

Media Release

Credit Suisse's China Joint Venture Launches Onshore Brokerage Services

Hong Kong, November 2, 2016: **Credit Suisse today announced the official launch of its onshore securities brokerage business in China through its joint venture, Credit Suisse Founder Securities ("CSFS"). Credit Suisse is among the first global banks to operate an onshore brokerage business in China.**

Credit Suisse is celebrating the official launch of its China onshore brokerage business at its 7th Annual China Investment Conference, which begins today in Shenzhen, China. Over the next three days, the event will feature presentations by 50 speakers and attract over 1,000 participants, including representatives of 160 corporates.

Amongst those officiating at the celebration of the launch were **He Zijun**, Deputy Director-General of the Authority of Qianhai; **Jin Liyang**, Executive Vice President, Shenzhen Stock Exchange; **Li Qiang**, Chairman of the Board, Shenzhen Qianhai Financial Holdings Co., Ltd.; and **Kevin Rideout**, Managing Director, Market Development, HK Exchanges and Clearing Limited (HKEx).

Last year, CSFS received the relevant approvals from the China Securities Regulatory Commission for it to expand the scope of its business to conduct securities brokerage activities in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (Qianhai). This is in addition to its existing capital markets services, which include sponsoring and underwriting of A-shares, foreign investment shares, and government and corporate bonds as well as financial advisory.

CSFS's brokerage business commenced operations on September 30, 2016. Credit Suisse (Hong Kong) Limited, one of the largest Qualified Foreign Institutional Investors (QFIIs) in China, has appointed CSFS as its broker for both the Shanghai and Shenzhen Stock Exchanges.

Established in October 2008, CSFS was the first Sino-foreign securities joint venture company set up under the regulations announced by the Chinese Government in December 2007, when China re-opened the securities industry to foreign participation. Credit Suisse owns 33.3% of the joint venture, with the remainder held by Founder Securities.

Commenting on the launch, **Neil Harvey**, Chief Executive Officer of Greater China at Credit Suisse, said: "Today's launch of our joint venture's securities brokerage business is an important milestone in our plans to expand our onshore presence in China, the world's second largest equities market and one of the most liquid. We believe our ability to provide expertise on the ground and onshore access to the domestic capital markets in China differentiates us from our international peers. Through its joint venture, Credit Suisse is now one of only a few international banks that can offer direct onshore access to the stock market in the country. We are excited about our enhanced capabilities in this strategically important market, allowing us to help our clients achieve their objectives."

The commencement of Credit Suisse's onshore brokerage business via CSFS comes ahead of the imminent launch of the Shenzhen-Hong Kong Stock Connect, the new cross-border share trading link between Hong Kong and China. Credit Suisse forecasts that with the new mutual market access scheme, an additional pool of over USD 50 billion will flow southbound from domestic insurers on the Mainland to the Hong Kong market over the next two to three years. It also predicts that there will be more than USD 40 billion of inflows into China A-shares in the long term, following their inclusion on the MSCI indices. When the Shanghai Stock Connect was introduced two years ago, the total investment quota was USD 31 billion for southbound flow and USD 23 billion for northbound flow. The quota was removed by August when the Shenzhen Stock Connect was announced.

Nicole Yuen, Vice Chairman and Head of Equities, Greater China at Credit Suisse, added: "With the much anticipated MSCI inclusion of A-shares in its Emerging Market indices, international interest in the A-share market is bound to increase. We see most international investors now actively preparing their operations and positioning their portfolios for investment in the A-share market in advance of the launch of the Shenzhen-Hong Kong Stock Connect. Credit Suisse will be the one-stop shop for them to access the Mainland market, whether via the Hong Kong Stock Connect or the QFII/RQFII regime. We anticipate that the relatively attractive valuation of the overseas markets and the prospects of a further depreciation of the RMB will continue to drive domestic fund flows into Hong Kong and overseas markets. With our global network, Credit Suisse is also best positioned to offer Chinese investors unparalleled access to Hong Kong and other markets around the world as they seek diversification."

Credit Suisse is the # 1 broker by market share on the HKEx. Credit Suisse was awarded the "*Top Shanghai Connect Trading Award*" by HKEx when celebrating the first anniversary of the launch of the mutual access trading scheme. Credit Suisse's current research coverage spans over 400 Hong Kong and China listed shares, representing around 65% of the total market capitalization of the two markets. The bank has the most extensive research coverage of Hong Kong/China stocks amongst its international peers.

Credit Suisse was named the "*House of the Year*" for Asia ex-Japan 2016 by Asia Risk, reflecting the bank's excellence in delivering best-in-class distribution, trading and risk management capabilities to clients. Credit Suisse also ranked in the top 3 overall in Asia for the fourth consecutive year in the "*Institutional Investor 2016 All-Asia Research Survey*", and was #1 for China on a commission-weighted basis. The bank was also rated #1 Prime Broker in Hong Kong/China from 2013 to 2015, by *AsiaHedge*.

Credit Suisse in China

Credit Suisse is a leading global financial services company in Asia Pacific and has a long-term commitment to China, which today represents one of the bank's most important growth markets globally. The bank has maintained banking ties with China for over 60 years, and has had a presence in the country for more than 30 years, with representative offices currently in Beijing, Shanghai and Guangzhou, as well as a bank branch in Shanghai. Credit Suisse also has a stake in an asset management joint venture with Industrial and Commercial Bank of China (ICBC). ICBC Credit Suisse is among the largest asset managers in China with total assets under management (AuM) of over RMB 1 trillion as of the end of June 2016.

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Further information

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Credit Suisse

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