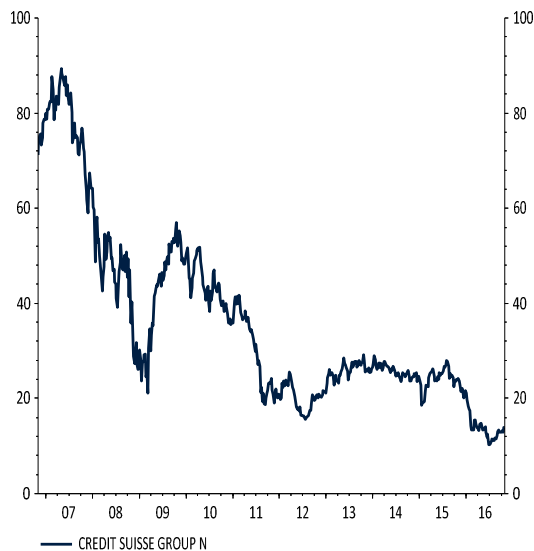


Stock Information

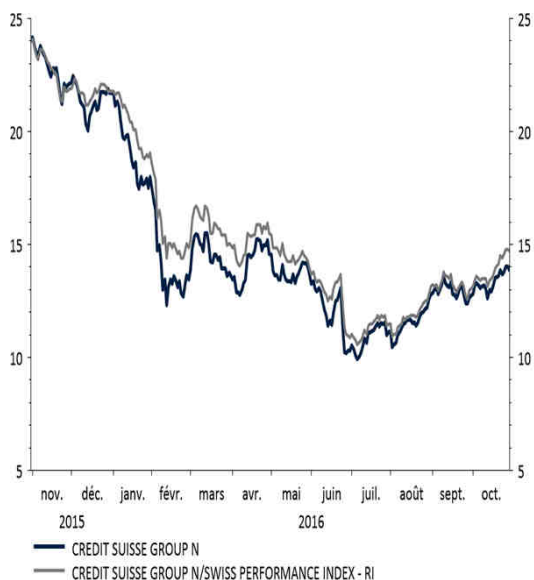
Price	31.10.2016	CHF	13.8
Market Capitalization		CHF (mn)	28'882
Average Daily Volume (last 3 months, 000s)			12'241
52 weeks High / Low			24.182 / 9.915
ISIN		CH0012138530	
Bloomberg Code		CSGN VX	

10 years performance (weekly data)



Graphic IAM - Source Thomson Reuters

1 year relative performance



Graphic IAM - Source Thomson Reuters

Stock absolute and relative performance

In %	Absolute	Relative *
1 month	8.7	12.6
3 months	24.0	27.7
YTD	-32.9	-10.1
2015	-8.5	-33.1
2014	-5.6	-23.3

*relative to SPI

Description

Credit Suisse Group is Switzerland's second largest bank, one of the world's largest investment banks, a wealth manager, and the second Swiss retail bank. CS is active in over 50 countries, registered shares being listed in Switzerland and in New York. In 2000 CS went from one of Switzerland's and Wall Street's leading banks to a bankruptcy risk. Then, under new management, CS has returned to more prudent roots and has engaged in the process of fully integrating the bank. The investment banking head became CEO and led a radical change in the orientation of the bank, notably for the investment bank: more New Yorkers than Zurich bankers. Ambitious goals were also fixed for private banking. CS managed the 2007/2008 credit crunch better than most competitors and did not need government money. CS strongly reduced risk weighted assets.

Investment Case

The impact of the credit crisis required CS to manage its leveraged finance and structured products portfolio very actively and carefully. Exposure to toxic assets was significantly reduced. CS is well capitalized and not under trouble with new capital regulation. On the wealth management side, difficulties come from regulatory and change in Swiss tax law. CS announced it will keep a strong investment bank despite cost will be reduced strongly.

Per Share (CHF)

	2013	2014	2015	2016e	2017e
Earnings	1.12	0.99	-1.73	-0.13	1.02
Variation		-12%	-275%	92%	885%
Earnings (IBES)	1.12	0.99	-1.73	1.05	1.59
P/E	49.2	65.7	-40.6	-544.0	68.9
Dividend	0.75	0.70	0.70	0.70	0.7
Payout ratio	67%	71%	-40%	-538%	69%
Dividend yield	5.4%	5.1%	5.1%	5.1%	5.1%

Strengths

- Integrated bank.
- Economies of scale and synergies from the "integrating bank" model.

Weaknesses

- Turbulences in risk controls - lack of transparency.
- Tax - bank secrecy.

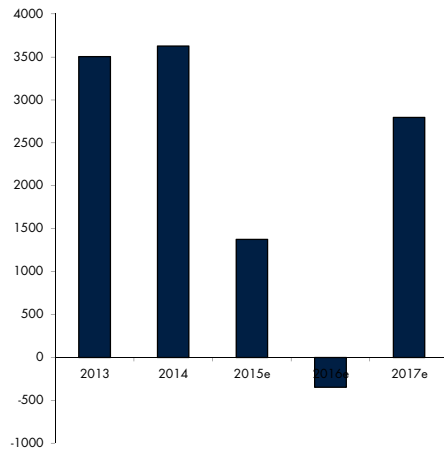
Opportunities

- Gain market shares in IB and Wealth management.

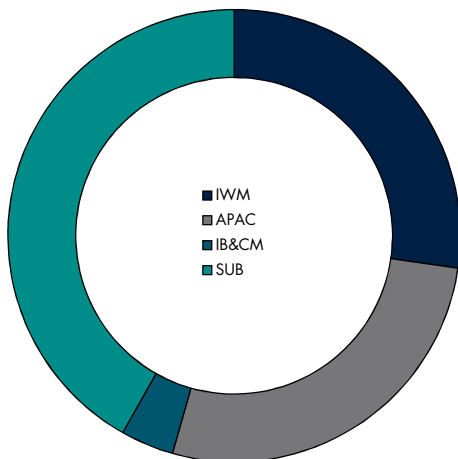
Threats

- Further deterioration of low quality credit assets.
- IB division.

Pre-tax profit

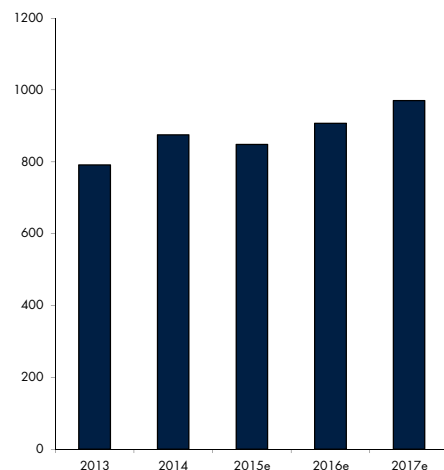


Divisional pre-tax profit



8

Wealth management AUM



This research report is for information purposes only and does not constitute a solicitation to invest or investment advice. Although IAM believes that the information provided in this document is based on reliable sources, it cannot assume responsibility

Key Figures (mn CHF)

	2013	2014	2015e	2016e	2017e
Net interest income	8'100	9'034	9'299	8'769	9'178
Net Fee income	13'249	13'051	12'044	11'511	12'120
Net Trading income	2'750	2'026	1'340	500	600
Other income	1'118	2'131	1'114	1'000	900
Total Income	25'217	26'242	23'797	21'779	22'797
Staff costs	-11'221	-11'334	-11'546	-10'776	-9'752
General & administrative	-10'325	-11'095	-10'552	-10'868	-9'358
Total operating costs	-21'546	-22'429	-22'098	-21'645	-19'475
Pre-tax profit	3'504	3'627	1'375	-348	2'795
Taxes	-1'276	-1'405	-523	97	-783
Tax rate (%)	36	39	38	28	28
Minority interests	-47	-449	1	0	0

Total Assets	872'806	921'462	820'805	795'812	819'640
Shareholders' equity	42'164	43'959	44'382	44'587	46'044

Divisional pre-tax profit 2016

IWM	27.3%
APAC	27.1%
IB & CM	3.8%
SUB	41.8%

Performance Ratios

	2013	2014	2015e	2016e	2017e
Group					
Tier 1 ratio	8.0	10.0	11.3	11.1	11.1
Gross margin	114.3	107.1	99.5	98.2	98.0

Asset under management

Wealth management Clients	791	875	848	907	970
Corporate & institutional Clients	250	276	267	275	283
Total AUM wealth management	1'041	1'151	1'115	1'182	1'253
Asset management	352	389	379	405	433
NNM Wealth management	18.9	27.5	30.6	29.7	28.8
NNM Corporate & Institutional Clients	8.8	5.5	2.8	2.7	2.6

Principal competitors (rebased to CHF)

Name	Mkt Cap	P/E 12e (IBES)	P/E 13e (IBES)	Div. Yield	Perf YTD
CREDIT SUISSE GROUP	28'882	42.9	13.2	5.1%	-32.9%
UBS	76'315	NA	NA	2.5%	0.0%
DEUTSCHE BANK	18'096	90.5	8.9	0.0%	-41.9%
JP MORGAN CHASE & CO.	250'166	11.8	11.1	2.8%	8.0%
CITIGROUP	140'064	10.5	9.7	1.3%	-4.5%

Further issues in risks control

	Management
Free float	100%
Principal shareholders	
Crescent Holding GMB	5.5%
Qatar Investment AUT	5.1%
Harris Associates LP	5.1%
Franklin Resources	5.0%

Urs Rohner, Chairman
Tidjane Thiam, CEO