

# Credit Suisse Debt Investor Presentation

David Mathers, Chief Financial Officer

December 8, 2016

# Disclaimer (1/2)

The data presented in this presentation relating to the Swiss Universal Bank refers to the division of Credit Suisse Group as the same is currently managed within Credit Suisse Group. The scope, revenues and expenses of the Swiss Universal Bank vary from the planned scope of Credit Suisse (Schweiz) AG and its subsidiaries, planned to be subject to a partial IPO, market conditions permitting. Any such IPO would involve the sale of a minority stake and would be subject to, among other things, all necessary approvals. It is therefore not possible to make a like-for-like comparison of the Swiss Universal Bank as a division of Credit Suisse Group on the one hand and Credit Suisse (Schweiz) AG as a potential IPO vehicle on the other hand.

## Cautionary statement regarding forward-looking statements

This presentation contains forward-looking statements that involve inherent risks and uncertainties, and we might not be able to achieve the predictions, forecasts, projections and other outcomes we describe or imply in forward-looking statements. A number of important factors could cause results to differ materially from the plans, 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, 2015 and in "Cautionary statement regarding forward-looking information" in our media release relating to Investor Day, published on December 7, 2016 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 except as may be required by applicable law.

In particular, the terms "Illustrative", "Ambition", "Outlook" and "Goal" are not intended to be viewed as targets or projections, nor are they considered to be Key Performance Indicators. All such illustrations, ambitions and goals are subject to a large number of inherent risks, assumptions and uncertainties, many of which are completely outside of our control. Accordingly, this information should not be relied on for any purpose. We do not intend to update these illustrations, ambitions or goals.

## We may not achieve the benefits of our strategic initiatives

We may not achieve all of the expected benefits of our strategic initiatives. Factors beyond our control, including but not limited to the market and economic conditions, changes in laws, rules or regulations and other challenges discussed in our public filings, could limit our ability to achieve some or all of the expected benefits of these initiatives.

## Estimates and assumptions

In preparing this presentation, management has made estimates and assumptions that affect the numbers presented. Actual results may differ. Figures throughout presentation may also be subject to rounding adjustments.

## Cautionary Statements Relating to Interim Financial Information

This presentation contains certain unaudited interim financial information as of or for periods after September 30, 2016, the date of our last published quarterly financial statements. This information has been derived from management accounts, is preliminary in nature, does not reflect the complete results of the fourth quarter of 2016 and is subject to change, including as a result of any normal quarterly adjustments in relation to the financial statements for the fourth quarter of 2016. This information has not been subject to any review by our independent registered public accounting firm. There can be no assurance that the final results for these periods will not differ from these preliminary results, and any such differences could be material. Quarterly financial results for the fourth quarter of 2016 will be included in our 4Q16 Earnings Release, and audited consolidated financial statements for full-year 2016 will be included in our Annual Report on Form 20-F for the year ended December 31, 2016, when they are published. These interim results of operations are not necessarily indicative of the results to be achieved for the remainder of the fourth quarter or the full year 2016.

# Disclaimer (2/2)

## 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 or a reference thereto can be found in this presentation in the Appendix, which is available on our website at [credit-suisse.com](http://credit-suisse.com).

## Statement regarding capital, liquidity and leverage

As of January 1, 2013, Basel 3 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. Capital and ratio numbers for periods prior to 2013 are based on estimates, which are calculated as if the Basel 3 framework had been in place in Switzerland during such periods.

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. Leverage amounts for 4Q14, which are presented in order to show meaningful comparative information, are based on estimates which are calculated as if the BIS leverage ratio framework had been implemented in Switzerland at such time. Beginning in 2015, the Swiss leverage ratio is calculated as Swiss total capital, divided by period-end leverage exposure. The look-through BIS tier 1 leverage ratio and CET1 leverage ratio are calculated as look-through BIS tier 1 capital and CET1 capital, respectively, divided by end-period leverage exposure.

## Selling restrictions

This document, and the information contained herein, is not an offer to sell or a solicitation of offers to purchase or subscribe for securities of Credit Suisse Group AG or Credit Suisse (Schweiz) AG in Switzerland, the United States or any other jurisdiction. This document is not a prospectus within the meaning of article 652a of the Swiss Code of Obligations, nor is it a listing prospectus as defined in the listing rules of the SIX Swiss Exchange AG or any other exchange or regulated trading facility in Switzerland or a prospectus or offering document under any other applicable laws.

Copies of this document may not be sent to jurisdictions, or distributed in or sent from jurisdictions, in which such documents are barred or prohibited by law. A decision to invest in securities of Credit Suisse Group AG or Credit Suisse (Schweiz) AG should be based exclusively on a written agreement with Credit Suisse Group AG or an offering and listing prospectus to be published by Credit Suisse Group AG or Credit Suisse (Schweiz) AG for such purpose. Any offer and sale of securities of Credit Suisse (Schweiz) AG will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered in the United States of America absent such registration or an exemption from registration. There will be no public offering of such securities in the United States of America.

# Delivering against our key objectives

## Costs

2016E net savings

**CHF 1.6 bn**

2016E adjusted operating expenses  
at constant FX rates\*

**CHF 19.6 bn**

## Assets

9M16 net new assets<sup>1</sup>

**CHF 30.9 bn**

**10%** emerging market  
growth rate

**3%** mature market  
growth rate

## Profitability

9M16 Core pre-tax income adjusted

**CHF 2.9 bn**

9M16 SRU pre-tax loss adjusted

**CHF 2.4 bn**

## Capital

3Q16 CET1 look-through ratio

**12.0%**

+180 bps vs. 3Q15

3Q16 CET1 look-through leverage ratio

**3.4%**

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

\* See Appendix

<sup>1</sup> Relating to Wealth Management in SUB, IWM and APAC

# Agenda

**1**

**Progress in capital reallocation and growth**

**2**

**Update on cost initiatives**

**3**

**Divisional execution towards targets and strategy**

**4**

**Funding plan and strategy**

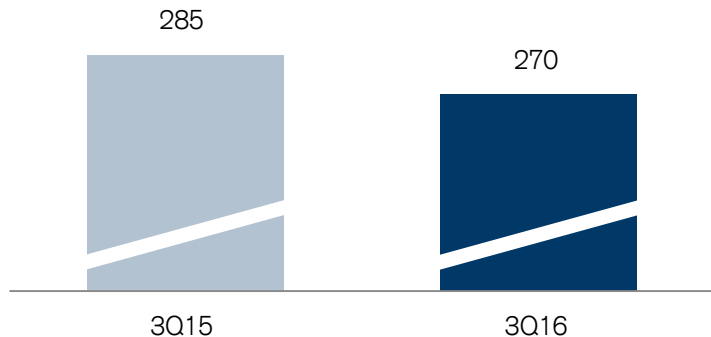
**5**

**Regulatory update**

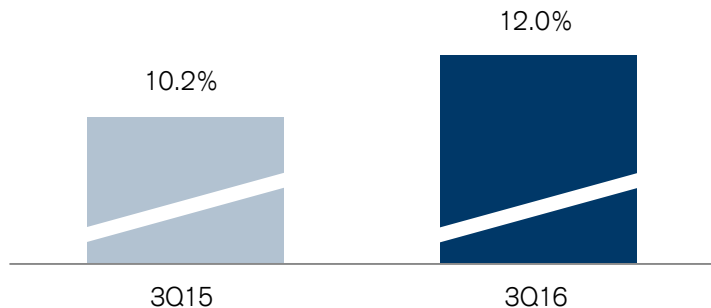
# CET1 ratio increased to 12.0%; RWA reallocated to growth businesses

Capital
Cost initiatives
Divisional financials
Funding plan
Regulatory update

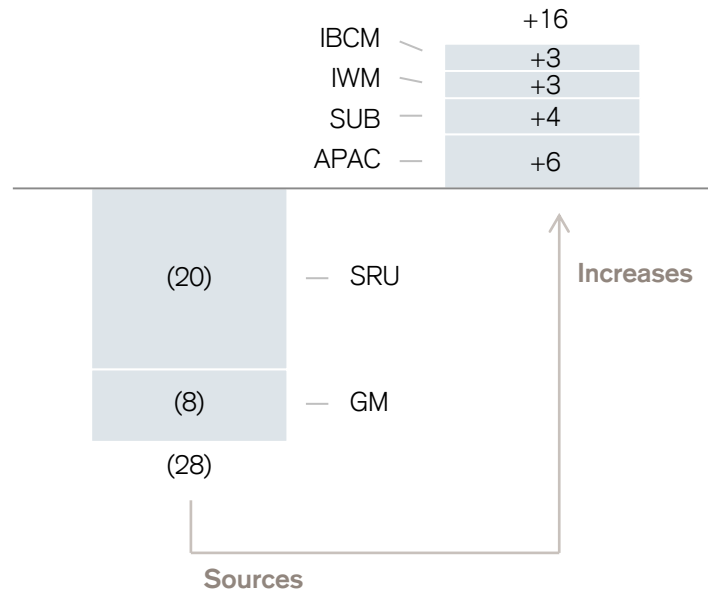
Basel III RWA in CHF bn



CET1 ratio in %



3Q16 vs. 3Q15 Basel III RWA business impact<sup>1</sup> in CHF bn

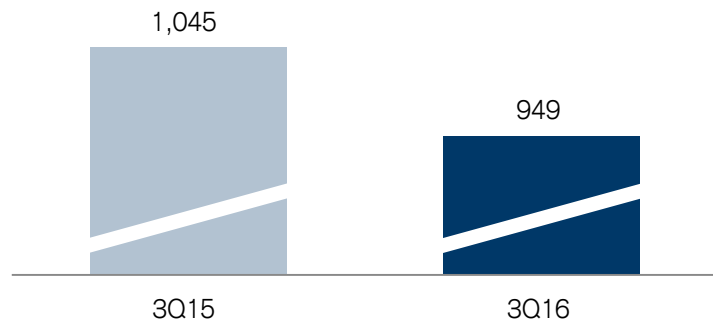


<sup>1</sup> Business impact includes business moves and internally driven methodology and policy impact and is expressed as net of FX and major external methodology changes

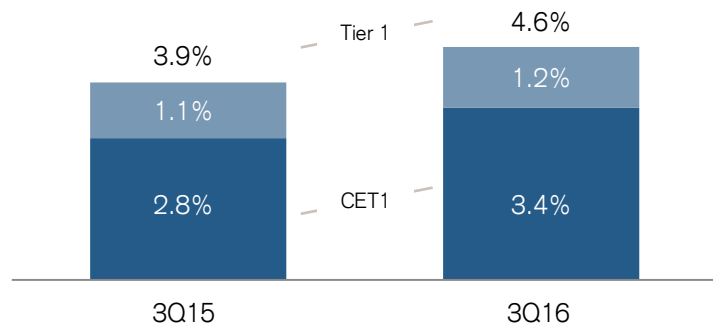
# Continued reduction of leverage exposure while re-allocating to growth businesses; Tier 1 leverage ratio up 70 bps YoY

Capital
Cost initiatives
Divisional financials
Funding plan
Regulatory update

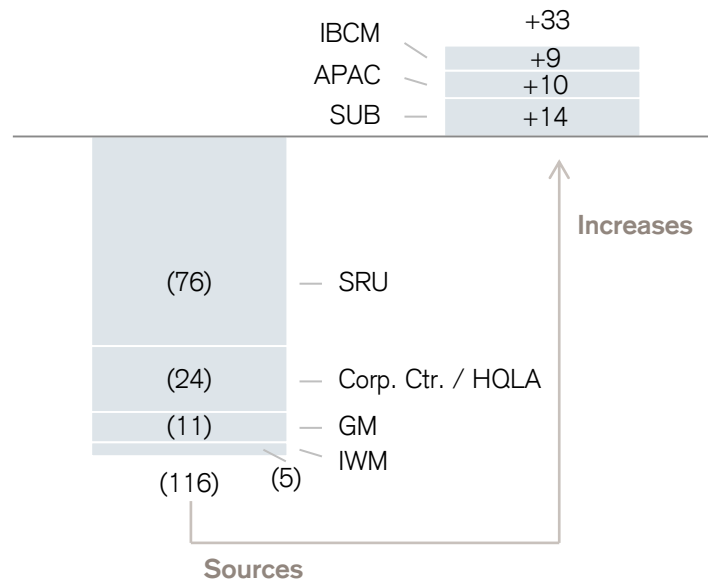
**Leverage exposure** in CHF bn



**Leverage ratio** in %



**3Q16 vs. 3Q15 Leverage exposure business impact<sup>1</sup>** in CHF bn



<sup>1</sup> Business impact excludes impact from FX

# Illustrative CET1 capital generation and impact on capital ratios

Capital
Cost initiatives
Divisional financials
Funding plan
Regulatory update

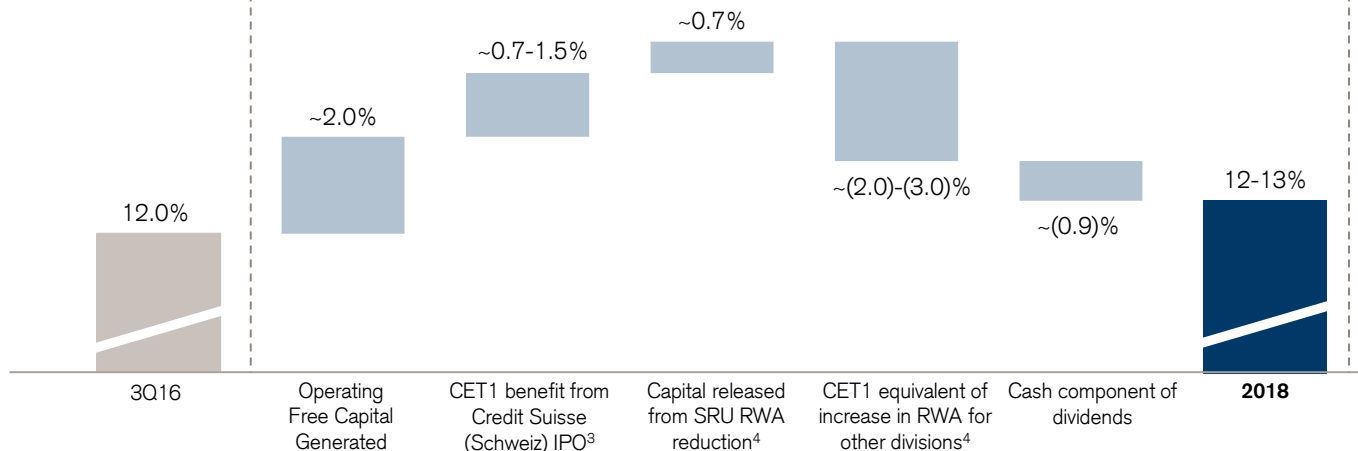
CET1  
ratio  
targets<sup>1,2</sup>

11-12% until end  
2016

12-13% over 2017 and 2018

>13% in 2018+  
buffer for Basel III reform

CET1  
ratio<sup>1,2</sup>  
in %



CET1 Leverage ratio	3.4%	-----	>3.5%
Tier1 Leverage ratio	4.6%	-----	~5.0%

1 Pre significant litigation 2 Pre reforms to Basel III 3 Any such IPO would involve the sale of a minority stake and would be subject to, among other things, all necessary approvals and would be intended to generate / raise additional capital for Credit Suisse AG or Credit Suisse (Schweiz) AG 4 Includes business growth and methodology impacts (excluding Basel III reform)



# Agenda

**1**

**Progress in capital reallocation and growth**

**2**

**Update on cost initiatives**

**3**

**Divisional execution towards targets and strategy**

**4**

**Funding plan and strategy**

**5**

**Regulatory update**

# On track to reduce expenses to below CHF 19.8 bn target, with CHF 1.6 bn net savings expected by end-2016

Capital

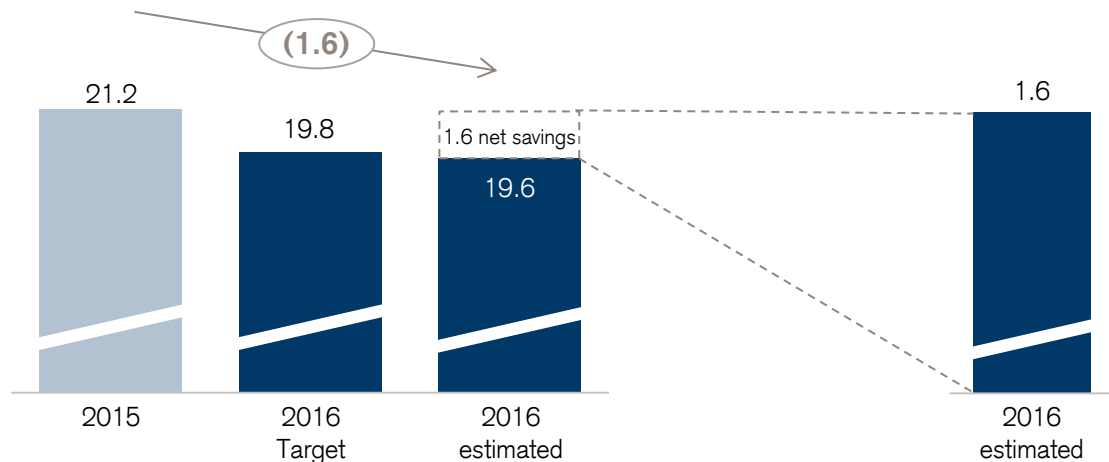
Cost initiatives

Divisional financials

Funding plan

Regulatory update

## Adjusted operating expenses at constant FX rates\* in CHF bn



## Net savings in CHF bn

- Net headcount<sup>1</sup> reductions of 6,050 as of December 4, exceeding target net reduction for full year 2016

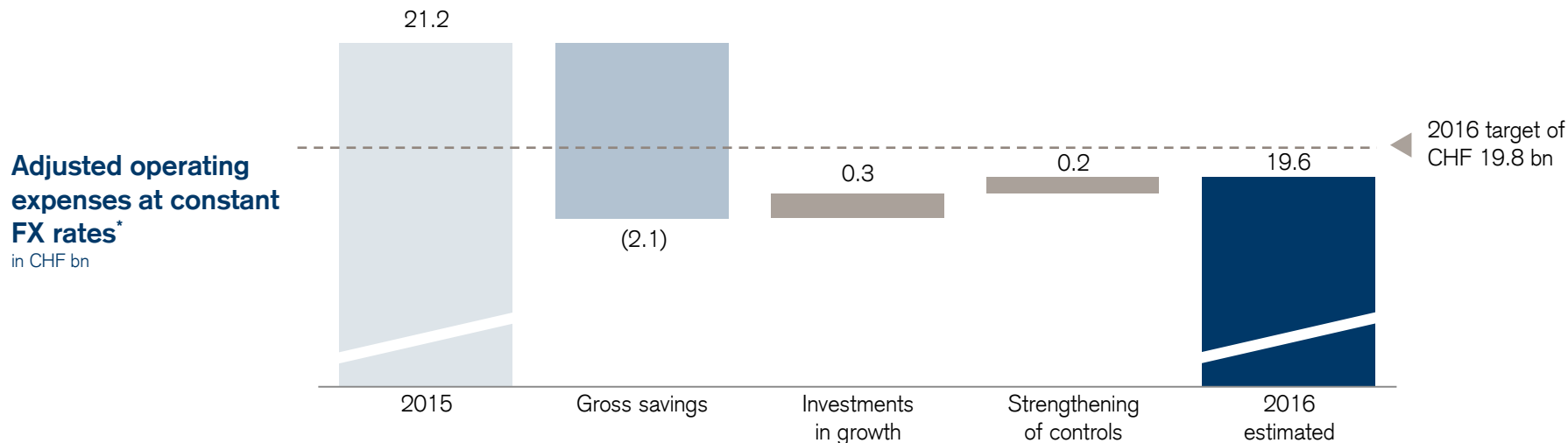
Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix

<sup>1</sup> Headcount includes permanent full-time equivalent employees, contractors, consultants and other contingent workers; Achieved as of December 4, 2016 includes departed and notified headcount

\* See Appendix

# Expect to achieve CHF 2.1 bn of gross savings in 2016, while reinvesting in growth businesses that aims at achieving attractive returns

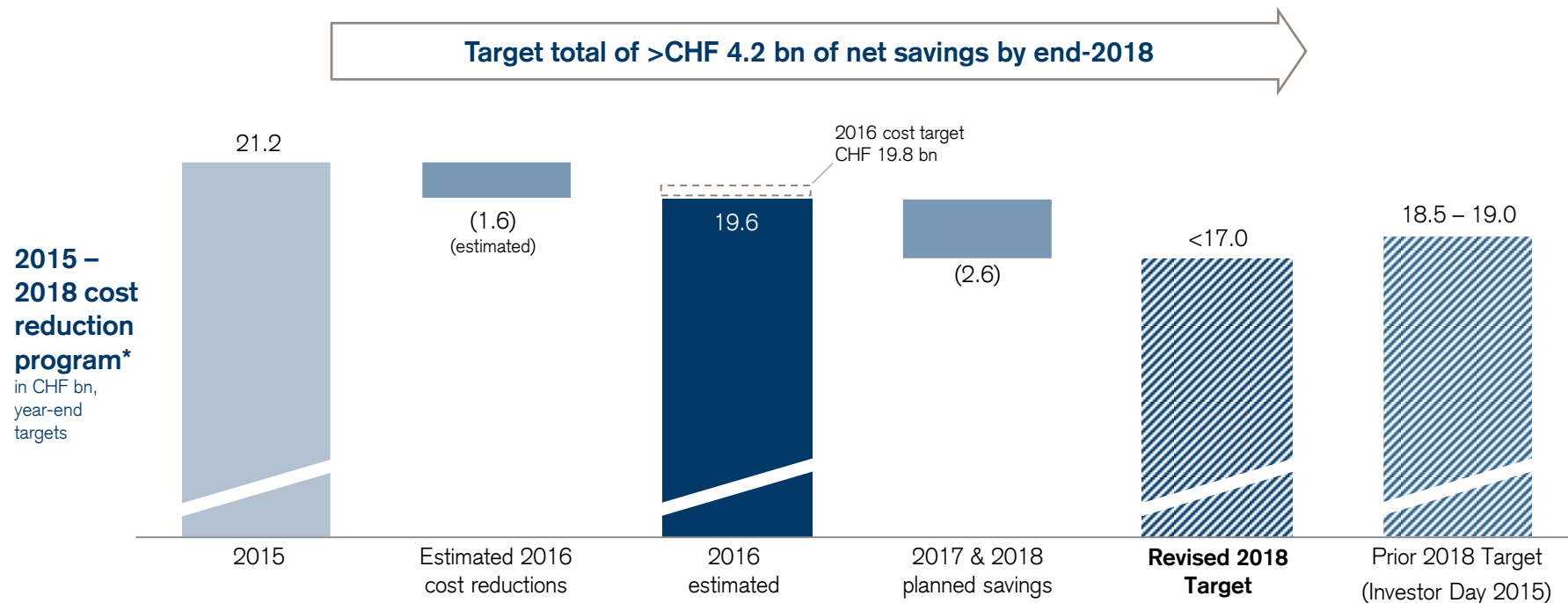
Capital
Cost initiatives
Divisional financials
Funding plan
Regulatory update



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

\* See Appendix

# On track to beat target cost base of CHF 19.8 bn for 2016; expect to reduce cost base to <CHF 17.0 bn by end-2018



Note: Cost reduction program measured in constant FX rates and based on expense run rate excluding major litigation expenses, restructuring costs and goodwill impairment, but including other costs to achieve savings. Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix

\* See Appendix

# Agenda

**1**

**Progress in capital reallocation and growth**

**2**

**Update on cost initiatives**

**3**

**Divisional execution towards targets and strategy**

**4**

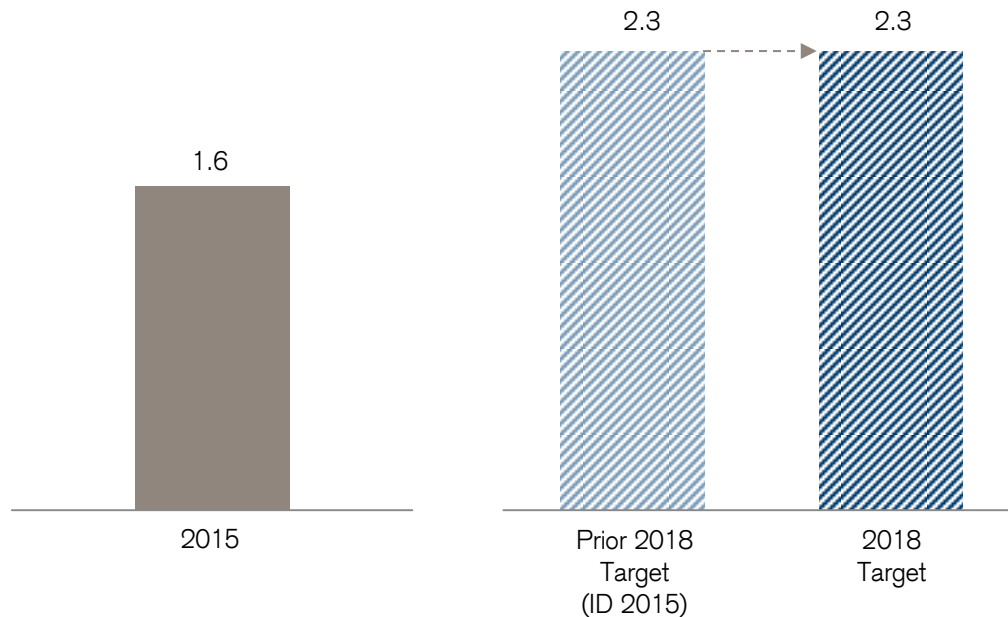
**Funding plan and strategy**

**5**

**Regulatory update**

# Continued focus on cost discipline at SUB with maintained 2018 pre-tax income target

**Adjusted  
pre-tax income<sup>1</sup>**  
in CHF bn



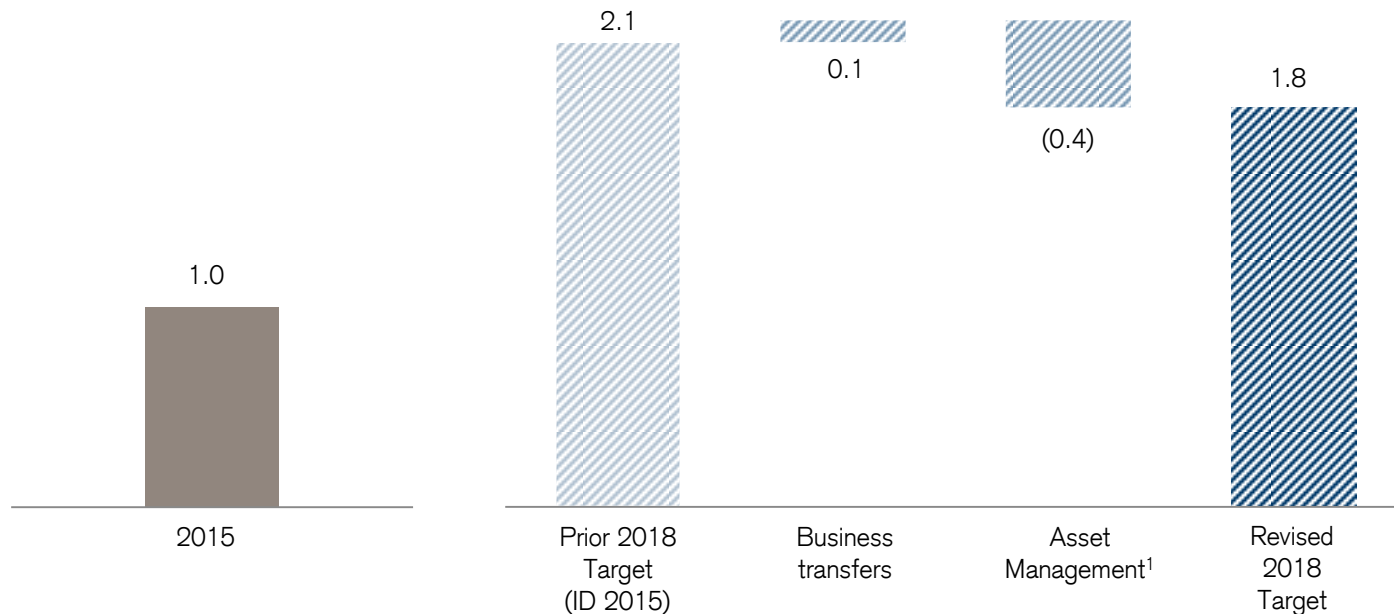
Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results and a reconciliation of adjustments applied for Swisscard are included in the Appendix. Financial and other information is for Swiss Universal Bank division. Scope of Credit Suisse (Schweiz) AG differs from Swiss Universal Bank division

<sup>1</sup> Excludes Swisscard impact

# IWM outlook impacted by adverse market environment in near term

Capital
Cost initiatives
<b>Divisional financials</b>
Funding plan
Regulatory update

**Adjusted  
pre-tax income**  
in CHF bn



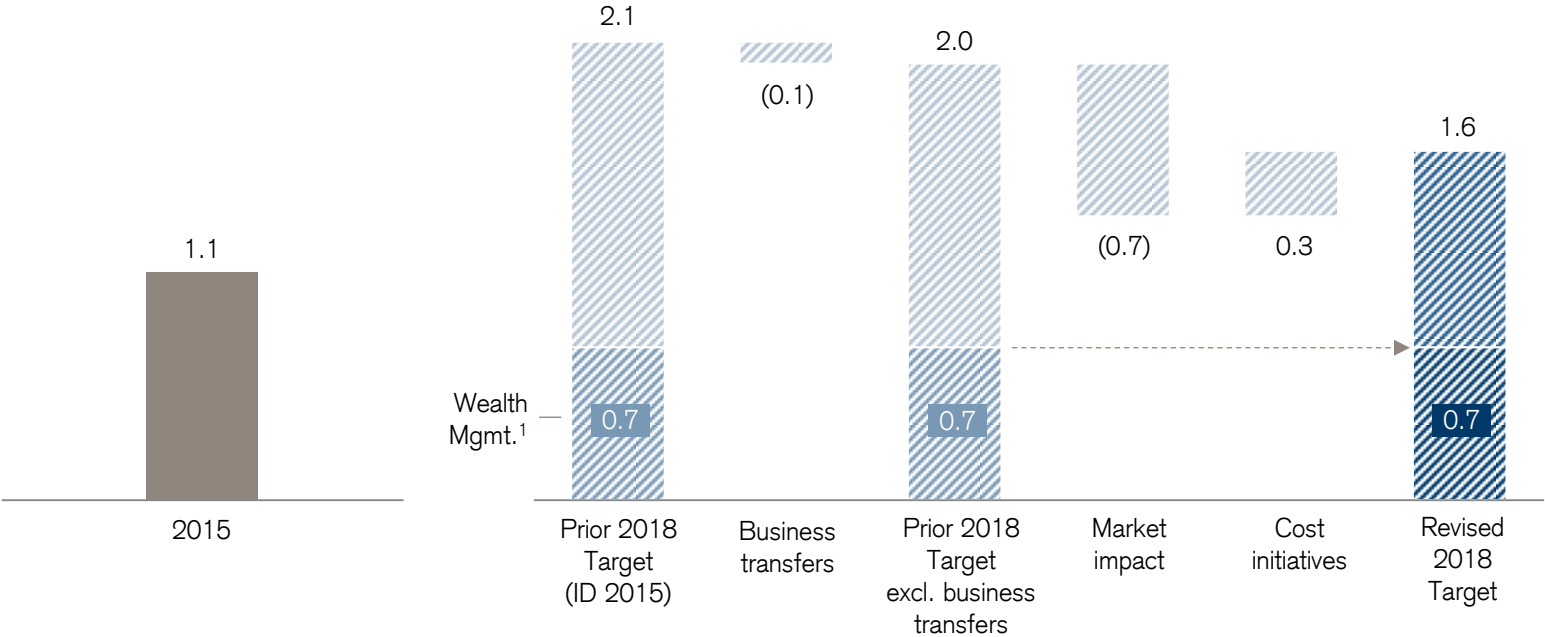
Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix

<sup>1</sup> Including additional market related activities

# APAC wealth management target unchanged; reduced overall target reflects adverse impact from market conditions

Capital
Cost initiatives
Divisional financials
Funding plan
Regulatory update

Adjusted  
pre-tax income  
in CHF bn

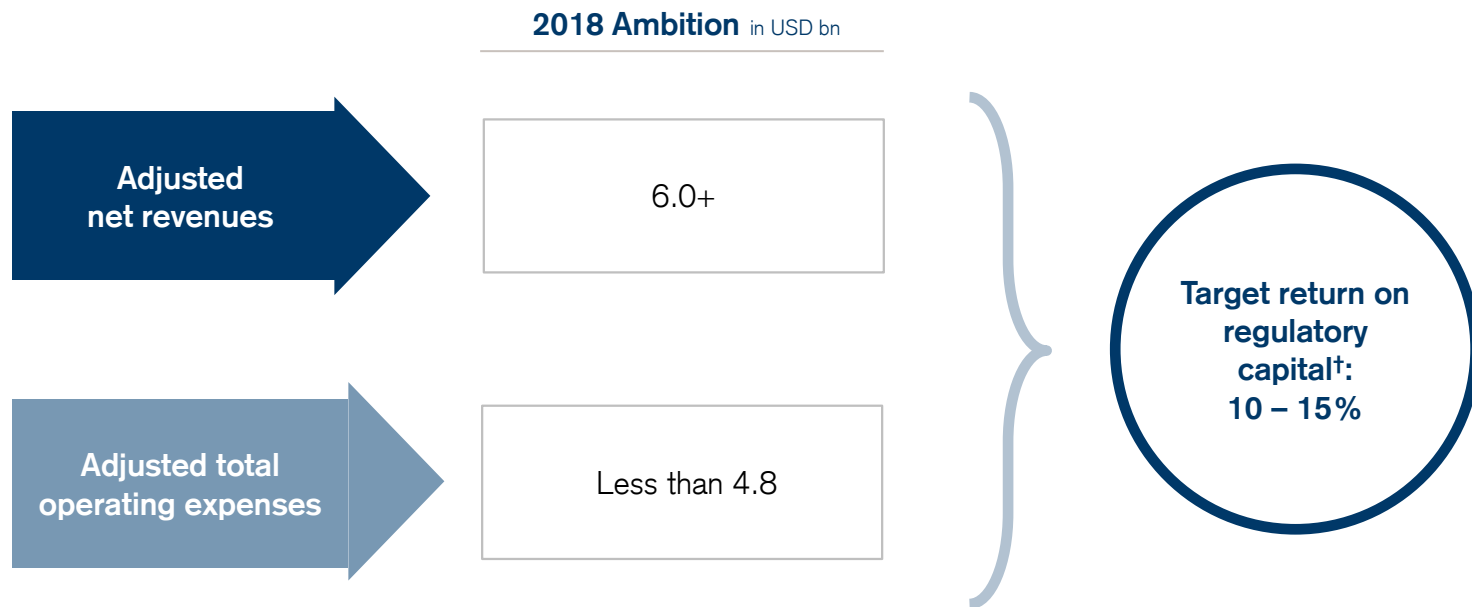


Note: Adjusted results are non-GAAP financial measures. A reconciliation to reported results is included in the Appendix  
1 Including contributions from wealth management connected activities



# Global Markets targeted to meet its cost of capital by 2018

Capital
Cost initiatives
<b>Divisional financials</b>
Funding plan
Regulatory update

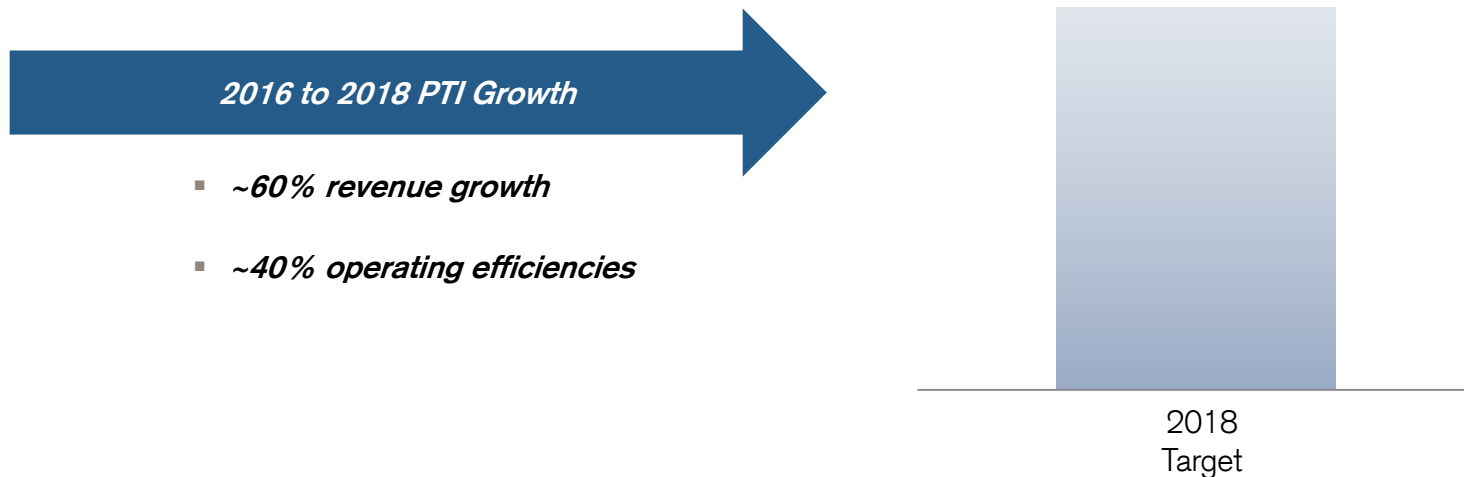


Note: Adjusted results are non-GAAP financial measures † See Appendix

# Revenue growth and operating efficiencies to drive IBCM toward return target

Capital
Cost initiatives
Divisional financials
Funding plan
Regulatory update

Adjusted return on regulatory capital<sup>†</sup>

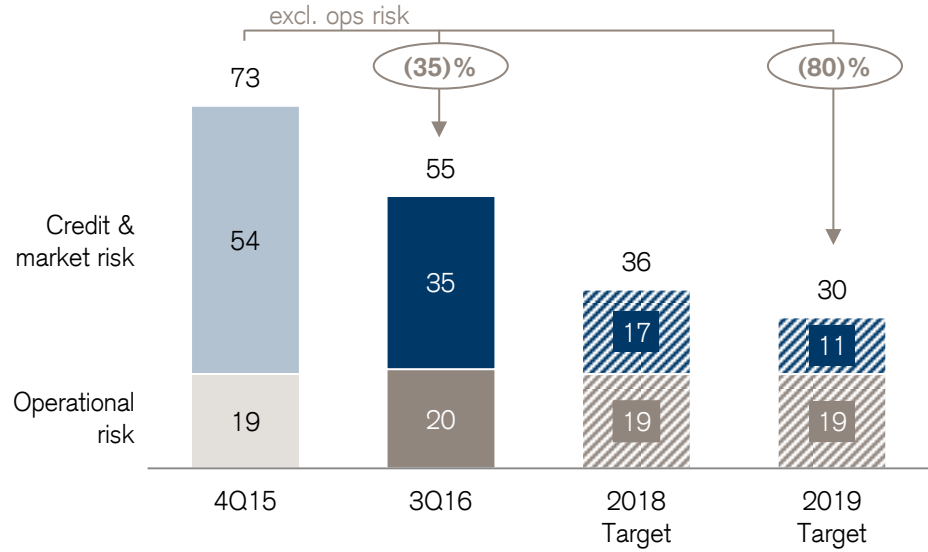


Note: Adjusted results are non-GAAP financial measures † See Appendix

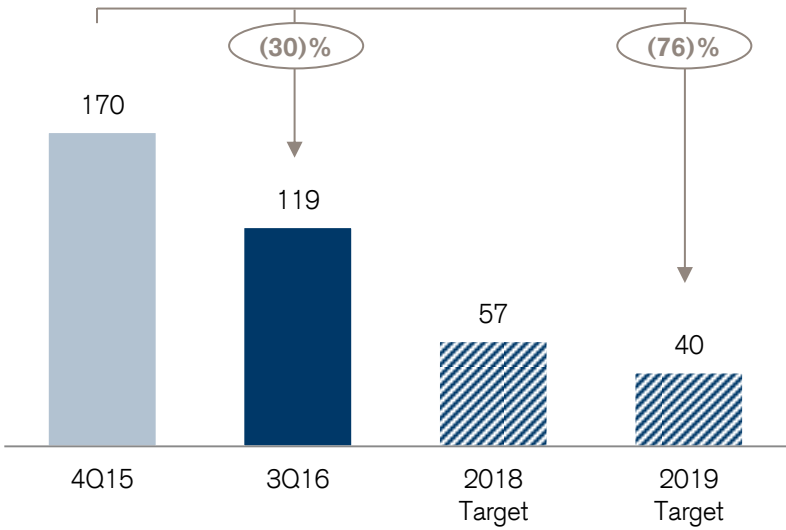
# SRU RWA and leverage exposure outlook

On track to reduce RWA and leverage exposure by ~80% by end-2019

RWA<sup>1</sup> in USD bn



Leverage exposure in USD bn



Capital
Cost initiatives
Divisional financials
Funding plan
Regulatory update

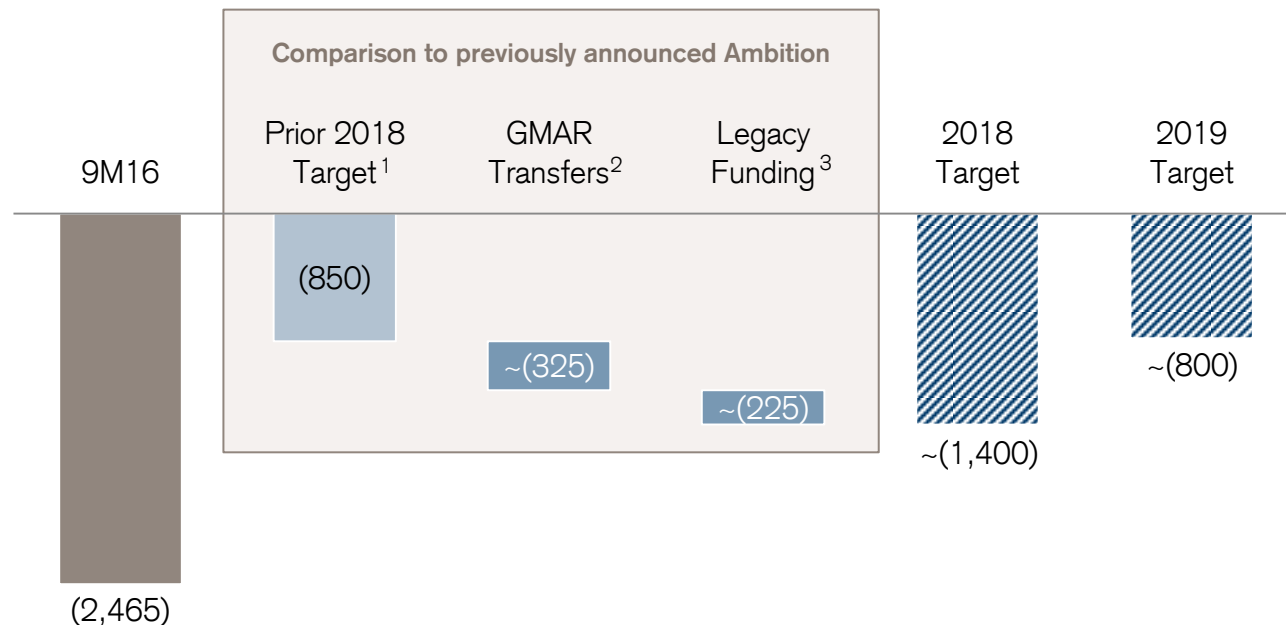
<sup>1</sup> RWA shown excluded projected inflation from future regulatory uplifts (e.g. fundamental review of trading book). Regulatory (FINMA) approval required for any operational risk reduction

# SRU pre-tax loss outlook

Pre-tax loss drag projected to reduce to ~USD 800 mn by year-end 2019

Capital
Cost initiatives
Divisional financials
Funding plan
Regulatory update

**Illustrative  
adjusted  
pre-tax income  
progression**  
in USD mn



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

<sup>1</sup> As announced with 4Q15 earnings release to be CHF 850 mn ~ USD 850 mn

<sup>2</sup> Includes impact from the recalibration of funding cost allocations effective January 1, 2016

<sup>3</sup> 2018 target no longer projects the early redemption of legacy funding instruments

# Overview of revised financial targets for Group and divisions

Capital
Cost initiatives
Divisional financials
Funding plan
Regulatory update

## Adjusted figures

		2016	2018	2019
Group	<ul style="list-style-type: none"> <li>■ <b>Net cost savings</b></li> <li>■ <b>Operating cost base</b></li> <li>■ <b>CET1 ratio</b> (pre significant litigation)</li> <li>■ <b>CET1 leverage ratio</b></li> </ul>	<p>&gt; CHF 1.4 bn<sup>1</sup></p> <p>&lt; CHF 19.8 bn<sup>1</sup></p> <p>11-12%<sup>1</sup></p>	<p>&gt; CHF 4.2 bn</p> <p>&lt; CHF 17.0 bn</p> <p>12-13%</p> <p>&gt; 3.5%</p>	<p>&gt; 13% pre-Basel III reform uplift; &gt; 11% post-Basel III reform uplift</p>
APAC	<ul style="list-style-type: none"> <li>■ <b>Pre-tax income</b> <i>o/w Wealth Management<sup>2</sup></i></li> </ul>		<p>CHF 1.6 bn</p> <p>CHF 0.7 bn</p>	
IWM	<ul style="list-style-type: none"> <li>■ <b>Pre-tax income</b></li> </ul>		CHF 1.8 bn	
SUB	<ul style="list-style-type: none"> <li>■ <b>Pre-tax income</b></li> </ul>		CHF 2.3 bn	
Global Markets	<ul style="list-style-type: none"> <li>■ <b>RWA threshold<sup>1</sup></b></li> <li>■ <b>Leverage exposure threshold<sup>1</sup></b></li> <li>■ <b>Return on regulatory capital<sup>†</sup></b></li> </ul>	<p>USD 60 bn</p> <p>USD 290 bn</p>	<p>10-15%</p>	
IBCM	<ul style="list-style-type: none"> <li>■ <b>Return on regulatory capital<sup>†</sup></b></li> </ul>		15- 20%	
SRU	<ul style="list-style-type: none"> <li>■ <b>Pre-tax loss</b></li> <li>■ <b>RWA</b></li> <li>■ <b>Leverage exposure</b></li> </ul>		<p>~ USD 1.4 bn</p>	<p>~ USD 0.8 bn</p> <p>USD 30 bn</p> <p>USD 40 bn</p>

Note: Adjusted results are non-GAAP financial measures

<sup>1</sup> As announced on March 23, 2016 (Credit Suisse Strategy Update)

<sup>2</sup> Including contributions from wealth management connected activities

<sup>†</sup> See Appendix

# Agenda

**1**

**Progress in capital reallocation and growth**

**2**

**Update on cost initiatives**

**3**

**Divisional execution towards targets and strategy**

**4**

**Funding plan and strategy**

**5**

**Regulatory update**

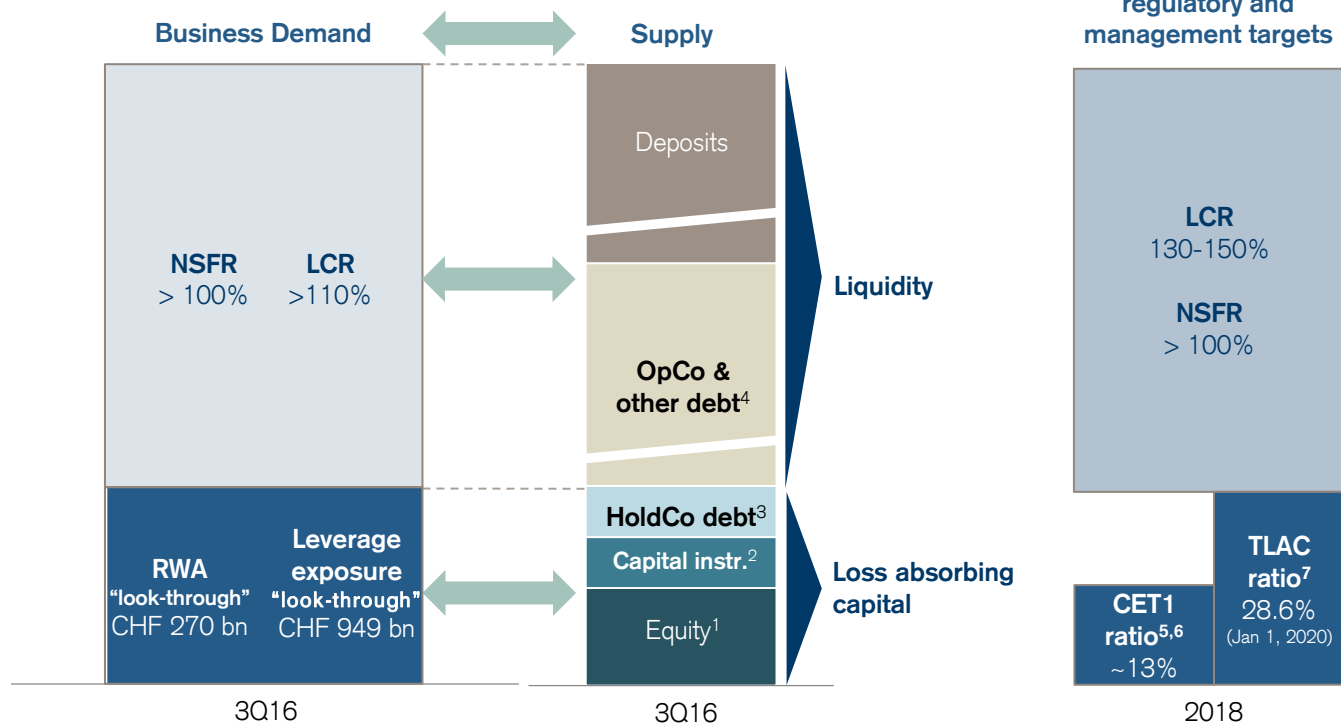
# Overall funding volumes and costs to decline through 2019

Capital
Cost initiatives
Divisional financials
<b>Funding plan</b>
Regulatory update

<b>Optimization of resources</b>	Capital markets funding volume expected to decline by approximately 28% from 2016 to 2019 due to reduction of term funding demand required by businesses	▲
<b>Progress in SRU reduction</b>	Reduced funding and capital requirements driven by the continued progress on the wind-down of the SRU portfolio	▲
<b>High cost debt rolling off</b>	Over USD 8 bn of expensive capital rolls off through 2019	▲
<b>Debt replacement dynamics</b>	More expensive bail-in HoldCo debt replacing lower cost maturing OpCo debt	▼
<b>Elevated senior spreads level</b>	Credit Suisse spreads at elevated level as a result of large issuance volumes in 2014 and 2015 to support IHC and entity liquidity	▼
<b>HoldCo to OpCo spread differential</b>	HoldCo to OpCo spread basis for UK / Swiss peers remains significantly wider than for US peers	▼

# Funding needs reflect business demand and Group / Entity regulatory requirements

Capital
Cost initiatives
Divisional financials
<b>Funding plan</b>
Regulatory update



<sup>1</sup> Includes shareholders' equity and noncontrolling interests

<sup>2</sup> Includes AT1 High Trigger capital instruments, grandfathered Tier 1 and Tier 2 capital instruments, and legacy capital instruments

<sup>3</sup> Bail-in debt instruments

<sup>4</sup>

Includes senior debt, structured notes, Pfandbrief/covered bonds, due to banks and other short-term liabilities

<sup>5</sup> Pre significant litigation expenses

<sup>6</sup> Pre reforms to Basel III

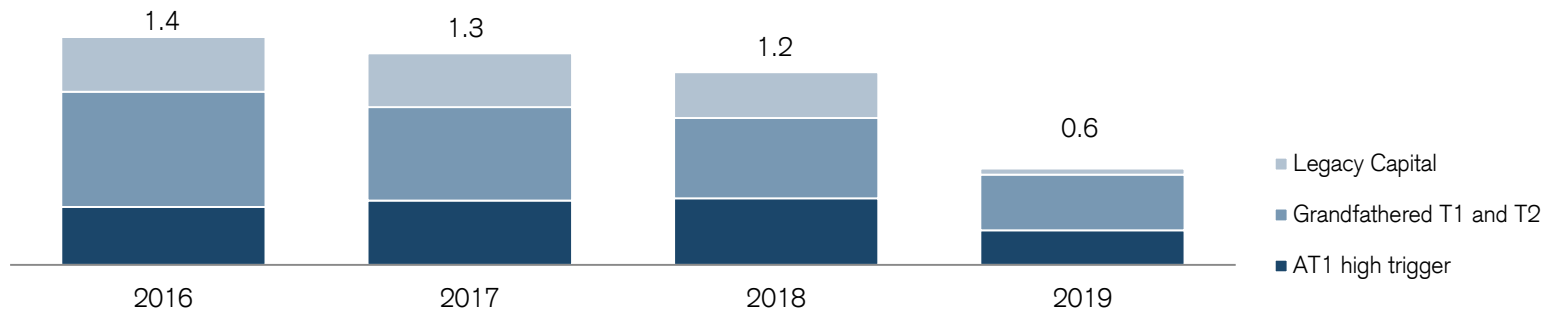
<sup>7</sup> Does not include the effects of the countercyclical buffers and any rebates for resolvability and for certain tier 2 low-trigger instruments recognized in gone concern capital



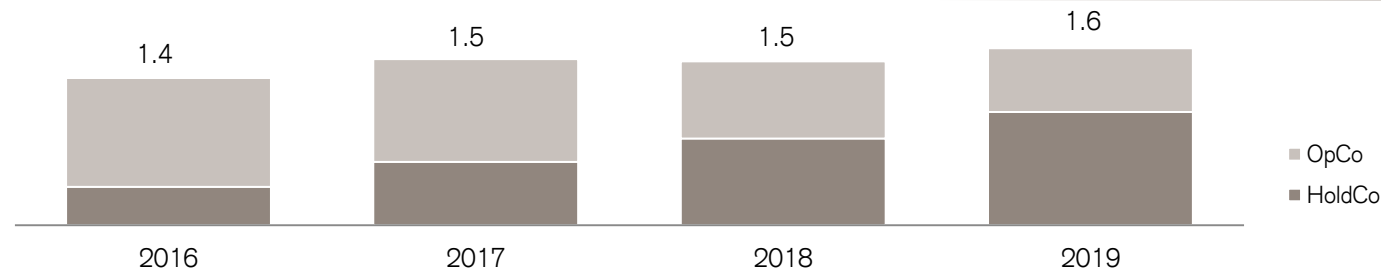
# Reduced capital instrument costs expected to offset increased HoldCo funding costs

Capital
Cost initiatives
Divisional financials
<b>Funding plan</b>
Regulatory update

Estimated funding costs<sup>1</sup> – capital instruments in USD bn



Estimated funding costs<sup>1</sup> – other sources of funding in USD bn



**Total funding cost<sup>1</sup>**  
in USD bn

**2.8**

**2.8**

**2.7**

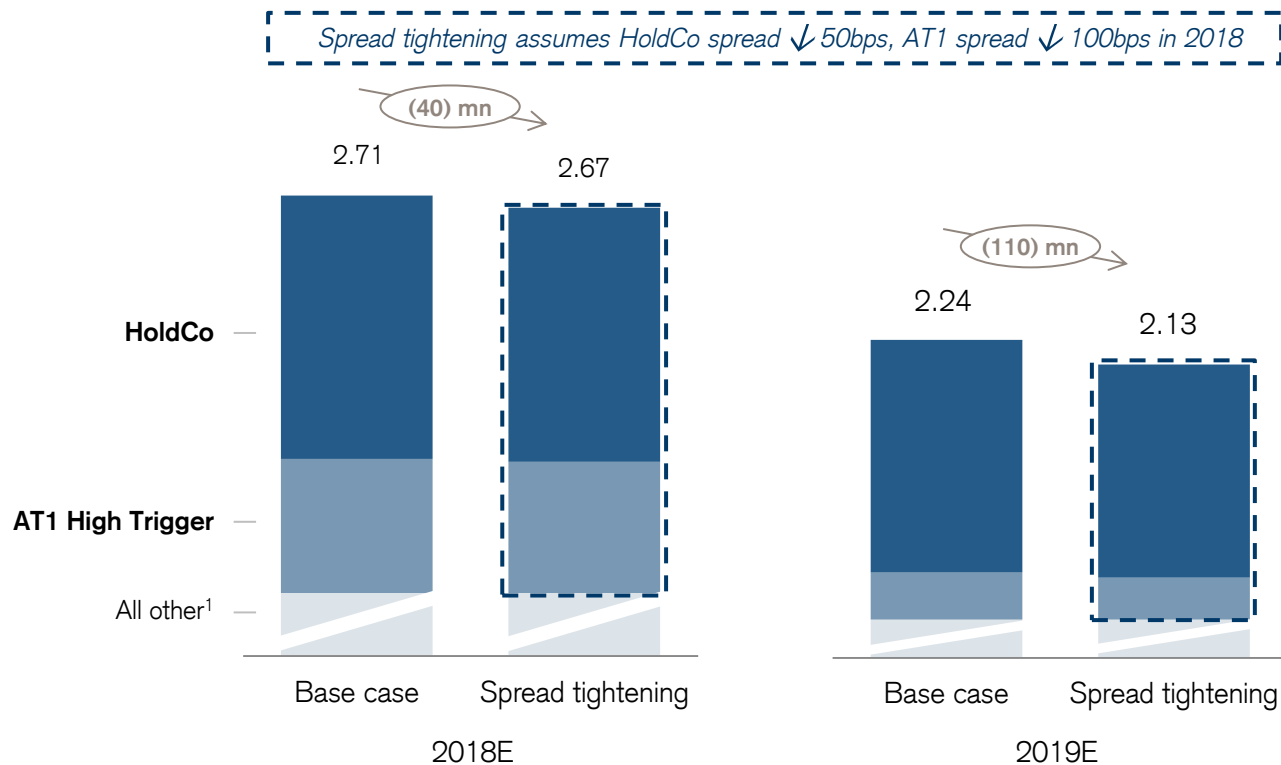
**2.2**

<sup>1</sup> Cost represents a spread to the 3-month reference rate

# Illustrative funding cost sensitivity and spread mediation

Capital
Cost initiatives
Divisional financials
<b>Funding plan</b>
Regulatory update

## Funding costs sensitivity in CHF bn

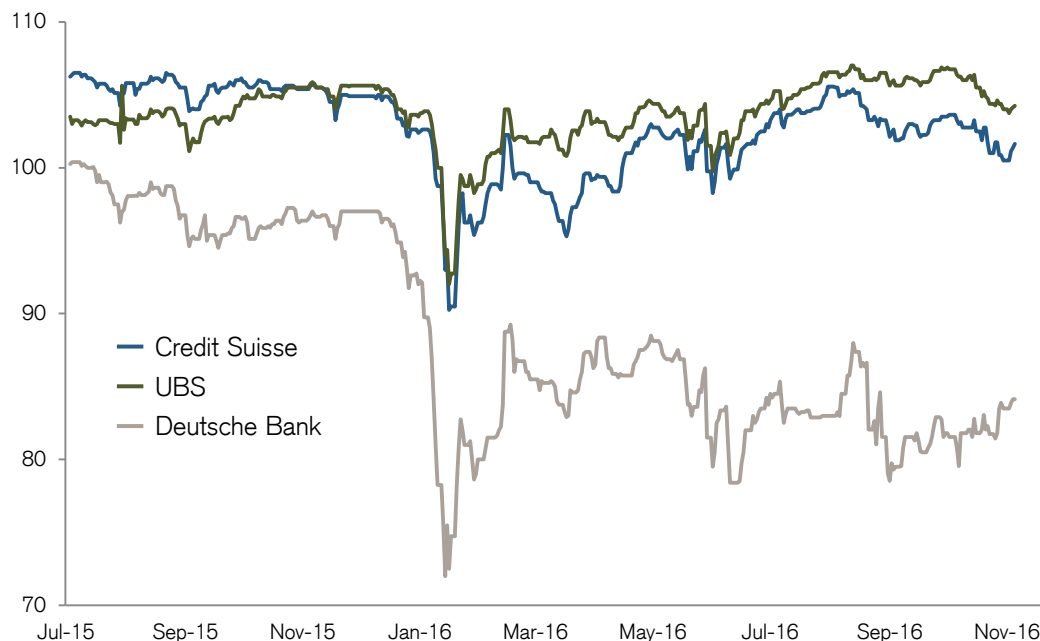


<sup>1</sup> Includes grandfathered T1 and T2 capital instruments, legacy capital instruments and OpCo debt

# Continued reinforcement of our creditor-friendly themes and strong capacity for capital coupon payments

Early 2016 market volatility in

USD low-trigger AT1 capital instruments<sup>1</sup>, price in %

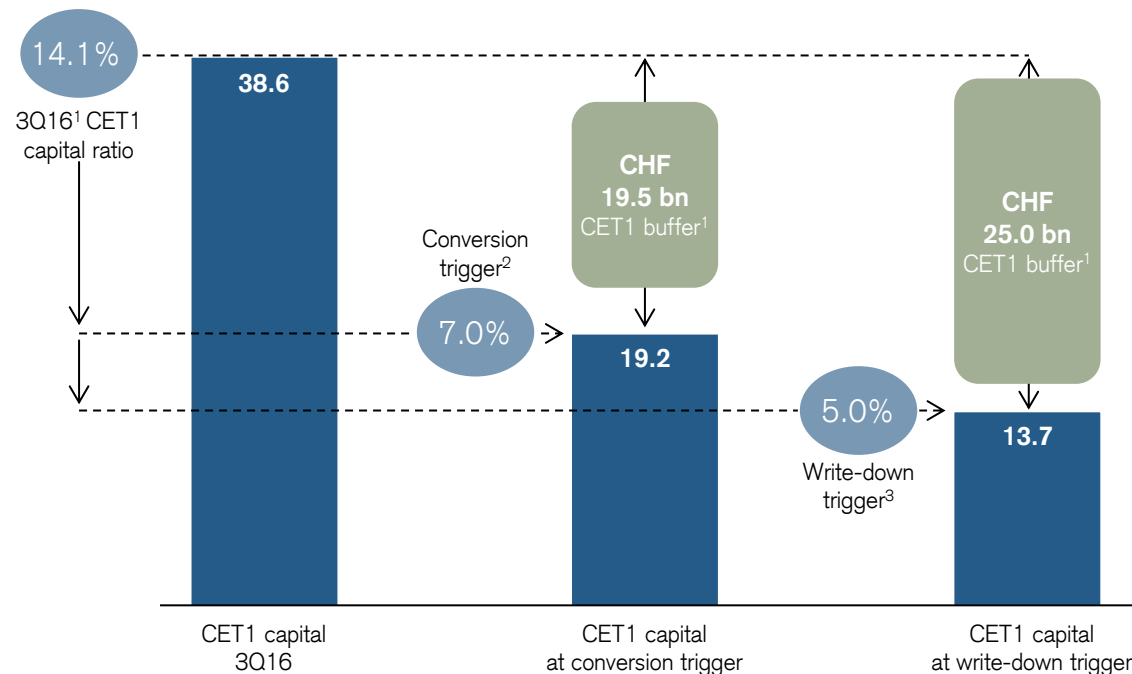


Source: Bloomberg "Distributable Profits" = aggregate of i) net profits carried forward and ii) freely available reserves (other than reserves for own shares), in each case, less any amounts that must be contributed to legal reserves under applicable law, all as appearing in the Relevant Accounts (i.e., the audited unconsolidated financial statements of the issuer for the previous financial year) 1 Shown are Credit Suisse USD - 7.5% - PNC10 - AT1 - XS0989394589; UBS USD - 7% - PNC10 - AT1 - CH0271428333; Deutsche Bank USD - 7.5% - PNC10 - AT1 - US251525AN16 2 As of the end of 2015, the distributable profits of Credit Suisse Group AG, under the terms of our capital instruments, consisted of statutory and discretionary reserves of CHF 10.5 bn, retained earnings brought forward of CHF 5.2 bn and net profit of CHF 0.1 bn

- AT1 instruments include a contractual dividend stopper
- Credit Suisse will be prohibited from making any AT1 interest payment if:
  - Distributable profits of CHF 15.8 bn (as of end 2015<sup>2</sup>) are less than the aggregate amount of payments on Tier 1 instruments
  - Minimum regulatory requirements are not met – transitional capital ratios
  - FINMA prohibited such interest payment
- Credit Suisse historically has called all capital instruments on first call

# Large capital buffer to capital instrument triggers

Phase-in BIS CET1 ratio and capital in CHF bn



## Look-through impact<sup>4</sup>:

- Assuming CET1 capital ratio of 12.0%<sup>5</sup> (as of end 3Q16)
  - CHF 13.4 bn CET1 buffer (7.0%)
  - CHF 18.8 bn CET1 buffer (5.0%)
- Assuming a targeted CET1 capital ratio of 13% (end 2018 target, pre-Basel III reform uplift)
  - CHF 18.4 bn CET1 buffer (7.0%)
  - CHF 24.5 bn CET1 buffer (5.0%)

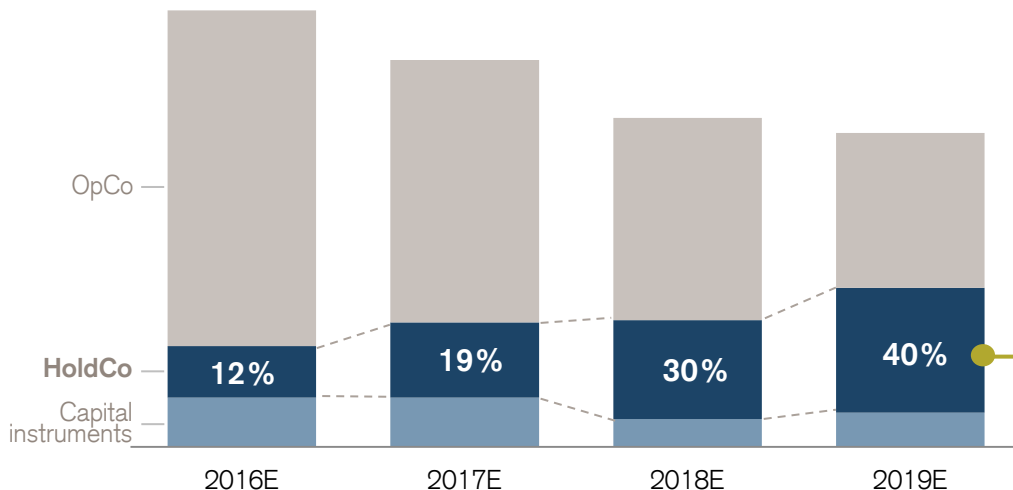
Note: For presentation purposes the CET1 buffer for the 5.125% low-trigger capital instrument is not shown. The write-down trigger for certain capital instruments takes into account that other outstanding capital instruments that contain relatively higher capital ratios as part of their trigger feature are expected to convert into equity or be written down prior to the write down of such capital instruments. Rounding differences may occur.

CET1 = Common equity Tier 1. <sup>1</sup> Based on end 3Q16 phase-in risk-weighted assets of CHF 274 bn. <sup>2</sup> Conversion into equity upon Credit Suisse Group AG's (the "Group") reported phase-in CET1 ratio falling below 7%, or a determination by FINMA that conversion is necessary, or that the Group requires public sector capital support, to prevent it from becoming insolvent, bankrupt or unable to pay a material amount of debts, or other similar circumstances. <sup>3</sup> The principal amount of the instrument would be written-down to zero and canceled if the following trigger events were to occur: A) the Group's reported phase-in CET1 ratio falls below 5%; or B) FINMA determines that cancellation of the instrument and other similar contingent capital instruments is necessary, or that the Group requires public sector capital support, in either case to prevent it from becoming insolvent or otherwise failing ("Customary Non-Viability Scenarios"). <sup>4</sup> Assumes the full application of a five-year (20% per annum) phase-in of goodwill, other intangible assets and other capital deductions (e.g., certain deferred tax assets) and the phase-out of an adjustment for the accounting treatment of pension plans and certain capital instruments. <sup>5</sup> Based on end 3Q16 look-through risk-weighted assets of CHF 270 bn.

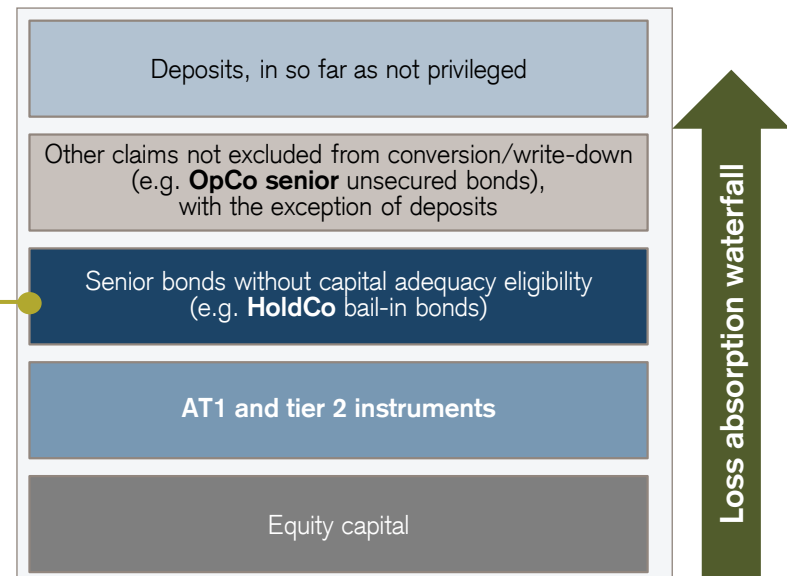
# Build-up of HoldCo debt layer reduces loss given default and supports credit ratings

Capital
Cost initiatives
Divisional financials
<b>Funding plan</b>
Regulatory update

Estimated funding volumes

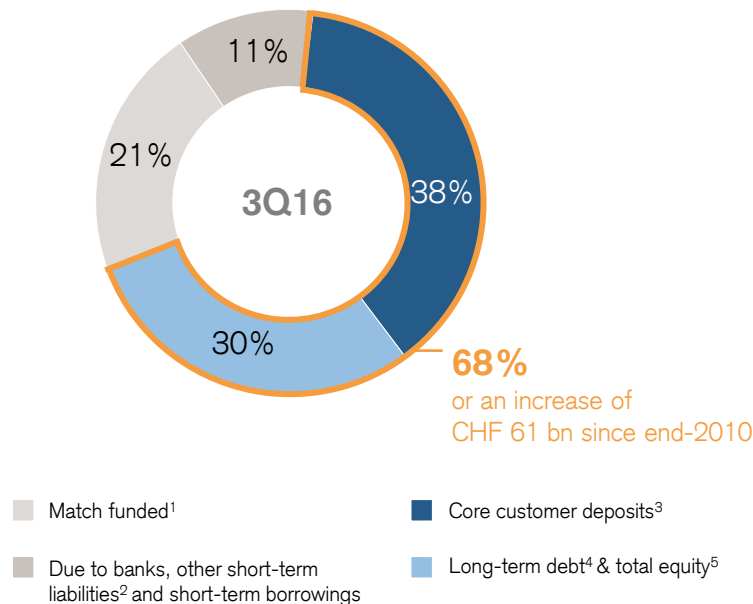


Bail-in hierarchy in Switzerland



# Stable funding sources and liquidity strength provide strong foundation for creditors

Funding sources by type, total liabilities & equity as of:

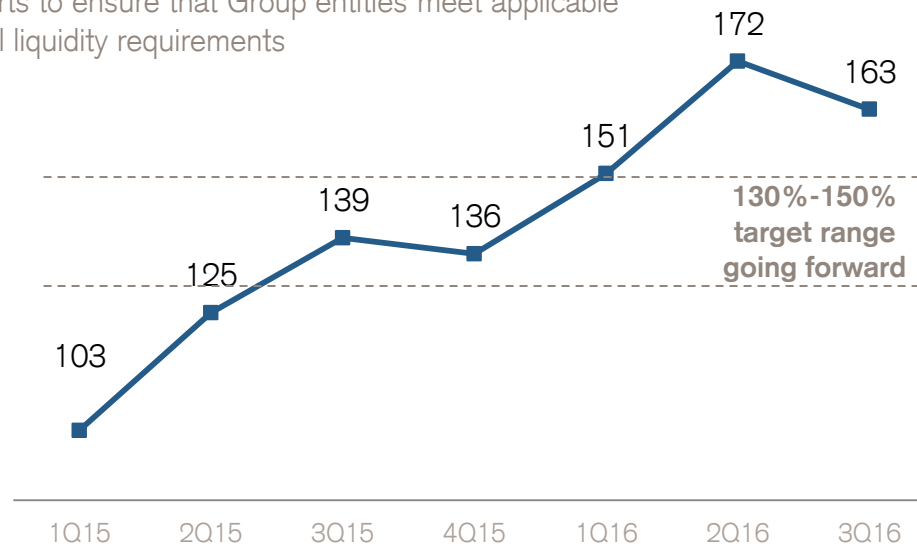


Note: Beginning in May 2015, FINMA required us to maintain a minimum LCR of 110% at all times

1 Repurchase agreements, short positions and funding-neutral liabilities. Funding neutral liabilities primarily include brokerage receivables/payables, positive/negative replacement values and cash collateral 2 Other short-term liabilities primarily includes excess of funding neutral liabilities (brokerage payables) over corresponding assets 3 Core customer deposits are from clients with whom we have a broad and longstanding relationship. Core customer deposits exclude deposits from banks and certificates of deposit 4 Includes structured notes, secured long-term debt, senior unsecured funding OpCo and HoldCo, Tier 1 and Tier 2 capital instruments and covered bonds. 5 Includes shareholder's equity and non-controlling interests

## Group liquidity coverage ratio (LCR) in %

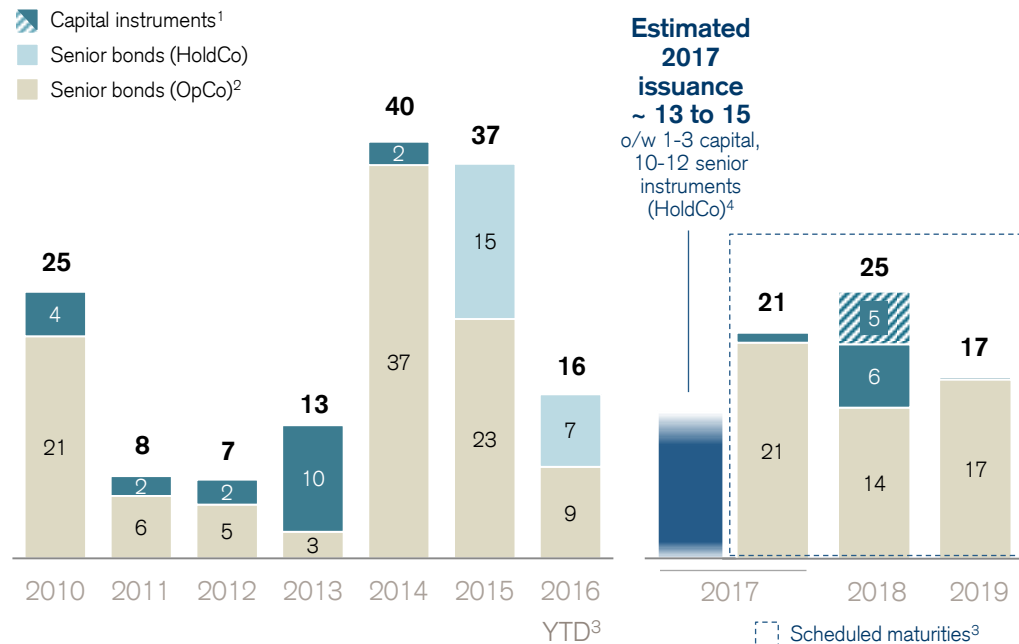
The strengthening of the ratio since 1Q15 reflects our efforts to ensure that Group entities meet applicable local liquidity requirements



# Future issuances focused on HoldCo and AT1

Capital
Cost initiatives
Divisional financials
<b>Funding plan</b>
Regulatory update

## Long-term debt capital markets issuances in CHF bn



- Supply normalized compared to prior years
- Senior unsecured HoldCo issuances expected to replace maturing OpCo notes (USD 22 bn HoldCo issued to date)
- Existing callable capital expected to be replaced with AT1 instruments or otherwise redeemed

<sup>1</sup> Includes AT1 High Trigger capital instruments, grandfathered Tier 1 and Tier 2 capital instruments, and legacy capital instruments  
<sup>2</sup> Including Pfandbrief/Covered Bonds  
<sup>3</sup> As of September 30, 2016  
<sup>4</sup> Issuance plans reflect projected business growth, development of the balance sheet, future funding needs and maturity profiles as well as the effects of changing market and regulatory conditions and assumes callable issues redeemed at first call date. Subject to change

# Agenda

**1**

**Progress in capital reallocation and growth**

**2**

**Update on cost initiatives**

**3**

**Divisional execution towards targets and strategy**

**4**

**Funding plan and strategy**

**5**

**Regulatory update**



# Major regulatory capital changes anticipated over 2016-2020

Capital
Cost initiatives
Divisional financials
Funding plan
Regulatory update

**Recalibrated leverage ratio** likely to be primary capital constraint until beginning 2020, however...

- Revised Swiss TBTF rules require going concern leverage ratio of 5% (of which 3.5% CET1), 5%<sup>2</sup> gone concern leverage ratio, going concern RWA ratio of 14.3% (of which 10% CET1) and 14.3%<sup>2</sup> gone concern RWA ratio to become fully effective by January 1, 2020 (phase-in)

...**RWA uplift** resulting from Basel III reforms will drive the binding constraint<sup>1</sup> from the start of 2020

- Group of Governors and Heads of Supervision (GHOS) of BCBS is due to meet in January 2017 where final rules for revisions to standard rules for floors, credit risk and operational risk are expected. Significant recalibration to draft rules expected

- Standardized Approach to Counterparty Credit Risk, Banking Book Securitizations and Equity Investment in Funds rules effective from January 1, 2018

- Impact of revised Market Risk rules expected to be effective by December 31, 2019. Will affect primarily market risk assets in divisions with trading activity

- Recent BCBS conference comments on November 30, 2016 indicate a longer implementation and phase-in period than previously expected. Use of internal models was confirmed

- Revised Swiss TBTF rules will be phased-in and become fully effective January 1, 2020

<sup>1</sup> The binding constraint is calculated as the worse of 10% of RWA and 3.5% of leverage exposure due to the TBTF requirement of 10% CET 1 ratio and 3.5% CET 1 leverage ratio requirement

<sup>2</sup> Does not include the effects of the countercyclical buffers and any rebates for resolvability and for certain tier 2 low-trigger instruments recognized in gone concern capital

# RWA estimated regulatory impact - 2018 to 2020 and beyond

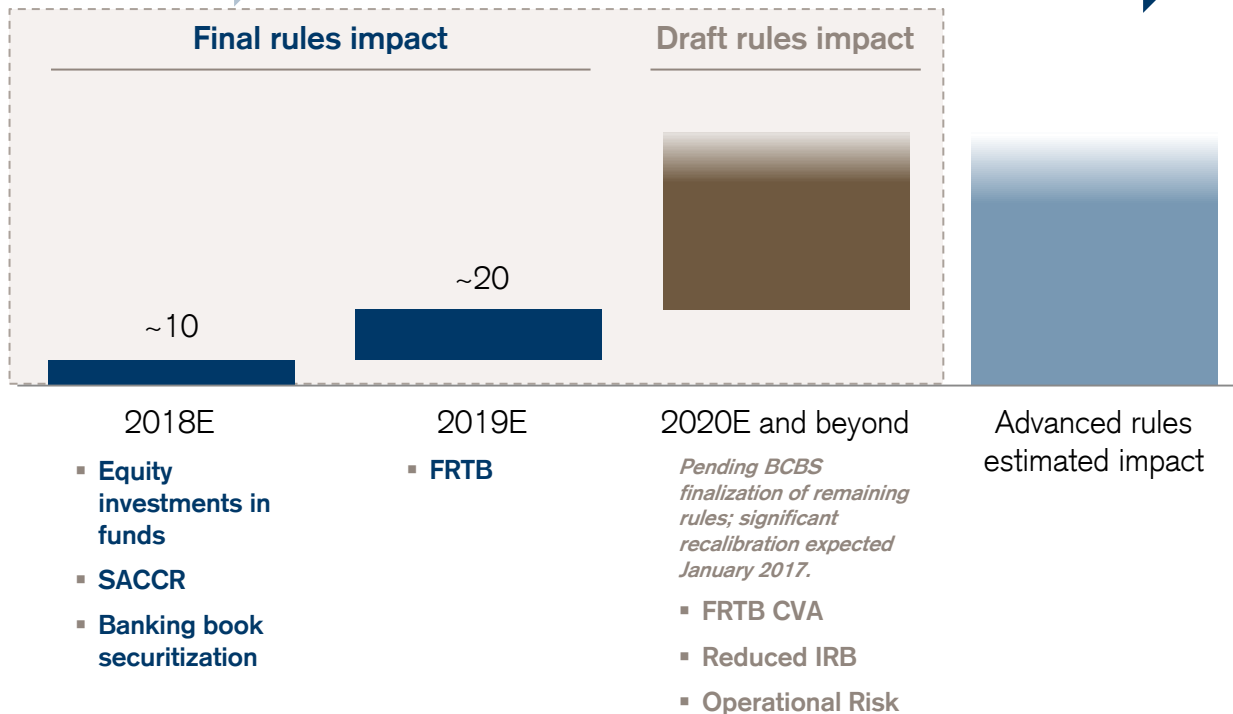
Capital
Cost initiatives
Divisional financials
Funding plan
Regulatory update

**Estimated CET1 ratio (%)**  
Pre significant litigation

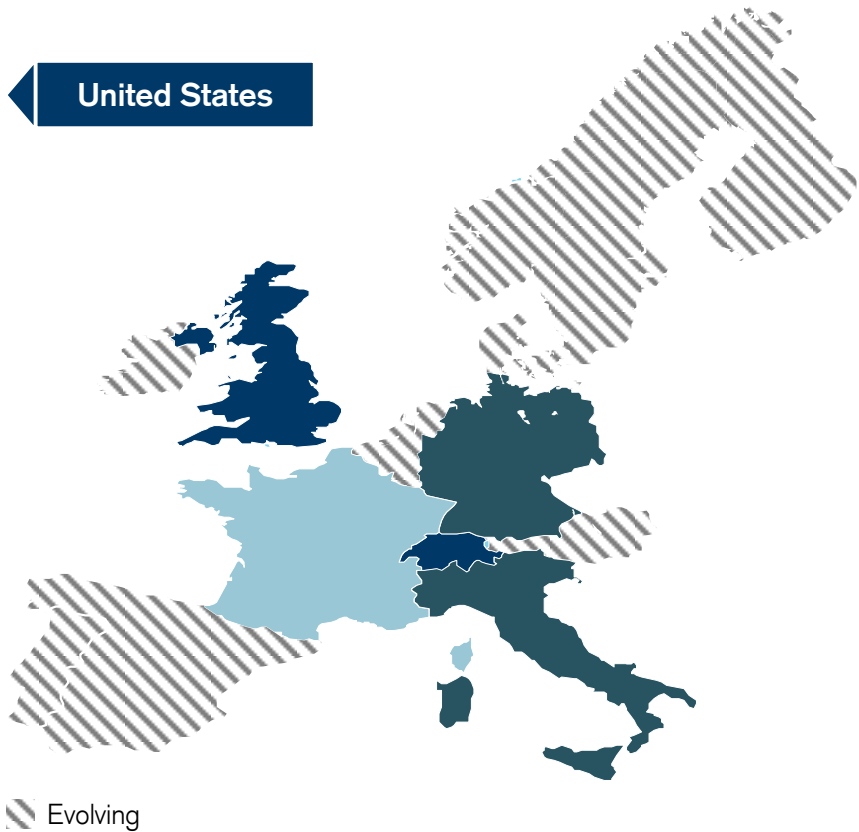
12-13% in 2018

2018+: >13% *pre Basel III reform* ; >11% *post Basel III reform*

**Estimated net regulatory impact** in CHF bn



# Swiss bail-in regime similar to US and UK approach



## FSB subordination forms:

Switzerland	HoldCo	Structural
UK		
United States		
Germany	Existing bonds subordinated	Statutory
Italy		
Other EU countries <sup>1</sup>	New class created by statute	
France		
On a case-by-case basis	New class created within subordinated class	Contractual

Capital
Cost initiatives
Divisional financials
Funding plan
Regulatory update

<sup>1</sup> Under the new draft amendment to BRRD Article 108, the European Commission has proposed to change national insolvency hierarchies in the EU member states in order to provide for a preferred and a non-preferred senior unsecured class

## Appendix

# Credit rating peer comparison – Bank Holding Companies

Moody's rating scale	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1
Fitch and S&P rating scale	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+
HSBC	F	M*	S*					
JPMorgan Chase		F		M S				
Goldman Sachs			F	M	S			
Morgan Stanley			F	M	S			
Bank of America			F		M S			
Citigroup			F		M S			
UBS			F•	S		M <sup>1</sup>		
Credit Suisse Group AG	<b>Legend</b> M Moody's F Fitch S S&P			F	S		M	
Barclays			F			S*	M*	
RBS					F		S	M•

Source: Bloomberg. Ratings shown are current senior unsecured long-term debt ratings and are subject to change without notice. Latest rating action on July 7, 2016

\* Long-term rating on negative outlook • Long-term rating on positive outlook Ratings apply to holdings companies: HSBC Holdings plc, JPMorgan Chase & Co., Goldman Sachs Group Inc., Morgan Stanley, Bank of America Corp., Citigroup Inc., Credit Suisse Group AG, UBS Group AG, Barclays plc, and Royal Bank of Scotland Group plc <sup>1</sup> On September 21, 2015, Moody's assigned a rating to the guaranteed US dollar senior notes issued by UBS Group Funding (Jersey) Limited. This rating was initiated by Moody's and was not requested by the rated entity Note: Ratings not shown for BNP Paribas SA, Deutsche Bank AG and Société Générale SA, given there is no holding company structure or holding company rating

# Credit rating peer comparison – Bank Operating Companies

Moody's rating scale	Aa2	Aa3	A1	A2	A3	Baa1	Baa2
Fitch and S&P rating scale	AA	AA-	A+	A	A-	BBB+	BBB
HSBC	M* (P-1)	S* (A-1+)	F (F1+)				
JPMorgan Chase		M (P-1)	F (F1+)	S (A-1)			
UBS			M (P-1)	S (A-1)	F (F1)		
Bank of America			M (P-1)	F (F1)	S (A-1)		
Citigroup			M (P-1)	F (F1)	S (A-1)		
Goldman Sachs			M (P-1)	F (F1)	S (A-1)		
Morgan Stanley			M (P-1)	F (F1)	S (A-1)		
BNP Paribas			M (P-1)	F (F1)	S (A-1)		
Credit Suisse AG (Bank)	<b>Legend</b> M Moody's F Fitch S S&P			M (P-1)	F (F1)	S (A-1)	
Société Générale				M (P-1)	F (F1)	S (A-1)	
Barclays				M* (P-1)	F (F1)	S* (A-2)	
Deutsche Bank					F (F1)	S* (A-2)	M (P-2)

Source: Bloomberg. Ratings shown are current senior unsecured long-term ratings and short-term ratings (below each symbol) and are subject to change without notice

Latest rating action on July 19, 2016

\* Long-term rating on negative outlook    \*\* On review for upgrade    Note: Ratings shown are for HSBC Bank plc, JPMorgan Chase Bank NA, UBS AG, Bank of America NA, Citibank NA, Goldman Sachs Bank USA, Morgan Stanley Bank NA., BNP Paribas SA, Credit Suisse AG, Société Générale SA, Barclays Bank plc and Deutsche Bank AG

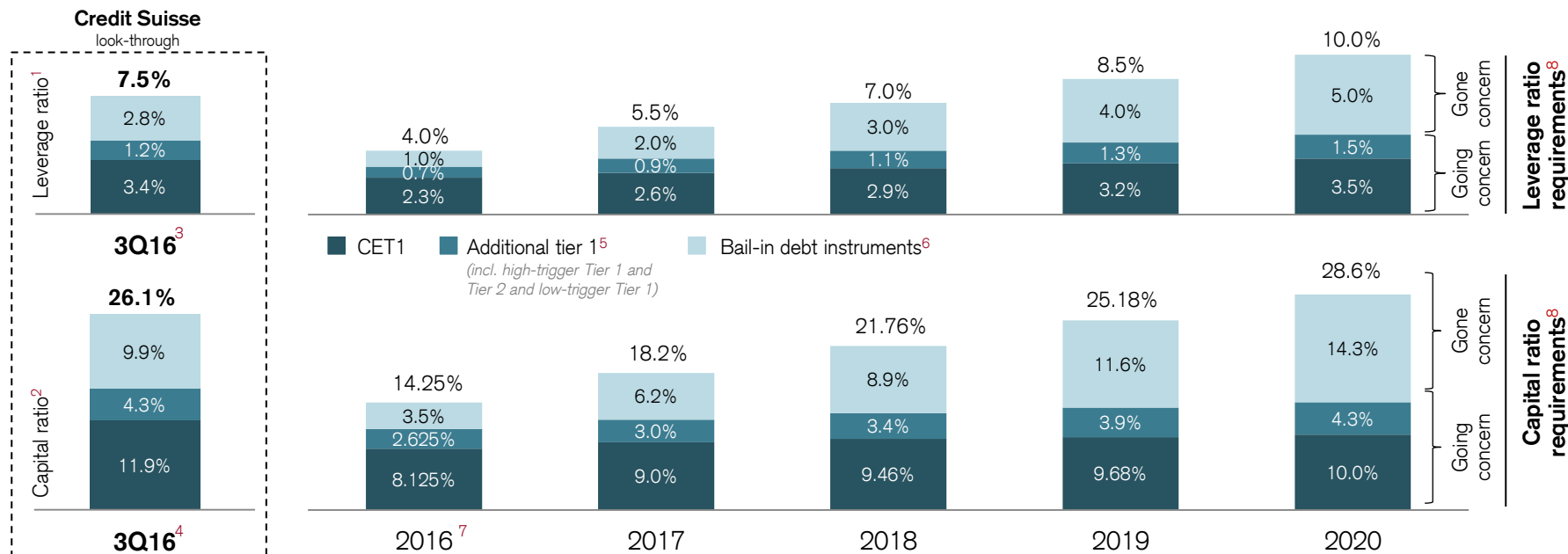
# New TBTF capital requirements for internationally operating SIBs in Switzerland – grandfathering rules

## Outstanding regulatory capital instruments as of end-3Q16

Outstanding regulatory capital instruments as of end-3Q16								New TBTF	
			Currency	Notional (in million)	Coupon	Maturity	First call	Qualifies as Going concern until	Recognized as
Low-trigger	Write-down	Tier 2	USD	2,500	6.5%	2023	08/2023	First call or end 2019 (whichever is first)	Going / Gone concern
			EUR	1,250	5.75%	2025	09/2020		
		AT1	CHF	290	6.0%	perpetual	09/2018	First call (even if beyond 2019)	Going /Gone concern
			USD	2,250	7.5%	perpetual	12/2023		
			USD	2,500	6.25%	perpetual	12/2024		
High-trigger	Conversion	Tier 2	CHF	750	7.125%	2022	03/2017	First call or end 2019 (whichever is first)	Going /Gone concern
		AT1	CHF	2,500	9.0%	perpetual	10/2018		Going concern
			USD	1,720	9.5%	perpetual	10/2018		
			USD	1,725	9.5%	perpetual	10/2018		
	Write-down		Contingent Capital Awards						
			CHF	390 <sup>1</sup>	floating	perpetual	n.a.		Going concern
Total			CHF	15.8 bn				Grandfathering rules	

<sup>1</sup> Represents the amount recognized in regulatory capital      Note: In May 2016 the Swiss Federal Council amended the Capital Adequacy Ordinance (CAO) which recalibrates and expands the existing "Too Big to Fail" regime in Switzerland. The amended CAO came into effect on July 1, 2016, subject to phase-in and grandfathering provisions for certain outstanding instruments, and has to be fully applied by January 1, 2020. After January 1, 2020, the low-trigger Tier 2 instruments receive gone concern treatment and the Group's gone concern requirement is reduced by a factor of 0.5 for the outstanding amount of these instruments in relation to risk-weighted assets and leverage exposure. In effect, the low-trigger Tier 2 instruments receive 1.5x value in the gone concern ratio

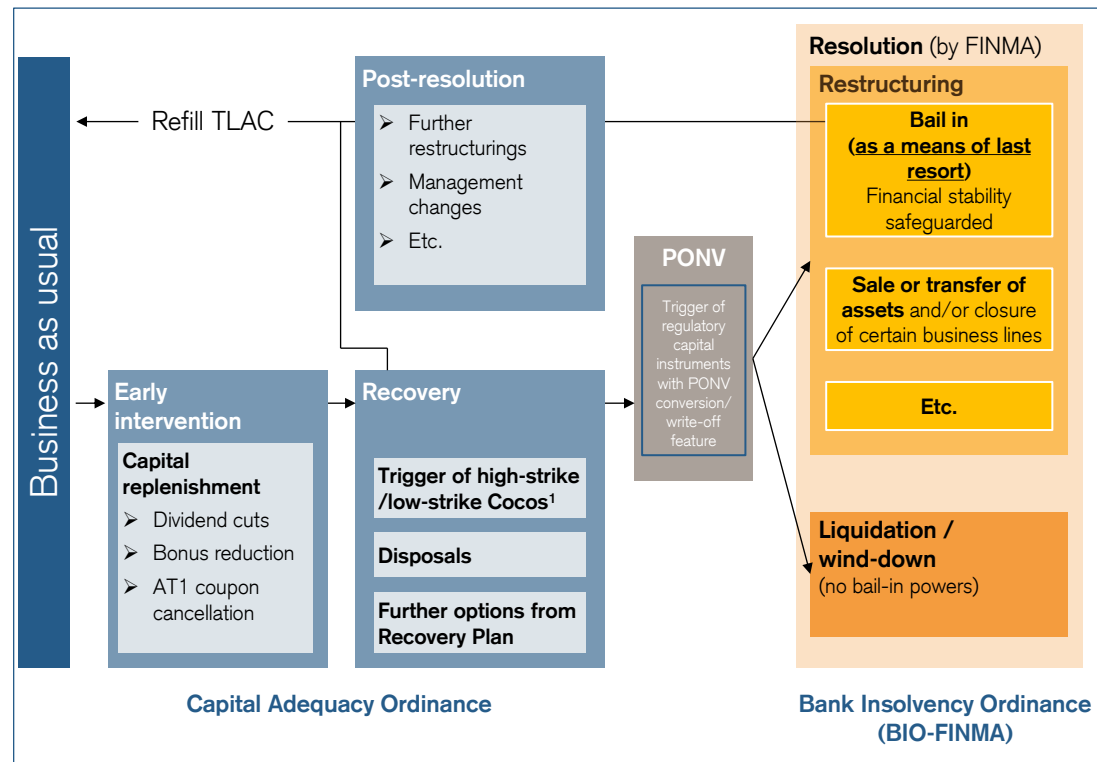
# Early capital compliance on a phase-in basis



Note: In May 2016 the Swiss Federal Council amended the Capital Adequacy Ordinance (CAO) which recalibrates and expands the existing "Too Big to Fail" regime in Switzerland. The amended CAO came into effect on July 1, 2016, subject to phase-in and grandfathering provisions for certain outstanding instruments, and has to be fully applied by January 1, 2020. Figures do not include the effects of the countercyclical buffers and any rebates for resolvability and for certain Tier 2 low-trigger instruments recognized in gone concern capital. After January 1, 2020, the low-trigger Tier 2 instruments receive gone concern treatment and the Group's gone concern requirement is reduced by a factor of 0.5 for the outstanding amount of these instruments in relation to RWA and Leverage Exposure. In effect, the low-trigger Tier 2 instruments receive 1.5x value in the gone concern ratio



# Swiss Resolution Regime is debt investor friendly



## Swiss resolution regime

- All shareholders and capital instruments to be fully eliminated/fully written off, before FINMA has power to force losses into bail-in debt
- NCWOL principle
- Strict and complete hierarchy of losses is enforced by law<sup>2</sup>
- Debt-for equity swap transfers all remaining equity to bail-in debt investors; minimizing their economic loss

## Credit Suisse Group AG

- Resolution entity
- Simple and clean balance sheet
- Liabilities are structurally subordinated to OpCo (Credit Suisse AG)

<sup>1</sup> Credit Suisse AG (OpCo) has issued Tier 2 low-trigger capital instruments where the principal amount is written off upon certain triggering events, including Credit Suisse Group's CET1 ratio falling below 5% or Credit Suisse Group becoming non-viable

<sup>2</sup> Swiss Bank Insolvency Ordinance; FINMA has the possibility but not the requirement to compensate former shareholders

# Notes

## General notes

- Throughout the presentation rounding differences may occur
- All **risk-weighted assets (RWA)** 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 (bps)  
Gross margin = adj. net revenues annualized / average AuM; net margin = adj. pre-tax income annualized / average AuM
- **Mandates penetration** reflects advisory and discretionary mandates as percentage of total AuM, excluding AuM from the external asset manager (EAM) business

## Specific notes

\* "Adjusted operating expenses at constant FX rates" include adjustments as made in all our disclosures for restructuring expenses, major litigation expenses and a goodwill impairment taken in 4Q15 as well as adjustments for FX, applying the following main currency exchange rates for 1Q15: USD/CHF 0.9465, EUR/CHF 1.0482, GBP/CHF 1.4296, 2Q15: USD/CHF 0.9383, EUR/CHF 1.0418, GBP/CHF 1.4497, 3Q15: USD/CHF 0.9684, EUR/CHF 1.0787, GBP/CHF 1.4891, 4Q15: USD/CHF 1.0000, EUR/CHF 1.0851, GBP/CHF 1.5123, 1Q16: USD/CHF 0.9928, EUR/CHF 1.0941, GBP/CHF 1.4060, 2Q16: USD/CHF 0.9756, EUR/CHF 1.0956, GBP/CHF 1.3845, 3Q16: USD/CHF 0.9728, EUR/CHF 1.0882, GBP/CHF 1.2764. These currency exchange rates are unweighted, i.e. a straight line average of monthly rates. We apply this calculation consistently for the periods under review

† Regulatory capital reflects the worst of 10% of RWA and 3.5% of leverage exposure. Return on regulatory capital is based on (adjusted) returns after tax assuming a tax rate of 30% for all periods and capital allocated based on the worst of 10% of average RWA and 3.5% of average leverage exposure. For Global Markets and Investment Banking & Capital Markets, return on regulatory capital is based on US dollar denominated numbers

## Abbreviations

Adj. = Adjusted; AT1 = Additional Tier 1; AM = Asset Management; ann. = annualized; APAC = Asia Pacific; AuM = Assets under Management; BCBS = Basel Committee on Banking Supervision; BIS = Bank for International Settlements; bps = basis points; BRRD = Bank Recovery and Resolution Directive; CAO = Capital Adequacy Ordinance; CET1 = Common Equity Tier 1; Corp. Ctr. = Corporate Center; C&IB = Corporate & Institutional Banking; CRO = Chief Risk Officer; CCRO = Compliance and Regulatory Affairs; CVA = Credit Valuation Adjustment; ECM = Equity Capital Markets; EM = Emerging Markets; EMEA=Europe, Middle East & Africa; FINMA = Swiss Financial Market Supervisory Authority; FRTB = Fundamental review of the trading book; FSB = Financial Stability Board; FTE = Full time equivalents; FVoD = Fair Value of Own Debt; FX = Foreign Exchange; GM = Global Markets; GMAR = Global Markets Accelerated Restructuring; HoldCo = Holding Company; HQ = Headquarters; HQLA = High Quality Liquid Assets; IB = Investment Banking; IBCM = Investment Banking & Capital Markets; ID = Investor Day; IHC = Intermediate Holding Company; IOSCO = The International Organization of Securities Commissions; IPO = Initial Public Offer; IRB = Internal Ratings-Based; IWM = International Wealth Management; KPI = Key Performance Indicator; LATAM =Latin America; LCR = Liquidity Coverage ratio; M&A = Mergers & Acquisitions; NCWOL = No Creditor Worse Off than in Liquidation; NNA = Net new assets; NSFR = Net Stable Funding Ratio; OpCo = Operating Company; OpRisk = Operational Risk; PB = Private Banking; PB&WM = (Former) Private Banking & Wealth Management (division) pp. = percentage points; PTI = Pre-tax income; PONV = Point of Non-Viability; QoQ = Quarter-on-quarter; RM(s) = Relationship Manager(s); RoRC = Return on regulatory capital; RWA = Risk Weighted Assets; SA-CCR = Standardized Approach - Counterparty Credit Risk; SME = Small and Medium Enterprises; SMG = Systematic Market-Making Group; SoW = Share of Wallet; SRU = Strategic Resolution Unit; STS = Sales and Trading Services; SUB = Swiss Universal Bank; T1 = Tier 1 capital; TBTF = Too Big to Fail; TLAC = Total loss absorbing capacity; (U)HNW(I) = (Ultra) High Net Worth (Individuals); WM = Wealth Management; YoY = Year-on-Year; YTD = Year To Date

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 (1/2)

	CS Group in CHF mn							SRU in USD mn							Corp. Ctr. in CHF mn						
	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
Net revenues reported	5,396	5,108	4,638	4,210	5,985	6,955	6,647	(170)	(371)	(545)	(126)	(90)	437	335	72	(95)	110	(748)	752	384	173
Fair value on own debt	-	-	-	697	(623)	(228)	(144)	-	-	-	-	-	-	-	-	-	-	697	(623)	(228)	(144)
Real estate gains	-	-	-	(72)	-	(23)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Gains)/losses on business sales	(346)	-	56	(34)	-	-	-	-	-	4	-	-	-	-	-	-	52	-	-	-	-
Net revenues adjusted	5,050	5,108	4,694	4,801	5,362	6,704	6,503	(170)	(371)	(541)	(126)	(90)	437	335	72	(95)	162	(51)	129	156	29
Provision for credit losses	55	(28)	150	133	110	51	30	6	(38)	119	99	21	13	5	-	(2)	1	(2)	1	-	-
Total operating expenses reported	5,119	4,937	4,972	10,518	5,023	5,248	5,106	698	445	601	1,103	688	690	651	279	142	76	307	211	121	223
Goodwill impairment	-	-	-	(3,797)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring expenses	(145)	(91)	(255)	(355)	-	-	-	(23)	(21)	(80)	(158)	-	-	-	-	-	-	-	-	-	-
Major litigation provisions	(306)	-	-	(564)	(203)	(63)	10	(324)	-	-	(257)	(27)	(9)	-	-	-	-	-	-	-	-
Total operating expenses adjusted	4,668	4,846	4,717	5,802	4,820	5,185	5,116	351	424	521	688	661	680	651	279	142	76	307	211	121	223
Pre-tax income/(loss) reported	222	199	(484)	(6,441)	852	1,656	1,511	(874)	(778)	(1,266)	(1,328)	(799)	(266)	(320)	(207)	(235)	33	(1,053)	540	263	(50)
Total adjustments	105	91	311	5,307	(420)	(188)	(154)	347	21	84	415	27	9	-	-	-	52	697	(623)	(228)	(144)
Pre-tax income/(loss) adjusted	327	290	(173)	(1,134)	432	1,468	1,357	(527)	(757)	(1,181)	(913)	(772)	(256)	(320)	(207)	(235)	85	(356)	(83)	35	(194)

	IWM AM in CHF mn							GM in USD mn							IBCM in USD mn						
	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
Net revenues reported	292	334	320	365	308	335	320	1,396	1,671	1,252	1,168	1,632	2,052	2,272	479	558	395	418	414	605	420
Fair value on own debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real estate gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Gains)/losses on business sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net revenues adjusted	292	334	320	365	308	335	320	1,396	1,671	1,252	1,168	1,632	2,052	2,272	479	558	395	418	414	605	420
Provision for credit losses	-	-	-	-	-	-	-	(6)	(17)	22	(5)	15	(4)	4	(9)	-	30	-	-	-	-
Total operating expenses reported	243	273	253	330	267	275	274	1,310	1,532	1,430	4,517	1,346	1,641	1,498	450	417	425	902	346	451	471
Goodwill impairment	-	-	-	-	-	-	-	-	-	-	(2,690)	-	-	-	-	-	-	(384)	-	-	-
Restructuring expenses	(2)	(2)	2	(4)	-	-	-	(52)	(52)	(102)	(97)	-	-	-	(16)	9	(28)	(22)	-	-	-
Major litigation provisions	-	-	-	-	-	-	-	(7)	-	-	(51)	(132)	(57)	-	-	-	-	-	-	-	-
Total operating expenses adjusted	241	271	255	326	267	275	274	1,251	1,480	1,328	1,679	1,214	1,584	1,498	434	426	397	496	346	451	471
Pre-tax income/(loss) reported	49	61	67	35	41	60	46	92	156	(200)	(3,345)	271	415	770	39	141	(60)	(484)	68	154	(51)
Total adjustments	2	2	(2)	4	-	-	-	59	52	102	2,838	132	57	-	16	(9)	28	406	-	-	-
Pre-tax income/(loss) adjusted	51	63	65	39	41	60	46	150	208	(98)	(507)	403	473	770	55	132	(32)	(78)	68	154	(51)

# Reconciliation of adjustment items (2/2)

## SUB PB in CHF mn

	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
<b>Net revenues reported</b>	<b>1,160</b>	<b>840</b>	<b>846</b>	<b>963</b>	<b>857</b>	<b>956</b>	<b>920</b>
Fair value on own debt	-	-	-	-	-	-	-
Real estate gains	(346)	-	-	(72)	-	(23)	-
(Gains)/losses on business sales	-	-	-	(10)	-	-	-
<b>Net revenues adjusted</b>	<b>814</b>	<b>840</b>	<b>846</b>	<b>881</b>	<b>857</b>	<b>933</b>	<b>920</b>
<b>Provision for credit losses</b>	<b>13</b>	<b>7</b>	<b>9</b>	<b>14</b>	<b>14</b>	<b>9</b>	<b>12</b>
<b>Total operating expenses reported</b>	<b>603</b>	<b>582</b>	<b>632</b>	<b>784</b>	<b>639</b>	<b>690</b>	<b>659</b>
Goodwill impairment	-	-	-	-	-	-	-
Restructuring expenses	(16)	(3)	(35)	(33)	-	-	-
Major litigation provisions	-	-	-	(25)	-	-	-
<b>Total operating expenses adjusted</b>	<b>587</b>	<b>579</b>	<b>597</b>	<b>726</b>	<b>639</b>	<b>690</b>	<b>659</b>
<b>Pre-tax income/(loss) reported</b>	<b>544</b>	<b>251</b>	<b>205</b>	<b>165</b>	<b>204</b>	<b>257</b>	<b>249</b>
Total adjustments	(330)	3	35	(24)	-	(23)	-
<b>Pre-tax income/(loss) adjusted</b>	<b>214</b>	<b>254</b>	<b>240</b>	<b>141</b>	<b>204</b>	<b>234</b>	<b>249</b>

## IWM PB in CHF mn

	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
<b>789</b>	<b>811</b>	<b>853</b>	<b>808</b>	<b>785</b>	<b>830</b>	<b>801</b>	
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	(11)	-	-	-	-
<b>789</b>	<b>811</b>	<b>853</b>	<b>797</b>	<b>785</b>	<b>830</b>	<b>801</b>	
<b>-</b>	<b>16</b>	<b>(2)</b>	<b>(7)</b>	<b>11</b>	<b>(1)</b>	<b>2</b>	
<b>593</b>	<b>611</b>	<b>622</b>	<b>874</b>	<b>618</b>	<b>619</b>	<b>567</b>	
-	-	-	-	-	-	-	-
(13)	(13)	(10)	(32)	-	-	-	-
19	-	-	(228)	(50)	-	10	-
<b>599</b>	<b>598</b>	<b>612</b>	<b>614</b>	<b>568</b>	<b>619</b>	<b>577</b>	
<b>196</b>	<b>184</b>	<b>233</b>	<b>(59)</b>	<b>156</b>	<b>212</b>	<b>232</b>	
(6)	13	10	249	50	-	(10)	-
<b>190</b>	<b>197</b>	<b>243</b>	<b>190</b>	<b>206</b>	<b>212</b>	<b>222</b>	

## APAC PB in CHF mn

	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
<b>346</b>	<b>337</b>	<b>319</b>	<b>271</b>	<b>303</b>	<b>307</b>	<b>297</b>	
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>346</b>	<b>337</b>	<b>319</b>	<b>271</b>	<b>303</b>	<b>307</b>	<b>297</b>	
<b>38</b>	<b>2</b>	<b>(17)</b>	<b>(5)</b>	<b>24</b>	<b>-</b>	<b>(1)</b>	
<b>242</b>	<b>245</b>	<b>216</b>	<b>228</b>	<b>210</b>	<b>188</b>	<b>190</b>	
-	-	-	-	-	-	-	-
(3)	-	-	(1)	-	-	-	-
-	-	-	(6)	-	-	-	-
<b>239</b>	<b>245</b>	<b>216</b>	<b>221</b>	<b>210</b>	<b>188</b>	<b>190</b>	
<b>66</b>	<b>90</b>	<b>120</b>	<b>48</b>	<b>69</b>	<b>119</b>	<b>108</b>	
3	-	-	7	-	-	-	-
<b>69</b>	<b>90</b>	<b>120</b>	<b>55</b>	<b>69</b>	<b>119</b>	<b>108</b>	

## SUB C&IB in CHF mn

	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
<b>Net revenues reported</b>	<b>507</b>	<b>497</b>	<b>510</b>	<b>532</b>	<b>507</b>	<b>506</b>	<b>480</b>
Fair value on own debt	-	-	-	-	-	-	-
Real estate gains	-	-	-	-	-	-	-
(Gains)/losses on business sales	-	-	-	(13)	-	-	-
<b>Net revenues adjusted</b>	<b>507</b>	<b>497</b>	<b>510</b>	<b>519</b>	<b>507</b>	<b>506</b>	<b>480</b>
<b>Provision for credit losses</b>	<b>17</b>	<b>2</b>	<b>(3)</b>	<b>29</b>	<b>25</b>	<b>24</b>	<b>11</b>
<b>Total operating expenses reported</b>	<b>276</b>	<b>293</b>	<b>286</b>	<b>304</b>	<b>286</b>	<b>271</b>	<b>275</b>
Goodwill impairment	-	-	-	-	-	-	-
Restructuring expenses	(3)	(1)	(5)	(9)	-	-	-
Major litigation provisions	-	-	-	-	-	-	-
<b>Total operating expenses adjusted</b>	<b>273</b>	<b>292</b>	<b>281</b>	<b>295</b>	<b>286</b>	<b>271</b>	<b>275</b>
<b>Pre-tax income/(loss) reported</b>	<b>214</b>	<b>202</b>	<b>227</b>	<b>199</b>	<b>196</b>	<b>211</b>	<b>194</b>
Total adjustments	3	1	5	(4)	-	-	-
<b>Pre-tax income/(loss) adjusted</b>	<b>217</b>	<b>203</b>	<b>232</b>	<b>195</b>	<b>196</b>	<b>211</b>	<b>194</b>

## APAC IB in CHF mn

	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
<b>571</b>	<b>574</b>	<b>588</b>	<b>555</b>	<b>582</b>	<b>733</b>	<b>791</b>	
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>571</b>	<b>574</b>	<b>588</b>	<b>555</b>	<b>582</b>	<b>733</b>	<b>791</b>	
<b>(4)</b>	<b>1</b>	<b>(5)</b>	<b>8</b>	<b>-</b>	<b>11</b>	<b>(2)</b>	
<b>489</b>	<b>457</b>	<b>449</b>	<b>1,212</b>	<b>489</b>	<b>474</b>	<b>436</b>	
-	-	-	(756)	-	-	-	-
(20)	(10)	(1)	(2)	-	-	-	-
-	-	-	-	-	-	-	-
<b>469</b>	<b>447</b>	<b>448</b>	<b>454</b>	<b>489</b>	<b>474</b>	<b>436</b>	
<b>86</b>	<b>116</b>	<b>144</b>	<b>(665)</b>	<b>93</b>	<b>248</b>	<b>357</b>	
20	10	1	758	-	-	-	-
<b>106</b>	<b>126</b>	<b>145</b>	<b>93</b>	<b>93</b>	<b>248</b>	<b>357</b>	

## APAC IB in USD mn

	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
<b>587</b>	<b>590</b>	<b>595</b>	<b>554</b>	<b>603</b>	<b>783</b>	<b>835</b>	
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>587</b>	<b>590</b>	<b>595</b>	<b>554</b>	<b>603</b>	<b>783</b>	<b>835</b>	
<b>(4)</b>	<b>1</b>	<b>(5)</b>	<b>8</b>	<b>-</b>	<b>12</b>	<b>(3)</b>	
<b>503</b>	<b>468</b>	<b>452</b>	<b>1,221</b>	<b>505</b>	<b>505</b>	<b>460</b>	
-	-	-	(765)	-	-	-	-
(21)	(10)	(1)	(2)	-	-	-	-
-	-	-	-	-	-	-	-
<b>482</b>	<b>458</b>	<b>451</b>	<b>454</b>	<b>505</b>	<b>505</b>	<b>460</b>	
<b>88</b>	<b>121</b>	<b>148</b>	<b>(675)</b>	<b>98</b>	<b>266</b>	<b>378</b>	
21	10	1	767	-	-	-	-
<b>109</b>	<b>131</b>	<b>149</b>	<b>92</b>	<b>98</b>	<b>266</b>	<b>378</b>	

# Swisscard deconsolidation impact

## Impact of the deconsolidation on the Swiss Universal Bank

	SUB adjusted				Swisscard Impact <sup>1</sup>				SUB adjusted ex Swisscard			
in CHF mn	1Q15	2Q15	3Q15	9M15	1Q15	2Q15	3Q15	9M15	1Q15	2Q15	3Q15	9M15
Net interest income	611	685	708	2,004	9	9	-	18	602	676	708	1,986
Recurring commissions & fees	412	412	372	1,196	56	59	-	115	356	353	372	1,081
Transaction-based revenues	382	349	295	1,026	8	7	-	15	374	342	295	1,011
Other revenues	(5)	(7)	(11)	(23)	-	-	-	-	(5)	(7)	(11)	(23)
<b>Net revenues</b>	<b>1,400</b>	<b>1,439</b>	<b>1,364</b>	<b>4,203</b>	<b>73</b>	<b>75</b>	<b>-</b>	<b>148</b>	<b>1,327</b>	<b>1,364</b>	<b>1,364</b>	<b>4,055</b>
<b>Provision for credit losses</b>	<b>23</b>	<b>33</b>	<b>39</b>	<b>95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>33</b>	<b>39</b>	<b>95</b>
<b>Total operating expenses</b>	<b>934</b>	<b>961</b>	<b>925</b>	<b>2,820</b>	<b>61</b>	<b>62</b>	<b>-</b>	<b>123</b>	<b>873</b>	<b>899</b>	<b>925</b>	<b>2,697</b>
<b>Pre-tax income</b>	<b>443</b>	<b>445</b>	<b>400</b>	<b>1,288</b>	<b>12</b>	<b>13</b>	<b>-</b>	<b>25</b>	<b>431</b>	<b>432</b>	<b>400</b>	<b>1,263</b>
<b>Return on regulatory capital<sup>†</sup></b>	<b>14%</b>	<b>14%</b>	<b>13%</b>	<b>14%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14%</b>	<b>14%</b>	<b>13%</b>	<b>14%</b>

Note: Adjusted results are non-GAAP financial measures. A reference to the reconciliation to reported results for other adjustments not relating to Swisscard is included in the Notes of this presentation † See Appendix

This is an illustrative pro-forma presentation of the impact of the deconsolidation of the card issuing business on the historical results of SUB as if it had occurred on December 31, 2014. Given that as of July 1, 2015 the business has been deconsolidated and transferred to the equity method investment, Swisscard AECS GmbH and the transaction does not qualify for discontinued operations, the historical results are not restated in this respect. The reduction in pre-tax income in the Private Banking business of Swiss Universal Bank is offset by the reduction in minority interest from the deconsolidation at the Group level, therefore there is no material impact on the Group's net income attributable to shareholders.

These illustrative figures cannot be seen as being indicative of future trends or results 1 Pro-forma impact of the card issuing business deconsolidation

