

Check against delivery

Speech by Thomas Gottstein Chief Executive Officer

Thank you, Mr. Chairman.

Dear shareholders

I am also very pleased to welcome you to the first-ever virtual Annual General Meeting in Credit Suisse's history. I regret that the current situation does not allow me to stand before you today in the Hallenstadion and address you in person. I look forward to remedying this at our next event.

Today is the first opportunity for me to thank you for the trust you have shown as shareholders. I have worked for Credit Suisse for 21 years now, and during that time, I have come to know every aspect of the bank – experiencing both its highs and lows. It is a privilege for me to have served as the Group Chief Executive Officer since February 14, 2020.

My overriding priority is to create sustainable value for you, our shareholders, as well as for our other stakeholders. The solid foundations that we have built in recent years will support us in these efforts. Our clear and consistent strategy of being a leading international wealth manager with strong investment banking capabilities is a promising model for success and we remain committed to it going forward.

I would like to take the opportunity provided by today's Annual General Meeting to present you with details of the bank's performance in the first quarter of this year. In the second part of my speech, I will then explain the efforts that we are taking to mitigate the economic impacts of the pandemic, particularly in our Swiss home market.

I. 1Q20 performance

Let's begin by looking at the income statement. The coronavirus pandemic presents a major challenge to the global economy and numerous sectors. This also applies to banks, as the economic harm inflicted by the pandemic will eventually also be reflected in their balance sheets. However, our results for the first quarter demonstrate that our business model can be successful even in a difficult market environment and that our shareholders and clients can depend on us.

In this challenging environment, we generated net income of CHF 1.3 billion. This is our highest quarterly result in the last five years, and it represents an increase of 75% year on year. Six factors contributed to this result:

Point 1: Net revenues rose by 7%, partly reflecting a 7% improvement in our wealth management businesses¹. Net revenues in trading² also rose by 22% on a US dollar basis, driven by high volumes and volatility resulting from financial market dislocation. In contrast to these increases in net revenues, we saw a sharp decline in net revenues in the Investment Banking & Capital Markets division, which were down by 47% on a US dollar basis due to a significant decrease in underwriting volumes in the capital market business and a decline in M&A activities.

Point 2: Due to the anticipated global economic recession, we have created a reserve build totaling just over CHF 1 billion. This includes provisions for specific and general credit losses of CHF 568 million, and CHF 444 million for unrealized write-downs on the market valuations of certain credit positions.

Point 3: We succeeded in reducing operating expenses by 6% from CHF 4.2 billion to around CHF 4.0 billion.

Point 4: Overall, this resulted in pre-tax income of CHF 1.2 billion, corresponding to an increase of 13% year on year, despite the above-mentioned reserve build of just over CHF 1 billion.

Point 5: After several quarters of relatively high tax rates, Credit Suisse Group benefited from a net tax credit totaling CHF 110 million in the first quarter of 2020. This tax credit reflects improved interest deductibility for tax purposes as well as the revision of the prior estimate relating to the US tax reform.

Point 6: The resulting return on tangible equity was 13.1%, corresponding to an increase of 5 percentage points compared to 8% in the first quarter of 2019.

Our capital position, with a CET1 ratio of 12.1% at the end of the quarter, remained strong, despite the increase in risk-weighted assets due to higher market volatility, significant corporate lending drawdowns, and the ongoing implementation of the Basel III reforms.

Our Tier 1 leverage ratio at the end of the first quarter stood at 5.8%³, compared to 5.5% at the end of the prior quarter; here we benefited from the decision by FINMA to temporarily allow banks to calculate the leverage ratio without central bank reserves.

Tangible book value per share was CHF 18.25 as per the end of the quarter.

II. Measures taken by Credit Suisse in response to the pandemic

In the second part of my speech, I would like to discuss the measures that we have taken in connection with an issue that is particularly important to me: the health and wellbeing of our around 48,500 employees worldwide. Thanks to our digital infrastructure, approximately 90% are able to work from home, and around 70% are actively making use of this option. For those employees whose activities do not allow them to work from home, such as our branch staff, we have put in place special protective measures to safeguard both them and our clients.

In addition, we are providing employees who have to stay at home to look after their children or other family members with paid family leave. We have observed that employees greatly appreciate this option and are making sensible use of it, thus underscoring their sense of responsibility towards Credit Suisse as an employer. This offer will be valid until schools in the corresponding countries are reopened.

I would also like to highlight the launch of our fundraising initiative in mid-April through which employees can donate to a charitable institution of their choice. Credit Suisse has pledged to match their contributions. The members of the Executive Board have also committed to donating 20% of their six months' base salary. Our Chairman will donate to a similar extent.

As you all know, our economy faces a number of serious challenges. Small and medium-sized enterprises, which form the backbone of the Swiss economy, are especially affected.

Credit Suisse wants to be the leading "Bank for Entrepreneurs". It was therefore clear to us from the start that together with the federal authorities, led by Federal Councilor Ueli Maurer, the Swiss National Bank, FINMA, and other Swiss banks, we would have to deliver a rapid and effective solution to support the Swiss economy during this crisis.

The government-backed bridging credit facilities announced by the Swiss Federal Council on March 20, 2020, have a key role to play in this context. Our clients indicated that the rapid granting of these loans is crucial if they are to survive this crisis despite the loss of income it has triggered. In response to this call for support, we mobilized all our capabilities in the form of several hundred employees.

The SME financing program was implemented within just a few days, and it went live on March 26. The demand was so great that the program volume had to be increased from a total of CHF 20 billion to CHF 40 billion on April 3. As of April 27, Credit Suisse had granted loans amounting to around CHF 2.4 billion to approximately 14,000 businesses as part of this program.

As you have perhaps seen from the media, Credit Suisse does not want to earn anything from this program. If we make a gain at the end of the process, we will donate it to projects to support Swiss companies in need.

III. Conclusion

As a final point, I would like to once again express my thanks to all Credit Suisse employees, not only in Switzerland but also in the around 50 countries in which we operate globally. Given the current pandemic and its serious consequences, our clients need a professional and reliable banking partner now more than ever. Our employees are working with tireless dedication to meet that need and to ensure that our bank emerges from the crisis in the best possible shape.

Dear shareholders, I would, last but not least, like to extend my thanks to you for the trust you have placed in us. I am aware that Credit Suisse has not always been in your mind for the right reasons in recent months. Our reputation suffered during the winter months in particular, and our share price is not satisfactory for any of us, especially if you consider the discount relative to the tangible book value. However, I also view this as an opportunity and I assure you that my management team and I, together with our employees, will do everything in our power to ensure that you, our valued shareholders, can once again look at our bank with pride and take satisfaction in our financial results.

Thank you for your attention.

End

Footnotes

¹ Relating to the combined results of Swiss Universal Bank, International Wealth Management and Asia Pacific Wealth Management & Connected. 1Q20 includes CHF 268 million related to the transfer of the InvestLab fund platform to the Allfunds Group, reported in Swiss Universal Bank Corporate & Institutional Clients (CHF 25 million), International Wealth Management Private Banking (CHF 15 million), International Wealth Management Asset Management (CHF 203 million), and Asia Pacific Private Banking within Wealth Management & Connected (CHF 25 million).

² Refers to the combined results of Global Markets and Asia Pacific Markets

³ Leverage exposure excludes CHF 88 billion of cash held at central banks, after adjusting for planned dividend payments in 2Q20 and 4Q20, as permitted by FINMA

Abbreviations

FINMA – Swiss Financial Market Supervisory Authority; GAAP – Generally Accepted Accounting Principles; SME – small and medium-sized enterprises

Appendix

Important Information

This document contains select information from the full 2019 Annual Report and 1Q20 earnings materials. The complete 2019 Annual Report and 1Q20 Earnings Release, Media Release and Results Presentation slides contain more comprehensive information about our results and operations for the full year 2019 and first quarter of 2020, as well as important information about our reporting methodology and some of the terms used in these documents. The complete 2019 Annual Report and 1Q20 Earnings Release, Media Release and Results Presentation slides are not incorporated by reference into this document.

Credit Suisse has not finalized its 1Q20 Financial Report and Credit Suisse's independent registered public accounting firm has not completed its review of the condensed consolidated financial statements (unaudited) for the period. Accordingly, the financial information contained in this document is subject to completion of quarter-end procedures, which may result in changes to that information.

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. 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.

Return on tangible equity is based on tangible shareholders' equity, a non-GAAP financial measure, which is calculated by deducting goodwill and other intangible assets from total shareholders' equity as presented in our balance sheet. Tangible book value, a non-GAAP financial measure, is equal to tangible shareholders' equity. Tangible book value per share is a non-GAAP financial measure, which is calculated by dividing tangible shareholders' equity by total number of shares outstanding. Management believes that tangible shareholders' equity/tangible book value, return on tangible equity and tangible book value per share are meaningful as they are measures used and relied upon by industry analysts and investors to assess valuations and capital adequacy. For end-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 48,777 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-4Q18, tangible shareholders' equity excluded goodwill of CHF 4,766 million and other intangible assets of CHF 219 million from total shareholders' equity of CHF 43,922 million as presented in our balance sheet. Shares outstanding were 2,436.2 million at end-4Q19 and were 2,550.6 million at end-4Q18.

Reserve build is a non-GAAP financial measure, calculated by adding certain fair value mark-to-market losses (or gains) for the period to the increase in allowance for credit losses on financial assets held at amortized cost and provisions for off-balance sheet credit exposures recognized in that period. Management believes that reserve build is a useful measure that enables investors and others to assess the increase or decrease in reserves in the period across our accrual loan book, as well as our fair value loan book and underwriting book in potentially less liquid asset classes. In 1Q20, reserve build of CHF 1,029 million included CHF 585 million of increase in allowance for credit losses and provisions for off-balance sheet credit exposures and a combined total of CHF 444 million of fair value mark-to-market losses, comprising CHF 284 million of leveraged finance mark-to-market losses in Global Markets and Investment Banking & Capital Markets and CHF 160 million of Asia Pacific Financing Group mark-to-market losses.

Regulatory capital is calculated as the worst of 10% of risk-weighted assets 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 risk-weighted assets and 3.5% of average leverage exposure. These percentages are used in the calculation in order to reflect the Swiss regulatory minimum requirements for Basel III CET1 capital and leverage ratios.

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 common equity tier 1 (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.

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.

References to operating divisions mean Swiss Universal Bank, International Wealth Management, Asia Pacific, Investment Banking & Capital Markets and Global Markets.

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 @cssschweiz (<https://twitter.com/cssschweiz>) 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.

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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:

- p our plans, targets or goals;
- p our future economic performance or prospects;
- p the potential effect on our future performance of certain contingencies; and
- p 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:

- p the ability to maintain sufficient liquidity and access capital markets;
- p market volatility and interest rate fluctuations and developments affecting interest rate levels, including the persistence of a low or negative interest rate environment;
- p 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;
- p 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;
- p potential risks and uncertainties relating to the ultimate geographic spread of COVID-19, the severity of the disease and the duration of the COVID-19 outbreak, including potential material adverse effects on our business, financial condition and results of operations;
- p the direct and indirect impacts of deterioration or slow recovery in residential and commercial real estate markets;
- p adverse rating actions by credit rating agencies in respect of us, sovereign issuers, structured credit products or other credit-related exposures;
- p the ability to achieve our strategic goals, including those related to our targets, ambitions and financial goals;
- p the ability of counterparties to meet their obligations to us and the adequacy of our allowance for credit losses;
- p the effects of, and changes in, fiscal, monetary, exchange rate, trade and tax policies, as well as currency fluctuations;
- p political, social and environmental developments, including war, civil unrest or terrorist activity and climate change;
- p the ability to appropriately address social, environmental and sustainability concerns that may arise from our business activities;
- p the effects of, and the uncertainty arising from, the UK's withdrawal from the EU;
- p the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations;
- p operational factors such as systems failure, human error, or the failure to implement procedures properly;
- p the risk of cyber attacks, information or security breaches or technology failures on our business or operations;
- p the adverse resolution of litigation, regulatory proceedings and other contingencies;
- p 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;
- p the effects of changes in laws, regulations or accounting or tax standards, policies or practices in countries in which we conduct our operations;
- p the expected discontinuation of LIBOR and other interbank offered rates and the transition to alternative reference rates;
- p the potential effects of changes in our legal entity structure;
- p competition or changes in our competitive position in geographic and business areas in which we conduct our operations;
- p the ability to retain and recruit qualified personnel;
- p the ability to maintain our reputation and promote our brand;
- p the ability to increase market share and control expenses;
- p technological changes instituted by us, our counterparties or competitors;
- p the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users;
- p acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets; and
- p 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.