded goodwill of CHF 4,663 million and other intangible assets of CHF 291 million from total shareholders' equity of CHF 43,644 million as presented in our balance sheet. For end-3Q19, tangible shareholders' equity excluded goodwill of CHF 4,760 million and other intangible assets of CHF 219 million from total shareholders' equity of CHF 45,150 million as presented in our balance sheet.

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

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, 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.

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

Generic references to profit and costs in this document refer to pre-tax income and operating expenses, respectively. When we refer to operating divisions throughout this document, we mean SUB, IWM, APAC, IBCM and GM. References to Private Banking mean SUB PC, IWM PB and APAC PB within WM&C or their combined results. References to Investment Banking mean GM, IBCM, APAC Markets or their combined results.

Investors and others should note that we announce material information (including quarterly earnings releases and financial reports) to the investing public using press releases, SEC and Swiss ad hoc filings, our website and public conference calls and webcasts. We intend to also use our Twitter account @creditsuisse (<https://twitter.com/creditsuisse>) to excerpt key messages from our public disclosures, including earnings releases. We may retweet such messages through certain of our regional Twitter accounts, including @csschweiz (<https://twitter.com/csschweiz>) and @csapac (<https://twitter.com/csapac>). Investors and others should take care to consider such abbreviated messages in the context of the disclosures from which they are excerpted. The information we post on these Twitter accounts is not a part of this document.

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

Certain material in this document 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.

Appendix

Key metrics

	in / end of			% change		in / end of			% change
	2Q20	1Q20	2Q19	QoQ	YoY	6M20	6M19	YoY	
Credit Suisse Group results (CHF million)									
Net revenues	6,194	5,776	5,581	7	11	11,970	10,968	9	
Provision for credit losses	296	568	25	(48)	–	864	106	–	
Compensation and benefits	2,594	2,316	2,545	12	2	4,910	5,063	(3)	
General and administrative expenses	1,440	1,346	1,395	7	3	2,786	2,808	(1)	
Commission expenses	313	345	314	(9)	–	658	627	5	
Total other operating expenses	1,753	1,691	1,709	4	3	3,444	3,435	0	
Total operating expenses	4,347	4,007	4,254	8	2	8,354	8,498	(2)	
Income before taxes	1,551	1,201	1,302	29	19	2,752	2,364	16	
Net income attributable to shareholders	1,162	1,314	937	(12)	24	2,476	1,686	47	
Statement of operations metrics (%)									
Return on regulatory capital	14.5	10.8	11.6	–	–	12.6	10.6	–	
Balance sheet statistics (CHF million)									
Total assets	828,480	832,166	784,216	0	6	828,480	784,216	6	
Risk-weighted assets	299,293	300,580	290,798	0	3	299,293	290,798	3	
Leverage exposure	836,755	869,706	897,916	(4)	(7)	836,755	897,916	(7)	
Assets under management and net new assets (CHF billion)									
Assets under management	1,443.4	1,370.5	1,455.7	5.3	(0.8)	1,443.4	1,455.7	(0.8)	
Net new assets	9.8	5.8	22.9	69.0	(57.2)	15.6	57.5	(72.9)	
Basel III regulatory capital and leverage statistics (%)									
CET1 ratio	12.5	12.1	12.5	–	–	12.5	12.5	–	
CET1 leverage ratio	4.5	4.2	4.1	–	–	4.5	4.1	–	
Tier 1 leverage ratio	6.2	5.8	5.3	–	–	6.2	5.3	–	

Swiss Universal Bank

	in / end of		% change		in / end of		% change	
	2Q20	1Q20	2Q19	QoQ	YoY	6M20	6M19	YoY
Results (CHF million)								
Net revenues	1,504	1,509	1,476	0	2	3,013	2,855	6
of which Private Clients	856	798	828	7	3	1,654	1,570	5
of which Corporate & Institutional Clients	648	711	648	(9)	0	1,359	1,285	6
Provision for credit losses	30	124	10	(76)	200	154	39	295
Total operating expenses	787	796	812	(1)	(3)	1,583	1,612	(2)
Income before taxes	687	589	654	17	5	1,276	1,204	6
of which Private Clients	366	311	356	18	3	677	629	8
of which Corporate & Institutional Clients	321	278	298	15	8	599	575	4
Metrics (%)								
Return on regulatory capital	20.3	17.7	20.1	–	–	19.0	18.6	–
Cost/income ratio	52.3	52.8	55.0	–	–	52.5	56.5	–
Private Clients								
Assets under management (CHF billion)	201.8	194.8	214.7	3.6	(6.0)	201.8	214.7	(6.0)
Net new assets (CHF billion)	(1.6)	(4.2)	1.2	–	–	(5.8)	4.5	–
Gross margin (annualized) (bp)	171	151	156	–	–	161	150	–
Net margin (annualized) (bp)	73	59	67	–	–	66	60	–
Corporate & Institutional Clients								
Assets under management (CHF billion)	427.4	405.3	410.7	5.5	4.1	427.4	410.7	4.1
Net new assets (CHF billion)	1.6	4.8	8.9	–	–	6.4	36.5	–

International Wealth Management

	in / end of		% change		in / end of		% change	
	2Q20	1Q20	2Q19	QoQ	YoY	6M20	6M19	YoY
Results (CHF million)								
Net revenues	1,274	1,502	1,369	(15)	(7)	2,776	2,786	0
of which Private Banking	919	1,061	989	(13)	(7)	1,980	2,008	(1)
of which Asset Management	355	441	380	(20)	(7)	796	778	2
Provision for credit losses	35	39	9	(10)	289	74	19	289
Total operating expenses	891	926	916	(4)	(3)	1,817	1,800	1
Income before taxes	348	537	444	(35)	(22)	885	967	(8)
of which Private Banking	268	375	340	(29)	(21)	643	742	(13)
of which Asset Management	80	162	104	(51)	(23)	242	225	8
Metrics (%)								
Return on regulatory capital	21.4	33.9	28.9	–	–	27.6	32.2	–
Cost/income ratio	69.9	61.7	66.9	–	–	65.5	64.6	–
Private Banking								
Assets under management (CHF billion)	344.5	327.7	363.1	5.1	(5.1)	344.5	363.1	(5.1)
Net new assets (CHF billion)	1.8	3.7	5.5	–	–	5.5	6.8	–
Gross margin (annualized) (bp)	109	119	109	–	–	114	111	–
Net margin (annualized) (bp)	32	42	37	–	–	37	41	–
Asset Management								
Assets under management (CHF billion)	423.8	409.6	414.0	3.5	2.4	423.8	414.0	2.4
Net new assets (CHF billion)	4.1	0.1	8.6	–	–	4.2	8.1	–

Asia Pacific

	in / end of			% change		in / end of		
	2Q20	1Q20	2Q19	QoQ	YoY	6M20	6M19	YoY
Results (CHF million)								
Net revenues	1,064	1,025	913	4	17	2,089	1,767	18
of which Wealth Management & Connected	605	577	614	5	(1)	1,182	1,179	0
of which Markets	459	448	299	2	54	907	588	54
Provision for credit losses	81	97	(1)	(16)	–	178	16	–
Total operating expenses	685	676	677	1	1	1,361	1,331	2
Income before taxes	298	252	237	18	26	550	420	31
of which Wealth Management & Connected	123	85	216	45	(43)	208	386	(46)
of which Markets	175	167	21	5	–	342	34	–
Metrics (%)								
Return on regulatory capital	21.8	17.9	17.0	–	–	19.7	15.3	–
Cost/income ratio	64.4	66.0	74.2	–	–	65.2	75.3	–
Wealth Management & Connected – Private Banking								
Assets under management (CHF billion)	215.8	197.0	214.5	9.5	0.6	215.8	214.5	0.6
Net new assets (CHF billion)	4.5	3.0	2.5	–	–	7.5	6.3	–
Gross margin (annualized) (bp)	79	101	80	–	–	90	78	–
Net margin (annualized) (bp)	26	48	30	–	–	38	28	–

Global Markets

	in / end of			% change		in / end of		
	2Q20	1Q20	2Q19	QoQ	YoY	6M20	6M19	YoY
Results (CHF million)								
Net revenues	1,901	1,630	1,553	17	22	3,531	3,025	17
Provision for credit losses	77	150	2	(49)	–	227	13	–
Total operating expenses	1,233	1,150	1,194	7	3	2,383	2,373	0
Income before taxes	591	330	357	79	66	921	639	44
Metrics (%)								
Return on regulatory capital	17.3	9.6	11.0	–	–	13.8	10.0	–
Cost/income ratio	64.9	70.6	76.9	–	–	67.5	78.4	–

Investment Banking & Capital Markets

	in / end of			% change		in / end of		
	2Q20	1Q20	2Q19	QoQ	YoY	6M20	6M19	YoY
Results (CHF million)								
Net revenues	702	183	454	284	55	885	810	9
Provision for credit losses	67	155	1	(57)	–	222	9	–
Total operating expenses	433	406	447	7	(3)	839	888	(6)
Income/(loss) before taxes	202	(378)	6	–	–	(176)	(87)	102
Metrics (%)								
Return on regulatory capital	23.8	(43.4)	0.8	–	–	(10.3)	(4.7)	–
Cost/income ratio	61.7	221.9	98.5	–	–	94.8	109.6	–

Global advisory and underwriting revenues

	in			% change		in		
	2Q20	1Q20	2Q19	QoQ	YoY	6M20	6M19	YoY
Global advisory and underwriting revenues (USD million)								
Advisory and other fees	245	189	208	30	18	434	379	15
Debt underwriting	737	65	463	–	59	802	923	(13)
Equity underwriting	438	164	253	167	73	602	391	54
Global advisory and underwriting revenues	1,420	418	924	240	54	1,838	1,693	9

Cautionary statement regarding forward-looking information

This document contains statements that constitute forward-looking statements. In addition, in the future we, and others on our behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the following:

- our plans, targets or goals;
- our future economic performance or prospects;
- the potential effect on our future performance of certain contingencies; and
- assumptions underlying any such statements.

Words such as “believes,” “anticipates,” “expects,” “intends” and “plans” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. We do not intend to update these forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, targets, goals, expectations, estimates and intentions expressed in such forward-looking statements. These factors include:

- the ability to maintain sufficient liquidity and access capital markets;
- market volatility and interest rate fluctuations and developments affecting interest rate levels, including the persistence of a low or negative interest rate environment;
- the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations, in particular the risk of negative impacts of COVID-19 on the global economy and financial markets and the risk of continued slow economic recovery or downturn in the EU, the US or other developed countries or in emerging markets in 2020 and beyond;
- the emergence of widespread health emergencies, infectious diseases or pandemics, such as COVID-19, and the actions that may be taken by governmental authorities to contain the outbreak or to counter its impact on our business;
- potential risks and uncertainties relating to the severity of impacts from COVID-19 and the duration of the pandemic, including potential material adverse effects on our business, financial condition and results of operations;
- the direct and indirect impacts of deterioration or slow recovery in residential and commercial real estate markets;
- adverse rating actions by credit rating agencies in respect of us, sovereign issuers, structured credit products or other credit-related exposures;
- the ability to achieve our strategic goals, including those related to our targets, ambitions and financial goals;
- the ability of counterparties to meet their obligations to us and the adequacy of our allowance for credit losses;

- the effects of, and changes in, fiscal, monetary, exchange rate, trade and tax policies, as well as currency fluctuations;
- political, social and environmental developments, including war, civil unrest or terrorist activity and climate change;
- the ability to appropriately address social, environmental and sustainability concerns that may arise from our business activities;
- the effects of, and the uncertainty arising from, the UK’s withdrawal from the EU;
- the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations;
- operational factors such as systems failure, human error, or the failure to implement procedures properly;
- the risk of cyber attacks, information or security breaches or technology failures on our business or operations;
- the adverse resolution of litigation, regulatory proceedings and other contingencies;
- actions taken by regulators with respect to our business and practices and possible resulting changes to our business organization, practices and policies in countries in which we conduct our operations;
- the effects of changes in laws, regulations or accounting or tax standards, policies or practices in countries in which we conduct our operations;
- the expected discontinuation of LIBOR and other interbank offered rates and the transition to alternative reference rates;
- the potential effects of changes in our legal entity structure;
- competition or changes in our competitive position in geographic and business areas in which we conduct our operations;
- the ability to retain and recruit qualified personnel;
- the ability to maintain our reputation and promote our brand;
- the ability to increase market share and control expenses;
- technological changes instituted by us, our counterparties or competitors;
- the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users;
- acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets; and
- other unforeseen or unexpected events and our success at managing these and the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, including the information set forth in “Risk factors” in *I – Information on the company* in our Annual Report 2019 and in “Risk factor” in *I – Credit Suisse* in our 1Q20 Financial Report.