

# Credit Suisse

## Third Quarter 2018 Results



Tidjane Thiam, Chief Executive Officer  
David Mathers, Chief Financial Officer

November 1, 2018

CREDIT SUISSE 

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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, objectives, expectations, estimates and intentions we express in these forward-looking statements, including those we identify in "Risk factors" in our Annual Report on Form 20-F for the fiscal year ended December 31, 2017 and in the "Cautionary statement regarding forward-looking information" in our 3Q18 Financial Report, published on November 1, 2018 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.

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

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

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

As of January 1, 2013, Basel III was implemented in Switzerland along with the Swiss "Too Big to Fail" legislation and regulations thereunder (in each case, subject to certain phase-in periods). As of January 1, 2015, the Bank for International Settlements (BIS) leverage ratio framework, as issued by the Basel Committee on Banking Supervision (BCBS), was implemented in Switzerland by FINMA. Our related disclosures are in accordance with our interpretation of such requirements, including relevant assumptions. Changes in the interpretation of these requirements in Switzerland or in any of our assumptions or estimates could result in different numbers from those shown in this presentation.

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

## **Sources**

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# Earnings Review



# Key messages

3Q18 adjusted PTI of CHF 856 mn, up 38% YoY, 8<sup>th</sup> consecutive quarter of year-on-year profit growth; 9M18 NNA of CHF 55.3 bn across Wealth<sup>3</sup> and Asset Management; Continued progress towards our 2018 targets; Lowest cost quarter in last 5 years; Increased CET1 ratio to 12.9%

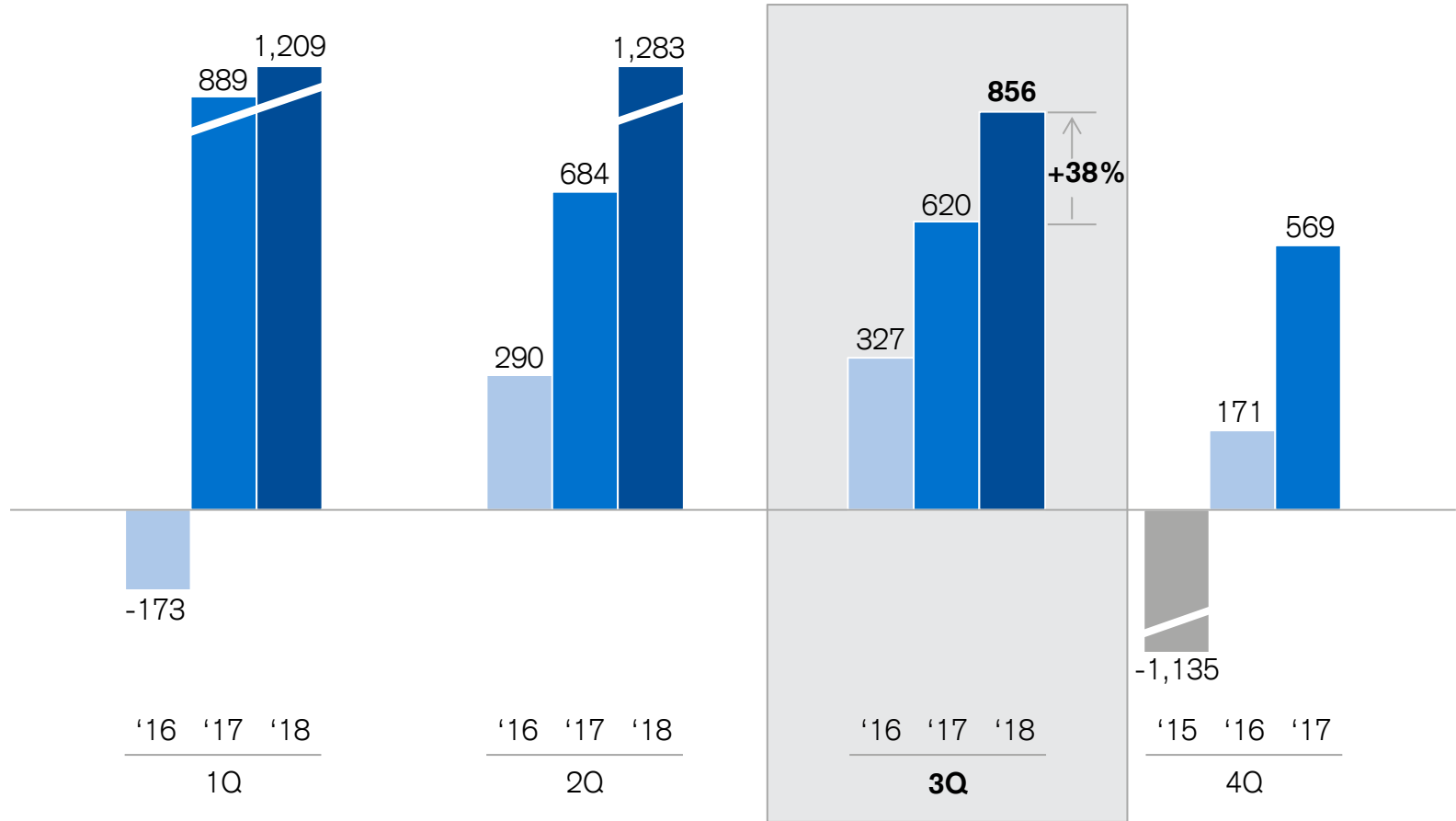
- 1 Continued profitable growth in Wealth Management** with adjusted PTI<sup>1</sup> of CHF 3.7 bn in 9M18 – step-change with profits 26% above FY15<sup>2</sup>; 3Q18 NNA<sup>3</sup> of CHF 10.3 bn in a challenging environment and 9M18 NNA<sup>3</sup> of CHF 33.8 bn; Record Wealth Management AuM<sup>3</sup> of CHF 785 bn at increased net margins<sup>3</sup> in 9M18; Total AuM of CHF 1.4 tn across the Group
- 2 Consistently creating positive operating leverage** by driving down operating expenses with 3Q18 the lowest cost quarter in the last 5 years; Delivered CHF 4.0 bn of cumulative net cost savings by 9M18<sup>4</sup>, achieving 96% of total targeted cost savings
- 3 Continued strong capital position** with CET1 ratio of 12.9%; Tier 1 leverage ratio of 5.1%

Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix

1 Relating to SUB, IWM, APAC WM&C 2 SUB excludes Swisscard pre-tax income of CHF 25 mn in 1H15 3 Relating to SUB PC, IWM PB and APAC PB within WM&C 4 Relating to cumulative cost savings for the period 2016 to 9M18, measured at constant 2015 FX rates; see Appendix

# Eighth consecutive quarter of year-on-year profit growth since 4Q16...

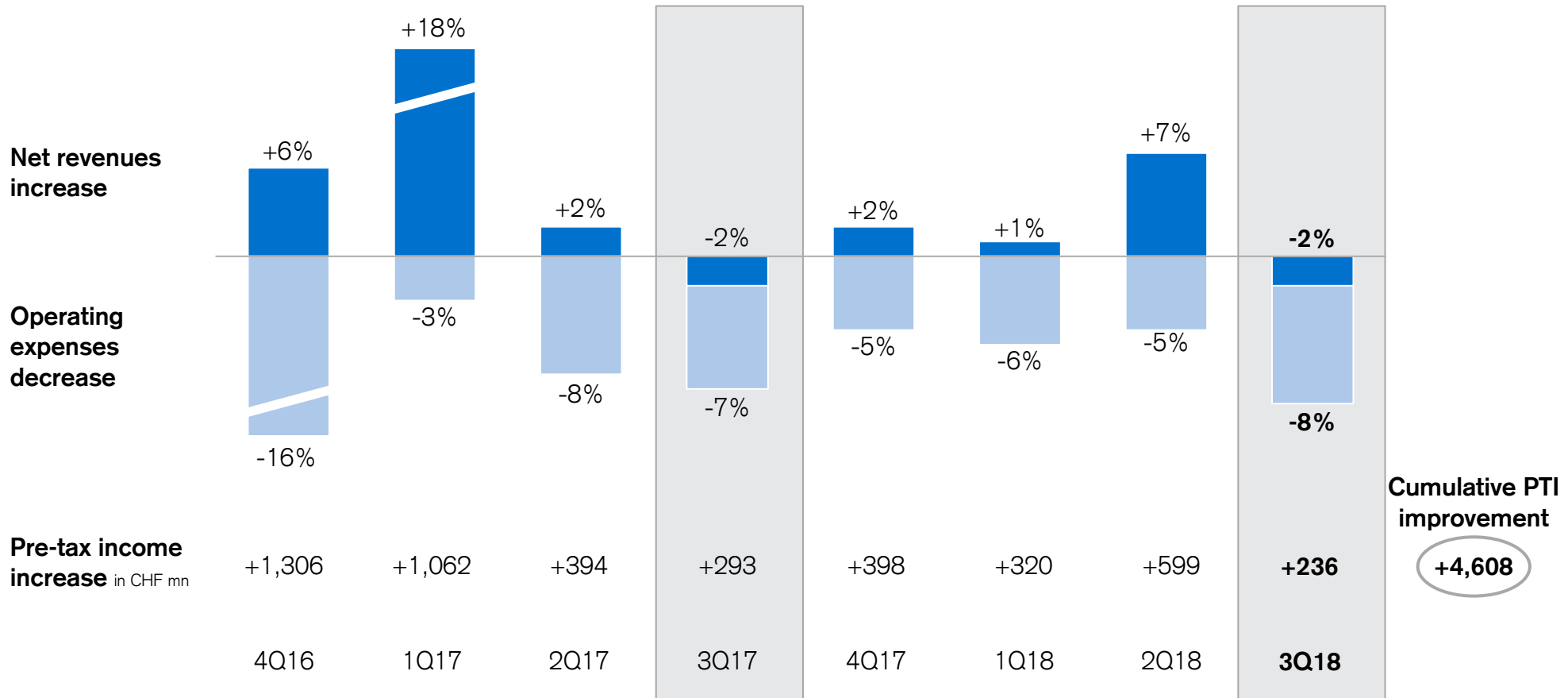
**Group adjusted pre-tax income**  
in CHF mn



Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix

# ...driven by proactively generating positive operating leverage...

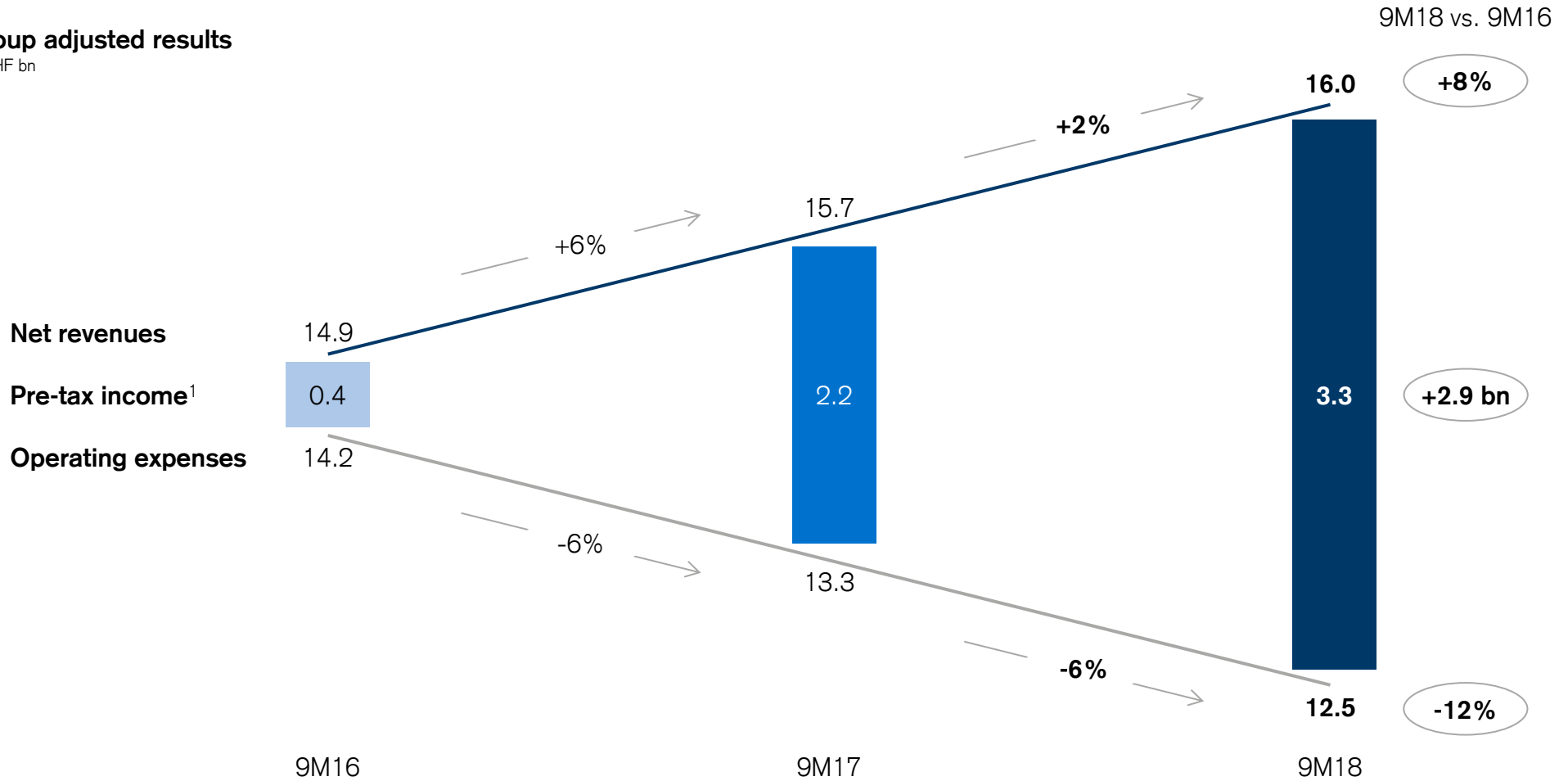
## Group adjusted performance YoY



Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix

# ...with a compounding effect over time

## Group adjusted results in CHF bn



Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix

<sup>1</sup> Includes provision for credit losses of CHF 177 mn in 9M16, CHF 167 mn in 9M17 and CHF 186 mn in 9M18

# In 2015 we defined a strategy for Credit Suisse

A leading Wealth Manager...

...with strong Investment  
Banking capabilities...

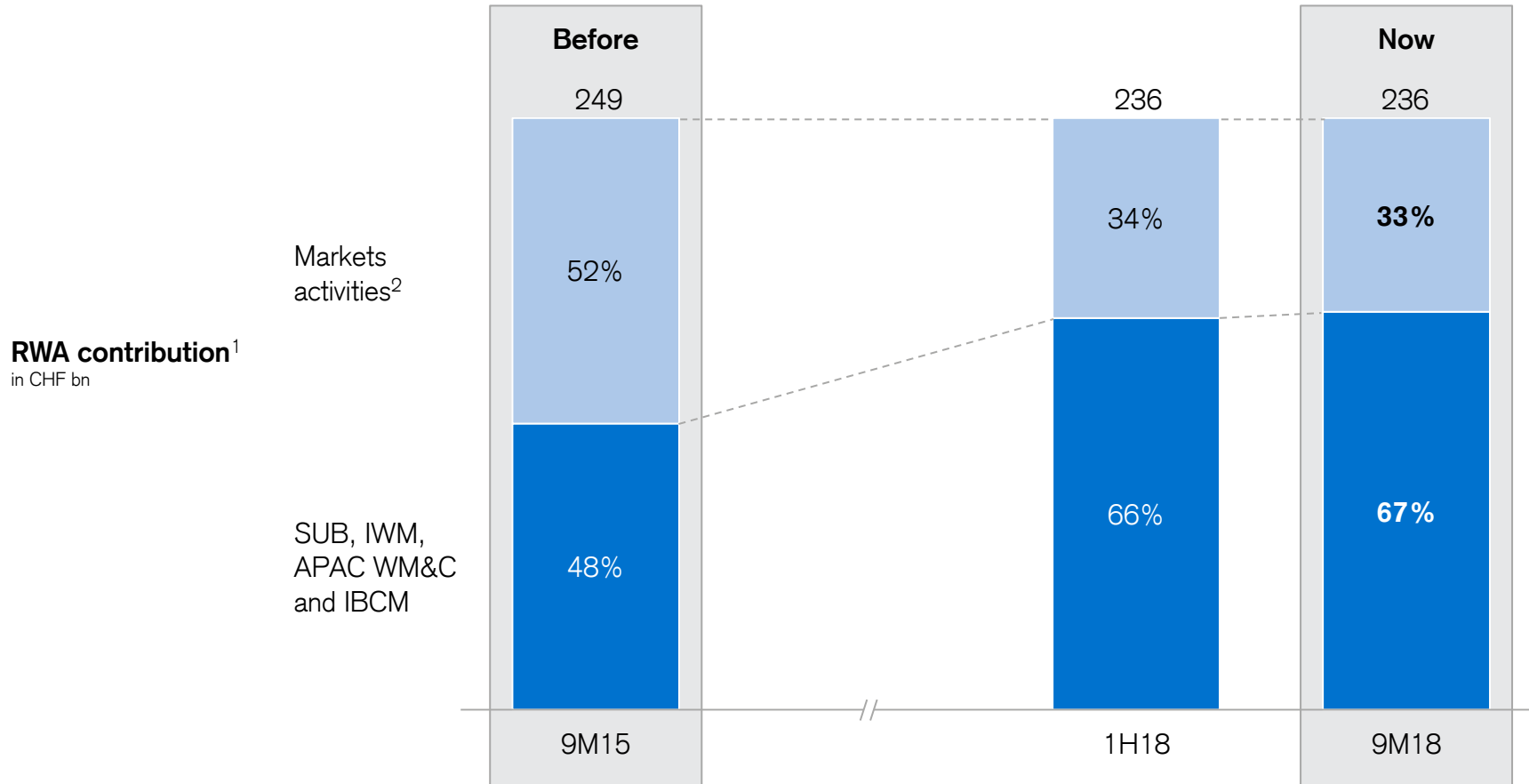
...following a **balanced approach** between Mature and Emerging Markets in Wealth Management...

...focusing on **UHNW and entrepreneur** clients...

...serving both our **clients' private wealth and business financial needs**



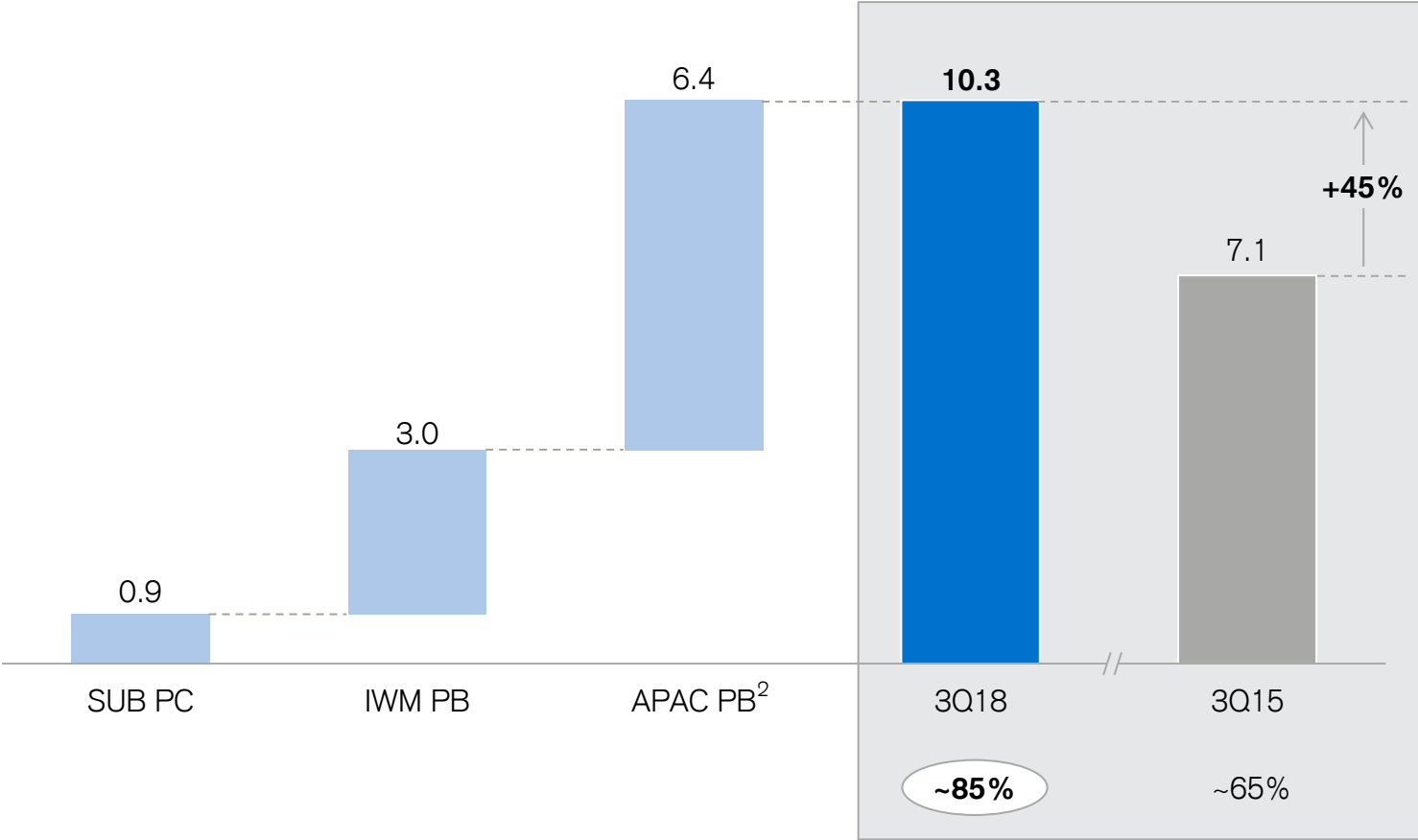
# We are allocating more capital to Wealth Management and IBCM businesses and have right-sized our Markets activities



<sup>1</sup> Excl. Corp. Ctr. RWA of CHF 16 bn in 9M15 and CHF 30 bn in 1H18 and 9M18    <sup>2</sup> Incl. Global Markets, APAC Markets and SRU. SRU excl. Op Risk RWA of USD 20 bn in 9M15 and USD 11 bn in 1H18 and 9M18

# In Wealth Management, we have generated strong net asset inflows in 3Q18...

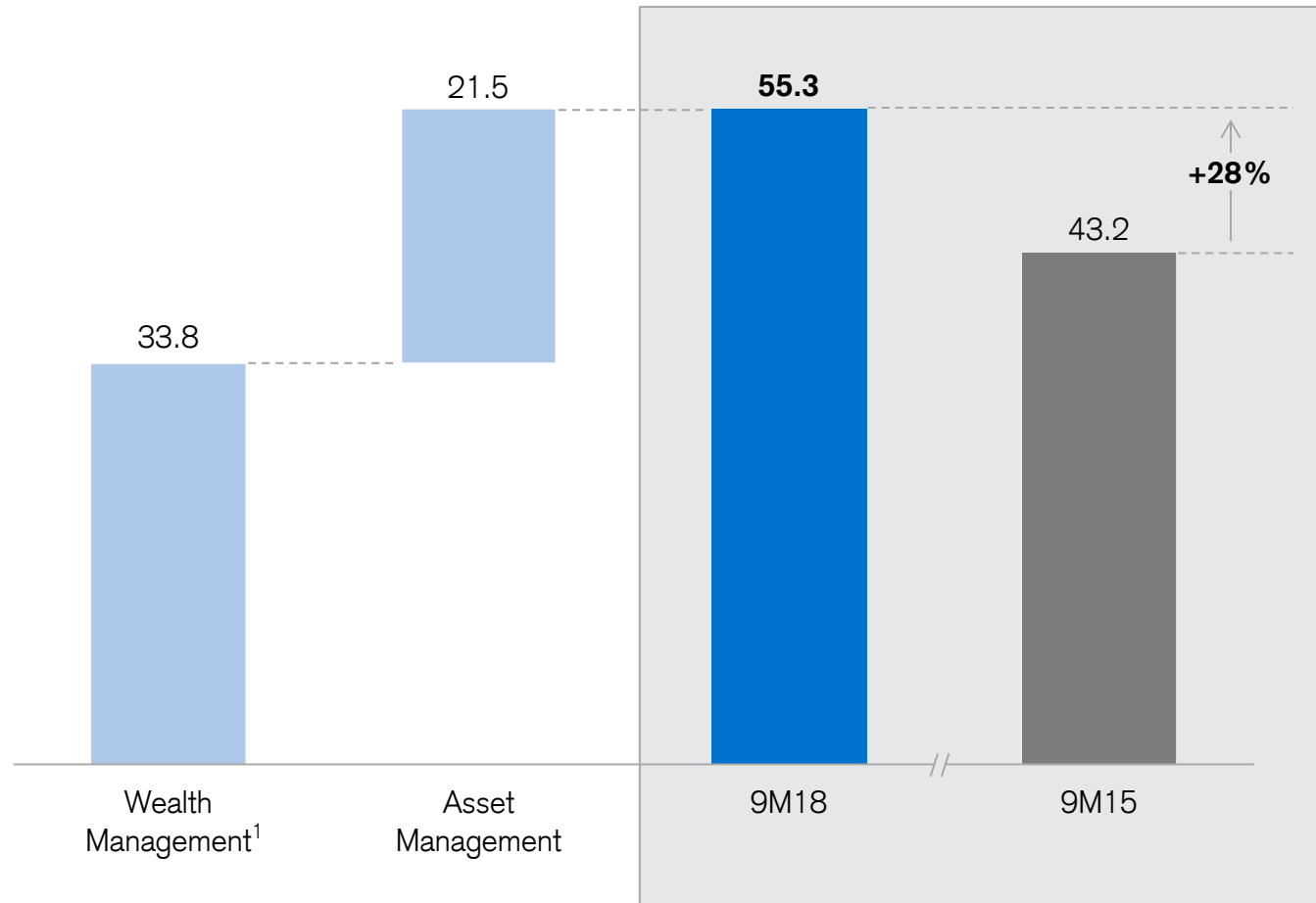
## Wealth Management<sup>1</sup> NNA in CHF bn



1 Relating to SUB PC, IWM PB and APAC PB within WM&C 2 APAC PB within WM&C

# ...bringing our total 9M18 NNA to CHF 55.3 bn across Wealth and Asset Management in a more challenging environment...

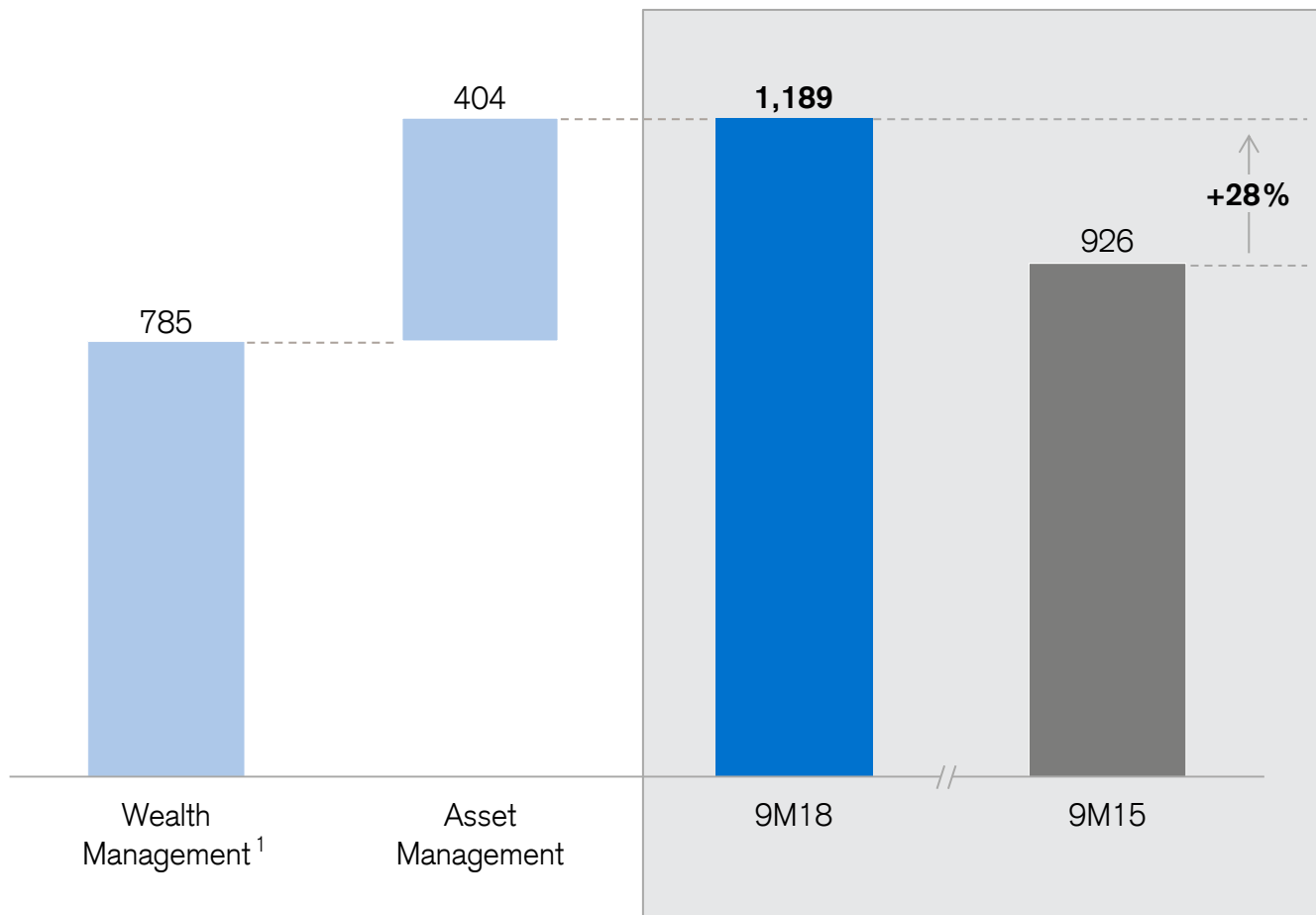
**Net new assets**  
in CHF bn



<sup>1</sup> Relating to SUB PC, IWM PB and APAC PB within WM&C

# ...and reaching CHF 1.2 trillion AuM across Wealth and Asset Management

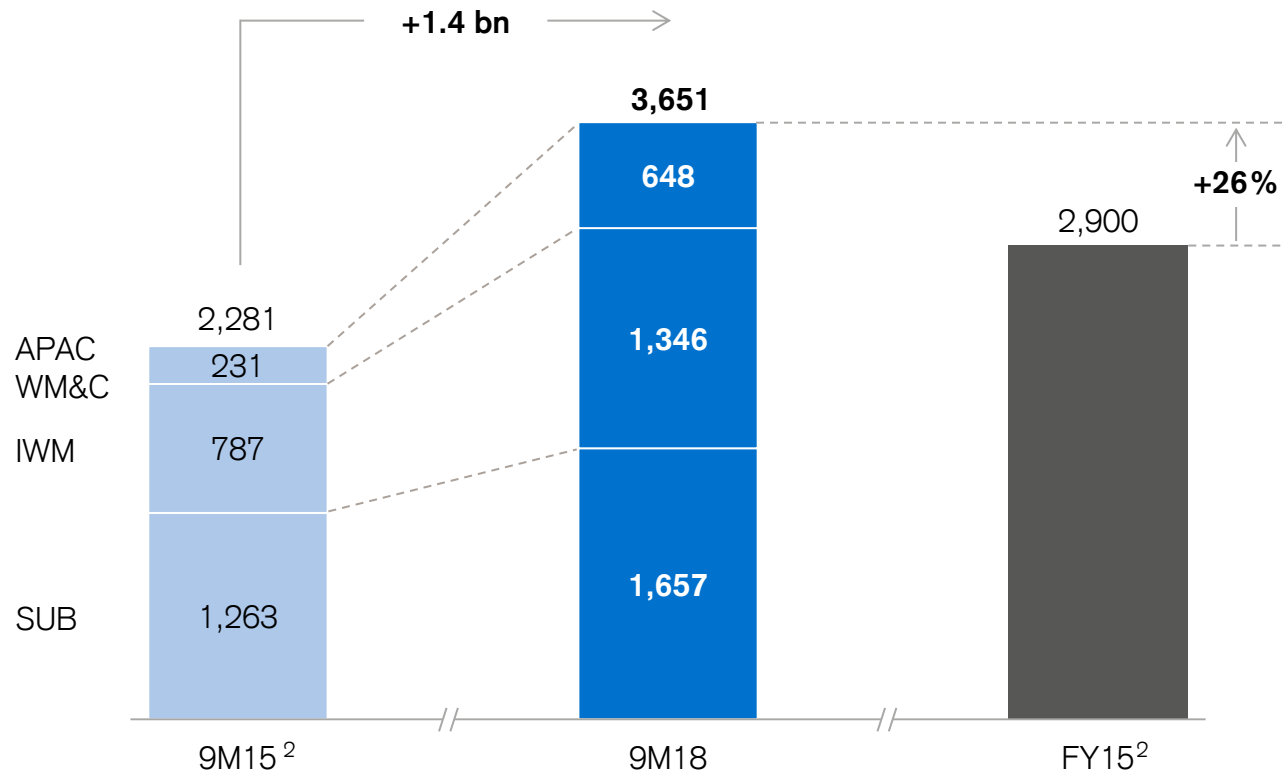
**Assets under Management**  
in CHF bn



<sup>1</sup> Relating to SUB PC, IWM PB and APAC PB within WM&C

# Significant profit acceleration across our Wealth Management-related businesses

**Wealth Management-related businesses<sup>1</sup>**  
**adjusted pre-tax income**  
 in CHF mn



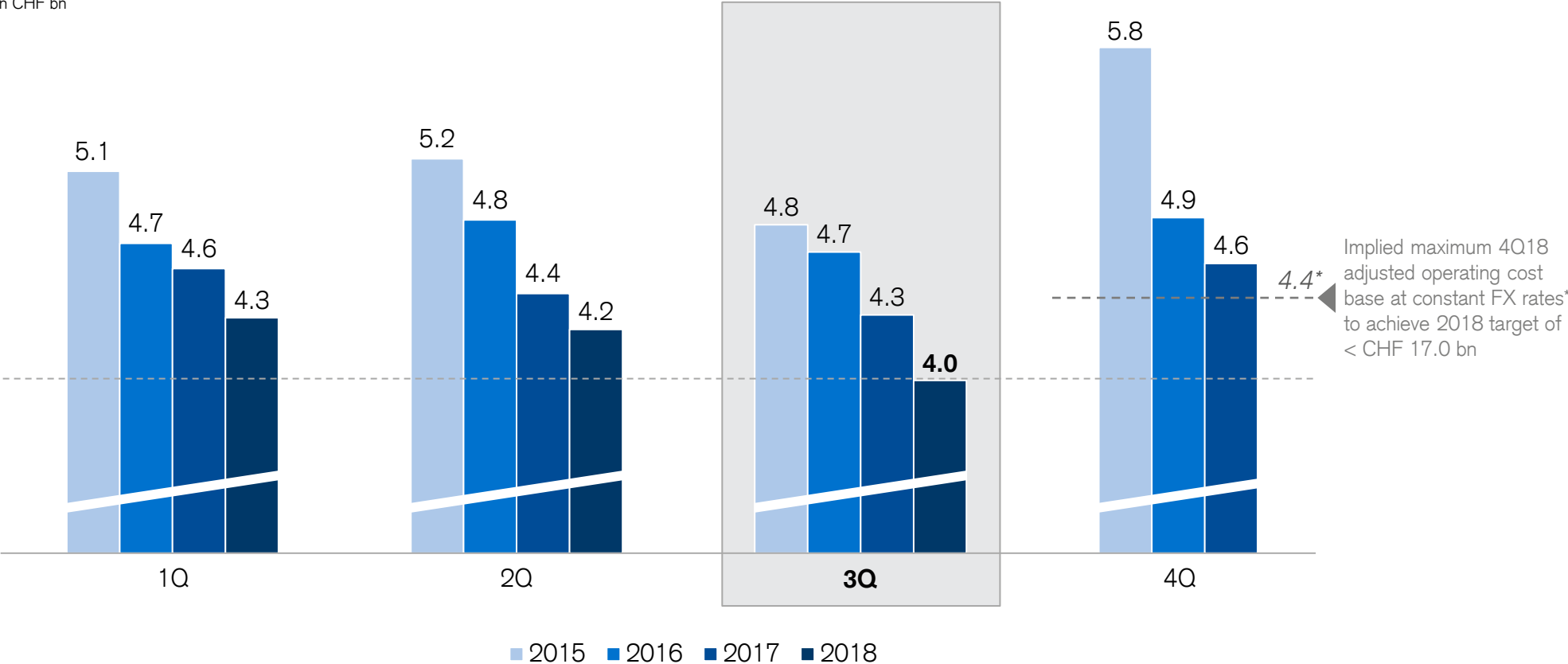
Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix

1 Relating to SUB, IWM and APAC WM&C 2 Excludes Swisscard pre-tax income of CHF 25 mn in 1H15

# 3Q18 is the lowest cost quarter in the last 5 years

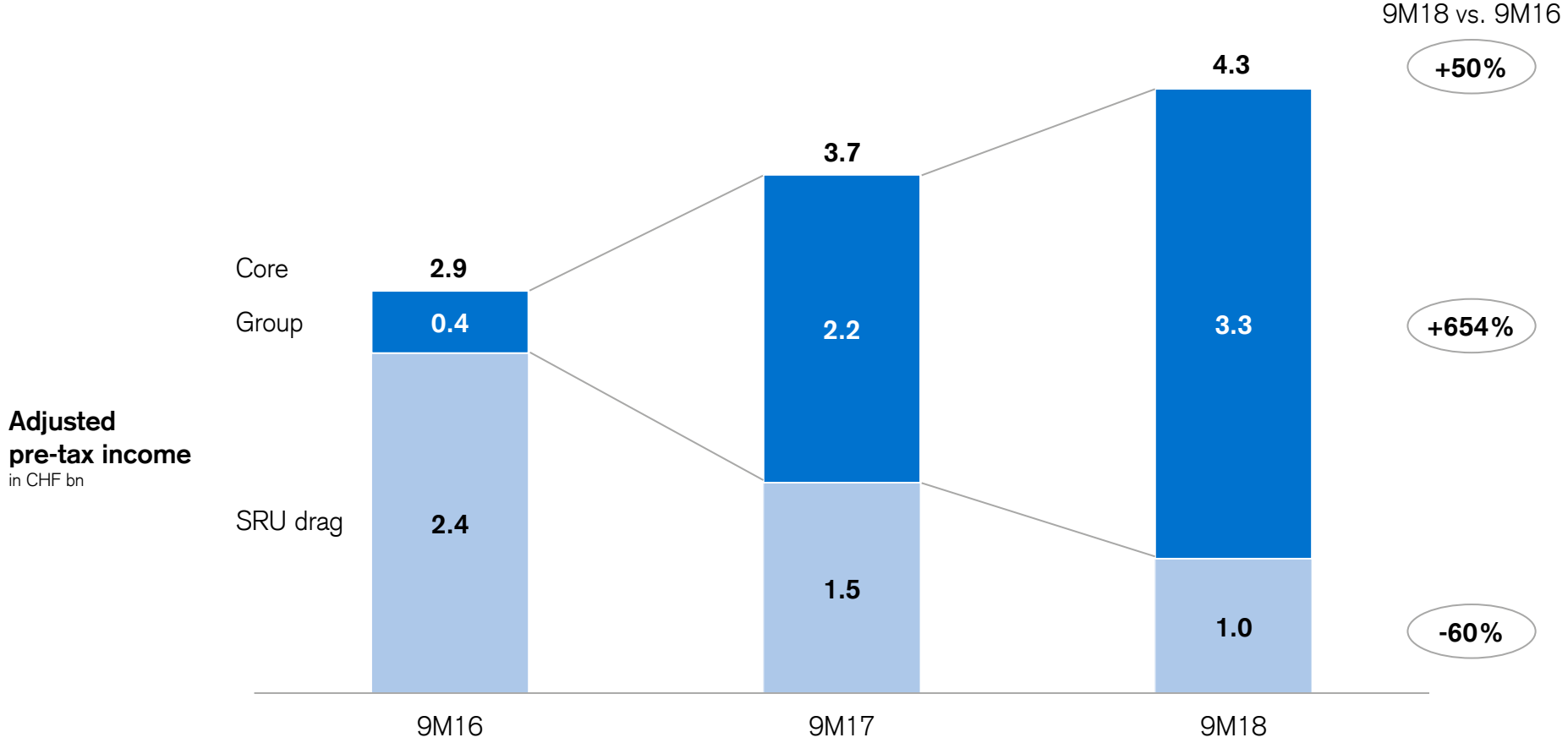
## Group adjusted operating expenses

in CHF bn



Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix \* See Appendix

# The improving performance of our core franchise is becoming more visible as the SRU drag reduces



Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix

# We are delivering against the objectives of our restructuring program laid out at the end of 2015

## 9M18 performance selected metrics adjusted

<b>Capital</b>	CET1 ratio 12.9%	COMPLETED	●
	Tier 1 leverage ratio 5.1%	COMPLETED	●
	Passed first public CCAR stress test in 2018	COMPLETED	●
<b>Cost</b>	Cumulative net cost savings* CHF 4.0 bn <sup>1</sup>		●
	9M18 cost base* CHF 12.6 bn; 4Q18 <CHF 4.4 bn to achieve <sup>2</sup>		●
<b>SRU</b>	RWA ex Op Risk USD 9 bn <sup>3</sup>	COMPLETED	●
	PTI drag USD 1.0 bn		●
<b>SUB</b>	PTI CHF 1.7 bn		●
<b>IWM</b>	PTI CHF 1.3 bn		●
<b>APAC WM&amp;C</b>	PTI CHF 0.65 bn		●
<b>IBCM</b>	RoRC <sup>+</sup> 14%		●
<b>Global Markets</b>	RWA USD 59 bn / LE USD 255 bn	COMPLETED	●
	Operating expenses USD 3.6 bn		●
	Net revenues USD 4.1 bn		●
<b>Controls</b>	Compliance headcount increased by 42% <sup>4</sup>		●
	Single Client View covering 99% of Wealth Management clients		●
	Strengthened Risk function – increased seniority by ~40% <sup>5</sup>		●

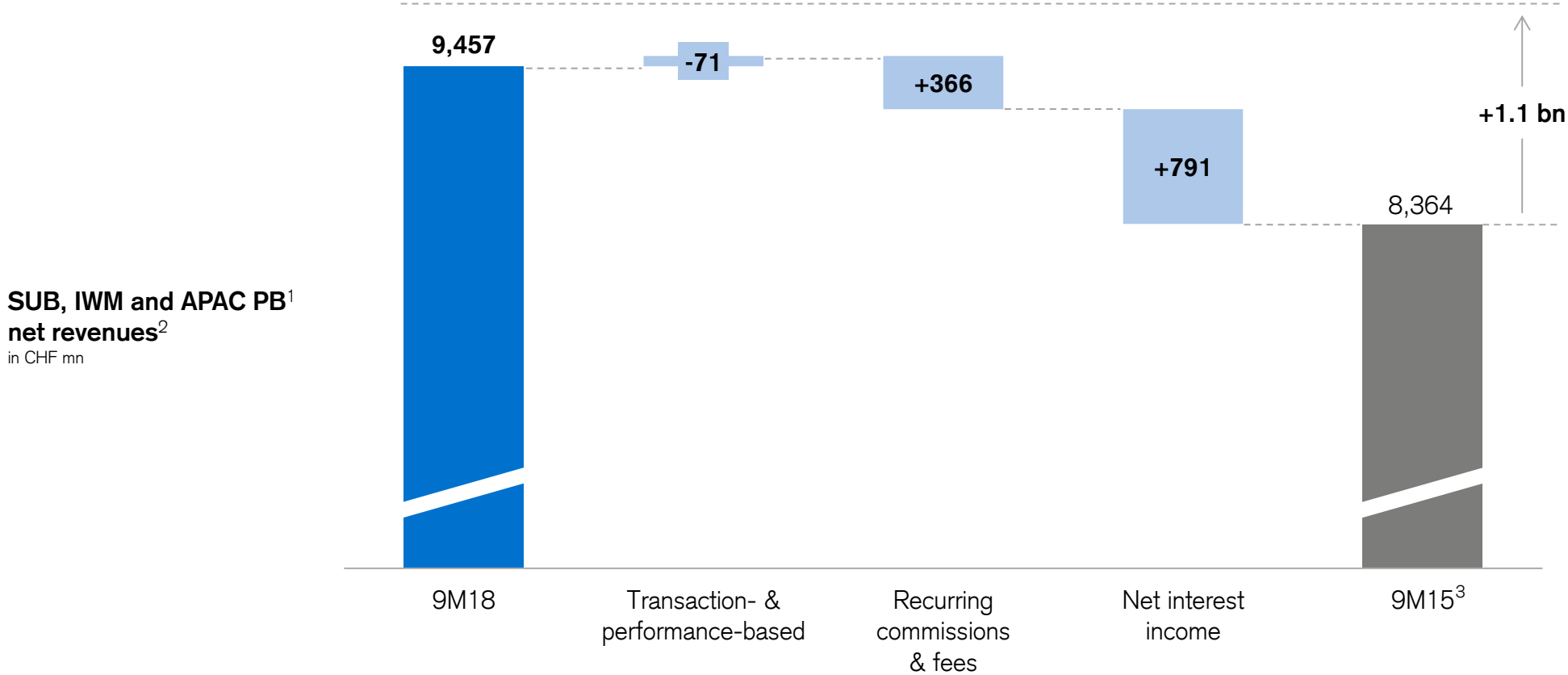
Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix \*,† See Appendix 1 Cumulative cost savings for the period 2016 to 9M18 2 Maximum 4Q18 adj. operating cost base to achieve FY18 target of < CHF 17.0 bn 3 Excl. Op Risk RWA of USD 11 bn 4 Since end-2015, as at September 17, 2018 5 Since 9M15. Seniority measured as senior titles (MDR, DIR)



# Performance highlights



# Our focus on NII and recurring fees has paid off...

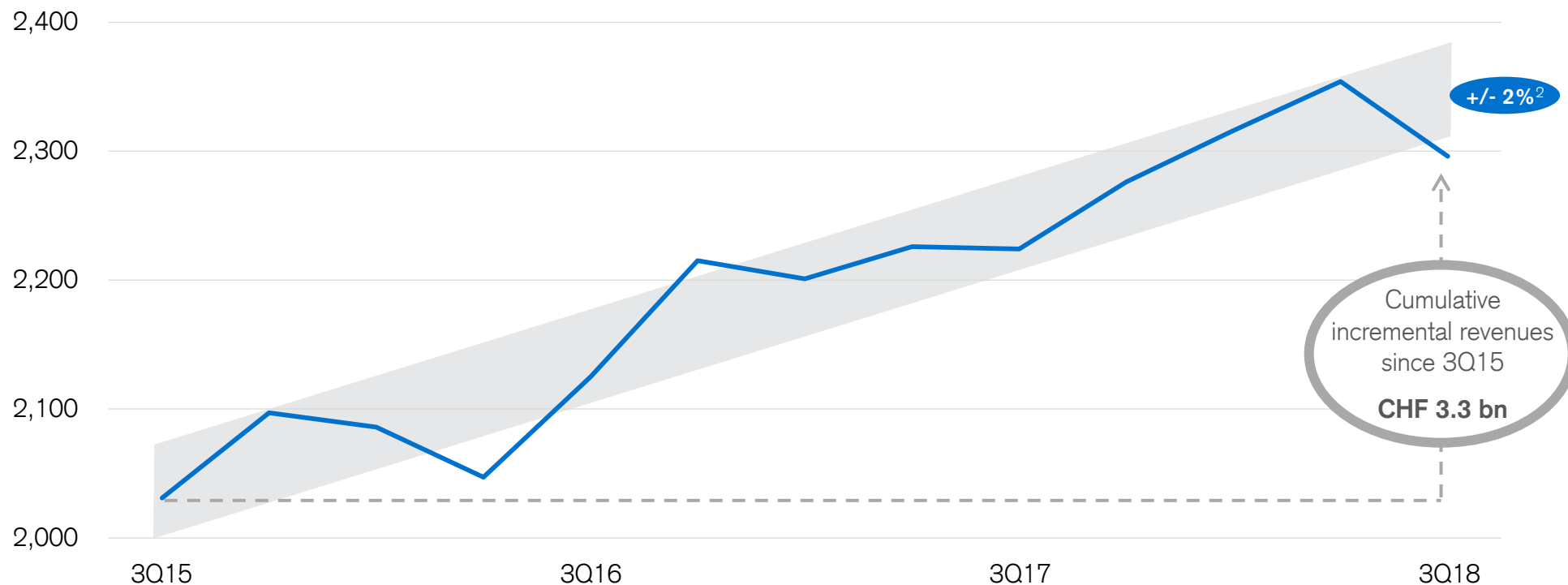


1 APAC PB within WM&C 2 Totals include other revenues of CHF -10 mn in 9M15 and CHF -3 mn in 9M18 3 Excludes Swisscard revenues of CHF 148 mn in 1H15

# ...as NII and recurring revenues offer a stable, high-quality and growing income stream

## SUB, IWM and APAC PB<sup>1</sup> net interest income and recurring commissions and fees

in CHF mn

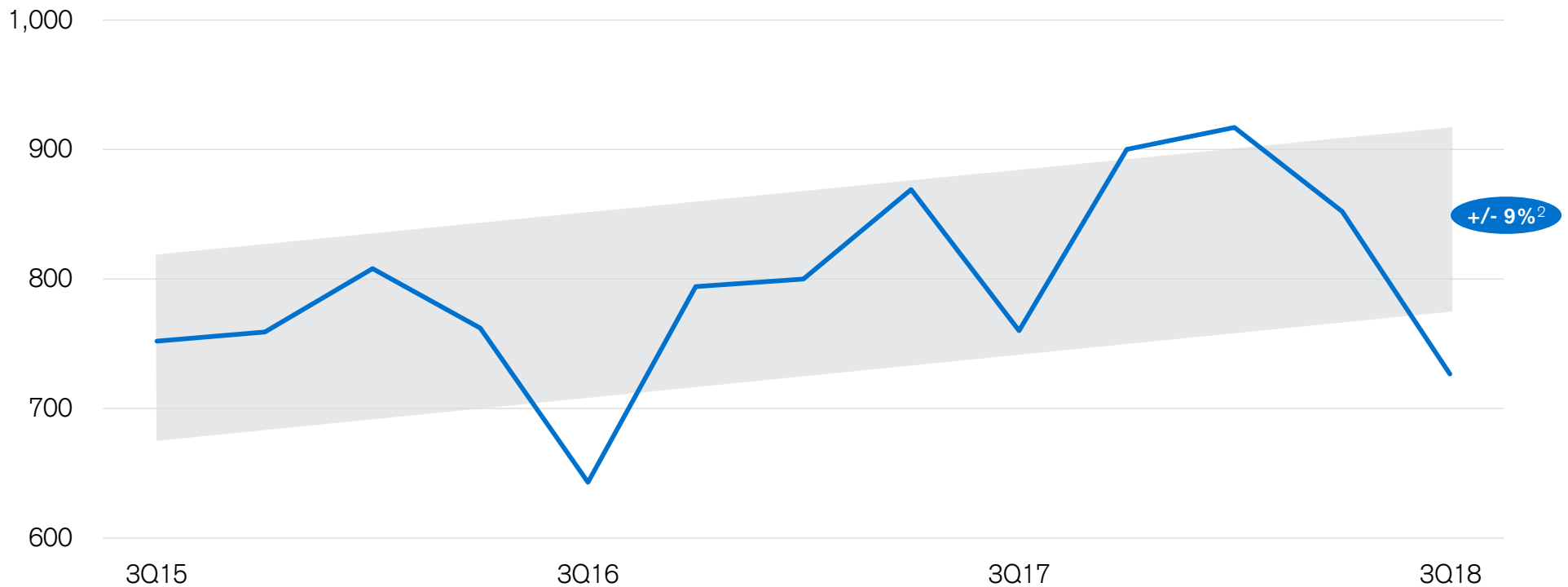


1 APAC PB within WM&C 2 Standard deviation of the regression residuals over the mean

# Transaction- and performance-based revenues are intrinsically more volatile

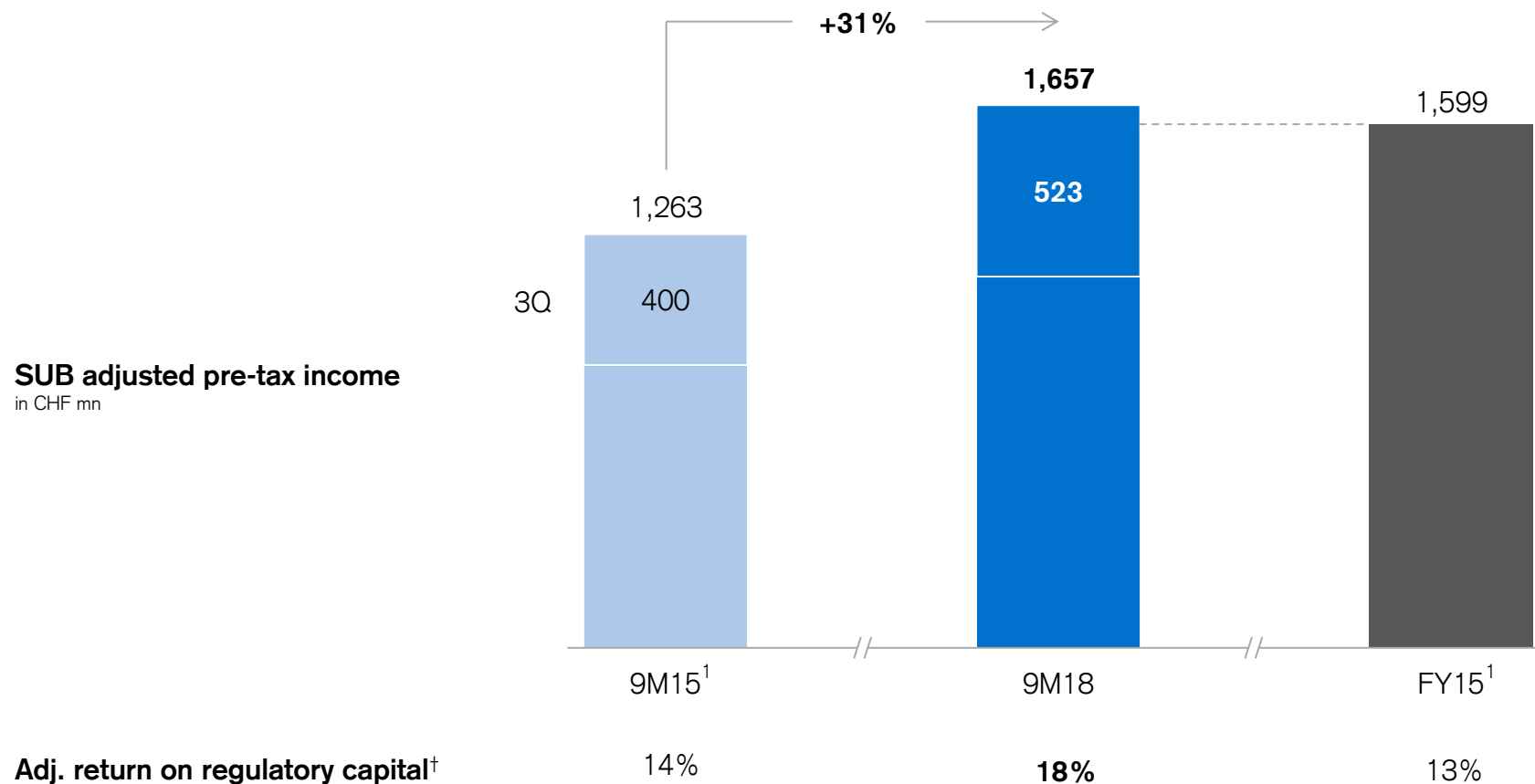
## SUB, IWM and APAC PB<sup>1</sup> transaction- and performance-based revenues

in CHF mn



1 APAC PB within WM&C 2 Standard deviation of the regression residuals over the mean

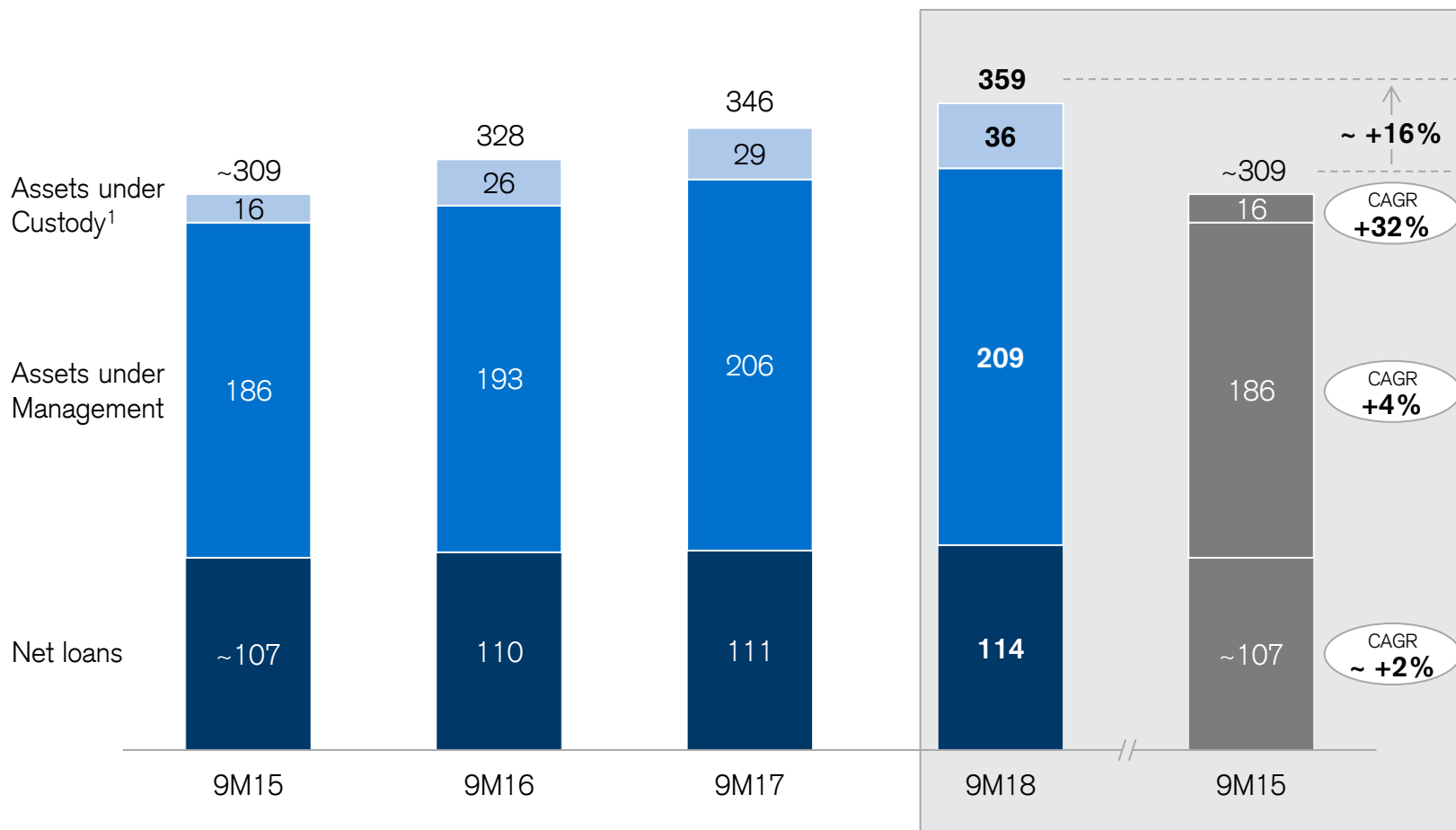
# SUB delivered profitable growth and increasing returns, with 3Q18 the 11<sup>th</sup> consecutive quarter of YoY profit growth...



Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix † See Appendix  
<sup>1</sup> Excludes Swisscard pre-tax income of CHF 25 mn in 1H15

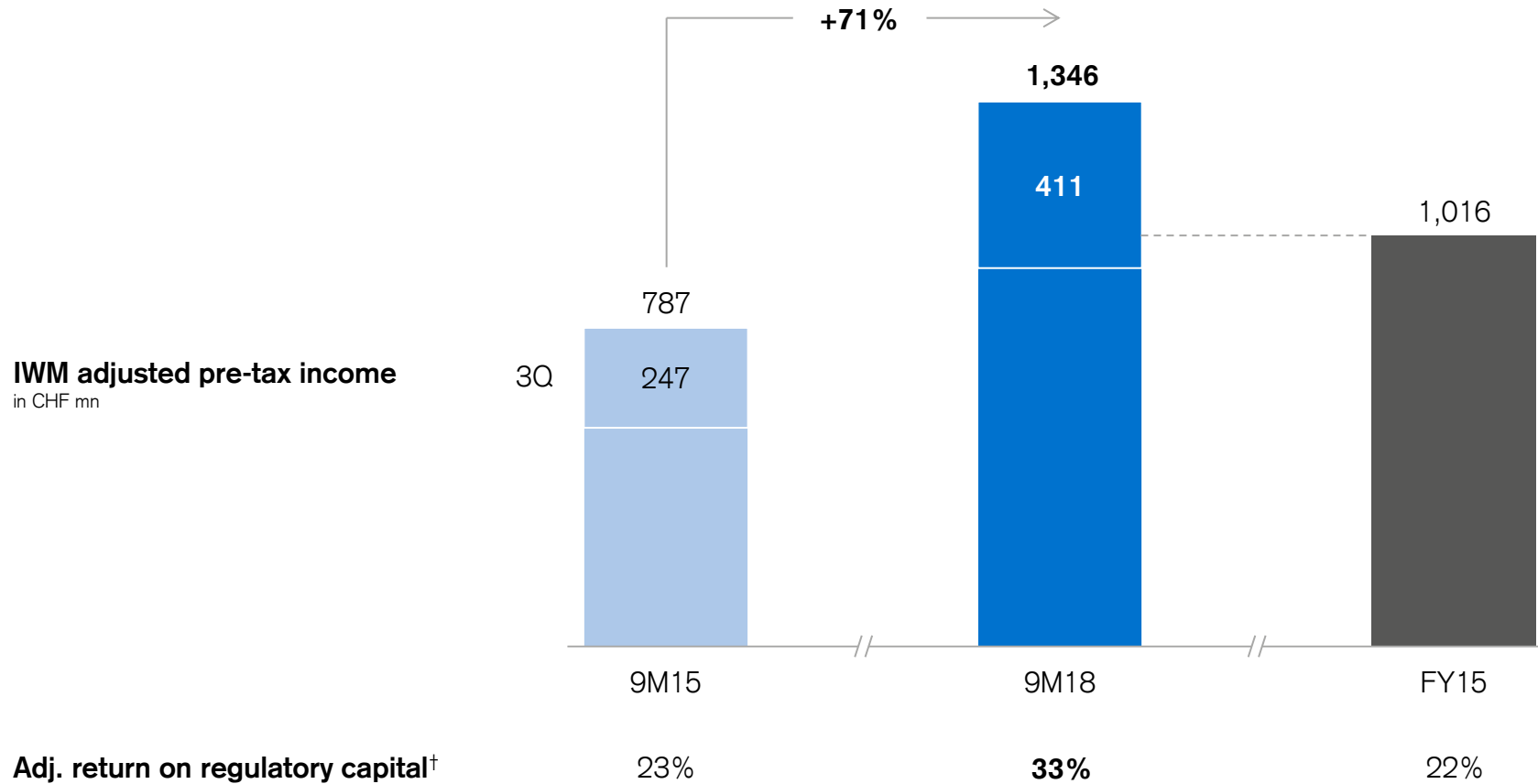
# ...benefitting from a strong increase in client business volume

## SUB Private Clients business volume in CHF bn



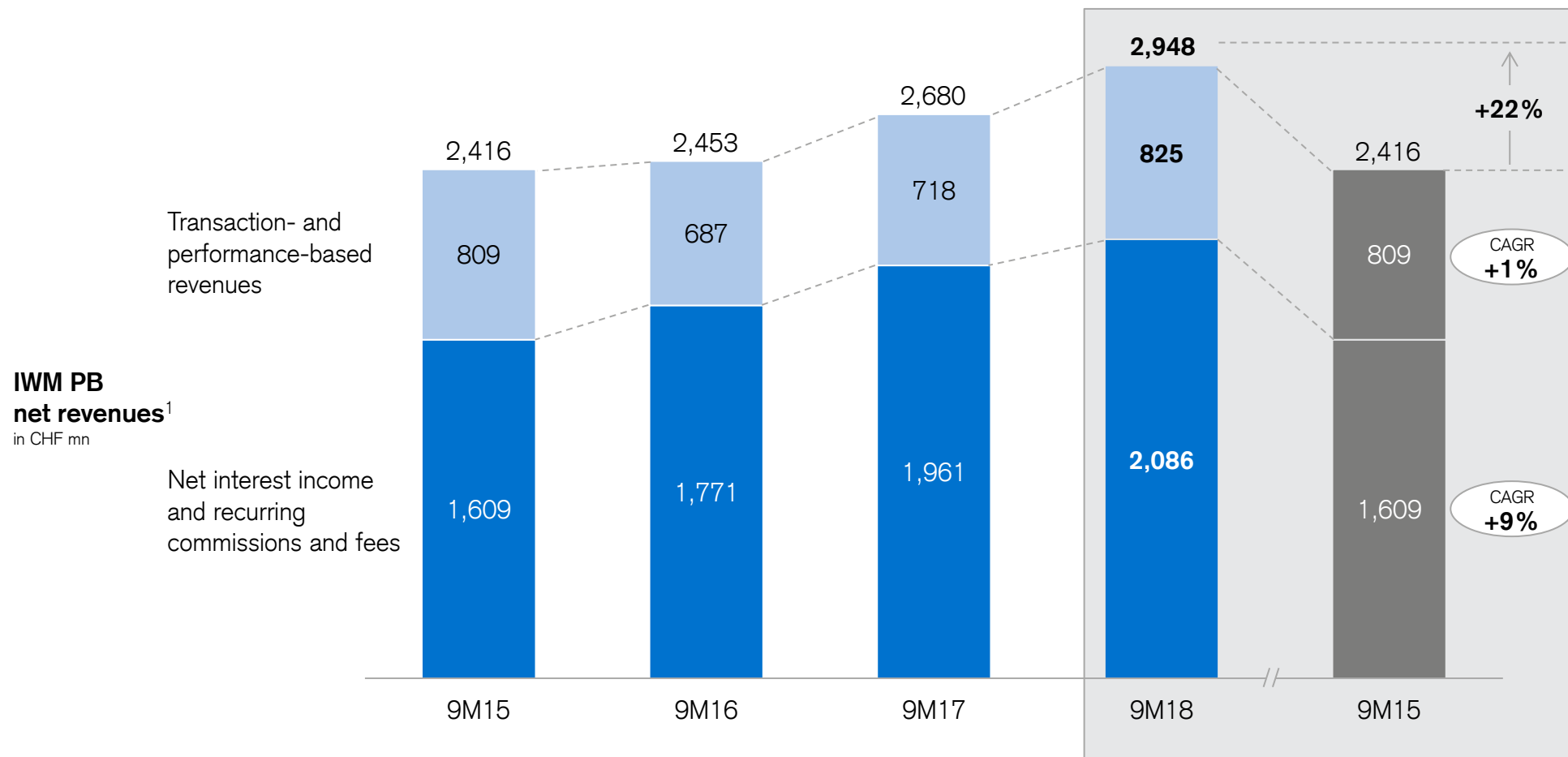
<sup>1</sup> Includes commercial assets and transactional accounts

# IWM achieved a step-change in profitability and returns...



Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix † See Appendix

# ...driven by IWM PB growth in NII and recurring revenues...

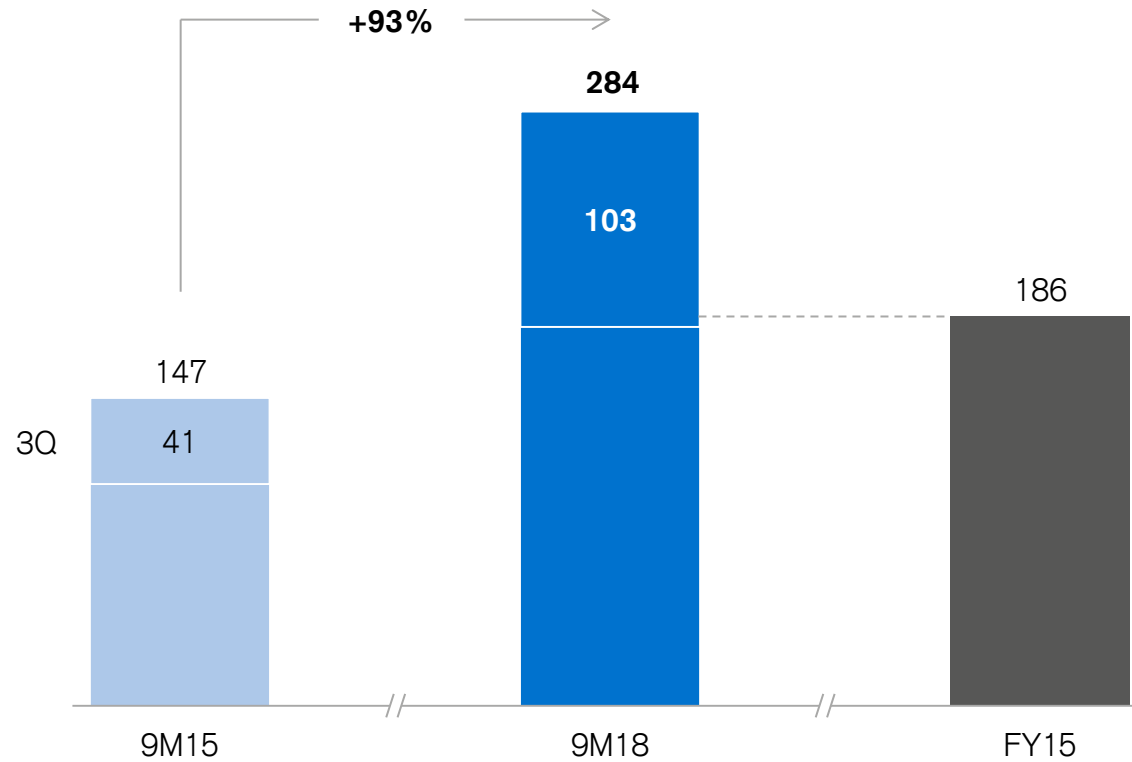


<sup>1</sup> Totals include other revenues of CHF -2 mn in 9M15, CHF -5 mn in 9M16, CHF 1 mn in 9M17 and CHF 37 mn in 9M18



# ...with a strong contribution from Asset Management...

**Asset Management  
adjusted pre-tax income**  
in CHF mn

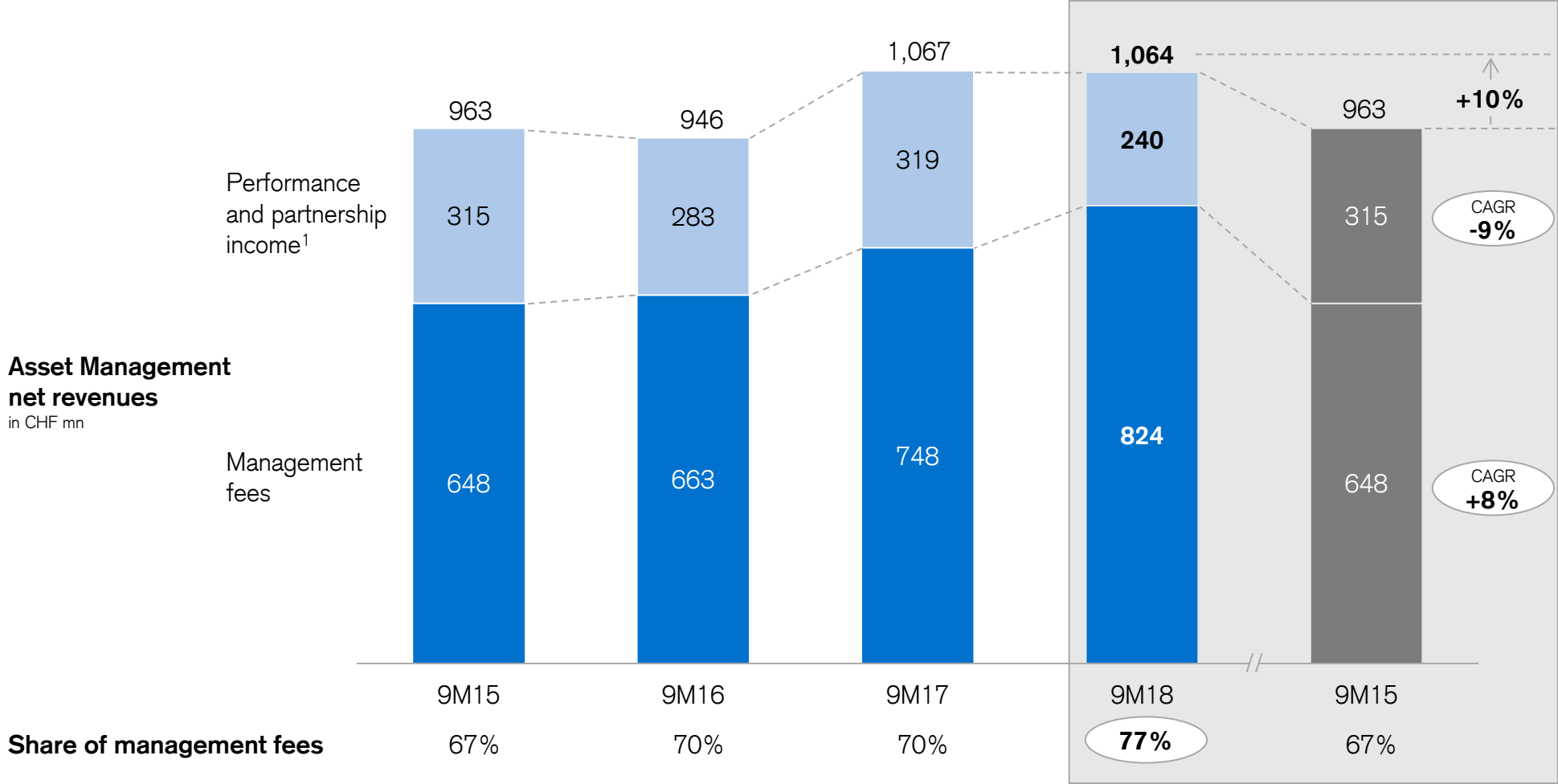


**Adj. return on regulatory capital†**

13%                      27%                      12%

Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix † See Appendix

# ...driven by a higher-quality revenue mix



<sup>1</sup> Includes performance and placement revenues and investment and partnership income

# APAC had a challenging market environment in the third quarter

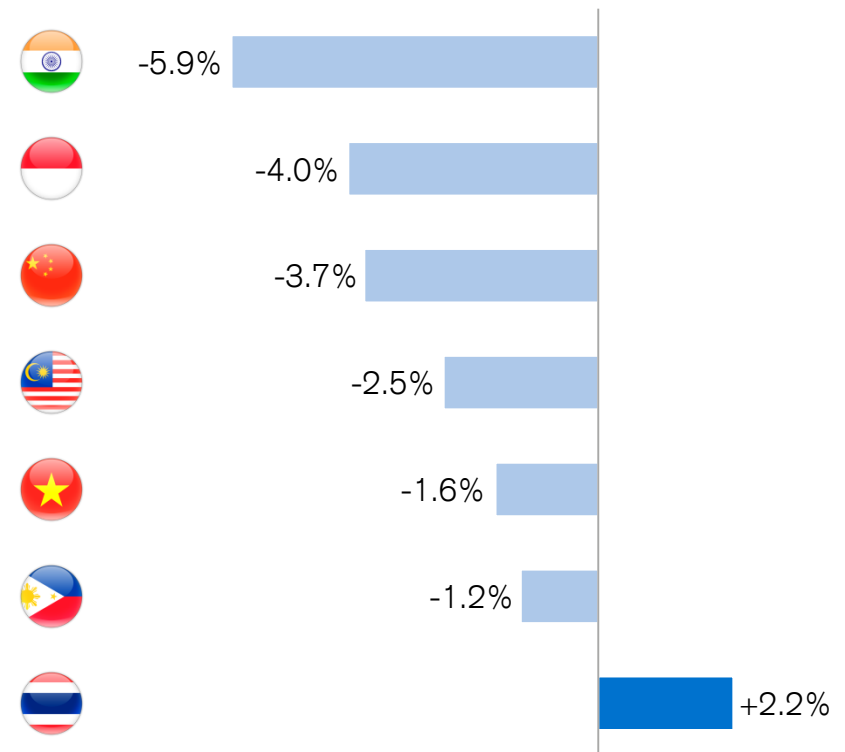
## Lower equity market levels and volumes in APAC...

selected key indicators as of September 28, 2018

Hang Seng Index	<b>-7%</b> YTD
CSI 300 Index	<b>-15%</b> YTD
Shanghai Stock Exchange	<b>-15%</b> YTD
Shenzhen Stock Exchange	<b>-24%</b> YTD
Hong Kong Exchange market turnover <sup>1</sup>	<b>-39%</b>

## ...and depreciation in APAC emerging market currencies

Local currencies per USD, in 3Q18 QoQ<sup>2</sup>



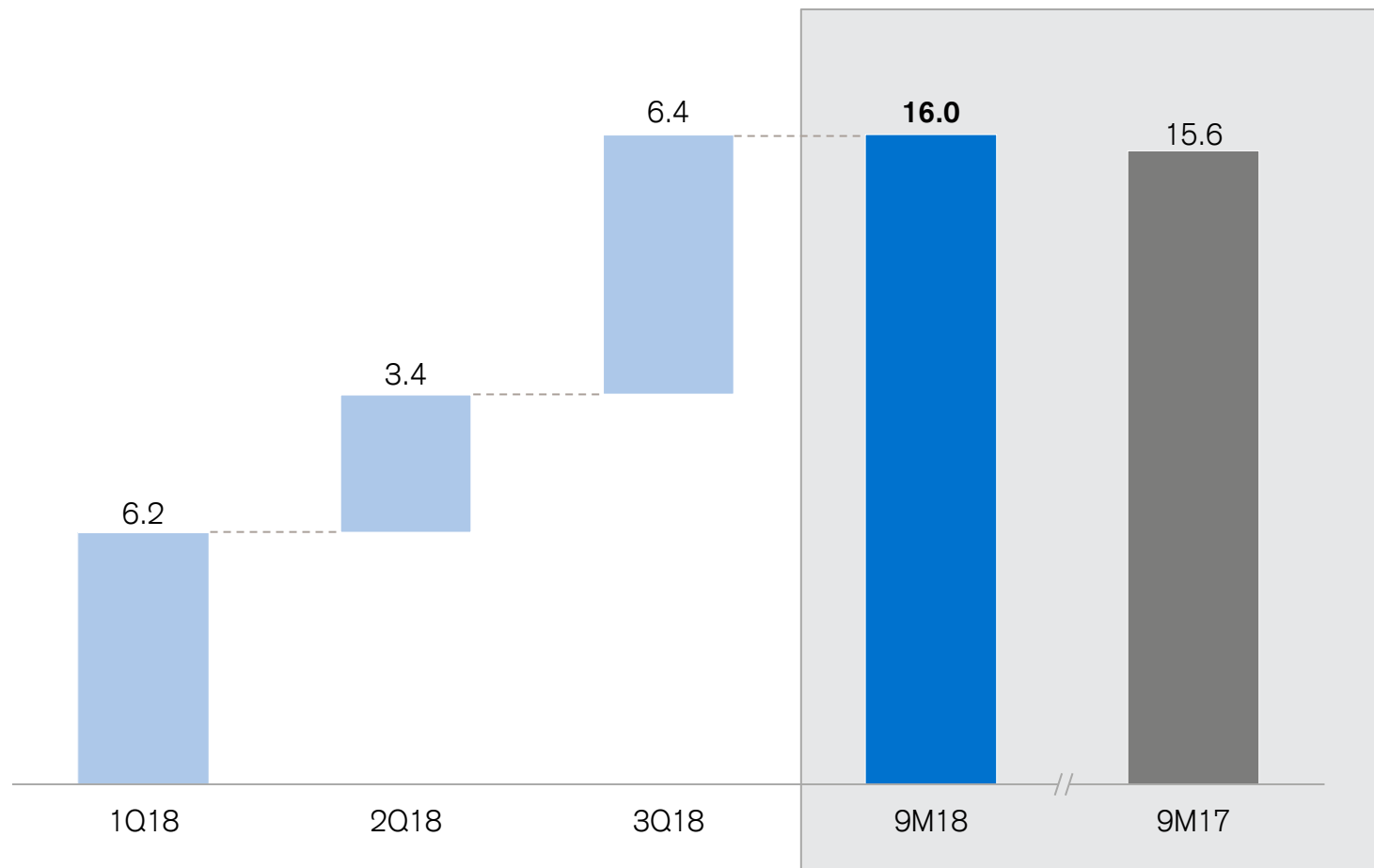
Source: Bloomberg, FactSet as of September 28, 2018

<sup>1</sup> September 2018 vs. January 2018 average daily volume in HKD terms

<sup>2</sup> Based on spot exchange rates as of June 29, 2018 and September 28, 2018

# APAC PB generated strong net asset inflows despite a challenging market environment

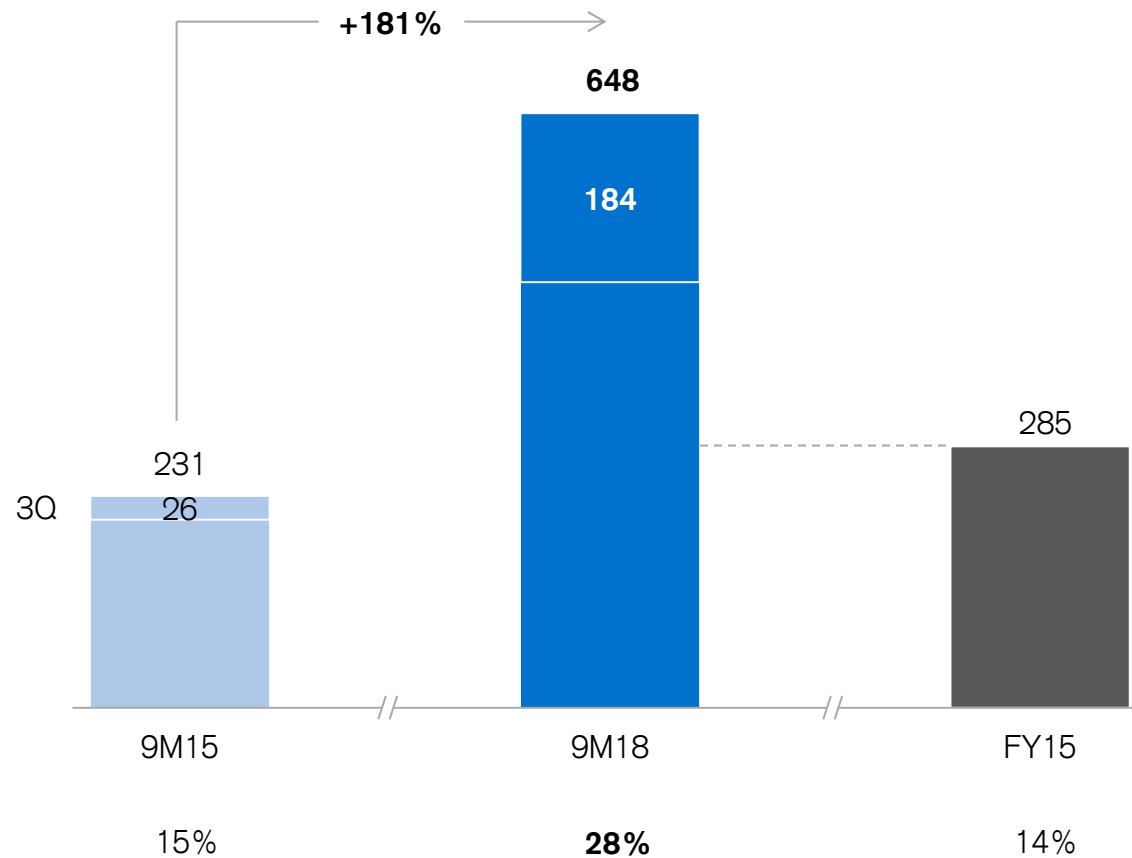
APAC PB<sup>1</sup> NNA  
in CHF bn



<sup>1</sup> Relating to APAC PB within WM&C

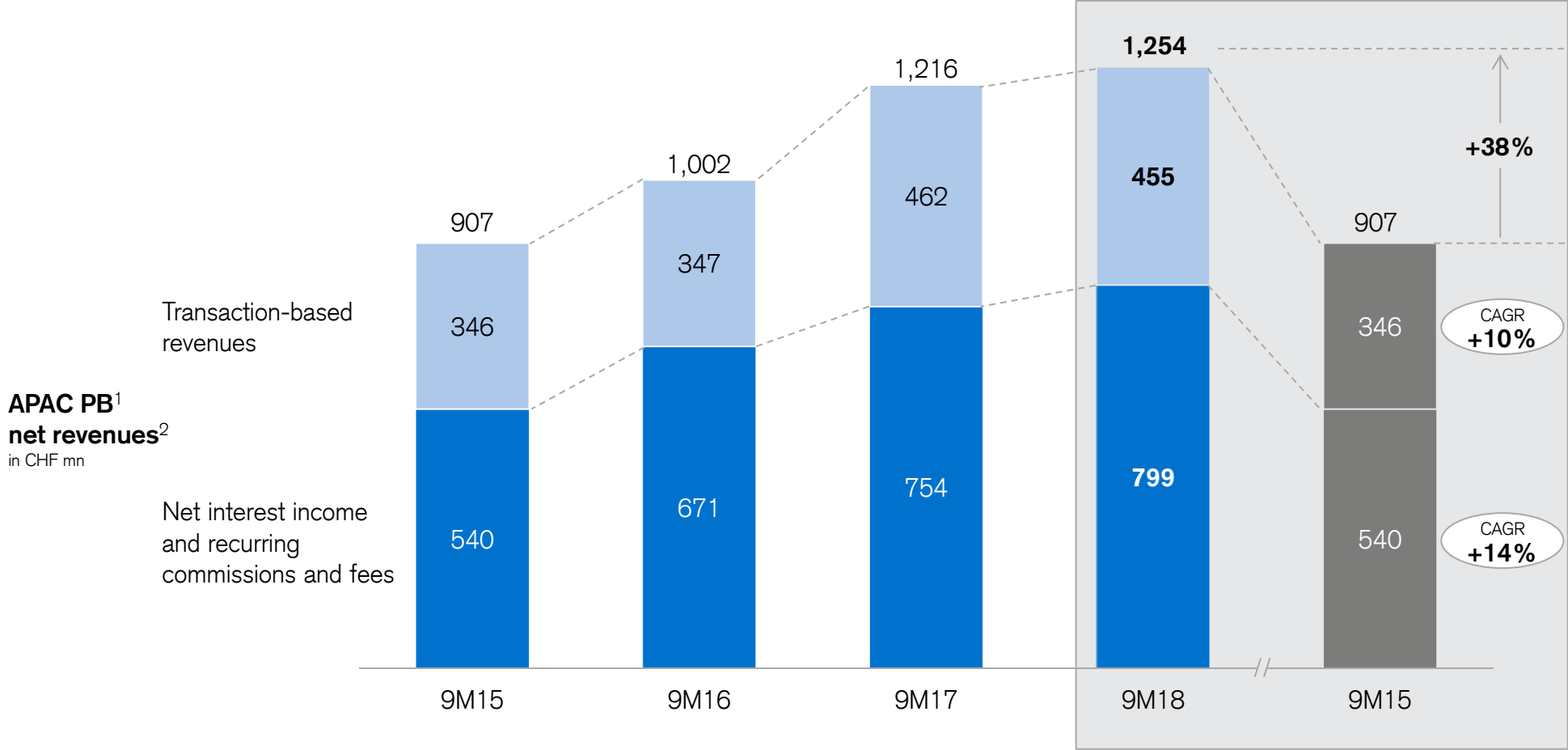
# APAC WM&C delivered a step-change in year-to-date profitability and returns...

**APAC WM&C  
adjusted pre-tax income**  
in CHF mn



Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix † See Appendix

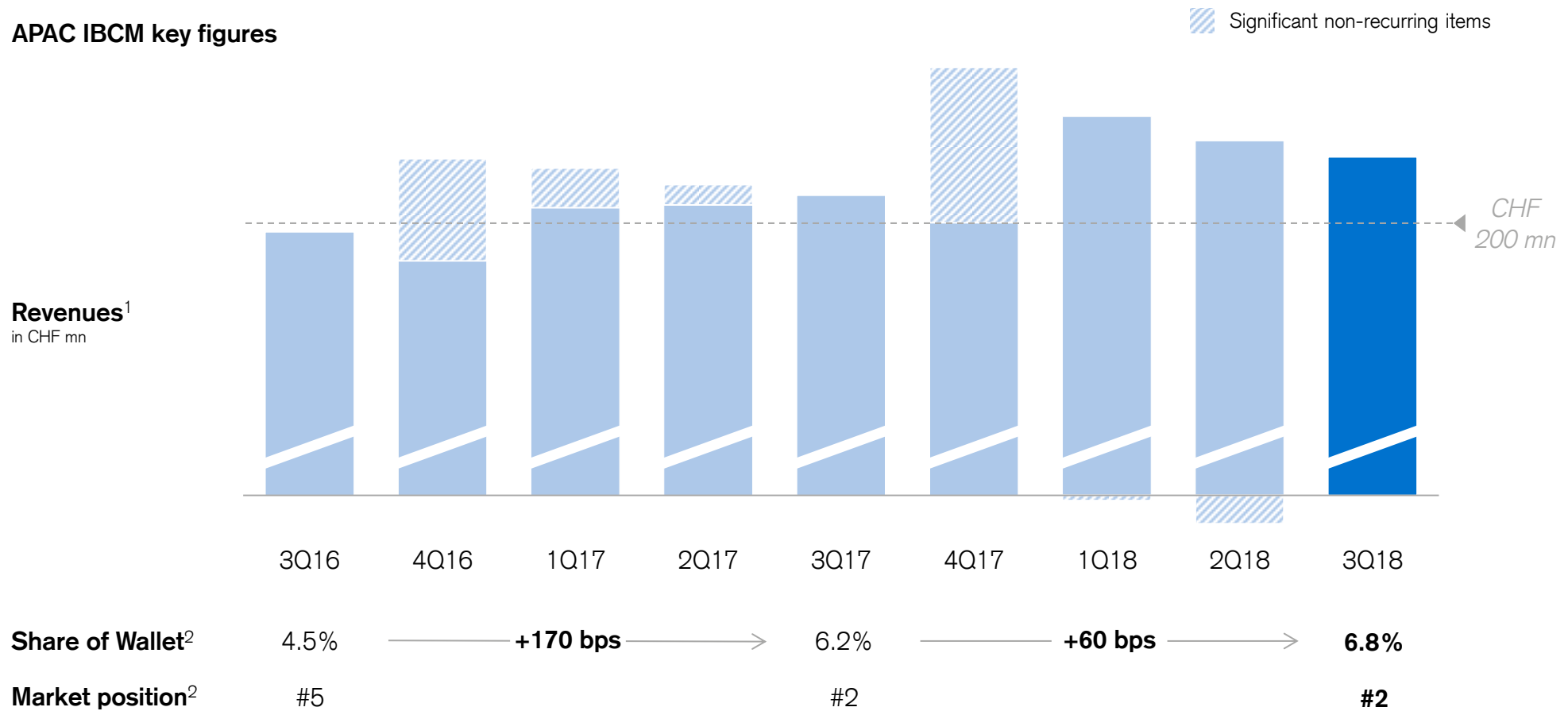
# ...driven by APAC PB growth in NII and recurring revenues...



1 Relating to APAC PB within WM&C 2 Totals include other revenues of CHF 21 mn in 9M15 and CHF -16 mn in 9M16

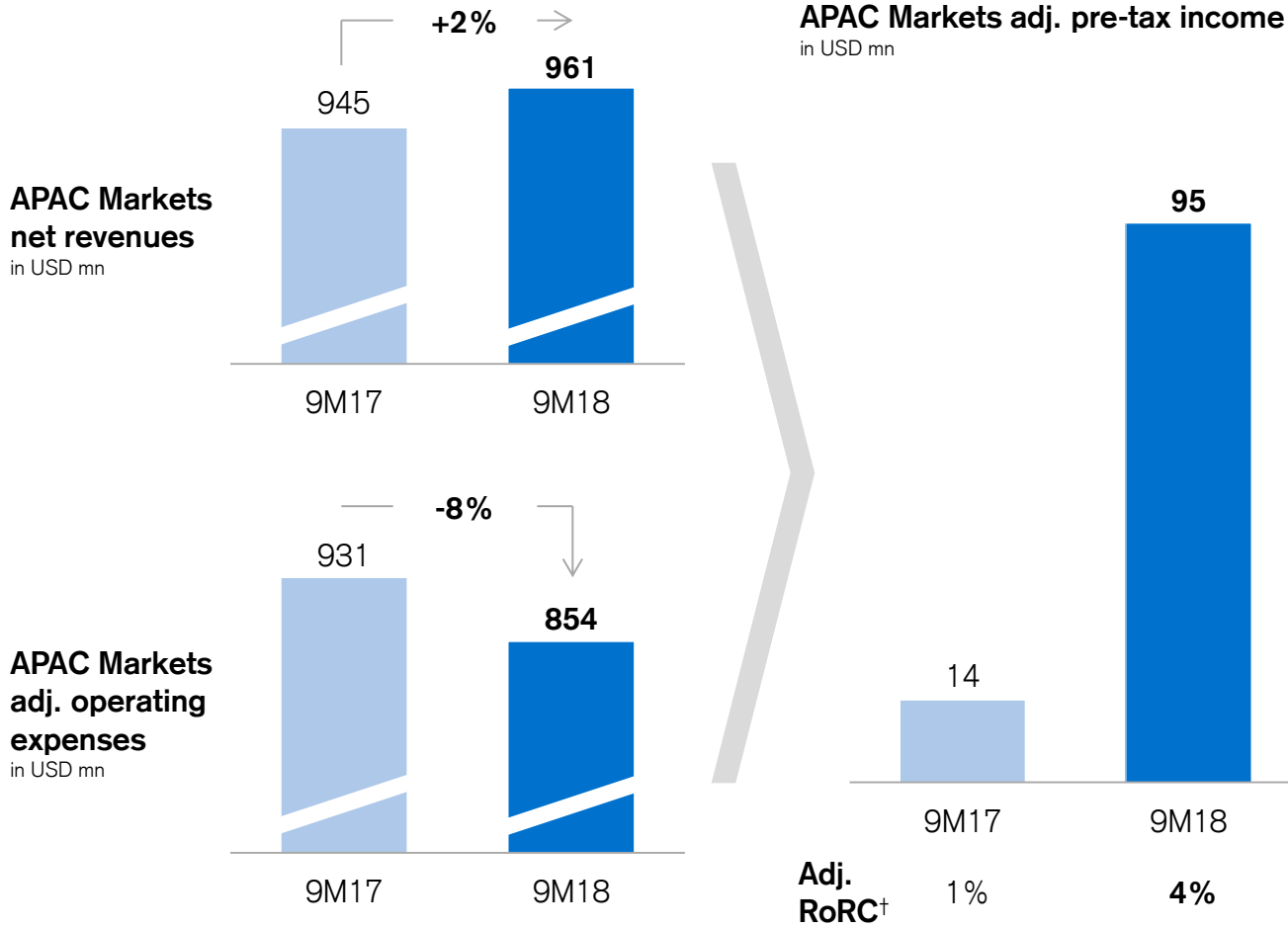
# ...and strong performance in APAC IBCM – 8<sup>th</sup> consecutive quarter of CHF 200 mn+ in revenues<sup>1</sup>

## APAC IBCM key figures



<sup>1</sup> After deduction of funding costs, but pre revenue sharing agreements with APAC Markets and APAC PB within WM&C    <sup>2</sup> Source: Dealogic as of September 30, 2018. Relates to APAC ex-Japan ex-China onshore

# APAC Markets significantly improved performance in 9M18, despite a challenging market environment in 3Q18



### 3Q18 YoY commentary

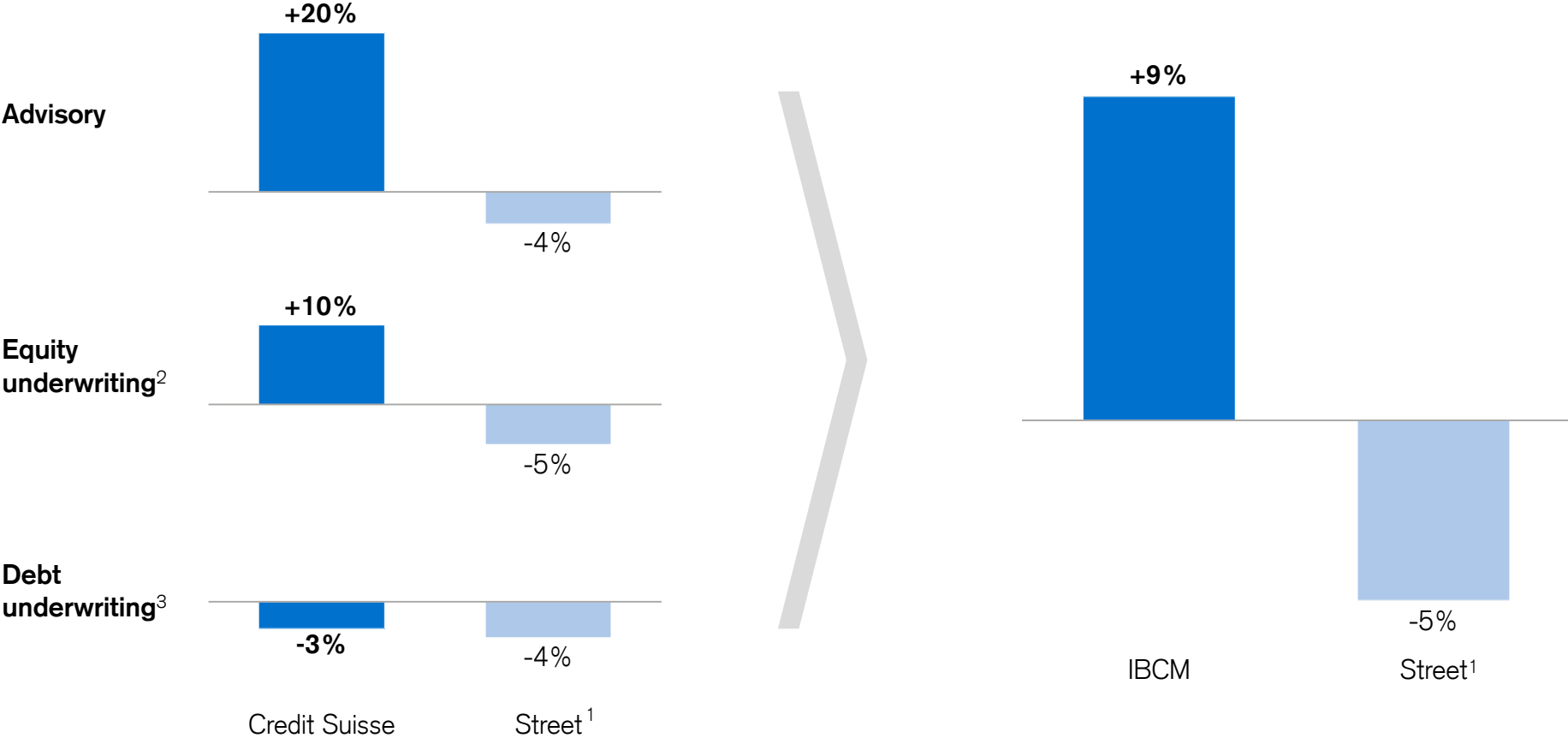
- Lower level of client activity and weaker market conditions due to uncertain macro-economic backdrop
- Equities – stability in Cash and Prime
- Fixed Income – stability in FX and Credit; Significant client drop-off in Rates activity and hedging-related costs

Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix † See Appendix



# IBCM outperforming the Street year-to-date, driven by strength in M&A...

9M18 YoY revenue performance



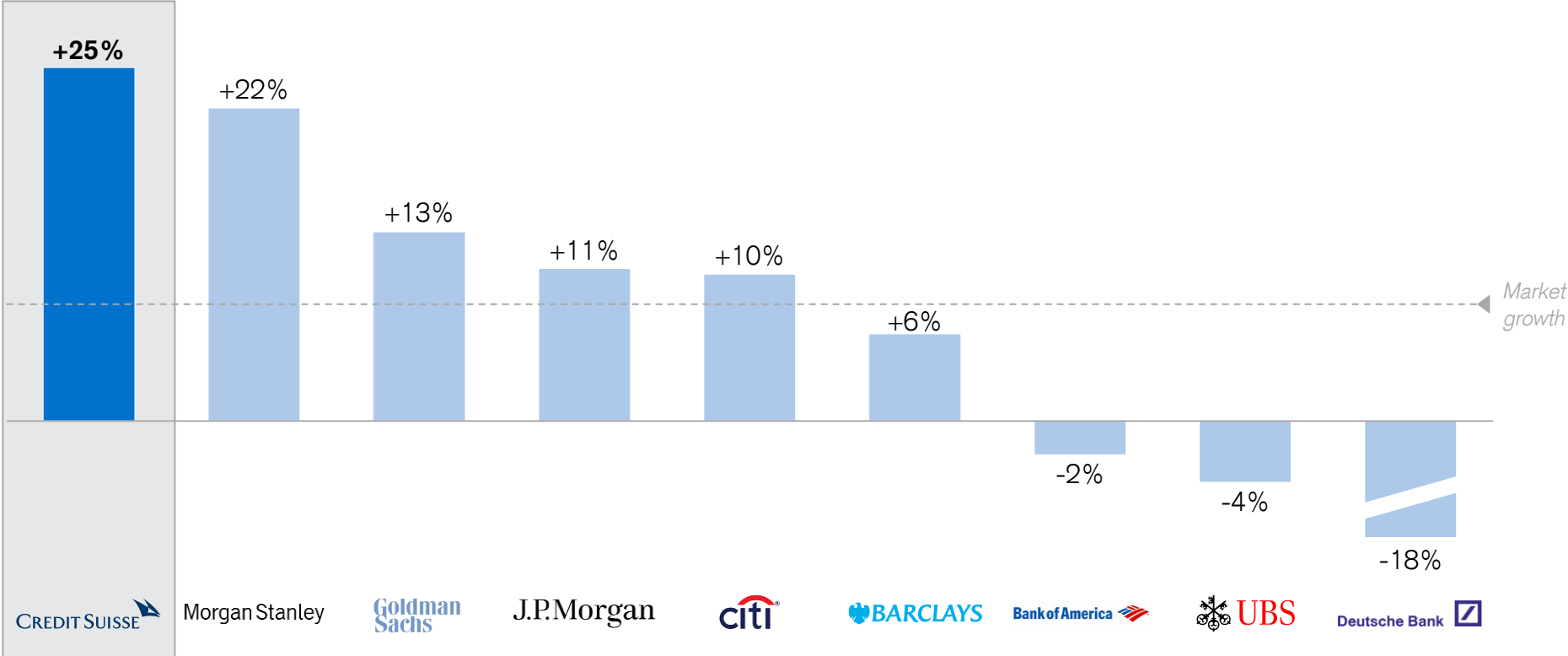
1 Source: Dealogic as of September 30, 2018. Relating to Americas and EMEA 2 Includes ECM and Converts 3 Includes Leveraged Finance and DCM



# ...with revenue growth outpacing peers since announcement of the strategy in 2015...

## Global underwriting and advisory revenue growth since 2015 Investor Day<sup>1</sup>

LTM 9M18 vs. FY15, in USD terms



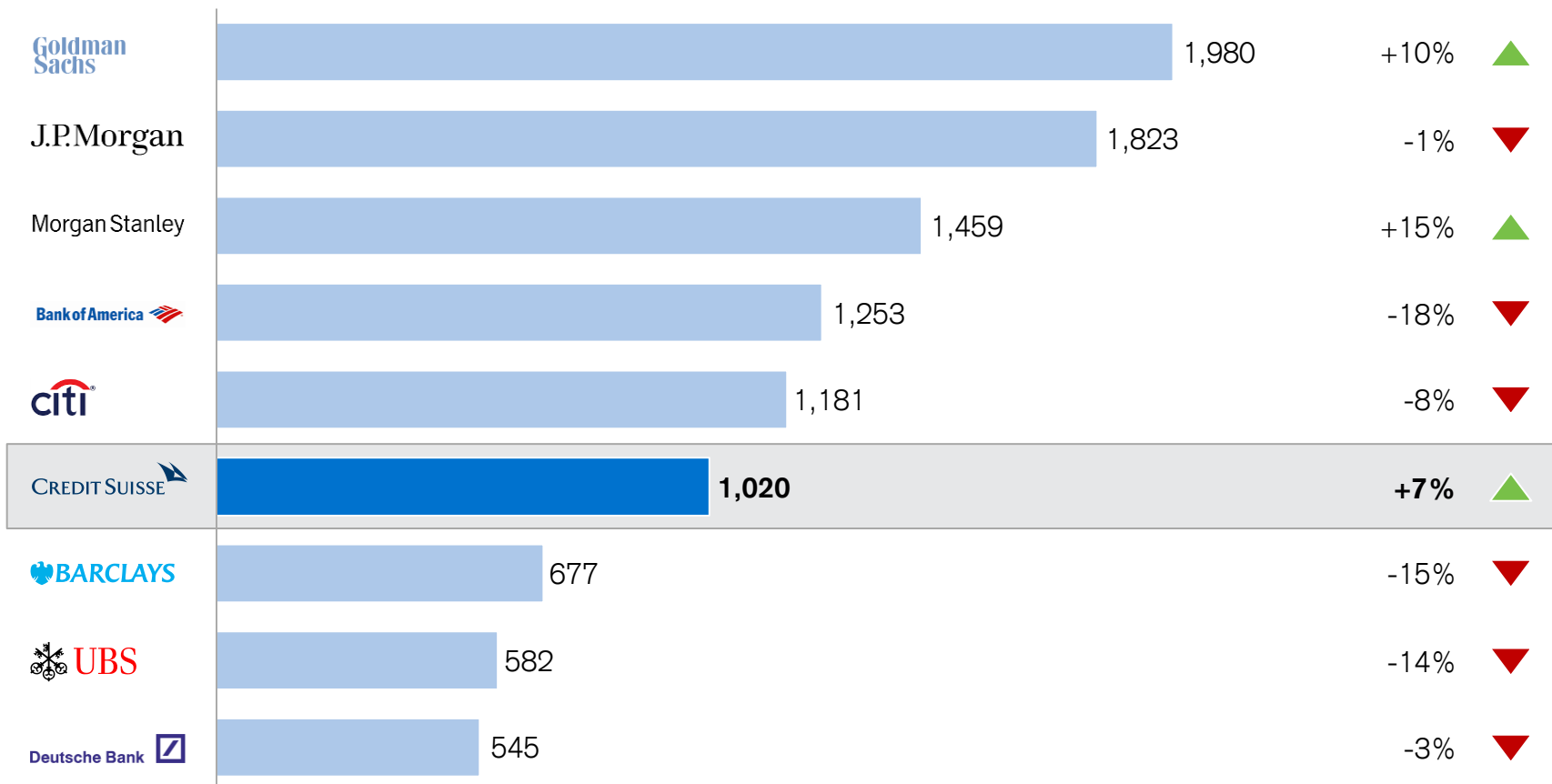
<sup>1</sup> Source: Peer financial reports and filings. Underwriting and advisory revenue growth since 2015 based on LTM 9M18 reported revenues compared to FY15

# ...and positioning us well globally...

## Global underwriting and advisory revenues 3Q18<sup>1</sup>

in USD mn

## YoY performance

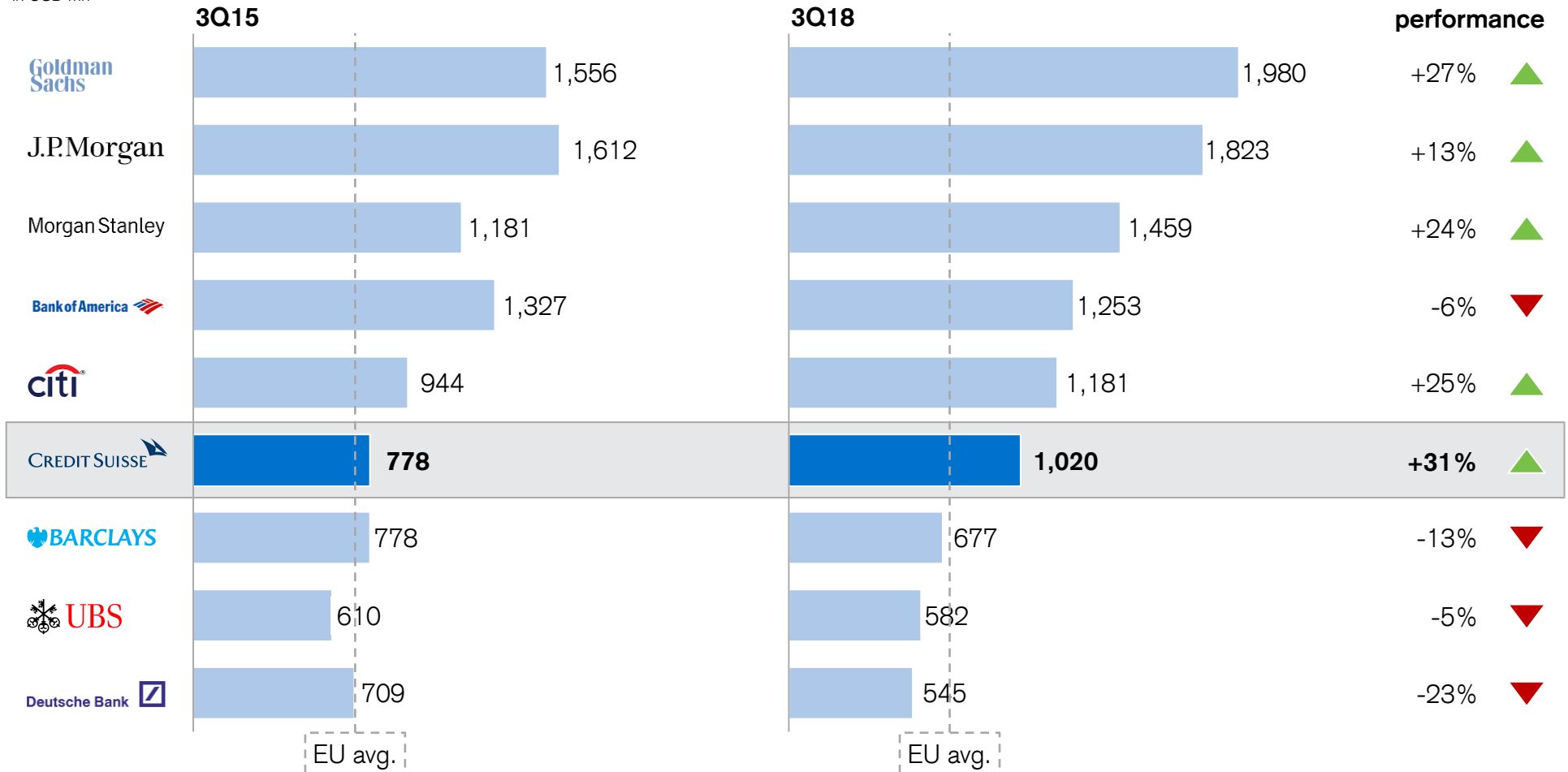


<sup>1</sup> Source: Peer financial reports and filings

# ...with clear acceleration over the past three years

## Global underwriting and advisory revenues<sup>1</sup>

in USD mn



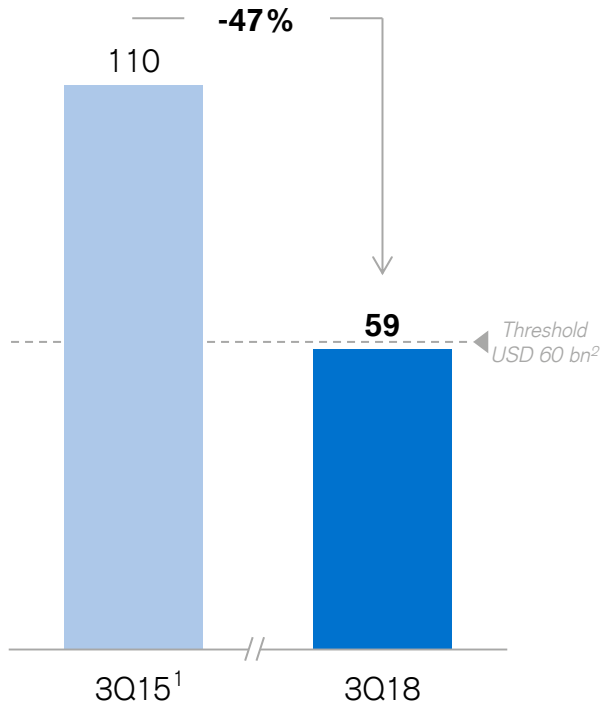
<sup>1</sup> Source: Peer financial reports and filings

# In Global Markets we are following a differentiated approach

## Global Markets key metrics

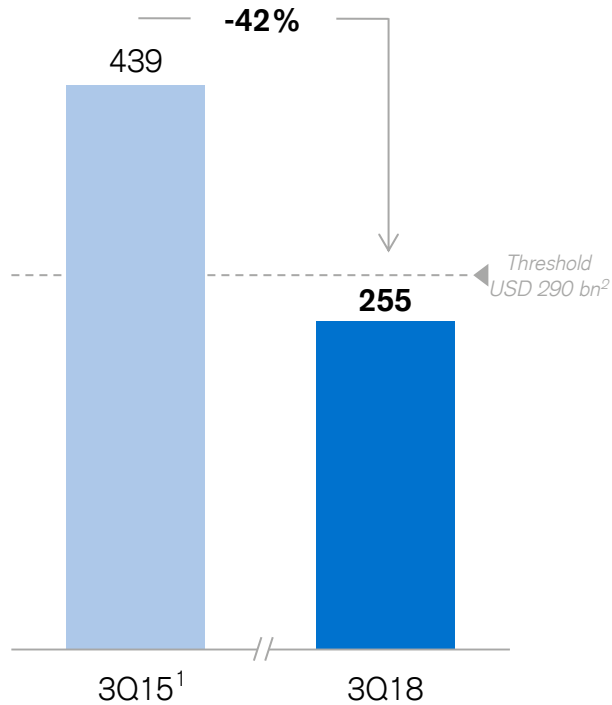
### Risk-weighted assets

in USD bn



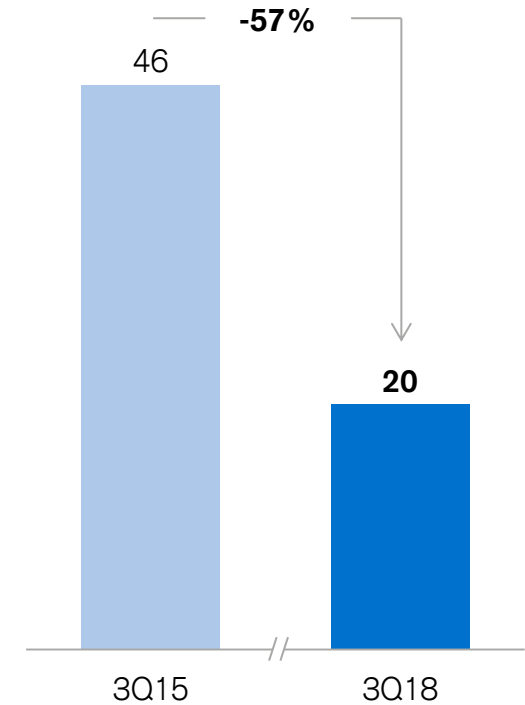
### Leverage exposure

in USD bn



### Value-at-Risk

Average one-day, 98% risk management VaR in CHF mn



<sup>1</sup> Figures for 3Q15 present financial information based on results under our structure prior to our re-segmentation announcement on October 21, 2015; on the basis of our current structure, the 3Q15 RWA and leverage exposure amounts for Global Markets were USD 63 bn and USD 313 bn, respectively <sup>2</sup> As presented at the Investor Day on November 30, 2017

# Our Global Markets franchise is strong

## Global Markets products

Fixed Income	#1	Asset Finance <sup>1</sup> (9M18 & 3Q18)
	#1	US RMBS <sup>1</sup> (9M18 & 3Q18)
	#2	Leveraged Finance <sup>2</sup> (9M18 & 3Q18)
	#2	Leveraged Loans and High Yield <sup>2</sup> (9M18 & 3Q18)
Equities	#1	European Prime Brokerage <sup>3</sup>
	#4	US Prime Brokerage <sup>4</sup>
	#5	US Cash Equities <sup>5</sup> (1H18)
	#5	Pan-Europe Cash / ETFs <sup>5</sup> (1H18)

## Global Markets awards



The Banker  
Investment Banking  
Awards 2018

- 2018 Most Innovative Bank for Securitization (4 of 5 years running)
- 2018 Most Innovative Bank for Leveraged Finance (4 of 5 years running)

GlobalCapital

- 2018 Overall Best Securitization Bank (3 of 4 years running)
- 2018 RMBS Bank of the Year
- 2018 Credit Derivatives House of the Year (2 years running)
- 2018 CLO Arranger of the Year
- 2018 Americas Derivatives House of the Year
- 2018 Electronic Platform of the Year for AES Rates



- 2018 Best Emerging Market Investment Bank (Globally)



- 2018 Best House in the Americas / USA for Structured Products (June 2018)

1 Source: Thomson Reuters as of September 30, 2018 2 Source: Dealogic as of September 30, 2018 . Includes Americas and EMEA 3 Source: EuroHedge as of May 2018. Based on total AuM  
4 Source: Absolute Returns as of June 2018. Based on total AuM 5 Source: Third Party competitive analysis

# Global Markets 3Q18 revenues declined 13% on like-for-like basis when normalized for recent business rationalizations

## Global Markets 3Q18 revenue performance YoY<sup>1</sup>

in USD terms

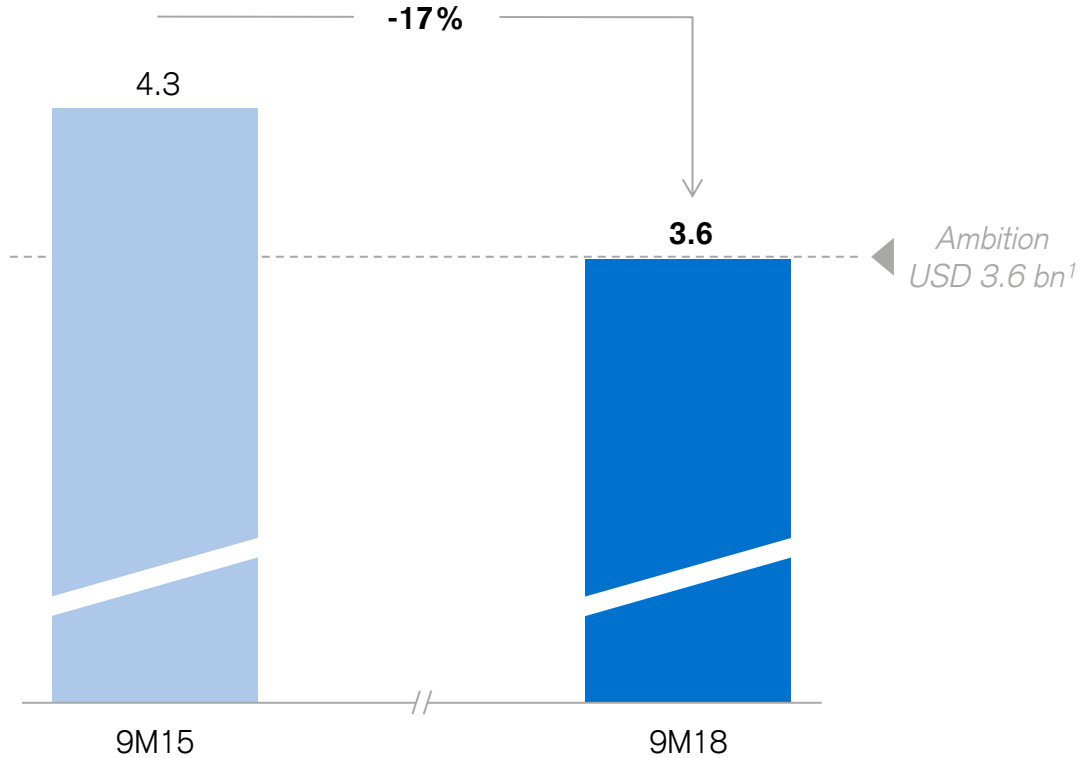
	Normalized <sup>2</sup>	Reported	Commentary
<b>Equities</b>	<b>+6%</b>	<b>+1%</b>	<ul style="list-style-type: none"> <li>▪ Right-sized emerging markets business</li> <li>▪ Equity Derivatives up 70% YoY, benefitting from ITS collaboration</li> <li>▪ Increased equity underwriting fees</li> </ul>
<b>Fixed Income</b>	<b>-15%</b>	<b>-20%</b>	<ul style="list-style-type: none"> <li>▪ Right-sized macro and emerging markets businesses</li> <li>▪ Securitized Products adversely impacted by lower episodic activity vs. strong 3Q17 comparable</li> <li>▪ Continued momentum in #1 ranked asset finance franchise<sup>3</sup></li> <li>▪ Global Credit Products with higher investment grade and leveraged finance trading activity</li> </ul>

<sup>1</sup> Includes sales and trading and underwriting    <sup>2</sup> Excludes impact of USD -20 mn for Equities and USD -60 mn for Fixed Income due to business rationalizations    <sup>3</sup> Source: Thomson Reuters as of September 30, 2018



# Strict focus on cost control in Global Markets – on track to achieve our 2018 cost ambition of USD 4.8 bn

**Global Markets  
adjusted operating expenses**  
in USD bn



Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix  
1 Based on 9-month average of 2018 Ambition as presented at the Investor Day on November 30, 2017

# As we complete the restructuring of Global Markets at the end of 2018, we expect to increase its profitability

## Ongoing discipline

De-risked



Right-sized



Reduced costs



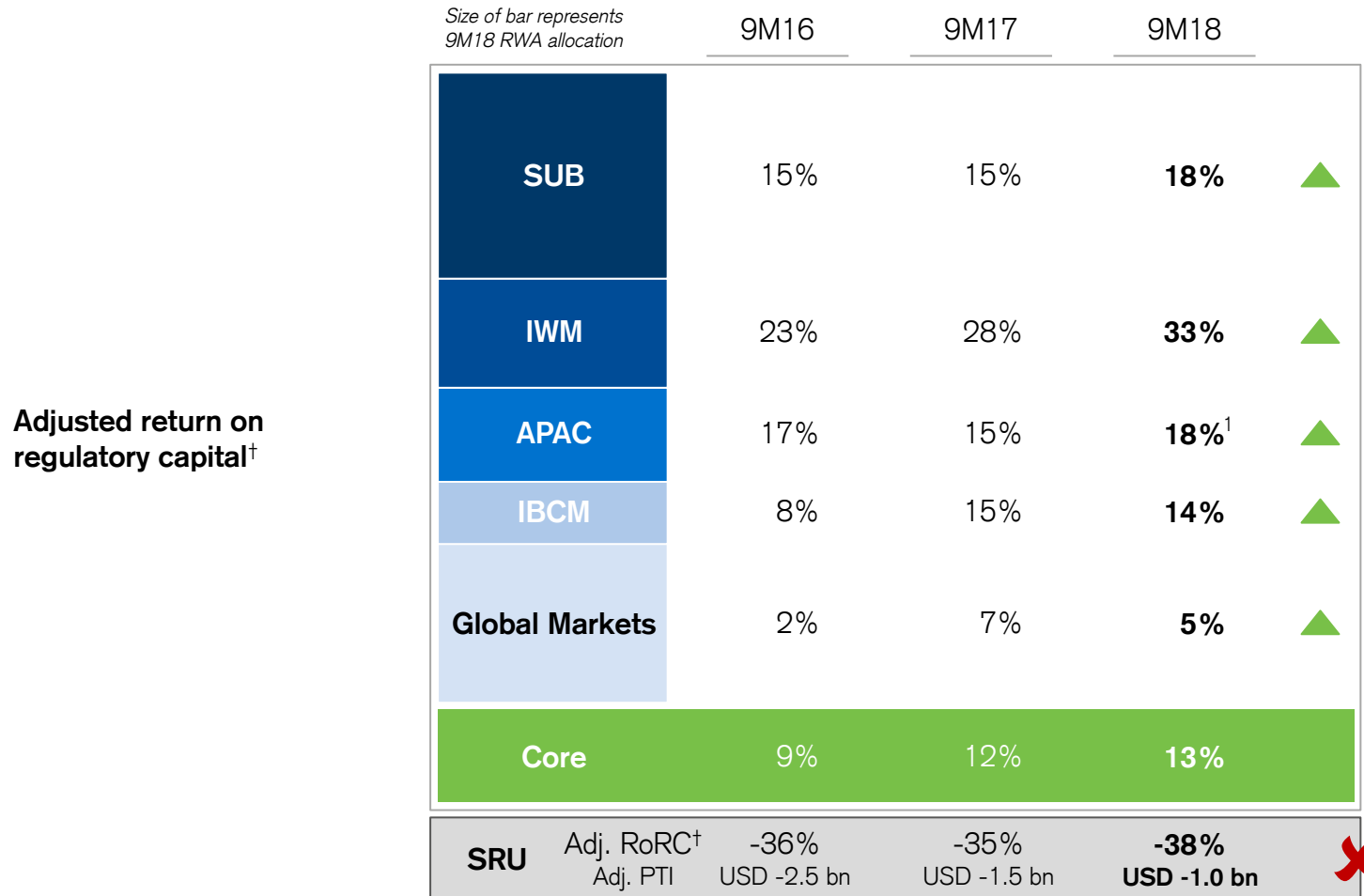
## Key profitability drivers

- 1 Stability
- 2 Lower funding costs of ~USD 250 mn in 2019
- 3 Increased collaboration with Wealth Management
- 4 Improving Equities



Increasing  
returns

# We are driving increasing returns across our core businesses



Drag on Group RoRC<sup>†</sup> to reduce further by 2019<sup>2</sup>

Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix † See Appendix

1 Of which WM&C 28% and Markets 4% 2 SRU program will be economically completed by end-2018; residual operations and assets to be absorbed into the rest of the Group from 2019 onwards

# Summary

- **Best 3Q adjusted PTI since 2014**
- **Resilience of our operating model**
- **Continued momentum in Wealth Management**
- **Highest 9M NNA<sup>1</sup> since 2013**
- **Very strong performance in IBCM**
- **Global Markets executing with discipline**
- **Ahead of cost reduction target**
- **Strengthened capital position**

Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix  
1 Relating to SUB PC, IWM PB and APAC PB within WM&C

# Detailed Financials



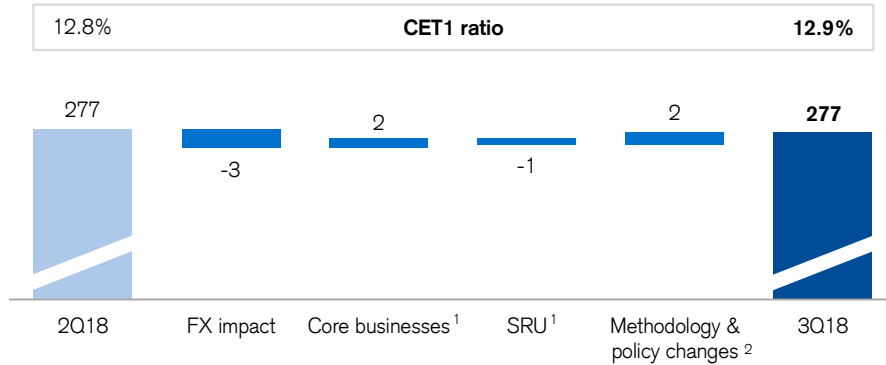
# Results Overview

<b>Credit Suisse Group results</b>		<b>3Q18</b>	2Q18	3Q17	<b>9M18</b>	9M17	vs. 9M17
	Net revenues	4,888	5,595	4,972	16,119	15,711	3%
	Provision for credit losses	65	73	32	186	167	
	Total operating expenses	4,152	4,470	4,540	13,156	13,892	-5%
	<b>Pre-tax income</b>	<b>671</b>	<b>1,052</b>	<b>400</b>	<b>2,777</b>	<b>1,652</b>	<b>68%</b>
	Real estate gains	-15	-	-	-16	-	
	Gains (-)/losses on business sales	5	-	-	-68	-15	
	Restructuring expenses	-171	-175	-112	-490	-318	
	Major litigation provisions	-22	-55	-108	-162	-238	
	Expenses related to business sales	-2	-1	-	-3	-	
Adjusted	<b>Net revenues</b>	<b>4,878</b>	<b>5,595</b>	<b>4,972</b>	<b>16,035</b>	<b>15,696</b>	<b>2%</b>
	<b>Provision for credit losses</b>	<b>65</b>	<b>73</b>	<b>32</b>	<b>186</b>	<b>167</b>	
	<b>Total operating expenses</b>	<b>3,957</b>	<b>4,239</b>	<b>4,320</b>	<b>12,501</b>	<b>13,336</b>	<b>-6%</b>
	<b>Pre-tax income</b>	<b>856</b>	<b>1,283</b>	<b>620</b>	<b>3,348</b>	<b>2,193</b>	<b>53%</b>
	Net income attributable to shareholders	424	647	244	1,765	1,143	54%
	Diluted earnings per share in CHF	0.16	0.25	0.09	0.67	0.47	43%
	Return on tangible equity <sup>‡</sup>	4.5%	6.9%	2.5%	6.3%	4.1%	

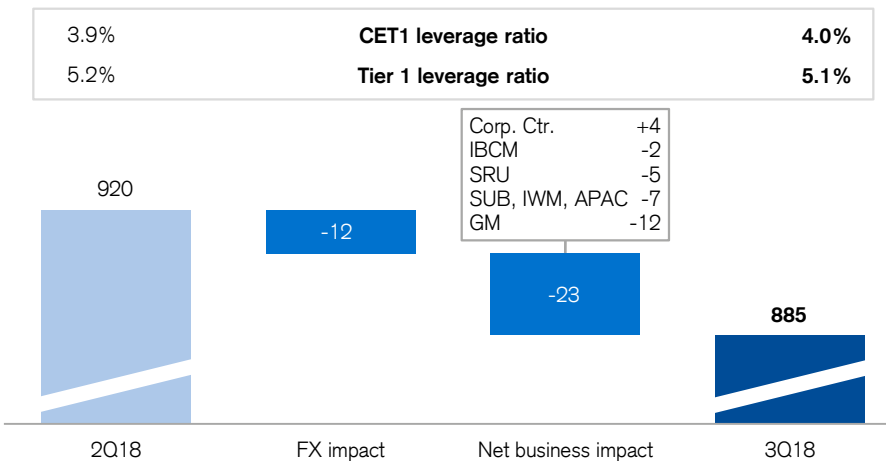
Note: All values shown are in CHF mn unless otherwise specified. Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix † See Appendix

# CET1 ratio at 12.9% and Tier 1 leverage ratio at 5.1%

## Basel III RWA in CHF bn



## Leverage exposure in CHF bn



## Key messages

- CET1 ratio increased to 12.9% from 12.8% in 2Q18 and above our 2018 target level of > 12.5%
- CET1 leverage ratio increased to 4.0% from 3.9% in 2Q18, well in excess of the Swiss 2020 requirement of 3.5%; Tier 1 leverage ratio at 5.1%

## Risk-weighted assets

- RWA remained stable during the quarter with a reduction from FX impact offset by external methodology changes and growth in our Wealth Management-focused divisions<sup>3</sup>
- Continued reduction of RWA by USD 1 bn in the SRU to USD 9 bn excl. operational risk; exceeded year-end target level of USD 11 bn

## Leverage exposure

- Leverage exposure decreased by CHF 35 bn compared to the prior quarter, of which CHF 12 bn was in respect to FX moves and CHF 23 bn was due to a reduction in business usage, primarily from lower HQLA

<sup>1</sup> Includes model and parameter updates; core businesses include Corporate Center

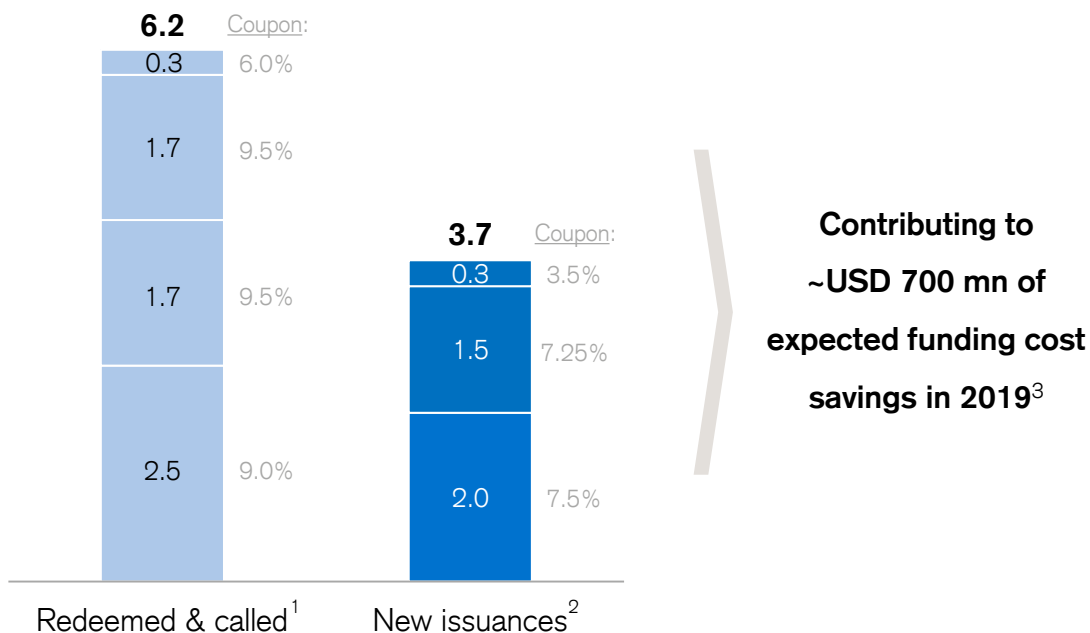
<sup>2</sup> Represents externally prescribed regulatory changes impacting how exposures are treated

<sup>3</sup> Refers to SUB, IWM and APAC

# Update on high- and low-trigger capital instruments and funding costs

## Redemptions and issuances of high- and low-trigger capital instruments during 3Q18

in CHF bn



## Key messages

- In 3Q18 redeemed CHF 0.3 bn of low-trigger tier 1 capital instruments and irrevocably called CHF 5.9 bn of high-trigger tier 1 capital instruments that were redeemed in October 2018
- Issued CHF 3.7 bn of high-trigger tier 1 capital instruments during the quarter

Note: USD/CHF exchange rate of 0.98 per end of September 2018 applied to USD denominated tier 1 capital instruments

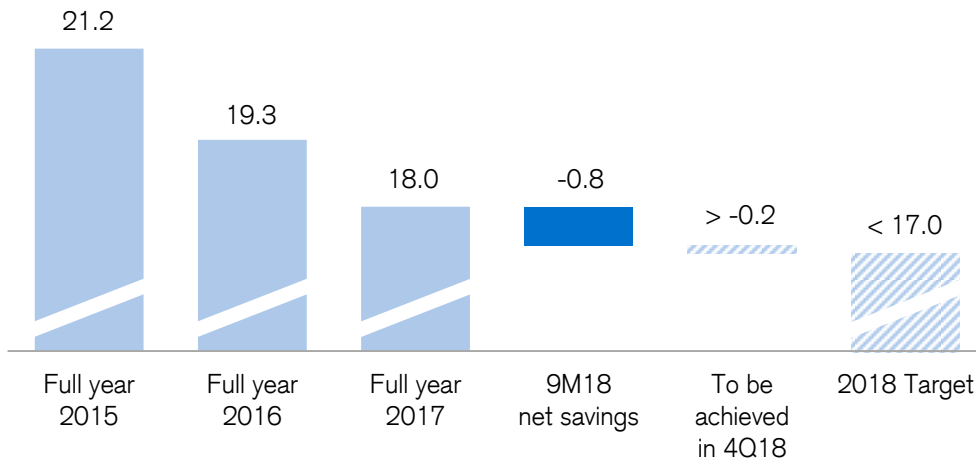
<sup>1</sup> Includes CHF 290 mn low-trigger tier 1 capital instrument redeemed on September 4, 2018 and CHF 5.9 bn of high-trigger tier 1 capital instruments for which Credit Suisse irrevocably notified holders in August 2018 of the redemption on the first optional redemption date of October 23, 2018 <sup>2</sup> Includes USD 2.0 bn high-trigger tier 1 capital instrument issued in July 2018, CHF 300 mn high-trigger tier 1 capital instrument issued in August 2018 and USD 1.5 bn high-trigger tier 1 capital instrument issued in September 2018 <sup>3</sup> Compared to 2018; represents average funding spread and other related issuance costs



# CHF 4.0 bn of net cost savings achieved, equating to 96% of total targeted savings

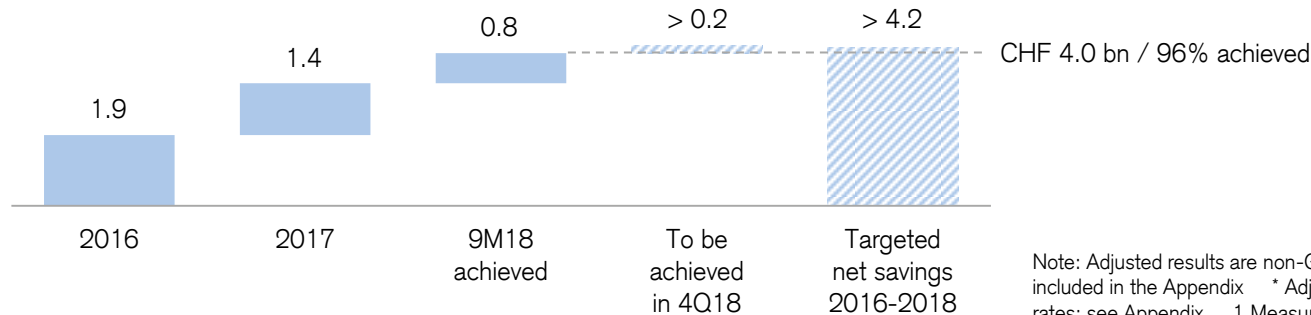
## Adjusted operating cost base at constant FX rates\*

in CHF bn



## Net cost savings at constant FX rates\*

in CHF bn



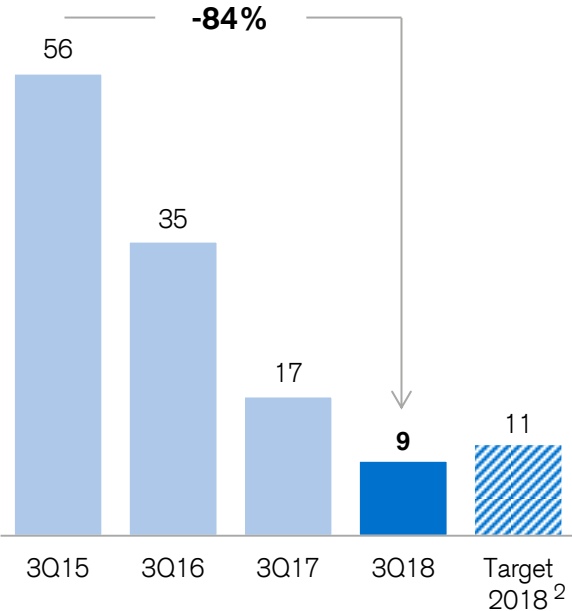
## Key messages

- Achieved CHF 0.8 bn, or 6% of cost savings in 9M18<sup>1</sup>; 3Q18 with incremental net savings of CHF 0.3 bn
- Efficiency gains have been achieved so far in the year across all expense types and divisions and from the continued wind-down of the SRU
- CHF 4.0 bn or 96% of targeted 2016-2018 cost savings achieved
- Well on track for expected net savings of > CHF 0.2 bn in 4Q18 to achieve our target of an adjusted operating cost base of < CHF 17.0 bn for the year
- Restructuring program expected to be completed by end-2018 with CHF 2.0 bn of cumulative spend since its inception in 4Q15 until completion by end-2018

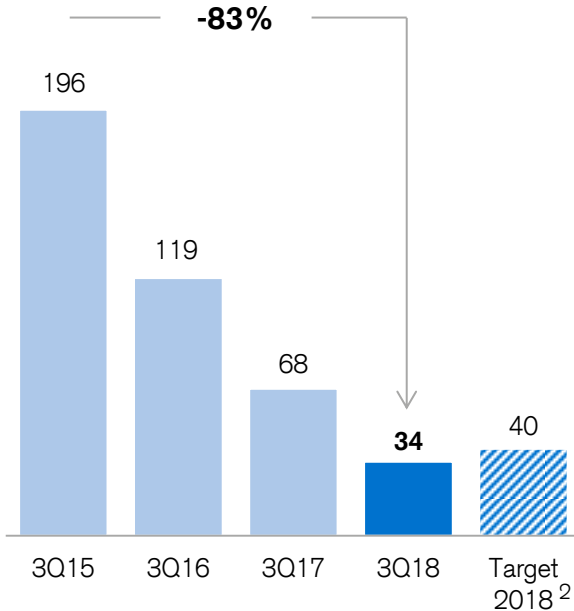
Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix \* Adjusted operating cost base / net cost savings at constant 2015 FX rates; see Appendix 1 Measures 9M18 vs. 9M17

# Continued progress in wind-down of the SRU; achieved capital targets ahead of plan

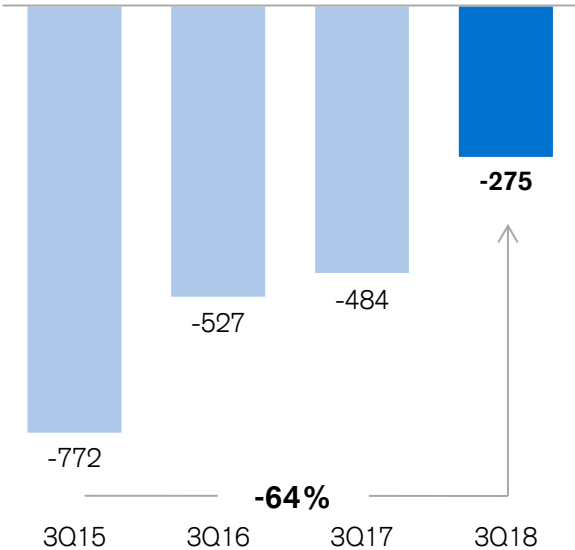
**RWA excl. operational risk<sup>1</sup>** in USD bn



**Leverage exposure** in USD bn



**Adjusted pre-tax loss** in USD mn



Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix

1 Excludes Op Risk RWA of USD 20 bn in each of 3Q15, 3Q16 and 3Q17 and USD 11 bn in 3Q18

2 SRU program will be economically completed by end-2018; residual operations and assets to be absorbed into the rest of the Group from 2019 onwards

# Summary



# We are delivering against the objectives of our restructuring program laid out at the end of 2015

## 9M18 performance selected metrics adjusted

<b>Capital</b>	CET1 ratio 12.9%	COMPLETED	●
	Tier 1 leverage ratio 5.1%	COMPLETED	●
	Passed first public CCAR stress test in 2018	COMPLETED	●
<b>Cost</b>	Cumulative net cost savings* CHF 4.0 bn <sup>1</sup>		●
	9M18 cost base* CHF 12.6 bn; 4Q18 <CHF 4.4 bn to achieve <sup>2</sup>		●
<b>SRU</b>	RWA ex Op Risk USD 9 bn <sup>3</sup>	COMPLETED	●
	PTI drag USD 1.0 bn		●
<b>SUB</b>	PTI CHF 1.7 bn		●
<b>IWM</b>	PTI CHF 1.3 bn		●
<b>APAC WM&amp;C</b>	PTI CHF 0.65 bn		●
<b>IBCM</b>	RoRC <sup>†</sup> 14%		●
<b>Global Markets</b>	RWA USD 59 bn / LE USD 255 bn	COMPLETED	●
	Operating expenses USD 3.6 bn		●
	Net revenues USD 4.1 bn		●
<b>Controls</b>	Compliance headcount increased by 42% <sup>4</sup>		●
	Single Client View covering 99% of Wealth Management clients		●
	Strengthened Risk function – increased seniority by ~40% <sup>5</sup>		●

Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix \*,† See Appendix 1 Cumulative cost savings for the period 2016 to 9M18 2 Maximum 4Q18 adj. operating cost base to achieve FY18 target of < CHF 17.0 bn 3 Excl. Op Risk RWA of USD 11 bn 4 Since end-2015, as at September 17, 2018 5 Since 9M15. Seniority measured as senior titles (MDR, DIR)

# Investor Day 2018 preview

**CREDIT SUISSE** 

**Investor Day 2018**

London, December 12<sup>th</sup>

**Continued profitable growth in Wealth Management**

**Leveraging technology for client satisfaction, efficiencies and compliance**

**Managing our business through the economic cycle**

**Our capital management strategy**

# Appendix

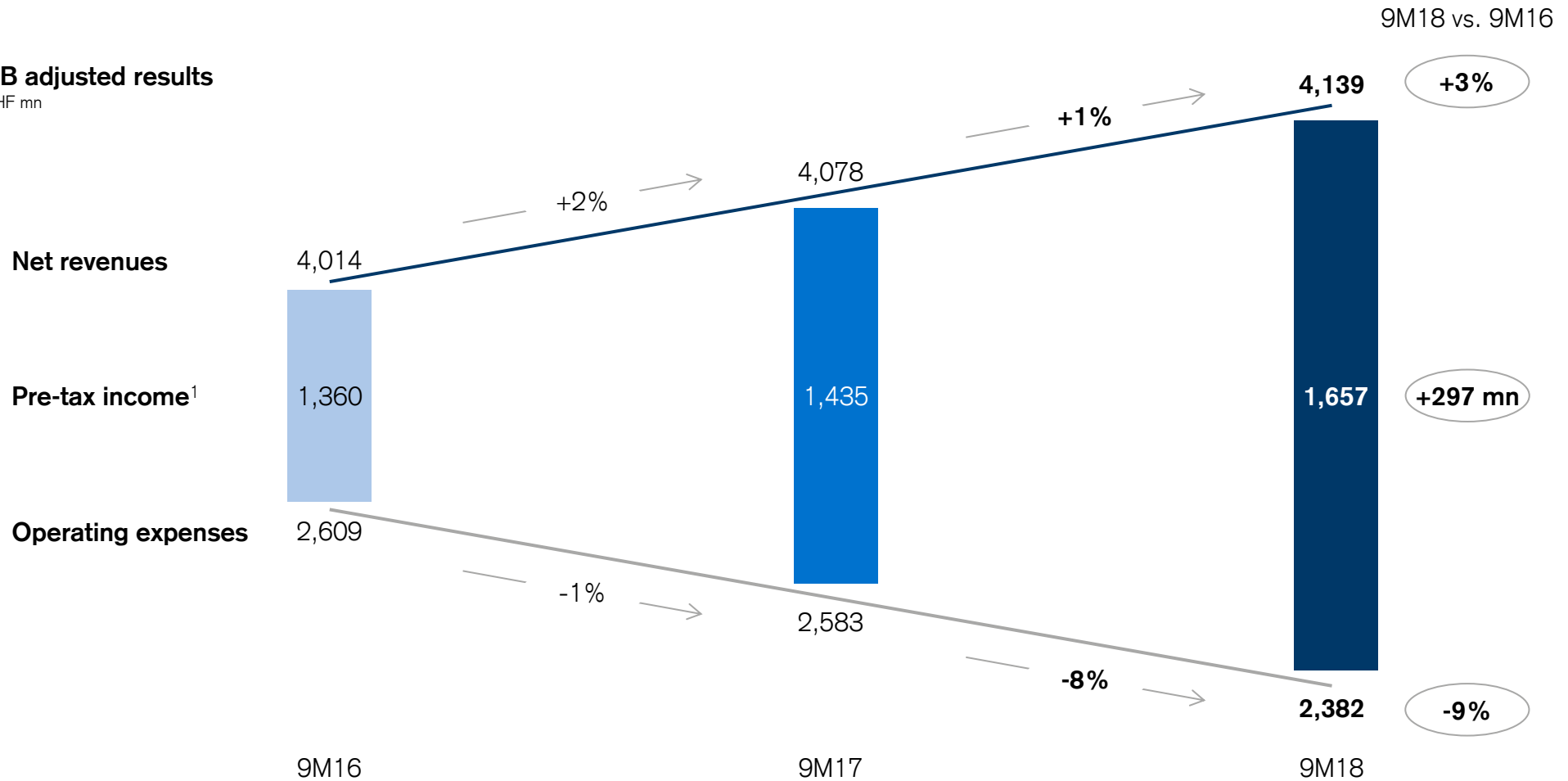


# Overview of Credit Suisse 3Q18 results

Pre-tax income	Reported					Adjusted				
	3Q18	2Q18	3Q17	9M18	9M17	3Q18	2Q18	3Q17	9M18	9M17
in CHF mn unless otherwise specified										
<b>SUB</b>	511	553	426	1,627	1,332	523	580	448	1,657	1,435
<b>IWM</b>	378	433	355	1,295	1,011	411	461	382	1,346	1,087
<b>APAC</b>	176	217	218	627	553	186	266	228	740	593
<b>IBCM</b> in USD mn	72	110	37	244	268	90	141	54	325	297
<b>Global Markets</b> in USD mn	-97	149	73	365	658	-21	206	101	542	739
<b>Corporate Center</b>	-61	-41	-127	-274	-471	-61	-41	-118	-273	-436
<b>Total Core</b>	<b>978</b>	<b>1,420</b>	<b>978</b>	<b>3,861</b>	<b>3,332</b>	<b>1,124</b>	<b>1,611</b>	<b>1,089</b>	<b>4,306</b>	<b>3,693</b>
<b>SRU</b> in USD mn	-314	-371	-599	-1,119	-1,717	-275	-332	-484	-989	-1,532
<b>Group</b>	<b>671</b>	<b>1,052</b>	<b>400</b>	<b>2,777</b>	<b>1,652</b>	<b>856</b>	<b>1,283</b>	<b>620</b>	<b>3,348</b>	<b>2,193</b>
RWA in CHF bn	277	277	265							
CET1 ratio	12.9%	12.8%	13.2%							
Leverage exposure in CHF bn	885	920	909							
Tier 1 leverage ratio	5.1%	5.2%	5.2%							

# Positive operating leverage in SUB

## SUB adjusted results in CHF mn

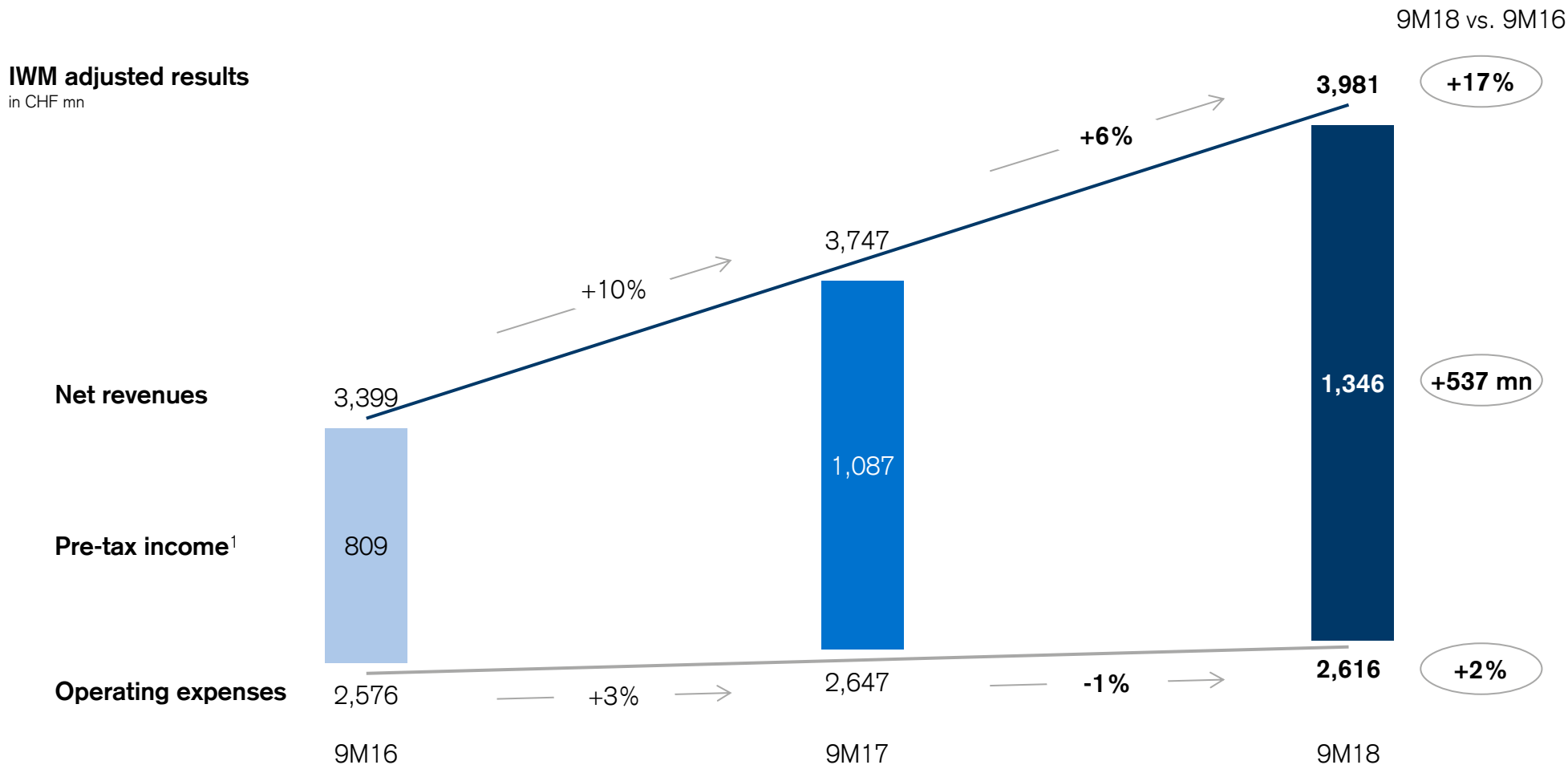


Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix

<sup>1</sup> Includes provision for credit losses of CHF 45 mn in 9M16, CHF 60 mn in 9M17 and CHF 100 mn in 9M18



# Positive operating leverage in IWM



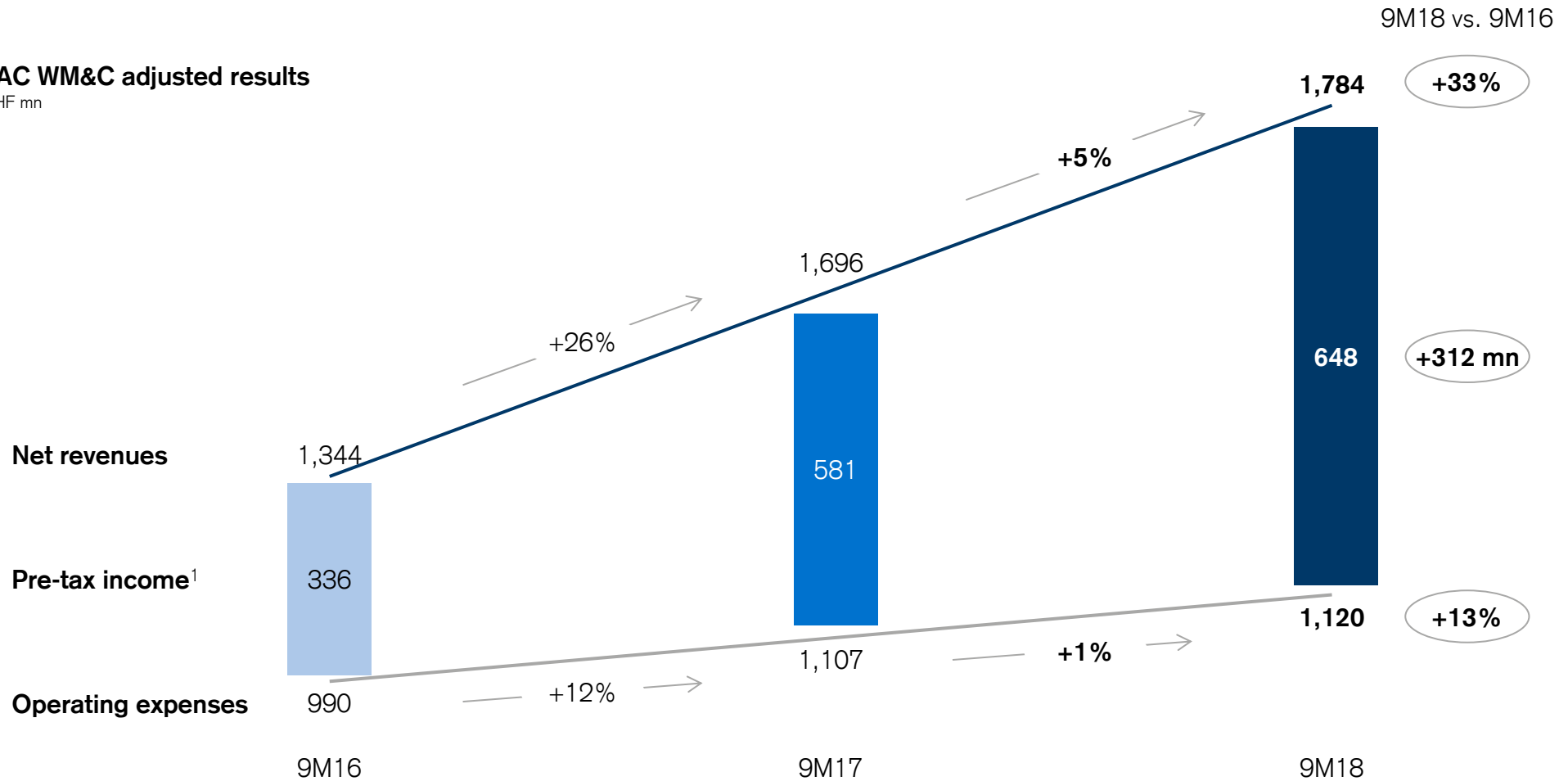
Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix

<sup>1</sup> Includes provision for credit losses of CHF 14 mn in 9M16, CHF 13 mn in 9M17 and CHF 19 mn in 9M18

# Positive operating leverage in APAC WM&C

## APAC WM&C adjusted results

in CHF mn



Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix

<sup>1</sup> Includes provision for credit losses of CHF 18 mn in 9M16, CHF 8 mn in 9M17 and CHF 16 mn in 9M18

# Swiss Universal Bank

## Strong PTI growth driven by continued efficiency gains

### Adjusted key financials

in CHF mn	3Q18	2Q18	3Q17	Δ 3Q17
Net revenues	1,326	1,419	1,319	1%
o/w Private Clients	715	757	727	-2%
o/w Corp. & Inst. Clients	611	662	592	3%
Provision for credit losses	31	35	14	
Total operating expenses	772	804	857	-10%
<b>Pre-tax income</b>	<b>523</b>	<b>580</b>	<b>448</b>	<b>17%</b>
o/w Private Clients	251	285	217	16%
o/w Corp. & Inst. Clients	272	295	231	18%
<b>Cost/income ratio</b>	<b>58%</b>	<b>57%</b>	<b>65%</b>	
<b>Return on regulatory capital<sup>†</sup></b>	<b>17%</b>	<b>19%</b>	<b>14%</b>	

### Key metrics

in CHF bn	3Q18	2Q18	3Q17	Δ 3Q17
PC Adj. net margin in bps	48	55	43	5
PC Net new assets	0.9	0.5	1.0	
PC Mandates penetration	32%	32%	32%	
Net loans	168	167	165	1%
Risk-weighted assets	74	73	65	15%
Leverage exposure	252	252	256	-1%

### Key messages

- 3Q18 pre-tax income of CHF 523 mn, up 17%; 11<sup>th</sup> consecutive quarter of YoY PTI growth
- Net revenues up 1%, driven by good momentum in Corporate & Institutional Clients, offset by weaker transactions in Private Clients
- Operating expenses down 10% from continued personnel cost reduction and non-compensation savings despite further investments in digitalization; cost/income ratio at 58%

### Private Clients

- PTI of CHF 251 mn, up 16%, driven by continued efficiency gains from reduced contractor costs, increased RM productivity and digitalization
- Net revenues benefitting from stability in net interest income and recurring revenues, but negatively impacted by lower transaction-based revenues from reduced client activity
- NNA of CHF 0.9 bn with strong contribution of our UHNW franchise

### Corporate & Institutional Clients

- PTI of CHF 272 mn, up 18%, driven by strong operating leverage
- Solid revenue growth of 3% reflecting increased recurring revenues supported by higher asset base in institutional clients
- Operating expenses down 10%, driven by lower personnel expenses

Note: All financial numbers presented and discussed are adjusted, unless otherwise stated. Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in this Appendix. All percentage changes and comparative descriptions refer to year on year measurements unless otherwise indicated † See under 'Notes' at the end of this Appendix

# Swiss Universal Bank

## Private Clients and Corporate & Institutional Clients

### Private Clients Adjusted key financials

in CHF mn	3Q18	2Q18	3Q17	Δ 3Q17
Net interest income	419	430	421	0%
Recurring commissions & fees	209	211	205	2%
Transaction-based	87	116	101	-14%
Other revenues	0	0	0	
Net revenues	715	757	727	-2%
Provision for credit losses	13	11	9	
Total operating expenses	451	461	501	-10%
<b>Pre-tax income</b>	<b>251</b>	<b>285</b>	<b>217</b>	<b>16%</b>
<b>Cost/income ratio</b>	<b>63%</b>	<b>61%</b>	<b>69%</b>	

### Key metrics

in CHF bn	3Q18	2Q18	3Q17	Δ 3Q17
Adj. net margin in bps	48	55	43	5
Net new assets	0.9	0.5	1.0	
Mandates penetration	32%	32%	32%	
Assets under management	209	208	206	2%
Number of RM	1,270	1,290	1,300	-2%

### Corporate & Institutional Clients Adjusted key financials

in CHF mn	3Q18	2Q18	3Q17	Δ 3Q17
Net interest income	297	309	303	-2%
Recurring commissions & fees	171	175	149	15%
Transaction-based	157	189	161	-2%
Other revenues	-14	-11	-21	
Net revenues	611	662	592	3%
Provision for credit losses	18	24	5	
Total operating expenses	321	343	356	-10%
<b>Pre-tax income</b>	<b>272</b>	<b>295</b>	<b>231</b>	<b>18%</b>
<b>Cost/income ratio</b>	<b>53%</b>	<b>52%</b>	<b>60%</b>	

### Key metrics

in CHF bn	3Q18	2Q18	3Q17	Δ 3Q17
Assets under management	360	356	347	4%
Number of RM	520	530	550	-5%

Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in this Appendix

# International Wealth Management

3Q18 PTI up 8%; PB with continued YoY growth in revenues and PTI

## Adjusted key financials

in CHF mn	3Q18	2Q18	3Q17	Δ 3Q17
Net revenues	1,270	1,344	1,262	1%
o/w Private Banking	913	992	870	5%
o/w Asset Management	357	352	392	-9%
Provision for credit losses	15	5	3	
Total operating expenses	844	878	877	-4%
<b>Pre-tax income</b>	<b>411</b>	<b>461</b>	<b>382</b>	<b>8%</b>
o/w Private Banking	308	372	272	13%
o/w Asset Management	103	89	110	-6%
<b>Cost/income ratio</b>	<b>66%</b>	<b>65%</b>	<b>69%</b>	
<b>Return on regulatory capital<sup>†</sup></b>	<b>29%</b>	<b>34%</b>	<b>29%</b>	

## Key metrics

in CHF bn	3Q18	2Q18	3Q17	Δ 3Q17	
PB	Adj. net margin in bps	33	40	31	2
	Net new assets	3.0	5.2	3.6	
	Number of RM	1,120	1,120	1,130	-1%
	Net loans	51	52	48	8%
	Net new assets AM	4.5	8.0	1.1	
	Risk-weighted assets	39	39	37	6%
	Leverage exposure	97	99	93	4%

## Key messages

- 3Q18 PTI of CHF 411 mn up 8%, a continued strong performance notwithstanding the seasonal slowdown and at par with best quarter in 2017
- 9M18 PTI of CHF 1,346 mn up 24% and on track to achieve 2018 PTI target of CHF 1.8 bn

## Private Banking

- PTI up 13% driven by 5% higher revenues with increases across all major revenue categories
- Strong growth in transaction revenues, up 13%, on the back of proactive client engagement
- Continued disciplined expense management (-1%) with growth investments offset by savings
- 3Q18 NNA of CHF 3.0 bn (3%<sup>1</sup>); 9M18 at CHF 13.7 bn (5%<sup>1</sup>) with solid inflows across emerging markets and Europe

## Asset Management

- Continued growth in management fees, up 11%, with a stable recurring margin of 31 bps
- 3Q18 with lower performance fees and the absence of a sizable investment gain included in 3Q17
- Expenses down 10%, reflecting stringent cost control
- 3Q18 NNA of CHF 4.5 bn; 9M18 NNA at CHF 21.5 bn, driven by inflows in Credit, Index and Equity thematic products

Note: All financial numbers presented and discussed are adjusted, unless otherwise stated. Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in this Appendix. All percentage changes and comparative descriptions refer to year on year measurements unless otherwise indicated † See under 'Notes' at the end of this Appendix <sup>1</sup> Annualized growth rate

# International Wealth Management

## Private Banking and Asset Management

### Private Banking Adjusted key financials

in CHF mn	3Q18	2Q18	3Q17	Δ 3Q17
Net interest income	382	394	367	4%
Recurring commissions & fees	302	313	300	1%
Transaction- and perf.-based	229	285	203	13%
Net revenues	913	992	870	5%
Provision for credit losses	15	5	3	
Total operating expenses	590	615	595	-1%
<b>Pre-tax income</b>	<b>308</b>	<b>372</b>	<b>272</b>	<b>13%</b>
<b>Cost/income ratio</b>	<b>65%</b>	<b>62%</b>	<b>68%</b>	

### Key metrics

in CHF bn	3Q18	2Q18	3Q17	Δ 3Q17
Adj. net margin in bps	33	40	31	2
Net new assets	3.0	5.2	3.6	
Assets under management	368	371	355	4%
Mandates penetration	33%	33%	29%	
Net loans	51	52	48	8%
Number of RM	1,120	1,120	1,130	-1%

### Asset Management Adjusted key financials

in CHF mn	3Q18	2Q18	3Q17	Δ 3Q17
Management fees	279	278	252	11%
Performance & placement rev.	32	38	59	-46%
Investment & partnership inc.	46	36	81	-43%
Net revenues	357	352	392	-9%
Total operating expenses	254	263	282	-10%
<b>Pre-tax income</b>	<b>103</b>	<b>89</b>	<b>110</b>	<b>-6%</b>
<b>Cost/income ratio</b>	<b>71%</b>	<b>75%</b>	<b>72%</b>	

### Key metrics

in CHF bn	3Q18	2Q18	3Q17	Δ 3Q17
Net new assets	4.5	8.0	1.1	
Assets under management	404	401	376	7%

Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in this Appendix

# Asia Pacific

## Continued growth in WM&C offset by a challenging market environment

### Adjusted key financials

in CHF mn	3Q18	2Q18	3Q17	Δ 3Q17
Net revenues <sup>1</sup>	811	914	890	-9%
o/w WM&C	557	564	548	2%
o/w Markets	254	350	342	-26%
Provision for credit losses	10	7	5	
Total operating expenses <sup>1</sup>	615	641	657	-6%
<b>Pre-tax income</b>	<b>186</b>	<b>266</b>	<b>228</b>	<b>-18%</b>
o/w WM&C	184	208	178	3%
o/w Markets	2	58	50	-96%
<b>Cost/income ratio</b>	<b>76%</b>	<b>70%</b>	<b>74%</b>	
<b>Return on regulatory capital<sup>†</sup></b>	<b>13%</b>	<b>18%</b>	<b>18%</b>	

### Key metrics

in CHF bn	3Q18	2Q18	3Q17	Δ 3Q17	
PB <sup>2</sup>	Adj. net margin in bps	27	30	31	-4
	Net new assets	6.4	3.4	5.8	
	Number of RM	600	610	590	2%
	Assets under management	208	206	190	9%
	Net loans	42	44	43	-1%
	Risk-weighted assets	34	34	31	9%
	Leverage exposure	108	118	106	1%

Note: All financial numbers presented and discussed are adjusted, unless otherwise stated. Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in this Appendix. All percentage changes and comparative descriptions refer to year on year measurements unless otherwise indicated † See under 'Notes' at the end of this Appendix

1 In 1Q18, the US GAAP standard ASU 2014-09 "Revenue from Contracts with Customers" became effective. As a result, both APAC net revenues and operating expenses decreased vs. prior year by CHF 6 mn and CHF 5 mn in 2Q18 and 3Q18, respectively 2 APAC PB within WM&C 3 All references under key messages for Markets are based on USD

### Key messages

- 3Q18 PTI of CHF 186 mn with strong WM&C performance offset by weak Asian markets
- Record AuM of CHF 208 bn and strong NNA of CHF 6.4 bn notwithstanding continued deleveraging across the region
- Disciplined cost management

### Wealth Management & Connected (WM&C)

- PTI of CHF 184 mn vs. CHF 178 mn in 3Q17
- PB net interest income and recurring commissions & fees up 8% and 7%, respectively, partially offsetting lower transaction-based revenues reflecting challenging market conditions
- Advisory, Underwriting and Financing revenues benefitted from strong deal flow in financing and ECM

### Markets<sup>3</sup>

- Equity sales and trading revenues declined with lower level of client activity in significantly weaker markets and compared to a strong 3Q17
- Fixed income sales and trading revenues declined significantly, mainly from Rates products reflecting difficult market conditions and lower client activity
- Further reduction in cost led to a break-even PTI

# Asia Pacific

## Wealth Management & Connected and Markets

### Wealth Management & Connected Adjusted key financials

in CHF mn	3Q18	2Q18	3Q17	Δ 3Q17
Private Banking	387	412	400	-3%
Adv., Underwr. and Financing	170	152	148	15%
Net revenues	557	564	548	2%
Provision for credit losses	1	6	5	
Total operating expenses	372	350	365	2%
<b>Pre-tax income</b>	<b>184</b>	<b>208</b>	<b>178</b>	<b>3%</b>
<b>Cost/income ratio</b>	<b>67%</b>	<b>62%</b>	<b>67%</b>	
<b>Return on regulatory capital<sup>†</sup></b>	<b>23%</b>	<b>27%</b>	<b>25%</b>	
Risk-weighted assets in CHF bn	23	22	19	21%
Leverage exposure in CHF bn	56	60	49	16%

### Markets Adjusted key financials

in USD mn	3Q18	2Q18	3Q17	Δ 3Q17
Equity sales & trading	221	233	271	-18%
Fixed income sales & trading	38	121	83	-54%
Net revenues	259	354	354	-27%
Provision for credit losses	10	0	0	
Total operating expenses	248	294	302	-18%
<b>Pre-tax income/(loss)</b>	<b>1</b>	<b>60</b>	<b>52</b>	<b>-98%</b>
<b>Cost/income ratio</b>	<b>96%</b>	<b>83%</b>	<b>85%</b>	
<b>Return on regulatory capital<sup>†</sup></b>	<b>0%</b>	<b>8%</b>	<b>7%</b>	
Risk-weighted assets in USD bn	11	11	13	-10%
Leverage exposure in USD bn	52	59	59	-12%

### Private Banking<sup>1</sup> revenue details

in CHF mn	3Q18	2Q18	3Q17	Δ 3Q17
Net interest income	155	158	144	8%
Recurring commissions & fees	104	112	97	7%
Transaction-based revenues	128	142	159	-19%
Net revenues	387	412	400	-3%

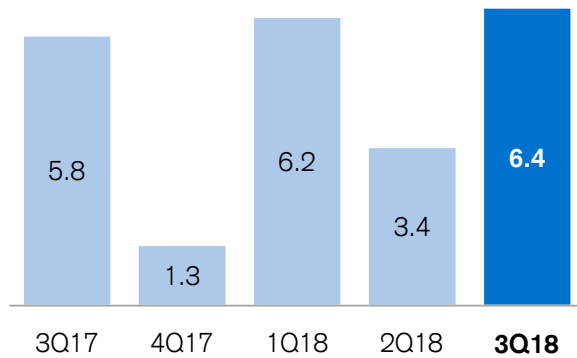
Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in this Appendix † See under 'Notes' at the end of this Appendix 1 APAC PB within WM&C



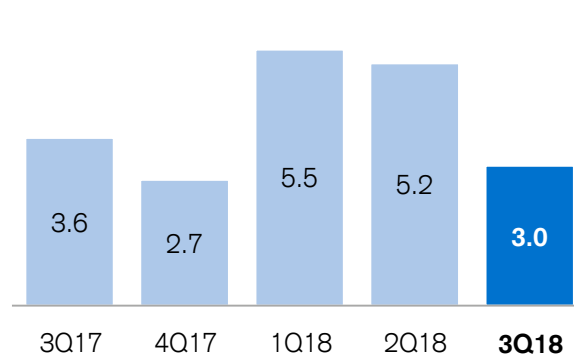
# Wealth Management businesses

## NNA generation

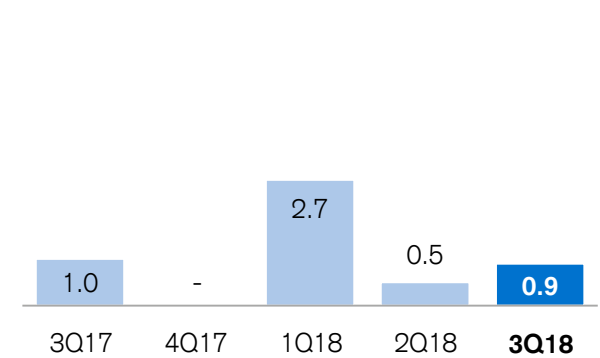
APAC PB<sup>1</sup> NNA in CHF bn



IWM PB NNA in CHF bn



SUB PC NNA in CHF bn



Regularization outflows included in NNA in CHF bn

-      -0.1      -      -      -

Regularization outflows included in NNA in CHF bn

-0.4      -0.5      -0.1      -      -

Regularization outflows included in NNA in CHF bn

-      -0.1      -0.1      -0.1      -0.1

NNA growth (annualized)

13%      3%      13%      7%      **12%**

NNA growth (annualized)

4%      3%      6%      6%      **3%**

NNA growth (annualized)

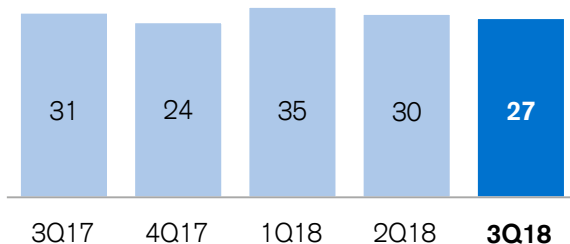
2%      -%      5%      1%      **2%**

<sup>1</sup> APAC PB within WM&C

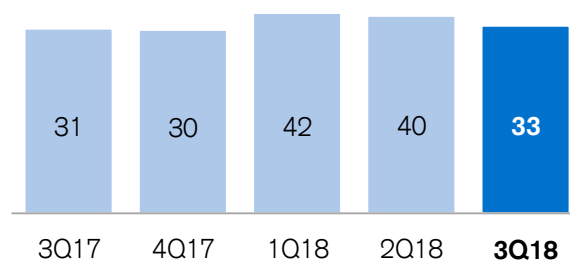
# Wealth Management businesses

## Net and gross margins

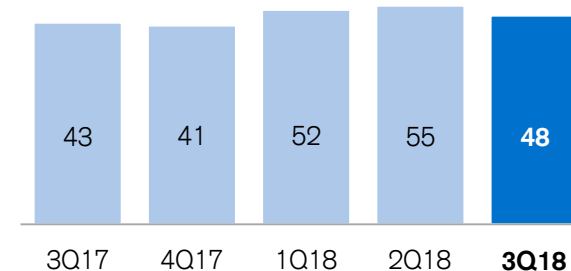
**APAC PB<sup>1</sup>** Adj. net margin in bps



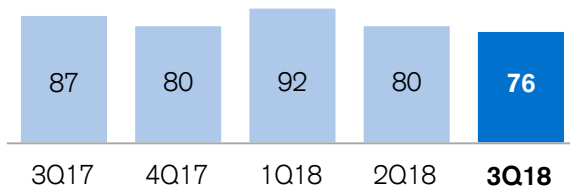
**IWM PB** Adj. net margin in bps



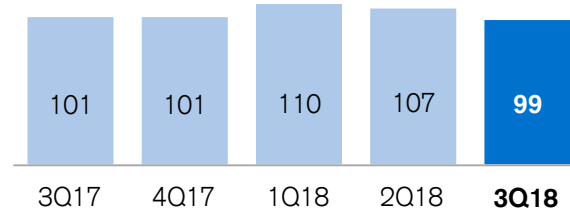
**SUB PC** Adj. net margin in bps



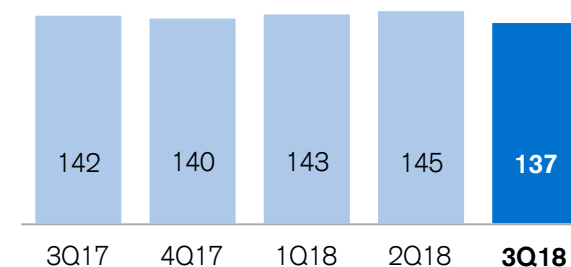
Adj. gross margin in bps



Adj. gross margin in bps



Adj. gross margin in bps



Adj. net revenues in CHF mn

400	391	455	412	<b>387</b>	870	923	1,006	992	<b>913</b>	727	726	743	757	<b>715</b>
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Adj. pre-tax income in CHF mn

141	116	171	153	<b>136</b>	272	275	382	372	<b>308</b>	217	213	268	285	<b>251</b>
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Average AuM in CHF bn

184	196	198	205	<b>204</b>	346	365	366	372	<b>369</b>	204	208	208	208	<b>210</b>
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Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in this Appendix. For details on calculations see under 'Notes' at the end of this Appendix

<sup>1</sup> APAC PB within WM&C

# Investment Banking & Capital Markets

## PTI up 67% reflecting strength in M&A business

### Adjusted key financials

in USD mn	3Q18	2Q18	3Q17	Δ 3Q17
Net revenues <sup>1</sup>	543	650	474	15%
Provision for credit losses	3	15	12	
Total operating expenses <sup>1</sup>	450	494	408	10%
<b>Pre-tax income</b>	<b>90</b>	<b>141</b>	<b>54</b>	<b>67%</b>
<b>Cost/income ratio</b>	<b>83%</b>	<b>76%</b>	<b>86%</b>	
<b>Return on regulatory capital<sup>†</sup></b>	<b>11%</b>	<b>18%</b>	<b>8%</b>	

### Key metrics

in USD bn	3Q18	2Q18	3Q17	Δ 3Q17
Risk-weighted assets	23	23	20	14%
Leverage exposure	42	44	44	-5%

### Global advisory and underwriting revenues<sup>2</sup>

in USD mn	3Q18	2Q18	3Q17	Δ 3Q17
Global advisory and underwriting revenues <sup>1</sup>	1,020	1,156	950	7%

### Key messages

- 3Q18 results reflect continued execution of our strategy:
  - Top 5 ranks in global M&A and Leveraged Finance<sup>3</sup>
  - Continued momentum in the M&A business with share gains in Americas and EMEA<sup>4</sup> and higher announced volumes YTD
- Revenues of USD 543 mn<sup>1</sup> up 15%, outperforming the Street<sup>4</sup>; significant YoY increases in advisory and equity underwriting fees partly offset by lower debt underwriting fees
- Adjusted operating expenses up USD 42 mn, including ~USD 30 mn from higher variable compensation expenses in line with the improvement in business performance as well as USD 12 mn<sup>1</sup> of US GAAP changes
- RWA stable QoQ; YoY increase driven by the re-allocation of operational risk RWA in 1Q18 and growth in the corporate lending portfolio
- Global advisory and underwriting revenues for 3Q18 up 7%, outperforming the Street<sup>3</sup>

Note: All financial numbers presented and discussed are adjusted, unless otherwise stated. Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in this Appendix. All percentage changes and comparative descriptions refer to year on year measurements unless otherwise indicated † See under 'Notes' at the end of this Appendix 1 In 1Q18, the US GAAP standard ASU 2014-09 "Revenue from Contracts with Customers" became effective. As a result, both IBCM net revenues and operating expenses increased vs. prior year by USD 21 mn and USD 12 mn in 2Q18 and 3Q18, respectively 2 Gross global revenues from advisory, debt and equity underwriting generated across all divisions before cross-divisional revenue sharing agreements 3 Source: Dealogic for the period ending September 30, 2018 (Global) 4 Source: Dealogic for the period ending September 30, 2018 (Americas and EMEA only)

# Global Markets

## Strong cost and capital management amid a muted credit environment

### Adjusted key financials

in USD mn	3Q18	2Q18	3Q17	Δ 3Q17
Equities <sup>1</sup>	426	571	421	1%
Fixed Income <sup>1</sup>	755	986	947	-20%
Other	-115	-116	-61	
Net revenues <sup>2</sup>	1,066	1,441	1,308	-19%
Provision for credit losses	3	13	7	
Total operating expenses <sup>2</sup>	1,084	1,222	1,200	-10%
<b>Pre-tax income/(loss)</b>	<b>-21</b>	<b>206</b>	<b>101</b>	<b>n/m</b>
<b>Cost/income ratio</b>	<b>102%</b>	<b>85%</b>	<b>92%</b>	
<b>Return on regulatory capital<sup>†</sup></b>	<b>n/m</b>	<b>6%</b>	<b>3%</b>	

### Key metrics

in USD bn	3Q18	2Q18	3Q17	Δ 3Q17
Risk-weighted assets	59	59	58	1%
Leverage exposure	255	268	291	-12%

### Key messages

- Challenging revenue environment characterized by reduced credit client activity compounded by the impact of business rationalizations; revenues declined 13% excluding these actions
- Equities revenues increased 6% excluding the impact of rationalizing our emerging markets business<sup>3</sup>, or 1% including this impact, reflecting continued momentum in equity derivatives from the ITS collaboration and higher equity underwriting activity
- Fixed income revenues declined 15% excluding the impact of rationalizing our macro and emerging markets businesses<sup>3</sup>, or 20% including this impact, reflecting lower credit results due to less episodic activity vs. a strong 3Q17
- Operating expenses decreased 10% YoY, or USD 116 mn, driven by progress on efficiency initiatives; with 9M18 expenses of USD 3.6 bn well-positioned to achieve USD 4.8 bn in expenses by end-2018
- Disciplined approach to capital usage with meaningful decline in leverage exposure

Note: All financial numbers presented and discussed are adjusted, unless otherwise stated. Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in this Appendix. All percentage changes and comparative descriptions refer to year on year measurements unless otherwise indicated † See under 'Notes' at the end of this Appendix

1 Includes sales and trading and underwriting 2 In 1Q18, the US GAAP standard ASU 2014-09 "Revenue from Contracts with Customers" became effective. As a result, both Global Markets net revenues and operating expenses increased vs. prior year by USD 7 mn and USD 14 mn in 2Q18 and 3Q18, respectively 3 Excludes impact of USD -20 mn for Equities and USD -60 mn for Fixed Income due to business rationalizations

# Strategic Resolution Unit

## On track to achieve all end-2018 targets

### Key financials

in USD mn		3Q18	2Q18	3Q17	Δ 3Q17
Adjusted	Net revenues	-158	-178	-265	-40%
	Provision for credit losses	3	-1	-9	
	Total operating expenses	114	155	228	-50%
	<b>Pre-tax loss</b>	<b>-275</b>	<b>-332</b>	<b>-484</b>	
	Restructuring expenses	28	12	21	
	Major litigation provisions	8	26	94	
	Expenses related to business sales	3	1	-	
	<b>Pre-tax loss reported</b>	<b>-314</b>	<b>-371</b>	<b>-599</b>	

### Key metrics

	3Q18	2Q18	3Q17	Δ 3Q17
Risk-weighted assets <small>in CHF bn</small>	19	20	36	-46%
RWA excl. operational risk <small>in USD bn</small>	9	10	17	-48%
Leverage exposure <small>in USD bn</small>	34	39	68	-50%

### Key messages

- Adjusted pre-tax loss reduced by USD 209 mn vs. 3Q17
  - Net revenues improved by USD 107 mn, mainly from lower exit costs and reduced funding requirements for the portfolio
  - Operating expenses lower by USD 114 mn, as a result of our infrastructure rationalization program and reduced professional services expenses, including a reduction in costs related to the settlements with US authorities regarding US cross-border matters
- Leverage exposure and RWA excl. operational risk lower vs. 2Q18 by USD 5 bn and USD 1 bn, respectively
  - Loans and financing exposure reduced by ~15%, notably due to portfolio sale of European real estate assets and run-off of emerging markets positions
  - Derivatives exposures further reduced through unwinds, restructuring, clearing and compression
- Already surpassed year-end targets for RWA excl. operational risk and leverage exposure of USD 11 bn and USD 40 bn, respectively
- On track to achieve adjusted pre-tax loss target of less than USD 1.4 bn; 9M18 adjusted pre-tax loss of USD 989 mn

Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in this Appendix. All percentage changes and comparative descriptions refer to year on year measurements unless otherwise indicated

# Corporate Center

## Adjusted key financials

in CHF mn	3Q18	2Q18	3Q17	Δ 3Q17
Treasury results	-5	-5	45	
Other	57	29	-8	
Net revenues	52	24	37	41%
Provision for credit losses	0	0	0	
Compensation and benefits	63	74	104	-39%
G&A expenses	46	-30	43	7%
Commission expenses	4	21	8	-50%
Total other operating expenses	50	-9	51	-2%
Total operating expenses	113	65	155	-27%
<b>Pre-tax loss</b>	<b>-61</b>	<b>-41</b>	<b>-118</b>	

## Key metrics

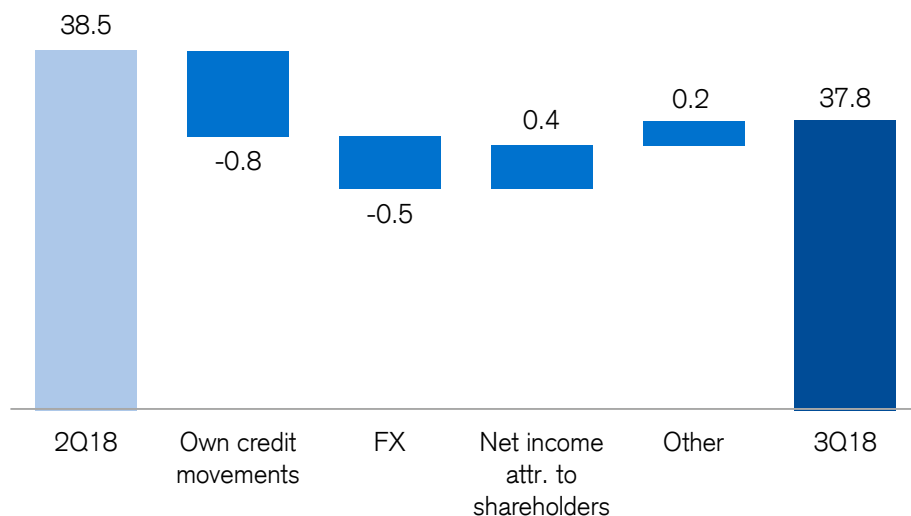
in CHF bn	3Q18	2Q18	3Q17	Δ 3Q17
Total assets	103	101	66	58%
Risk-weighted assets	30	30	21	43%
Leverage exposure	105	103	63	65%

Note: All financial numbers presented and discussed are adjusted, unless otherwise stated. Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in this Appendix. 'Other revenues' include required elimination adjustments associated with trading in own shares and treasury commissions charged to divisions

# Tangible shareholders' equity in 3Q18 reflects accretion from retained earnings, offset by negative change from fair value of own credit and FX

## Tangible shareholders' equity<sup>‡</sup>

in CHF bn



## Key messages

- Increased tangible book value by CHF 424 mn from net income attributable to shareholders in the quarter
- Improved credit standing of Credit Suisse Group led to a narrowing of credit spreads during the quarter, resulting in a CHF 825 mn negative adjustment from the fair valuation of own debt
- Adverse FX impact of CHF 511 mn during 3Q18, mainly due to the weakening of the US dollar against the Swiss franc; this effect has entirely reversed so far in the current quarter<sup>1</sup>

Note: Tangible shareholders' equity is a non-GAAP financial measure <sup>‡</sup> See under 'Notes' at the end of this Appendix  
<sup>1</sup> As of October 30, 2018

# Currency mix & Group capital metrics

## Credit Suisse Core results<sup>1</sup>

Core results	9M18 in CHF mn	Contribution				
		CHF	USD	EUR	GBP	Other
Net revenues	16,652	24%	50%	11%	3%	12%
Total expenses <sup>2</sup>	12,791	31%	37%	4%	9%	19%

## Swiss Universal Bank

Net revenues	4,191	74%	17%	6%	1%	2%
Total expenses <sup>2</sup>	2,564	82%	12%	3%	2%	1%

## International Wealth Management

Net revenues	4,012	17%	54%	19%	2%	8%
Total expenses <sup>2</sup>	2,717	43%	27%	9%	9%	12%

## Asia Pacific

Net revenues	2,716	3%	46%	2%	2%	47%
Total expenses <sup>2</sup>	2,089	7%	15%	-0%	1%	77%

## Global Markets

Net revenues	4,015	2%	70%	14%	6%	8%
Total expenses <sup>2</sup>	3,668	6%	61%	4%	19%	10%

## Investment Bank & Capital Markets

Net revenues	1,702	-0%	83%	9%	6%	2%
Total expenses <sup>2</sup>	1,463	3%	73%	5%	14%	5%

1 As reported 2 Total expenses include provisions for credit losses 3 Sensitivity analysis based on weighted average exchange rates of USD/CHF of 0.96 and EUR/CHF of 1.16 for the 9M18 results

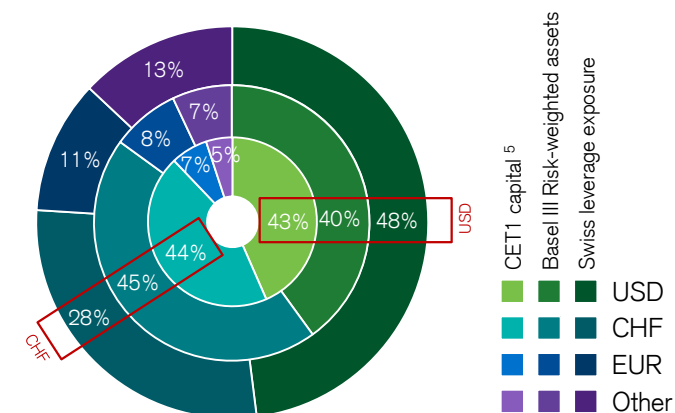
4 Data based on September 2018 month-end currency mix and on a "look-through" basis 5 Reflects actual capital positions in consolidated Group legal entities (net assets) including net asset hedges less applicable Basel III regulatory adjustments (e.g. goodwill)

## Sensitivity analysis on Core results<sup>3</sup>

Applying a +/- 10% movement on the average FX rates for 9M18, the sensitivities are:

- USD/CHF impact on 9M18 pre-tax income by CHF +361 / -361 mn
- EUR/CHF impact on 9M18 pre-tax income by CHF +122 / -122 mn

## Currency mix capital metric<sup>4</sup> "look-through"



A 10% strengthening / weakening of the USD (vs. CHF) would have a **+3.3 bps / -3.5 bps impact** on the "look-through" **BIS CET1 ratio**



Adjusted results are non-GAAP financial measures that exclude goodwill impairment and certain other revenues and expenses included in our reported results. Management believes that adjusted results provide a useful presentation of our operating results for purposes of assessing our Group and divisional performance consistently over time, on a basis that excludes items that management does not consider representative of our underlying performance. Provided below is a reconciliation of our adjusted results to the most directly comparable US GAAP measures.

## Reconciliation of adjustment items (1/5)

	Group in CHF mn																		
	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14	2Q14	1Q14
<b>Net revenues reported</b>	<b>4,888</b>	<b>5,595</b>	<b>5,636</b>	<b>5,189</b>	<b>4,972</b>	<b>5,205</b>	<b>5,534</b>	<b>5,181</b>	<b>5,396</b>	<b>5,108</b>	<b>4,638</b>	<b>4,210</b>	<b>5,985</b>	<b>6,955</b>	<b>6,647</b>	<b>6,372</b>	<b>6,578</b>	<b>6,463</b>	<b>6,829</b>
Fair value on own debt	-	-	-	-	-	-	-	-	-	-	-	697	-623	-228	-144	-297	-318	-17	89
Real estate gains	-15	-	-1	-	-	-	-	-78	-346	-	-	-72	-	-23	-	-375	-	-5	-34
Gains (-)/losses on business sales	5	-	-73	28	-	-	-15	2	-	-	56	-34	-	-	-	-101	-	-	-
<b>Net revenues adjusted</b>	<b>4,878</b>	<b>5,595</b>	<b>5,562</b>	<b>5,217</b>	<b>4,972</b>	<b>5,205</b>	<b>5,519</b>	<b>5,105</b>	<b>5,050</b>	<b>5,108</b>	<b>4,694</b>	<b>4,801</b>	<b>5,362</b>	<b>6,704</b>	<b>6,503</b>	<b>5,599</b>	<b>6,260</b>	<b>6,441</b>	<b>6,884</b>
<b>Provision for credit losses</b>	<b>65</b>	<b>73</b>	<b>48</b>	<b>43</b>	<b>32</b>	<b>82</b>	<b>53</b>	<b>75</b>	<b>55</b>	<b>-28</b>	<b>150</b>	<b>133</b>	<b>110</b>	<b>51</b>	<b>30</b>	<b>75</b>	<b>59</b>	<b>18</b>	<b>34</b>
<b>Total operating expenses reported</b>	<b>4,152</b>	<b>4,470</b>	<b>4,534</b>	<b>5,005</b>	<b>4,540</b>	<b>4,541</b>	<b>4,811</b>	<b>7,309</b>	<b>5,119</b>	<b>4,937</b>	<b>4,972</b>	<b>10,518</b>	<b>5,023</b>	<b>5,248</b>	<b>5,106</b>	<b>5,405</b>	<b>5,181</b>	<b>6,791</b>	<b>5,052</b>
Goodwill impairment	-	-	-	-	-	-	-	-	-	-	-	-3,797	-	-	-	-	-	-	-
Restructuring expenses	-171	-175	-144	-137	-112	-69	-137	-49	-145	-91	-255	-355	-	-	-	-	-	-	-
Major litigation provisions	-22	-55	-85	-255	-108	-33	-97	-2,401	-306	-	-	-563	-204	-63	10	-393	-290	-1,711	-42
Expenses related to business sales	-2	-1	-	-8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating expenses adjusted</b>	<b>3,957</b>	<b>4,239</b>	<b>4,305</b>	<b>4,605</b>	<b>4,320</b>	<b>4,439</b>	<b>4,577</b>	<b>4,859</b>	<b>4,668</b>	<b>4,846</b>	<b>4,717</b>	<b>5,803</b>	<b>4,819</b>	<b>5,185</b>	<b>5,116</b>	<b>5,012</b>	<b>4,891</b>	<b>5,080</b>	<b>5,010</b>
<b>Pre-tax income/loss (-) reported</b>	<b>671</b>	<b>1,052</b>	<b>1,054</b>	<b>141</b>	<b>400</b>	<b>582</b>	<b>670</b>	<b>-2,203</b>	<b>222</b>	<b>199</b>	<b>-484</b>	<b>-6,441</b>	<b>852</b>	<b>1,656</b>	<b>1,511</b>	<b>892</b>	<b>1,338</b>	<b>-346</b>	<b>1,743</b>
Total adjustments	185	231	155	428	220	102	219	2,374	105	91	311	5,306	-419	-188	-154	-380	-28	1,689	97
<b>Pre-tax income/loss (-) adjusted</b>	<b>856</b>	<b>1,283</b>	<b>1,209</b>	<b>569</b>	<b>620</b>	<b>684</b>	<b>889</b>	<b>171</b>	<b>327</b>	<b>290</b>	<b>-173</b>	<b>-1,135</b>	<b>433</b>	<b>1,468</b>	<b>1,357</b>	<b>512</b>	<b>1,310</b>	<b>1,343</b>	<b>1,840</b>

	Group in CHF mn		
	9M18	9M17	9M16
<b>Net revenues reported</b>	<b>16,119</b>	<b>15,711</b>	<b>15,142</b>
Real estate gains	-16	-	-346
Gains (-)/losses on business sales	-68	-15	56
<b>Net revenues adjusted</b>	<b>16,035</b>	<b>15,696</b>	<b>14,852</b>
<b>Provision for credit losses</b>	<b>186</b>	<b>167</b>	<b>177</b>
<b>Total operating expenses reported</b>	<b>13,156</b>	<b>13,892</b>	<b>15,028</b>
Restructuring expenses	-490	-318	-491
Major litigation provisions	-162	-238	-306
Expenses related to business sales	-3	-	-
<b>Total operating expenses adjusted</b>	<b>12,501</b>	<b>13,336</b>	<b>14,231</b>
<b>Pre-tax income/loss (-) reported</b>	<b>2,777</b>	<b>1,652</b>	<b>-63</b>
Total adjustments	571	541	507
<b>Pre-tax income/loss (-) adjusted</b>	<b>3,348</b>	<b>2,193</b>	<b>444</b>

Adjusted results are non-GAAP financial measures that exclude goodwill impairment and certain other revenues and expenses included in our reported results. Management believes that adjusted results provide a useful presentation of our operating results for purposes of assessing our Group and divisional performance consistently over time, on a basis that excludes items that management does not consider representative of our underlying performance. Provided below is a reconciliation of our adjusted results to the most directly comparable US GAAP measures.

## Reconciliation of adjustment items (2/5)

	Group in CHF mn						
	9M18	9M17	9M16	9M15	2017	2016	2015
<b>Total operating expenses reported</b>	<b>13,156</b>	<b>13,892</b>	<b>15,028</b>	<b>15,377</b>	<b>18,897</b>	<b>22,337</b>	<b>25,895</b>
Goodwill impairment	-	-	-	-	-	-	-3,797
Restructuring expenses	-490	-318	-491	-	-455	-540	-355
Major litigation provisions	-162	-238	-306	-257	-493	-2,707	-820
Expenses related to business sales	-3	-	-	-	-8	-	-
Debit valuation adjustments (DVA)	14	-63	-	-	-83	-	-
Certain accounting changes	-183	-169	-50	-39	-234	-70	-58
<b>Total operating cost base adjusted</b>	<b>12,332</b>	<b>13,104</b>	<b>14,181</b>	<b>15,081</b>	<b>17,624</b>	<b>19,020</b>	<b>20,865</b>
FX adjustment	256	277	222	310	326	291	310
<b>Total operating cost base adjusted at constant FX</b>	<b>12,588</b>	<b>13,381</b>	<b>14,403</b>	<b>15,391</b>	<b>17,950</b>	<b>19,311</b>	<b>21,175</b>

	Core in CHF mn						WM-related <sup>1</sup> in CHF mn		
	3Q18	2Q18	3Q17	9M18	9M17	9M16	9M18	9M15 <sup>2</sup>	2015 <sup>2</sup>
<b>Net revenues reported</b>	<b>5,042</b>	<b>5,771</b>	<b>5,227</b>	<b>16,652</b>	<b>16,446</b>	<b>16,211</b>	<b>9,987</b>	<b>8,596</b>	<b>11,631</b>
Real estate gains	-15	-	-	-15	-	-346	-15	-23	-95
Gains (-)/losses on business sales	5	-	-	-68	23	52	-68	-	-34
<b>Net revenues adjusted</b>	<b>5,032</b>	<b>5,771</b>	<b>5,227</b>	<b>16,569</b>	<b>16,469</b>	<b>15,917</b>	<b>9,904</b>	<b>8,573</b>	<b>11,502</b>
<b>Provision for credit losses</b>	<b>62</b>	<b>74</b>	<b>40</b>	<b>184</b>	<b>138</b>	<b>94</b>	<b>135</b>	<b>139</b>	<b>174</b>
<b>Total operating expenses reported</b>	<b>4,002</b>	<b>4,277</b>	<b>4,209</b>	<b>12,607</b>	<b>12,976</b>	<b>13,316</b>	<b>6,377</b>	<b>6,193</b>	<b>9,252</b>
Goodwill impairment	-	-	-	-	-	-	-	-	-446
Restructuring expenses	-143	-162	-91	-438	-279	-371	-179	-	-79
Major litigation provisions	-13	-29	-20	-90	-59	12	-80	-40	-299
<b>Total operating expenses adjusted</b>	<b>3,846</b>	<b>4,086</b>	<b>4,098</b>	<b>12,079</b>	<b>12,638</b>	<b>12,957</b>	<b>6,118</b>	<b>6,153</b>	<b>8,428</b>
<b>Pre-tax income/loss (-) reported</b>	<b>978</b>	<b>1,420</b>	<b>978</b>	<b>3,861</b>	<b>3,332</b>	<b>2,801</b>	<b>3,475</b>	<b>2,264</b>	<b>2,205</b>
Total adjustments	146	191	111	445	361	65	176	17	695
<b>Pre-tax income/loss (-) adjusted</b>	<b>1,124</b>	<b>1,611</b>	<b>1,089</b>	<b>4,306</b>	<b>3,693</b>	<b>2,866</b>	<b>3,651</b>	<b>2,281</b>	<b>2,900</b>

1 Refers to SUB, IWM and APAC WM&C 2 Excludes net revenues and total operating expenses for Swisscard of CHF 148 mn and CHF 123 mn, respectively

Adjusted results are non-GAAP financial measures that exclude goodwill impairment and certain other revenues and expenses included in our reported results. Management believes that adjusted results provide a useful presentation of our operating results for purposes of assessing our Group and divisional performance consistently over time, on a basis that excludes items that management does not consider representative of our underlying performance. Provided below is a reconciliation of our adjusted results to the most directly comparable US GAAP measures.

## Reconciliation of adjustment items (3/5)

	SUB in CHF mn					SUB PC in CHF mn					SUB C&IC in CHF mn						
	3Q18	2Q18	3Q17	3Q15	9M18	9M17	9M16	9M15 <sup>1</sup>	2015 <sup>1</sup>	3Q18	2Q18	1Q18	4Q17	3Q17	3Q18	2Q18	3Q17
<b>Net revenues reported</b>	<b>1,341</b>	<b>1,419</b>	<b>1,319</b>	<b>1,364</b>	<b>4,191</b>	<b>4,078</b>	<b>4,360</b>	<b>4,078</b>	<b>5,573</b>	<b>730</b>	<b>757</b>	<b>762</b>	<b>726</b>	<b>727</b>	<b>611</b>	<b>662</b>	<b>592</b>
Real estate gains	-15	-	-	-	-15	-	-346	-23	-95	-15	-	-	-	-	-	-	-
Gains (-)/losses on business sales	-	-	-	-	-37	-	-	-	-23	-	-	-19	-	-	-	-	-
<b>Net revenues adjusted</b>	<b>1,326</b>	<b>1,419</b>	<b>1,319</b>	<b>1,364</b>	<b>4,139</b>	<b>4,078</b>	<b>4,014</b>	<b>4,055</b>	<b>5,455</b>	<b>715</b>	<b>757</b>	<b>743</b>	<b>726</b>	<b>727</b>	<b>611</b>	<b>662</b>	<b>592</b>
<b>Provision for credit losses</b>	<b>31</b>	<b>35</b>	<b>14</b>	<b>39</b>	<b>100</b>	<b>60</b>	<b>45</b>	<b>95</b>	<b>138</b>	<b>13</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>18</b>	<b>24</b>	<b>5</b>
<b>Total operating expenses reported</b>	<b>799</b>	<b>831</b>	<b>879</b>	<b>925</b>	<b>2,464</b>	<b>2,686</b>	<b>2,672</b>	<b>2,697</b>	<b>3,785</b>	<b>468</b>	<b>478</b>	<b>487</b>	<b>504</b>	<b>512</b>	<b>331</b>	<b>353</b>	<b>367</b>
Restructuring expenses	-25	-27	-13	-	-80	-61	-63	-	-42	-17	-17	-22	1	-9	-8	-10	-4
Major litigation provisions	-2	-	-9	-	-2	-42	-	-	-25	-	-	-	-2	-2	-2	-	-7
<b>Total operating expenses adjusted</b>	<b>772</b>	<b>804</b>	<b>857</b>	<b>925</b>	<b>2,382</b>	<b>2,583</b>	<b>2,609</b>	<b>2,697</b>	<b>3,718</b>	<b>451</b>	<b>461</b>	<b>465</b>	<b>503</b>	<b>501</b>	<b>321</b>	<b>343</b>	<b>356</b>
<b>Pre-tax income/loss (-) reported</b>	<b>511</b>	<b>553</b>	<b>426</b>	<b>400</b>	<b>1,627</b>	<b>1,332</b>	<b>1,643</b>	<b>1,286</b>	<b>1,650</b>	<b>249</b>	<b>268</b>	<b>265</b>	<b>212</b>	<b>206</b>	<b>262</b>	<b>285</b>	<b>220</b>
Total adjustments	12	27	22	-	30	103	-283	-23	-51	2	17	3	1	11	10	10	11
<b>Pre-tax income/loss (-) adjusted</b>	<b>523</b>	<b>580</b>	<b>448</b>	<b>400</b>	<b>1,657</b>	<b>1,435</b>	<b>1,360</b>	<b>1,263</b>	<b>1,599</b>	<b>251</b>	<b>285</b>	<b>268</b>	<b>213</b>	<b>217</b>	<b>272</b>	<b>295</b>	<b>231</b>

	IWM in CHF mn					IWM PB in CHF mn					IWM AM in CHF mn										
	3Q18	2Q18	3Q17	3Q15	9M18	9M17	9M16	9M15	2015	3Q18	2Q18	1Q18	4Q17	3Q17	3Q18	2Q18	3Q17	3Q15	9M18	9M15	2015
<b>Net revenues reported</b>	<b>1,265</b>	<b>1,344</b>	<b>1,262</b>	<b>1,093</b>	<b>4,012</b>	<b>3,747</b>	<b>3,399</b>	<b>3,379</b>	<b>4,552</b>	<b>913</b>	<b>992</b>	<b>1,043</b>	<b>923</b>	<b>870</b>	<b>352</b>	<b>352</b>	<b>392</b>	<b>308</b>	<b>1,064</b>	<b>963</b>	<b>1,328</b>
Gains (-)/losses on business sales	5	-	-	-	-31	-	-	-	-11	-	-	-37	-	-	5	-	-	-	6	-	-
<b>Net revenues adjusted</b>	<b>1,270</b>	<b>1,344</b>	<b>1,262</b>	<b>1,093</b>	<b>3,981</b>	<b>3,747</b>	<b>3,399</b>	<b>3,379</b>	<b>4,541</b>	<b>913</b>	<b>992</b>	<b>1,006</b>	<b>923</b>	<b>870</b>	<b>357</b>	<b>352</b>	<b>392</b>	<b>308</b>	<b>1,070</b>	<b>963</b>	<b>1,328</b>
<b>Provision for credit losses</b>	<b>15</b>	<b>5</b>	<b>3</b>	<b>11</b>	<b>19</b>	<b>13</b>	<b>14</b>	<b>12</b>	<b>5</b>	<b>15</b>	<b>5</b>	<b>-1</b>	<b>14</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total operating expenses reported</b>	<b>872</b>	<b>906</b>	<b>904</b>	<b>885</b>	<b>2,698</b>	<b>2,723</b>	<b>2,595</b>	<b>2,620</b>	<b>3,824</b>	<b>611</b>	<b>640</b>	<b>643</b>	<b>673</b>	<b>615</b>	<b>261</b>	<b>266</b>	<b>289</b>	<b>267</b>	<b>804</b>	<b>816</b>	<b>1,146</b>
Restructuring expenses	-28	-28	-16	-	-82	-59	-38	-	-36	-21	-25	-18	-8	-9	-7	-3	-7	-	-18	-	-4
Major litigation provisions	-	-	-11	-50	-	-17	19	-40	-268	-	-	-	-31	-11	-	-	-	-	-	-	-
<b>Total operating expenses adjusted</b>	<b>844</b>	<b>878</b>	<b>877</b>	<b>835</b>	<b>2,616</b>	<b>2,647</b>	<b>2,576</b>	<b>2,580</b>	<b>3,520</b>	<b>590</b>	<b>615</b>	<b>625</b>	<b>634</b>	<b>595</b>	<b>254</b>	<b>263</b>	<b>282</b>	<b>267</b>	<b>786</b>	<b>816</b>	<b>1,142</b>
<b>Pre-tax income/loss (-) reported</b>	<b>378</b>	<b>433</b>	<b>355</b>	<b>197</b>	<b>1,295</b>	<b>1,011</b>	<b>790</b>	<b>747</b>	<b>723</b>	<b>287</b>	<b>347</b>	<b>401</b>	<b>236</b>	<b>252</b>	<b>91</b>	<b>86</b>	<b>103</b>	<b>41</b>	<b>260</b>	<b>147</b>	<b>182</b>
Total adjustments	33	28	27	50	51	76	19	40	293	21	25	-19	39	20	12	3	7	-	24	-	4
<b>Pre-tax income/loss (-) adjusted</b>	<b>411</b>	<b>461</b>	<b>382</b>	<b>247</b>	<b>1,346</b>	<b>1,087</b>	<b>809</b>	<b>787</b>	<b>1,016</b>	<b>308</b>	<b>372</b>	<b>382</b>	<b>275</b>	<b>272</b>	<b>103</b>	<b>89</b>	<b>110</b>	<b>41</b>	<b>284</b>	<b>147</b>	<b>186</b>

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

Adjusted results are non-GAAP financial measures that exclude goodwill impairment and certain other revenues and expenses included in our reported results. Management believes that adjusted results provide a useful presentation of our operating results for purposes of assessing our Group and divisional performance consistently over time, on a basis that excludes items that management does not consider representative of our underlying performance. Provided below is a reconciliation of our adjusted results to the most directly comparable US GAAP measures.

## Reconciliation of adjustment items (4/5)

	APAC in CHF mn						APAC WM&C in CHF mn								
	3Q18	2Q18	3Q17	9M18	9M17	9M16	3Q18	2Q18	3Q17	3Q15	9M18	9M17	9M16	9M15	2015
<b>Net revenues reported</b>	<b>811</b>	<b>914</b>	<b>890</b>	<b>2,716</b>	<b>2,619</b>	<b>2,735</b>	<b>557</b>	<b>564</b>	<b>548</b>	<b>350</b>	<b>1,784</b>	<b>1,696</b>	<b>1,344</b>	<b>1,139</b>	<b>1,506</b>
<b>Net revenues adjusted</b>	<b>811</b>	<b>914</b>	<b>890</b>	<b>2,716</b>	<b>2,619</b>	<b>2,735</b>	<b>557</b>	<b>564</b>	<b>548</b>	<b>350</b>	<b>1,784</b>	<b>1,696</b>	<b>1,344</b>	<b>1,139</b>	<b>1,506</b>
<b>Provision for credit losses</b>	<b>10</b>	<b>7</b>	<b>5</b>	<b>27</b>	<b>8</b>	<b>15</b>	<b>1</b>	<b>6</b>	<b>5</b>	<b>24</b>	<b>16</b>	<b>8</b>	<b>18</b>	<b>32</b>	<b>31</b>
<b>Total operating expenses reported</b>	<b>625</b>	<b>690</b>	<b>667</b>	<b>2,062</b>	<b>2,058</b>	<b>2,098</b>	<b>376</b>	<b>390</b>	<b>370</b>	<b>300</b>	<b>1,215</b>	<b>1,118</b>	<b>999</b>	<b>876</b>	<b>1,643</b>
Goodwill impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-446
Restructuring expenses	-9	-20	-10	-35	-40	-34	-3	-11	-5	-	-17	-11	-9	-	-1
Major litigation provisions	-1	-29	-	-78	-	-	-1	-29	-	-	-78	-	-	-	-6
<b>Total operating expenses adjusted</b>	<b>615</b>	<b>641</b>	<b>657</b>	<b>1,949</b>	<b>2,018</b>	<b>2,064</b>	<b>372</b>	<b>350</b>	<b>365</b>	<b>300</b>	<b>1,120</b>	<b>1,107</b>	<b>990</b>	<b>876</b>	<b>1,190</b>
<b>Pre-tax income/loss (-) reported</b>	<b>176</b>	<b>217</b>	<b>218</b>	<b>627</b>	<b>553</b>	<b>622</b>	<b>180</b>	<b>168</b>	<b>173</b>	<b>26</b>	<b>553</b>	<b>570</b>	<b>327</b>	<b>231</b>	<b>-168</b>
Total adjustments	10	49	10	113	40	34	4	40	5	-	95	11	9	-	453
<b>Pre-tax income/loss (-) adjusted</b>	<b>186</b>	<b>266</b>	<b>228</b>	<b>740</b>	<b>593</b>	<b>656</b>	<b>184</b>	<b>208</b>	<b>178</b>	<b>26</b>	<b>648</b>	<b>581</b>	<b>336</b>	<b>231</b>	<b>285</b>

	APAC Mkts in CHF mn			APAC Mkts in USD mn				APAC PB in CHF mn					
	3Q18	2Q18	3Q17	3Q18	2Q18	3Q17	9M18	9M17	3Q18	2Q18	1Q18	4Q17	3Q17
<b>Net revenues reported</b>	<b>254</b>	<b>350</b>	<b>342</b>	<b>259</b>	<b>354</b>	<b>354</b>	<b>961</b>	<b>945</b>	<b>387</b>	<b>412</b>	<b>455</b>	<b>391</b>	<b>400</b>
<b>Net revenues adjusted</b>	<b>254</b>	<b>350</b>	<b>342</b>	<b>259</b>	<b>354</b>	<b>354</b>	<b>961</b>	<b>945</b>	<b>387</b>	<b>412</b>	<b>455</b>	<b>391</b>	<b>400</b>
<b>Provision for credit losses</b>	<b>9</b>	<b>1</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>-3</b>	<b>6</b>	<b>4</b>	<b>7</b>	<b>-1</b>
<b>Total operating expenses reported</b>	<b>249</b>	<b>300</b>	<b>297</b>	<b>253</b>	<b>304</b>	<b>308</b>	<b>872</b>	<b>960</b>	<b>257</b>	<b>258</b>	<b>281</b>	<b>271</b>	<b>261</b>
Restructuring expenses	-6	-9	-5	-5	-10	-6	-18	-29	-3	-5	-1	-3	-1
Major litigation provisions	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating expenses adjusted</b>	<b>243</b>	<b>291</b>	<b>292</b>	<b>248</b>	<b>294</b>	<b>302</b>	<b>854</b>	<b>931</b>	<b>254</b>	<b>253</b>	<b>280</b>	<b>268</b>	<b>260</b>
<b>Pre-tax income/loss (-) reported</b>	<b>-4</b>	<b>49</b>	<b>45</b>	<b>-4</b>	<b>50</b>	<b>46</b>	<b>77</b>	<b>-15</b>	<b>133</b>	<b>148</b>	<b>170</b>	<b>113</b>	<b>140</b>
Total adjustments	6	9	5	5	10	6	18	29	3	5	1	3	1
<b>Pre-tax income/loss (-) adjusted</b>	<b>2</b>	<b>58</b>	<b>50</b>	<b>1</b>	<b>60</b>	<b>52</b>	<b>95</b>	<b>14</b>	<b>136</b>	<b>153</b>	<b>171</b>	<b>116</b>	<b>141</b>

Adjusted results are non-GAAP financial measures that exclude goodwill impairment and certain other revenues and expenses included in our reported results. Management believes that adjusted results provide a useful presentation of our operating results for purposes of assessing our Group and divisional performance consistently over time, on a basis that excludes items that management does not consider representative of our underlying performance. Provided below is a reconciliation of our adjusted results to the most directly comparable US GAAP measures.

## Reconciliation of adjustment items (5/5)

	IBCM in USD mn									GM in USD mn						
	3Q18	2Q18	3Q17	3Q15	9M18	9M17	9M16	9M15	2015	3Q18	2Q18	3Q17	9M18	9M17	9M16	9M15
<b>Net revenues reported</b>	<b>543</b>	<b>650</b>	<b>474</b>	<b>414</b>	<b>1,752</b>	<b>1,609</b>	<b>1,432</b>	<b>1,439</b>	<b>1,857</b>	<b>1,066</b>	<b>1,441</b>	<b>1,308</b>	<b>4,149</b>	<b>4,483</b>	<b>4,319</b>	<b>5,956</b>
<b>Net revenues adjusted</b>	<b>543</b>	<b>650</b>	<b>474</b>	<b>414</b>	<b>1,752</b>	<b>1,609</b>	<b>1,432</b>	<b>1,439</b>	<b>1,857</b>	<b>1,066</b>	<b>1,441</b>	<b>1,308</b>	<b>4,149</b>	<b>4,483</b>	<b>4,319</b>	<b>5,956</b>
<b>Provision for credit losses</b>	<b>3</b>	<b>15</b>	<b>12</b>	<b>-</b>	<b>19</b>	<b>32</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>13</b>	<b>7</b>	<b>20</b>	<b>24</b>	<b>-1</b>	<b>15</b>
<b>Total operating expenses reported</b>	<b>468</b>	<b>525</b>	<b>425</b>	<b>346</b>	<b>1,489</b>	<b>1,309</b>	<b>1,291</b>	<b>1,268</b>	<b>2,170</b>	<b>1,160</b>	<b>1,279</b>	<b>1,228</b>	<b>3,764</b>	<b>3,801</b>	<b>4,272</b>	<b>4,487</b>
Goodwill impairment	-	-	-	-	-	-	-	-	-384	-	-	-	-	-	-	-
Restructuring expenses	-18	-31	-17	-	-81	-29	-35	-	-22	-66	-57	-28	-167	-81	-206	-
Major litigation provisions	-	-	-	-	-	-	-	-	-	-10	-	-	-10	-	-7	-189
Expenses related to business sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating expenses adjusted</b>	<b>450</b>	<b>494</b>	<b>408</b>	<b>346</b>	<b>1,408</b>	<b>1,280</b>	<b>1,256</b>	<b>1,268</b>	<b>1,764</b>	<b>1,084</b>	<b>1,222</b>	<b>1,200</b>	<b>3,587</b>	<b>3,720</b>	<b>4,059</b>	<b>4,298</b>
<b>Pre-tax income/loss (-) reported</b>	<b>72</b>	<b>110</b>	<b>37</b>	<b>68</b>	<b>244</b>	<b>268</b>	<b>120</b>	<b>171</b>	<b>-313</b>	<b>-97</b>	<b>149</b>	<b>73</b>	<b>365</b>	<b>658</b>	<b>48</b>	<b>1,454</b>
Total adjustments	18	31	17	-	81	29	35	-	406	76	57	28	177	81	213	189
<b>Pre-tax income/loss (-) adjusted</b>	<b>90</b>	<b>141</b>	<b>54</b>	<b>68</b>	<b>325</b>	<b>297</b>	<b>155</b>	<b>171</b>	<b>93</b>	<b>-21</b>	<b>206</b>	<b>101</b>	<b>542</b>	<b>739</b>	<b>261</b>	<b>1,643</b>

	SRU in USD mn								SRU in CHF mn			Corp. Ctr. in CHF mn				
	3Q18	2Q18	3Q17	3Q16	3Q15	9M18	9M17	9M16	9M18	9M17	9M16	3Q18	2Q18	3Q17	9M18	9M17
<b>Net revenues reported</b>	<b>-158</b>	<b>-178</b>	<b>-265</b>	<b>-170</b>	<b>-90</b>	<b>-551</b>	<b>-752</b>	<b>-1,087</b>	<b>-533</b>	<b>-735</b>	<b>-1,069</b>	<b>52</b>	<b>24</b>	<b>37</b>	<b>16</b>	<b>40</b>
Real estate gains	-	-	-	-	-	-1	-	-	-1	-	-	-	-	-	-	-
Gains (-)/losses on business sales	-	-	-	-	-	-	-39	5	-	-38	4	-	-	-	-	23
<b>Net revenues adjusted</b>	<b>-158</b>	<b>-178</b>	<b>-265</b>	<b>-170</b>	<b>-90</b>	<b>-552</b>	<b>-791</b>	<b>-1,082</b>	<b>-534</b>	<b>-773</b>	<b>-1,065</b>	<b>52</b>	<b>24</b>	<b>37</b>	<b>16</b>	<b>63</b>
<b>Provision for credit losses</b>	<b>3</b>	<b>-1</b>	<b>-9</b>	<b>6</b>	<b>21</b>	<b>2</b>	<b>28</b>	<b>87</b>	<b>2</b>	<b>29</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>
<b>Total operating expenses reported</b>	<b>153</b>	<b>194</b>	<b>343</b>	<b>698</b>	<b>688</b>	<b>566</b>	<b>937</b>	<b>1,743</b>	<b>549</b>	<b>916</b>	<b>1,712</b>	<b>113</b>	<b>65</b>	<b>164</b>	<b>290</b>	<b>508</b>
Restructuring expenses	-28	-12	-21	-23	-	-52	-40	-122	-52	-39	-120	-	-	-9	-1	-12
Major litigation provisions	-8	-26	-94	-324	-27	-75	-184	-324	-72	-179	-318	-	-	-	-	-
Expenses related to business sales	-3	-1	-	-	-	-4	-	-	-3	-	-	-	-	-	-	-
<b>Total operating expenses adjusted</b>	<b>114</b>	<b>155</b>	<b>228</b>	<b>351</b>	<b>661</b>	<b>435</b>	<b>713</b>	<b>1,297</b>	<b>422</b>	<b>698</b>	<b>1,274</b>	<b>113</b>	<b>65</b>	<b>155</b>	<b>289</b>	<b>496</b>
<b>Pre-tax income/loss (-) reported</b>	<b>-314</b>	<b>-371</b>	<b>-599</b>	<b>-874</b>	<b>-799</b>	<b>-1,119</b>	<b>-1,717</b>	<b>-2,917</b>	<b>-1,084</b>	<b>-1,680</b>	<b>-2,864</b>	<b>-61</b>	<b>-41</b>	<b>-127</b>	<b>-274</b>	<b>-471</b>
Total adjustments	39	39	115	347	27	130	185	451	126	180	442	-	-	9	1	35
<b>Pre-tax income/loss (-) adjusted</b>	<b>-275</b>	<b>-332</b>	<b>-484</b>	<b>-527</b>	<b>-772</b>	<b>-989</b>	<b>-1,532</b>	<b>-2,466</b>	<b>-958</b>	<b>-1,500</b>	<b>-2,422</b>	<b>-61</b>	<b>-41</b>	<b>-118</b>	<b>-273</b>	<b>-436</b>

# Notes

## General notes

- Throughout the presentation rounding differences may occur
- Unless otherwise noted, all **CET1 ratio**, **Tier 1 leverage ratio**, **risk-weighted assets** and **leverage exposure** figures shown in this presentation are as of the end of the respective period and on a “look-through” basis
- **Gross and net margins** are shown in basis points  
Gross margin = (adj.) net revenues annualized / average AuM; net margin = (adj.) pre-tax income annualized / average AuM
- **Mandate penetration** reflects advisory and discretionary mandates volumes as a percentage of AuM, excluding those from the external asset manager business

## Specific notes

\* Our cost savings program is measured using an adjusted operating cost base at constant FX rates. “Adjusted operating cost base at constant FX rates” includes adjustments as made in all our disclosures for restructuring expenses, major litigation provisions, expenses related to business sales and a goodwill impairment taken in 4Q15 as well as adjustments for debit valuation adjustments (DVA) related volatility, FX and for certain accounting changes (which had not been in place at the launch of the cost savings program). Adjustments for certain accounting changes have been restated to reflect grossed up expenses in the Corporate Center and, starting in 1Q18, also include adjustments for changes from ASU 2014-09 “Revenue from Contracts with Customers”, which is described further in our 1Q18, 2Q18 and 3Q18 financial reports. Adjustments for FX apply unweighted currency exchange rates, i.e., a straight line average of monthly rates, consistently for the periods under review.

† Regulatory capital is calculated as the worst of 10% of RWA and 3.5% of leverage exposure. Return on regulatory capital is calculated using (adjusted) income / (loss) after tax and assumes a tax rate of 30% and capital allocated based on the worst of 10% of average RWA and 3.5% of average leverage exposure. For the Markets business within the APAC division and for the Global Markets and Investment Banking & Capital Markets divisions, return on regulatory capital is based on US dollar denominated numbers. Adjusted return on regulatory capital is calculated using adjusted results, applying the same methodology to calculate return on regulatory capital.

‡ Return on tangible equity is based on tangible equity attributable to shareholders, a non-GAAP financial measure, which is calculated by deducting goodwill and other intangible assets from total equity attributable to shareholders as presented in our balance sheet. Management believes that the return on tangible equity attributable to shareholders is meaningful as it allows consistent measurement of the performance of businesses without regard to whether the businesses were acquired. For end-3Q18, tangible equity excluded goodwill of CHF 4,736 mn and other intangible assets of CHF 214 mn from total shareholders' equity of CHF 42,734 mn as presented in our balance sheet. For end-2Q18, tangible equity excluded goodwill of CHF 4,797 mn and other intangible assets of CHF 212 mn from total shareholders' equity of CHF 43,470 mn as presented in our balance sheet. For end-1Q18, tangible equity excluded goodwill of CHF 4,667 mn and other intangible assets of CHF 212 mn from total shareholders' equity of CHF 42,540 mn as presented in our balance sheet. For end-3Q17, tangible equity excluded goodwill of CHF 4,715 mn and other intangible assets of CHF 219 mn from total shareholders' equity of CHF 43,858 mn as presented in our balance sheet. For end-2Q17, tangible equity excluded goodwill of CHF 4,673 mn and other intangible assets of CHF 195 mn from total shareholders' equity of CHF 43,493 mn as presented in our balance sheet. For end-1Q17, tangible equity excluded goodwill of CHF 4,831 mn and other intangible assets of CHF 202 mn from total shareholders' equity of CHF 41,702 mn as presented in our balance sheet.

## Abbreviations

Adj. = Adjusted; Adv. = Advisory; AES = Advanced Execution Services; AM = Asset Management; APAC = Asia Pacific; attr. = attributable; AuM = Assets under Management; BCBS = Basel Committee on Banking Supervision; BIS = Bank for International Settlements; bps = basis points; CAGR = Compound Annual Growth Rate; CCAR = Comprehensive Capital Analysis and Review; CET1 = Common Equity Tier 1; C&I = Corporate & Institutional Clients; CLO = Collateralized Loan Obligation; Corp. Ctr. = Corporate Center; DCM = Debt Capital Markets; DIR = Director; DVA = Debit Valuation Adjustments; ECM = Equity Capital Markets; EMEA = Europe, Middle East & Africa; ETF = Exchange Traded Fund; FINMA = Swiss Financial Market Supervisory Authority; FX = Foreign Exchange; FY = Full Year; G&A = General & Administrative; GM = Global Markets; HQLA = High Quality Liquid Assets; IBCM = Investment Banking & Capital Markets; inc. = income; ITS = International Trading Solutions; IWM = International Wealth Management; LE = Leverage Exposure; LTM = Last Twelve Months; MDR = Managing Director; M&A = Mergers & Acquisitions; Mkts = Markets; n/m = not meaningful; NNA = Net New Assets; NII = Net Interest Income; Op Risk = Operational Risk; PB = Private Banking; PC = Private Clients; perf. = performance; PTI = Pre-tax income; QoQ = Quarter on quarter; rev. = revenues; RM = Relationship Manager(s); RMBS = Residential Mortgage-Backed Securities; RoRC = Return on Regulatory Capital; RWA = Risk-weighted assets; SRU = Strategic Resolution Unit; SUB = Swiss Universal Bank; UHNW = Ultra High Net Worth; Underwr. = Underwriting; VaR = Value-at-Risk; WM = Wealth Management; WM&C = Wealth Management & Connected; YoY = Year on year; YTD = Year to date

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