

Compensation

Dear shareholders

During 2013, the Board of Directors, Compensation Committee and management continued to refine and evolve our compensation approach to take into account changes in the environment and the concerns of shareholders.

We believe that the purpose of compensation is to attract, motivate and retain employees who share our values of achieving results with integrity and fairness. We are proactive in adapting our compensation to the changing business and regulatory environment while being mindful of the competitive environment. The new regulatory landscape has a significant influence on our strategy and that of many of our competitors and has increased the challenge of delivering high returns on capital in the banking industry. In that context, we must listen to our shareholders' concerns and ensure our compensation policy and practices achieve an appropriate balance between the interests of our shareholders and those of our employees.

In addition, we continue to monitor and ensure we comply with new regulations pertaining to compensation, in particular the Swiss Ordinance Against Excessive Compensation and the Capital Requirements Directive IV rules, as well as regulations governing material risk takers and controllers in the UK and the US.

Key developments in 2013

One area we addressed in 2013 relates to the potential dilution to existing shareholders resulting from granting share-based awards as part of variable incentive compensation. To replace a portion of our share-based awards, we have introduced a new deferred compensation award referred to as Contingent Capital Awards (CCA). The CCA have rights and risks similar to the high-trigger capital instruments issued by Credit Suisse in the market (also known as CoCos) and help to strengthen further the regulatory capital base of the Group. However, unlike the instruments issued to the market, the CCA would not convert into equity upon a trigger event, but would be written down to zero. We intend to grant CCA as part of our annual deferred variable compensation awards in the future.

As a consequence of these changes to the variable compensation structure, our deferred compensation awards represent a set of instruments that supports our regulatory capital requirements and is consistent with instruments available to our investors.

In response to the Swiss Ordinance Against Excessive Compensation published in November 2013, while maintaining the advisory vote on overall compensation, we are preparing for the

introduction of a binding vote on compensation for members of the Executive Board and Board of Directors at the 2015 Annual General Meeting. As a result, this Compensation Report is structured into three distinct sections, addressing the compensation of Group employees, the Executive Board and the Board of Directors, respectively.

Compensation decisions in 2013

In determining the overall Group variable compensation pools, the Compensation Committee took into consideration the improved financial performance of Credit Suisse in 2013 compared to the prior year, including relative performance compared to peers, as well as qualitative achievements and market compensation trends.

In seeking to achieve the appropriate balance between the interests of our shareholders and those of our employees, the Compensation Committee primarily focuses on economic contribution measured as income before taxes and variable incentive compensation expense, after deducting a charge for capital usage. Therefore, this metric considers the profitability of the Group and the capital utilized to achieve this profitability. The continued management focus on our cost-efficiency programs was evidenced by the 9% decline in total Group compensation and benefits expenses compared to the previous year, with the Group's overall compensation-to-revenue ratio declining to 44% in 2013, from 52% in 2012. Total compensation awarded for the performance year 2013 declined by 4% compared to 2012, and the Group variable incentive compensation pool for 2013 increased by 5%, reflecting the improved financial performance achieved, with underlying pre-tax income for 2013 increasing by 15%.

Variable incentive compensation awarded to our Executive Board members totaled CHF 47.4 million for performance in 2013, CHF 2.5 million or 5% lower than the CHF 49.9 million awarded in 2012, partly due to the reduction in the number of Executive Board members and resultant reassignment of previously separate executive responsibilities to other Executive Board members. Given the specific achievements related to the attainment of capital targets, improved control and compliance measures and market conditions, the incentive compensation awarded to the Executive Board members was, on average, 17% above the applicable target amounts and 31% below the individual caps.

Compensation to the members of the Board of Directors in 2013 was in line with previous years.

Focus areas in 2014

In terms of Executive Board compensation, we have made refinements to the performance criteria and targets as well as to the vesting period of awards.

For the 2014 performance evaluation, which will be used to determine the amount of incentive compensation, new financial performance criteria, such as wind-down targets for non-strategic positions have been introduced. This reflects the Group's emphasis on freeing up resources from non-strategic assets to grow our strategic and high-returning businesses. Financial criteria will have a weighting of 60%, whereas non-financial criteria will represent 40% of the overall performance evaluation of all Executive Board members. The non-financial performance component includes pre-specified qualitative criteria, of which 15% will be linked to pre-defined milestones to measure progress in strategy execution, delivery of major projects and infrastructure development. We believe these modifications ensure that our Executive Board members are assessed on a broader range of measures that better reflect the strategy of the Group.

The structure for Executive Board compensation has been slightly amended for 2014. In particular, the vesting period for the deferred short-term share-based awards to Executive Board members has been extended. Under the revised structure, no awards for the performance year 2014 will vest before the third anniversary of the date of grant, and the final vesting of awards will occur five years after the date of grant. In addition, the long-term incentive award will be delivered in a combination of shares and CCA, rather than cash and CCA, in response to shareholder feedback.

The Compensation Committee will continue to ensure full compliance with regulatory requirements as they develop and evolve, and we will monitor market trends to maintain our compensation

structure in line with best practice. One particular area of focus for 2014 will be a review of our use of malus and clawback provisions in comparison to industry developments in this area, to further enhance the alignment of compensation with risk and performance. Emphasis will be placed on the time period during which variable compensation may be recovered, in light of emerging regulatory demands to extend this time period significantly beyond the vesting date. We will continue to assess the implications of the Capital Requirements Directive IV and intend to align compensation structures for affected employees in EU locations towards a ratio of 2:1 for variable compared to fixed compensation, in line with market practice.

Finally, the Compensation Committee is satisfied that this Compensation Report reflects the review process and determination of compensation for 2013. This Compensation Report is in line with the specific remuneration disclosure requirements issued by the Swiss Financial Market Supervisory Authority FINMA. The activities of the Compensation Committee were executed in accordance with its mandate under the Credit Suisse Organizational Guidelines and Regulations and the Compensation Committee charter.



Jean Lanier
Chairman of the Compensation Committee
Member of the Board of Directors
April 2014

GROUP COMPENSATION

Compensation policy and objectives

The objectives of the Group's compensation policy include attracting and retaining employees, and motivating them to achieve results with integrity and fairness. The compensation policy is designed to support a performance culture which fosters teamwork and collaboration. Furthermore, it aims to promote effective risk management practices consistent with the Group's compliance and control framework. The compensation policy takes into account the capital position and long-term performance of the Group and balances the fixed and variable compensation components to reflect the value and responsibility of the roles that employees perform. The objectives of the compensation policy are framed to achieve an appropriate balance between the interests of employees and shareholders in order to create sustainable value for the Group.

The compensation policy applies to all employees and compensation plans of the Group. It contains a detailed description of the Group's compensation principles and objectives as well as the compensation programs. It also sets out the standards and processes relating to the development, management, implementation and governance of compensation. The compensation policy adheres to the compensation principles set out by the Group's regulator in Switzerland, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the Group's other main regulators.

The compensation policy is reviewed regularly and endorsed by the independent Compensation Committee. The compensation policy, as well as periodic updates and revisions, is approved by the Board of Directors (Board). The compensation policy is accessible to all employees and is published at www.credit-suisse.com/compensation.

Compensation Committee

The Compensation Committee of the Board (Compensation Committee) is the supervisory and governing body for compensation policy, practices and plans. It is responsible for determining, reviewing and proposing compensation for approval by the Board. The Compensation Committee consists of at least three members of the Board, all of whom must be independent. The current members are Jean Lanier (chairman), Iris Bohnet, Walter B. Kielholz, and Andreas N. Koopmann. The Board has applied the independence criteria of the Swiss Code of Best Practice for Corporate Governance and the rules of the New York Stock Exchange and the Nasdaq Stock Market in determining that all of these individuals are independent.

► Refer to "Independence" in Corporate Governance – Board of Directors for more information on how the Group determines the independence of its Board members.

Advisors to the Compensation Committee

The Compensation Committee is authorized to retain outside consultants, at the Group's expense, for the purposes of providing guidance to the Compensation Committee as it carries out its responsibilities. Johnson Associates, a compensation consulting firm, assists the Compensation Committee in ensuring that the

Group's compensation program remains competitive, responsive to regulatory developments and in line with the compensation policy. Johnson Associates does not provide any services to the Group other than those it provides to the Compensation Committee. The law firm Nobel & Hug acts as external legal counsel to the Compensation Committee.

Compensation Committee meetings and annual performance review

The Chairman of the Board (Chairman) and the Chief Executive Officer (CEO) may attend the Compensation Committee meetings, and the Compensation Committee chairman determines the attendance of other Executive Board members, senior management, compensation consultants and external legal counsel, as appropriate.

In January of each year, the Compensation Committee meets, with the Chairman present, for the primary purpose of reviewing the performance of the Group, businesses and the respective management teams for the previous year. This provides the basis for a recommendation of the overall compensation pools for the business divisions and shared services functions and the compensation payable to the CEO and other Executive Board members for approval by the Board.

During its annual performance review, the Compensation Committee considers input from the chairmen of the Risk and Audit Committees, who may also attend the Compensation Committee meeting in January. The Risk Committee provides input to the Compensation Committee with respect to risk considerations and the Audit Committee provides input with respect to internal control considerations. The Compensation Committee approves the compensation for the Head of Internal Audit after consulting with the Audit Committee chairman.

The Compensation Committee also considers input from the Group's internal control functions. Specifically this includes contributions from Risk Management, Legal and Compliance and Internal Audit, regarding control and compliance issues and any breaches of relevant rules and regulations or the Group's Code of Conduct. The Compensation Committee reviews the impact on the recommended amount of variable compensation of individuals who have been subject to the Group's disciplinary process.

To meet regulatory guidelines regarding employees engaged in risk-taking activities, the Compensation Committee reviews and approves the compensation for employees identified as Material Risk Takers and Controllers (MRTC) as defined on page 181. The Risk Committee is involved in the review process for MRTC.

During 2013, the Compensation Committee held 12 meetings, with the following focus areas:

- assessing the performance of the Group and determining the divisional compensation pools for recommendation to the Board;
- reviewing the level and composition of compensation for Executive Board members and other senior employees, taking into account the key issues raised by shareholders and emerging best practice among peer companies;

- monitoring global regulatory and market trends with respect to compensation at financial institutions and assessing the obligations imposed by the Swiss Ordinance Against Excessive Compensation;
- introducing a new form of deferred compensation award to address shareholder concerns regarding dilution; and
- further enhancing the compensation process for Covered Employees (which include MRTC as well as certain other employees, as defined below) in line with regulatory guidance.

The Compensation Committee chairman maintains an active dialogue with the Group's principal regulators about compensation governance and plans. In addition, he engages with shareholders and their representatives regarding the compensation policy and plans.

Approval authority

The approval authorities for setting compensation policy and compensation for different groups of employees are defined in the Group's Organizational Guidelines and Regulations (OGR) and the Compensation Committee charter (available at www.credit-suisse.com/governance).

Board approval, based on the recommendation of the Compensation Committee, is required to:

- establish or amend the Group's compensation policy;
- establish or amend the compensation plans;
- determine the variable compensation pools for the Group and divisions;
- determine compensation for the Executive Board members, including the CEO; and
- determine compensation of the Board, including the Chairman.

Compensation Committee approval is required for compensation decisions with respect to:

- the head of Internal Audit (in consultation with the Audit Committee chairman);
- MRTC; and
- other selected members of management.

Impact of regulation on compensation

Many of the Group's regulators, including FINMA, focus on compensation. The requirements of FINMA are set out in FINMA's Circular on Remuneration Schemes (Circular). The requirements of this Circular apply to the Group globally, while the requirements of other regulators generally only apply in respect of operations in the relevant jurisdictions. Several regulators, including those in the US, the EU and the UK, impose requirements that differ from, or supplement, the FINMA requirements. Therefore, the Group's plans comply globally with the Circular and, to the extent local requirements differ from or supplement those standards, local plans are adapted accordingly. This generally results in additional terms, conditions and processes being implemented in the relevant locations.

The Compensation Committee is assessing the implications of the Capital Requirements Directive (CRD) IV and intends to align compensation structures for affected employees in EU locations

towards a ratio of 2:1 for variable compared to fixed compensation, in line with market practice.

Determination of variable compensation pools

In determining the variable compensation pools (pools) the Compensation Committee aims to balance the distribution of the Group's profits between shareholders and employees. For this purpose, the Compensation Committee uses a measure of economic contribution to assess profitability. Economic contribution is measured at both the Group and divisional levels as underlying income before taxes and variable incentive compensation expense, after deducting a capital usage charge that is calculated based on allocated capital, which is defined as 10% of average ◉ Basel III ◉ risk-weighted assets. This measure of economic contribution considers the profitability of the Group and the capital utilized to achieve this profitability. The Compensation Committee intends to achieve an equal distribution of economic contribution between employees and shareholders over the longer-term, subject to Group performance and market conditions.

The performance-based pools are determined on an annual basis, and accruals for the divisional and Group-wide pools are made throughout the year. The Compensation Committee regularly reviews the accruals and related financial information and applies its discretion to make adjustments to ensure that the overall size of the pools is consistent with the Group's compensation objectives.

As in the case for the Group, the primary measure of performance for determining the pools of the business divisions is divisional economic contribution. The methodology to determine the divisional pools also takes into account divisional key performance indicators (KPIs) and certain non-financial criteria, including risk control, compliance and ethical considerations and relative performance compared to peers, as well as the market and regulatory environment.

The total amount of the Shared Services pool is determined based on Group-wide financial performance, measured in the form of Group economic contribution and qualitative measures and is not linked to the performance of the particular divisions that the Shared Services employees support. Therefore, Shared Services employees, including those performing control functions, are remunerated independently from the performance of the businesses they oversee and support. As with the business divisions, risk, control, compliance and ethical considerations and relative performance compared to peers, as well as the market and regulatory environment, are taken into account. After the pool has been determined for the Shared Services functions, a deduction is applied to the pool of each business division, following a consistent allocation approach, to fund the pool for the employees of the Shared Services functions.

Once the pools have been set at the Group and divisional levels, each business division allocates its pool to its business areas, based on the same or similar factors as used to determine the divisional pool. Capital usage and risk are factored into the pools as they are allocated within business areas. Through this process, business area managers recognize that capital usage is a significant factor in determining

the pool for the business area under their responsibility. The pools are allocated to line managers who award variable compensation to employees based on individual and business area performance, subject to the constraints of the pool size. The Shared Services pool is allocated to the various functions within Shared Services based on factors such as the achievement of performance objectives, compliance with policies and regulations, and market conditions.

Competitive benchmarking

The assessment of the economic and competitive environment is another important element of the compensation process as the

Group strives for market-informed, competitive compensation levels. Internal expertise and the services of compensation consulting firms are used to benchmark compensation levels against relevant peers, taking into account geographical variations. The peer groups and relevant metrics used are reviewed annually in April by the Compensation Committee and tracked throughout the year.

The peer groups used in 2013 for the Group and the divisions are shown in the following table, along with the specific performance criteria used for assessing relative performance. Most of these peer companies mention Credit Suisse as one of their peers for the purposes of compensation benchmarking.

2013 peer groups and performance criteria¹

Credit Suisse Group

Peer group	Bank of America, Barclays, BNP Paribas, Citigroup, Deutsche Bank, Goldman Sachs, HSBC, JPMorgan Chase, Morgan Stanley, Nomura, Société Générale and UBS
Performance criteria	
Profitability and efficiency	Return on equity, pre-tax income margin and compensation/revenue ratio
Growth	Earnings per share growth, net revenue growth, net new assets growth and total assets under management growth
Capital and risk	Tier 1 ratio, Look-through CET1 ratio, leverage ratio, Value-at-Risk and risk-weighted assets development
Shareholder satisfaction	Total shareholder return over one year, total shareholder return over two years and book value per share growth

Private Banking & Wealth Management

Peer group	Allianz, Barclays, BlackRock, Deutsche Bank, Goldman Sachs, HSBC, Julius Bär Group, JPMorgan Chase, Morgan Stanley and UBS
Performance criteria	
Profitability and efficiency	Pre-tax income margin, pre-tax income on assets under management and gross margin
Growth	Net revenue growth, pre-tax income growth and net new assets growth

Investment Banking

Peer group	Bank of America, Barclays, Citigroup, Deutsche Bank, Goldman Sachs, JPMorgan Chase, Morgan Stanley and UBS
Performance criteria	
Profitability and efficiency	Pre-tax return on economic risk capital, pre-tax income margin and compensation/revenue ratio
Growth	Net revenue growth and pre-tax income growth
Capital and risk	Net revenue/Value-at-Risk

¹ The peer groups and performance criteria were reviewed and reaffirmed by the Compensation Committee in April 2013.

Focus on risk and control

Risk and control considerations are an integral part of the performance assessment and compensation processes. This ensures that the Group's approach to compensation includes a focus on risk and internal control matters and discourages excessive risk taking.

Role of control functions

In addition to the annual performance assessment conducted by their line managers, employees who have breached any of the Group's policies or procedures are subject to a review process by the Group's control functions, which impacts decisions about individual variable compensation awards. The control functions are independent from the businesses and include Legal and

Compliance, Risk Management, Finance, Human Resources and Internal Audit. Regional disciplinary review committees assess the input of the Group's control functions and make recommendations on disciplinary measures, as necessary. Such measures can include the reduction or elimination of the employee's variable compensation award for the current year and deferred compensation awards from prior years. The Board's Audit and Risk Committees are periodically provided with information on the disciplinary cases and may give directional input regarding the appropriateness of disciplinary outcomes. The results of the disciplinary review committees' assessment and any disciplinary measures are communicated to the Compensation Committee, together with details of any impact on variable compensation.

Material Risk Takers and Controllers

MRTC include employees who, either individually or as a part of a group, are considered to have a potentially material impact on the Group's risk profile. The criteria for classifying individuals as MRTC for the Group are approved by the Board upon recommendation by the Compensation and Risk Committees.

Employees meeting one or more of the following criteria are identified as MRTC:

- members of the Executive Board;
- employees who report directly to a member of the Executive Board: i) in the business divisions, these include employees responsible for managing significant lines of business of the Group and members of divisional management committees; and ii) in the Shared Services functions of Internal Audit, Finance, Risk Management, Legal and Compliance and Talent, Branding and Communications, these include senior control personnel who are responsible for monitoring individuals or groups of individuals who manage material amounts of risk for the Group;
- employees, either individually or as part of a group, with the ability to put material amounts of the Group's capital at risk. These include traders, and others who are authorized to manage, supervise or approve risk exposure that could have a material or significant effect on the Group's financial results;
- the top 150 paid employees across the Group (based on total compensation), regardless of seniority or function;
- employees, who based on the significance of their functions in the UK and the potential impact of their risk-taking activities on the UK entities meet the definition of the Group's UK regulator, the Prudential Regulation Authority (PRA), of "UK Code Staff"; and
- other individuals, whose roles, individually or as part of a group, have been identified as having a potential impact on market, reputational or operational risk of the Group.

Compensation process for MRTC

MRTC are subject to heightened levels of scrutiny over their performance and compensation. Managers of MRTC are required to incorporate risk considerations in their performance evaluations. This includes specifying the types of risk applicable to the individual employee when reviewing performance. The types of risk considered vary by role and include reputational, credit, market, operational, liquidity, legal and compliance risks. Risk is assessed in the context of both realized and potential risk outcomes.

Covered Employees

In response to requirements of the US Federal Reserve, the Group has identified two additional groups of US-based employees,

who are also subject to the compensation processes that apply for MRTC. The broader group is collectively known as Covered Employees, and is comprised of:

- MRTC;
- all US-based revenue producers in Investment Banking; and
- all branch managers of the US Wealth Management Clients business within the Private Banking & Wealth Management division.

Malus and performance-based clawback provisions

All deferred compensation awards contain provisions that enable the Group to reduce or cancel the awards of employees whose individual behavior has had a materially detrimental impact on the Group.

Additional provisions apply to Covered Employees that can be triggered in cases where the behavior or performance of the individual causes, or could cause:

- a material downturn in the financial performance or regulatory capital base of the Group, or any of its divisions or regions;
- a material failure of risk management, reputational harm, or other similar events; or
- a combination of the above, as determined by the Board at its sole discretion.

Performance share awards contain further clawback provisions that enable a downward adjustment or cancellation of the full balance of deferred awards, in the event of future negative business performance.

▶ Refer to "Compensation design" for further information on deferred compensation.

▶ Refer to "Performance share awards" for details of these awards and the performance-based clawback provisions and to the table "Potential downward adjustments of performance share and STI awards" for specific downward adjustments that may be applied.

Compensation design

The Group's total compensation approach comprises fixed and variable compensation. Fixed compensation includes base salary, which reflects seniority, experience, skills and market practice. Variable compensation is awarded annually and is dependent on Group, divisional and individual performance. The percentage mix between fixed and variable compensation varies according to the employee's seniority, business and location.

Variable compensation for 2013 was awarded primarily in the form of unrestricted cash, share-based awards and Contingent Capital Awards (CCA). Share-based awards and CCA are deferred variable compensation instruments that vest after the grant date over different time periods, depending on the award, and as described further below.

Employee categories and components of total compensation for 2013

Employee category	Total compensation				
	Fixed compensation	Variable compensation			
		Unrestricted cash	Share awards	Performance share awards	Contingent Capital Awards
Managing directors and directors who are MRTC			30%	50%	20%
Other directors			80%		20%
Other MRTC			50%	50%	
Other employees with total compensation above CHF/USD 250,000			100%		
Employees with total compensation below CHF/USD 250,000					

¹ Deferred compensation is applicable to employees with total compensation of CHF/USD 250,000 or higher.

Base salaries

All employees are paid a base salary. Salary levels are based on the skills, qualifications and relevant experience of the individual, the responsibilities required by the role and external market factors.

Variable compensation and deferral rates

For 2013, variable compensation was paid in unrestricted cash unless the total compensation awarded to an employee for 2013 was more than or equal to CHF 250,000 (or USD 250,000 or the local currency equivalent), in which case a portion was paid in unrestricted cash and the balance was deferred, vesting at a later date. The deferred portion was defined by a deferral table whereby the portion of deferred compensation increased with higher levels of total compensation. The deferral portion for 2013 ranged from 17.5% to 90% of variable compensation, unchanged from 2012, and the amount of variable compensation paid as unrestricted cash for 2013 was capped at CHF 2 million (or USD 2 million or the local currency equivalent) per employee. For 2013, 41,723 employees received variable compensation, representing 91% of total employees, of which 503 were classified as MRTC.

▶ Refer to "Number of employees awarded variable and other compensation" for further information.

Unrestricted cash

Generally, employees receive the cash portion of their variable compensation as unrestricted cash at a regular payroll settlement date close to the grant date.

Blocked share awards

To comply with EU requirements, employees who hold key roles in respect of certain Group subsidiaries in the EU receive shares

that are subject to transfer restrictions for 50% of the amount that would have been paid to them as unrestricted cash. These shares are vested at the time of grant but remain blocked, that is, subject to transfer restrictions, for six months to three years from the date of grant, depending on location.

Deferred variable compensation instruments

Share awards

Each share award entitles the holder of the award to receive one Group share at the delivery date. Share awards are designed to align the interests of employees and shareholders, as well as comply with the expectations of regulators that a substantial portion of variable compensation should be granted in this form.

Share awards vest over three years with one third of the award vesting on each of the three anniversaries of the grant date (ratable vesting), subject to malus provisions. The number of share awards granted was determined by dividing the value of the deferred component of the variable compensation to be granted as share awards by the average share price over the twelve business days ending on January 15, 2014. The final value of the share awards is solely dependent on the share price at the time of delivery. Share awards granted after January 1, 2014 do not include the right to receive dividend equivalents during the vesting period. A total of 7,563 employees received share awards for 2013.

Performance share awards

Performance share awards are similar to share awards, except that the full balance of outstanding performance share awards, including those awarded in prior years, are subject to explicit performance-related clawback provisions. For employees in the business divisions the clawback provision is a negative adjustment in the

event of a divisional loss or a negative return on equity (ROE) of the Group, whichever results in a larger clawback. For employees in Shared Services, the negative adjustment only applies in the event of a negative ROE of the Group, and is not linked to the performance of the divisions. The basis for the ROE calculation may vary from year to year, depending on the Compensation Committee's determination for the year in which the performance shares are granted. Performance shares awarded for 2013 were based on ROE calculated on an underlying basis.

► Refer to "Underlying results" in Executive Board compensation for reconciliation between reported and underlying results.

The amount of the potential negative adjustment for loss at the divisional level, which is applicable to all outstanding performance share awards (including the short term incentive (STI) awards of Executive Board members who lead business divisions), is shown in the following table.

Potential downward adjustments of performance share and STI awards

Downward adjustment if division incurs a loss	
Division pre-tax loss (in CHF billion)	Adjustment on award balance (in %)
(1.00)	(15%)
(2.00)	(30%)
(3.00)	(45%)
(4.00)	(60%)
(5.00)	(75%)
(6.00)	(90%)
(6.67)	(100%)

As in the case of share awards, performance share awards granted after January 1, 2014 do not include the right to receive dividend equivalents during the vesting period. A total of 1,691 employees received performance share awards for 2013. Managing directors and almost all employees classified as MRTC received at least 50% of their deferred variable compensation in the form of performance share awards.

Contingent Capital Awards (CCA)

CCA are a new form of deferred award that were granted as part of 2013 deferred variable compensation and have rights and risks similar to those of certain contingent capital instruments issued by the Group in the market, such as the high-trigger contingent capital instruments referred to as contingent convertible instruments (CoCos). CCA provide a conditional right to receive semi-annual cash payments of interest equivalents at a rate of 4.75% per annum over the six-month Swiss franc ► London Interbank Offered Rate (LIBOR) or 5.33% per annum over the six-month US dollar LIBOR, for Swiss franc and US dollar-denominated awards, respectively, until settlement. This rate was set in line with market conditions at the time of grant and with existing high-trigger and low-trigger contingent capital instruments that the Group has

issued. CCA are not traded in the debt markets. Employees who received compensation in Swiss francs could elect to receive CCA denominated in Swiss francs or US dollars, and all other employees received CCA denominated in US dollars.

CCA are scheduled to vest on the third anniversary of the grant date and will be expensed over three years from grant. However, because CCA qualify as additional tier 1 capital of the Group, the timing and form of distribution upon settlement is subject to approval by FINMA. At settlement, employees will receive either a contingent capital instrument or a cash payment based on the ► fair value of the CCA. The fair value will be determined by the Group. In the case of a cash settlement, the CCA award currency denomination will be converted into the local currency of each respective employee. The Group intends in future years to continue to grant CCA as one of its annual deferred variable compensation awards.

CCA have loss-absorbing features such that prior to settlement, the principal amount of the CCA would be written-down to zero and canceled if any of the following trigger events were to occur:

- the Group's reported common equity tier 1 (CET1) ratio falls below 7%; or
- FINMA determines that cancellation of the CCA 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.

These terms are similar to those of the outstanding tier 1 high-trigger capital instruments that the Group has issued since 2011. However, unlike the Group's outstanding tier 1 high-trigger instruments, the CCA would not convert into common equity, but would be written down to zero upon a trigger event.

CCA will be utilized to align compensation with the maintenance of strong capital ratios, provide additional tier 1 capital, and reduce dilution to existing share capital that would otherwise be incurred with the issuance of share-based deferred compensation awards.

The total CCA awarded had a fair value of CHF 391 million and a total of 5,679 employees received CCA for 2013.

Other awards

The Group may employ other long-term incentive (LTI) compensation plans or programs to facilitate competitive hiring practices and to support the retention of talent. These variations from the standard approach apply to a small population of employees where specific circumstances justify special compensation arrangements.

For 2013, this applied to approximately 345 employees, including certain employees engaged in the Investment Banking and Private Banking & Wealth Management divisions, and in the Credit Suisse Hedging-Griffo Investimentos S.A. subsidiary. All variations from the standard approach must be approved by the Compensation Committee.

The Group also pays commissions to employees operating in specific areas of the business, in line with market practice. These

commissions are calculated based on formulas, and are reviewed regularly to ensure that they remain at competitive levels.

Limitations on share-based awards

The Group prohibits employees from entering into transactions to hedge the value of outstanding share-based awards. Employee pledging of unvested share-based awards is also prohibited, except with the express approval of the Compensation Committee. The Group applies minimum share ownership requirements for members of the divisional and regional management committees as follows:

- Executives responsible for Private Banking & Wealth Management and Investment Banking: 50,000 shares; and
- Executives responsible for Shared Services functions: 20,000 shares.

► Refer to "Minimum share ownership requirements" in Executive Board compensation for further information on minimum share ownership requirements for Executive Board members.

Total compensation awarded

The following table shows the value of total compensation awarded to employees for 2013 and 2012.

Total compensation awarded

For	2013			2012 ¹		
	Unrestricted	Deferred	Total	Unrestricted	Deferred	Total
Fixed compensation (CHF million)						
Salaries	5,525	–	5,525	6,063	–	6,063
Social security	778	–	778	769	–	769
Other	800 ²	–	800	837 ²	–	837
Total fixed compensation	7,103	–	7,103	7,669	–	7,669
Variable incentive compensation (CHF million)						
Unrestricted cash	1,570	–	1,570	1,202	–	1,202
Share awards	18	827	845	6	950 ³	956
Performance share awards	–	663	663	–	660	660
Contingent Capital Awards	–	391	391	–	–	–
Plus Bond awards	–	–	–	–	187	187
Restricted Cash Awards	–	–	–	–	299	299
Other cash awards	–	142	142	–	119	119
Total variable incentive compensation	1,588	2,023	3,611	1,208	2,215	3,423
Other variable compensation (CHF million)						
Cash severance awards	113	–	113	251	–	251
Sign-on awards	18	62	80	10	79	89
Cash-based commissions	198	–	198	157	–	157
Total other variable compensation	329	62	391	418	79	497
Total compensation awarded (CHF million)						
Total compensation awarded	9,020	2,085	11,105	9,295	2,294	11,589
of which guaranteed bonuses	–	–	55 ⁴	–	–	69 ⁴

¹ Represents awards made in 2012, not adjusted for discontinued operations.

² Includes pension and other post-retirement expense of CHF 490 million and CHF 532 million in 2013 and 2012, respectively.

³ Includes the notional value of CHF 38 million of share awards that was reallocated to Plus Bond awards as a part of the voluntary employee reallocation offer that took place subsequent to the grant date.

⁴ Guaranteed bonuses may be awarded as variable incentive compensation or sign-on awards.

Total compensation awarded for 2013 was CHF 11.1 billion, down 4% compared to 2012, with headcount levels decreasing 3% and total compensation awarded per capita decreasing 1%. Total variable incentive compensation awarded for 2013 was CHF 3.6 billion, higher by 5% compared to 2012, reflecting the improved performance of the Group in 2013. Of the total variable incentive compensation awarded across the Group for 2013, 56% was

deferred and subject to future service, performance, market and clawback criteria.

Cash severance awards relating to terminations of employment of CHF 255 million and CHF 215 million were paid in 2013 and 2012 to 2,141 and 3,065 employees, respectively. Sign-on awards of CHF 18 million and CHF 10 million were paid to 83 and 159 employees in 2013 and 2012, respectively.

Number of employees awarded variable and other compensation

	MRTC ¹	Other employees	2013 Total	MRTC ¹	Other employees	2012 Total
Number of employees awarded variable compensation						
Variable compensation	503	41,220	41,723	523	41,959	42,482
of which unrestricted cash	503	41,220	41,723	235	39,935	40,170
of which share awards	486	7,077	7,563	508	7,084	7,592
of which performance share awards	461	1,230	1,691	481	1,234	1,715
of which Contingent Capital Awards	470	5,209	5,679	–	–	–
of which Plus Bond awards	–	–	–	298	1,976	2,274
of which Restricted Cash Awards	–	–	–	285	1,976	2,261
or which other cash awards	62	283	345	41	48	89
Number of employees awarded other variable compensation						
Cash severance awards	3	2,138	2,141 ²	9	3,056	3,065 ²
Sign-on awards	6	166	172	6	190	196
Cash-based commissions	0	369	369	0	370	370
Guaranteed bonuses	9	132	141	5	200	205

¹ Excludes individuals who may have been classified as MRTC according to regulatory requirements of jurisdictions outside of Switzerland, particularly US-based revenue producers in Investment Banking and branch managers of the US Wealth Management Clients business within the Private Banking & Wealth Management division, who were classified as covered employees by the US Federal Reserve, and UK Code Staff.

² Includes employees who received cash severance awards for termination of employment as of December 31, 2013 and 2012.

Compensation awarded to Material Risk Takers and Controllers (MRTC)

The 503 employees classified as MRTC were awarded total compensation of CHF 1,355 million for 2013 and total variable

incentive compensation of CHF 1,102 million for 2013, of which CHF 964 million, or 87%, was deferred. MRTC received 50% of their deferred compensation for 2013 in the form of performance share awards, which are subject to clawback provisions.

Compensation awarded to Material Risk Takers and Controllers (MRTC)

For	Unrestricted	Deferred	2013 Total	Unrestricted	Deferred	2012 Total
Fixed compensation (CHF million)						
Total fixed compensation	247	–	247	275	–	275
Variable incentive compensation (CHF million)						
Unrestricted cash	138	–	138	77	–	77
Share awards	–	255	255	–	313	313
Performance share awards	–	407	407	–	404	404
Contingent Capital Awards	–	177	177	–	–	–
Plus Bond awards	–	–	–	–	107	107
Restricted Cash Awards	–	–	–	–	57	57
Other cash awards	–	125	125	2	33	35
Total variable incentive compensation	138	964	1,102	79	914	993
Other variable compensation (CHF million)						
Cash severance awards	1	–	1	5	–	5
Sign-on awards	0	5	5	0	9	9
Cash-based commissions	0	–	0	0	–	0
Total other variable compensation	1	5	6	5	9	14
Total compensation (CHF million)						
Total compensation	386	969	1,355	359	923	1,282
of which guaranteed bonuses ¹	3	11	14	1	4	5

¹ Guaranteed bonuses may be awarded as variable incentive compensation or sign-on awards.

Group compensation and benefits expense

Compensation and benefits expenses recognized in the current year income statement include salaries, variable compensation, benefits and employer taxes on compensation. Variable compensation expense mainly reflects the unrestricted cash compensation for the current year, amortization of deferred compensation awards granted in prior years, and severance, sign-on and commission payments. Deferred variable compensation granted for the

current year is expensed in future periods during which it is subject to future service, performance, market and clawback criteria and other restrictive covenants.

In 2013, total compensation and benefits expenses decreased 9% compared to 2012, primarily due to lower variable compensation expense, related to lower amortization expense from deferred compensation awards granted in prior years, and lower salary expense, reflecting the reduction of headcount during the year.

Group compensation and benefits expense

in	2013			2012		
	Current compensation	Deferred compensation	Total	Current compensation	Deferred compensation	Total
December 31						
Fixed compensation expense (CHF million)						
Salaries	5,525	–	5,525	5,923	–	5,923
Social security ¹	778	–	778	769	–	769
Other	800 ²	–	800	817 ²	–	817
Total fixed compensation expense	7,103	–	7,103	7,509	–	7,509
Variable incentive compensation expense (CHF million)						
Unrestricted cash	1,570	–	1,570	1,202	–	1,202
Share awards	18	814 ³	832	6	786 ³	792
Performance share awards	–	590	590	–	366	366
Plus Bond awards ⁴	–	37	37	187	–	187
2011 Partner Asset Facility awards ⁵	–	77	77	–	677	677
Adjustable Performance Plan share awards	–	31	31	–	74	74
Adjustable Performance Plan cash awards	–	4	4	–	286	286
Restricted Cash Awards	–	145	145	–	165	165
Scaled Incentive Share Units	–	41	41	–	97	97
Incentive Share Units ⁶	–	(3)	(3)	–	62	62
2008 Partner Asset Facility awards ⁵	–	93	93	–	173	173
Other cash awards	–	434	434	–	362	362
Discontinued operations	(6)	(21)	(27)	(44)	(23)	(67)
Total variable incentive compensation expense	1,582	2,242	3,824	1,351	3,025	4,376
Other variable compensation expense (CHF million)						
Severance payments	113	–	113	251	–	251
Sign-on payments	18	–	18	10	–	10
Commissions	198	–	198	157	–	157
Total other variable compensation expense	329	–	329	418	–	418
Total compensation expense (CHF million)						
Total compensation expense	9,014	2,242	11,256⁷	9,278	3,025	12,303⁷

¹ Represents the Group's portion of employees' mandatory social security.

² Includes pension and other post-retirement expense of CHF 490 million and CHF 532 million in 2013 and 2012, respectively.

³ Includes CHF 23 million and CHF 32 million of compensation expense associated with other share awards granted in 2013 and 2012, respectively.

⁴ The Plus Bond awards granted to Investment Banking employees were fully vested and expensed on December 31, 2012. The Plus Bond awards provided to certain employees outside the Investment Banking division through a voluntary reallocation offer will vest on the third anniversary of the grant date in 2016 and will be expensed over the vesting period. Changes in the underlying fair value of the instruments may have an impact on deferred compensation expense in future periods.

⁵ Includes the change in the underlying fair value of the indexed assets during the period.

⁶ Includes forfeitures.

⁷ Includes severance and other compensation expense relating to headcount reductions of CHF 218 million and CHF 456 million in 2013 and 2012, respectively.

Group estimated unrecognized compensation expense

The following table shows the estimated compensation expense that has not yet been recognized through the income statement for deferred compensation awards granted for 2013 and prior years that were outstanding as of December 31, 2013, with comparative

information for 2012. These estimates were based on the fair value of each award on the grant date, taking into account the current estimated outcome of relevant performance criteria and estimated future forfeitures. No estimate has been included for future mark-to-market adjustments.

Group estimated unrecognized compensation expense

in	Deferred compensation		2013	Deferred compensation		2012
	For 2013	For prior-year awards		For 2012	For prior-year awards	
			Total			Total
Estimated unrecognized compensation expense (CHF million)						
Share awards	823	804 ¹	1,627	935	706 ¹	1,641
Performance share awards	660	221	881	677	161	838
Contingent Capital Awards	433	–	433	–	–	–
Plus Bond awards ²	–	18	18	37	–	37
Adjustable Performance Plan share awards	–	11	11	–	42	42
Adjustable Performance Plan cash awards	–	13	13	–	54	54
Restricted Cash Awards	–	136	136	299	–	299
Scaled Incentive Share Units	–	–	–	–	73	73
Other cash awards	136	111	247	118	72	190
Estimated unrecognized compensation expense	2,052	1,314	3,366	2,066	1,108	3,174

¹ Includes CHF 39 million and CHF 47 million of estimated unrecognized compensation expense associated with other share awards granted to new employees in 2013 and 2012, respectively, not related to prior years.

² Represents share awards reallocated to Plus Bond awards through the employee voluntary reallocation offer, with vesting in 2016, after consideration of estimated future forfeitures.

► Refer to “Discontinued compensation plans” for descriptions of the awards granted in years prior to 2013 on page 203.

Impact of share-based compensation on shareholders' equity

In general, the income statement expense recognition of share-based awards on a pre-tax basis has a neutral impact on shareholders' equity because the reduction to shareholders' equity from the expense recognition is offset by the obligation to deliver shares, which is recognized as an increase to equity by a corresponding amount. Shareholders' equity includes, as additional paid-in capital, the tax benefits associated with the expensing and subsequent settlement of share-based awards.

Prior to 2011, the Group covered its share delivery obligations to employees primarily by purchasing shares in the market. When the Group purchases shares from the market to meet its obligation to employees, these purchased treasury shares reduce equity by the amount of the purchase price.

The practice of purchasing shares in the market was suspended in 2011 while the Group focused on meeting the increased regulatory capital requirements under the Basel III framework and the Swiss “Too Big to Fail” legislation and regulations. Beginning in 2011, the Group started issuing new shares from conditional capital to settle outstanding share-based awards and in 2013 it issued 37.8 million shares to meet its share delivery obligations. With the attainment of its capital targets, the Group resumed in the second half of 2013 its policy of acquiring a portion of the

necessary shares in the market. The Group envisages that the majority of such future obligations will be met through acquisitions in the market.

Share-based awards outstanding

At the end of 2013, there were 134.7 million share-based awards outstanding, including 72.9 million share awards, 41.4 million performance share awards, and 14.5 million Adjustable Performance Plan awards. The remaining balance consisted of other awards relating to prior years that are no longer part of current compensation plans.

The number of shares issued as of the end of 2013 was 1,596 million. Additionally, the Group had 550 million shares available to support contingent capital instruments, including 499 million shares relating to certain contingent capital notes convertible into equity that have already issued in the market. These instruments increase loss-absorbing regulatory capital without diluting shareholders' equity at the time of their issuance. The number of outstanding share-based awards represented 6.3% of shares both issued and potentially issuable in respect of contingent capital instruments as of the end of 2013. The Group intends to continue to use CCA in future years as part of its compensation program, partly in lieu of share-based awards. Over the next three years, this is expected to reduce the number of outstanding share-based awards. The extent of this reduction will depend on the size of future variable compensation pools, the amount of deferral and other key assumptions including the share price. However, the

Group's intention is to decrease the number of outstanding share-based awards to approximately 5% of shares issued and potentially issuable over the long term.

Subsequent activity

In early 2014, the Group granted approximately 30.2 million new share awards and 24.2 million new performance share awards with respect to performance in 2013. In lieu of granting additional share awards in 2014, the Group awarded CHF 391 million of deferred variable compensation in the form of CCA (equivalent to approximately 13.6 million share-based awards, had they been granted).

In the first half of 2014, the Group plans to settle 54.5 million deferred awards from prior years, including 26.8 million share awards, 15.9 million performance share awards, 7.2 million Adjustable Performance Plan share awards, and 4.6 million other awards. The Group plans to meet this delivery obligation through market purchases and share issuances, including the issuance of 11 million shares from current conditional capital. At the Annual General Meeting (AGM) on May 9, 2014, the Board will propose to increase conditional capital by 30 million shares. It is the Group's intention that the newly created conditional capital should only be used to support the equity position of the Group in the event that the Look-through CET1 ratio appears likely to fall short of the Basel III capital requirements as implemented by the "Swiss Too Big to Fail" legislation.

► Refer to "Look-through CET1 ratio" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Capital management – Capital metrics under Basel III for more information.

Value changes of outstanding deferred awards

Employees experience changes to the value of their deferred compensation awards during the vesting period due to both implicit and explicit value changes. Implicit value changes primarily reflect market driven effects, such as changes in the Group share price, changes in the value of the underlying 2008 Partner Asset Facility (PAF), 2011 Partner Asset Facility (PAF2) and Plus Bond assets or foreign exchange rate movements. Explicit value changes reflect risk adjustments triggered by clawback provisions related to negative performance in the performance share awards, positive or negative performance for the Adjustable Performance Plan share awards or the malus provisions in all deferred awards. The final value of an award will only be determined at settlement.

► Refer to "Discontinued compensation plans" for further information on PAF, PAF2, Plus Bond and Adjustable Performance Plan awards.

The following table provides a comparison of the fair values of outstanding deferred compensation awards at the end of 2012 and 2013, respectively, indicating the value of changes due to implicit and explicit adjustments. For 2013, the change in fair value for all outstanding deferred compensation awards was primarily due to implicit adjustments driven by changes in the Group share price, foreign exchange rate movements and changes in the value of the underlying PAF and PAF2 assets during the period.

Fair value of outstanding deferred compensation awards

in / end	Change in value			2013
	2012	Implicit	Explicit	
Share-based awards (CHF per unit)				
Scaled Incentive Share Units granted for 2009	22.3	5.0	0.0	27.3
Share awards granted for 2010 ¹	22.3	5.0	0.0	27.3
Share awards granted for 2011 ²	22.3	5.0	0.0	27.3
Share awards granted for 2012 ³	24.6	2.7	0.0	27.3
Performance share awards granted for 2011 ²	22.3	5.0	0.0	27.3
Performance share awards granted for 2012 ³	24.6	2.7	0.0	27.3
Adjustable Performance Plan share awards	23.3	5.0	1.9	30.2
Cash-based awards (CHF per unit)				
2008 Partner Asset Facility awards (PAF)	1.80	0.21	0.00	2.01
Adjustable Performance Plan cash awards granted for 2010	1.06	(0.09)	0.08	1.05
2011 Partner Asset Facility awards (PAF2)	0.90	(0.05)	0.00	0.85
Plus Bond awards granted for 2012	1.00	0.02	0.00	1.02

¹ Represents awards granted in January 2011 for 2010.

² Represents awards granted in January 2012 for 2011.

³ Represents awards granted in January 2013 for 2012.

EXECUTIVE BOARD COMPENSATION

Governance

Compensation payable to the Executive Board members, including the CEO, is approved by the Board upon recommendation by the Compensation Committee. In determining its recommendation to the Board, the Compensation Committee assesses the performance of the Executive Board members and the CEO based on actual performance compared to pre-defined individual objectives and targets.

Basis of determining compensation for Executive Board members

For 2013, the Compensation Committee defined individual target levels of incentive compensation, expressed as a multiple of base salary, and individual caps limiting the total amount of compensation that can be awarded. The Compensation Committee also established quantitative and qualitative performance criteria for each Executive Board member, including the CEO, which were published in the 2012 Compensation Report.

In determining the compensation targets and caps, competitive market levels of compensation for each individual role, with reference to a group of peers, were taken into account. The market data on executive compensation levels was provided to the Compensation Committee by its compensation advisor, Johnson Associates.

▶ Refer to "Competitive benchmarking" in Group compensation for a list of peer groups.

The criteria used to assess the individual performance of the Executive Board members consist of pre-defined objective financial measures consistent with the Group's KPIs, as well as qualitative factors. The Compensation Committee has discretion to recommend to the Board that the incentive awards resulting from this performance assessment be adjusted by a factor of up to plus or minus 20%. The Board is committed to aligning incentive compensation with challenging performance criteria, and this element of flexibility enables the Board to determine the final individual awards after taking into account prevailing market conditions. This discretion is limited by the individual cap levels described above, and total Executive Board incentive compensation is also subject to the overall cap of 2.5% of Group underlying net income.

Performance evaluation for 2013

In January 2014, the Compensation Committee completed its performance evaluation for the 2013 financial year for the Group and the individual assessments of the Executive Board members. The Compensation Committee compared the outcome of the financial measurements to the pre-defined targets for 2013 as set out in the 2012 Compensation Report and considered the qualitative assessment of each Executive Board member. This qualitative assessment took into account financial performance in areas that did not specifically form part of the pre-defined quantitative financial targets, as well as non-financial elements of performance at the Group and divisional levels.

Key features of Executive Board compensation – 2013

Approach	Composition	Vesting timeline (payout in year after grant)	Key features
<ul style="list-style-type: none"> Compensation decisions are based on pre-defined quantitative and qualitative performance criteria Individual target and cap levels for incentive compensation Cap on aggregate incentive compensation awarded to Executive Board members (2.5% of Group underlying net income) 90% deferred and final amounts subject to performance-based vesting criteria and malus provisions 	<p>50% STI awards</p> <p>Cash: 10%</p> <p>Performance share award: 40%</p>	<p>Full award at grant</p>	<p>Unrestricted cash</p> <p>In addition to malus provisions, a negative formula-based adjustment is applied to all outstanding awards, subject to the profitability of the Group and divisions</p>
	<p>50% LTI awards</p> <p>Cash-based award: 30%</p> <p>Contingent Capital Award (CCA): 20%</p>		<p>The amount payable at vesting for all LTI awards ranges from 0 to 200% of the grant value and is determined based on:</p> <ul style="list-style-type: none"> Total shareholder return relative to peers, based on a rolling average over three years (primary metric) Average underlying ROE compared to targets (secondary metric) <p>The CCA tranche is loss-absorbing and subject to write-down based on the Group's capital position</p>

Group performance evaluation

For 2013, the Compensation Committee considered that underlying results would be the most appropriate reflection of the Group's operating results. Therefore, the underlying results were selected as the measure for evaluating the Executive Board's contribution to the Group's financial performance for compensation purposes. The primary difference between the Group's reported and underlying results for 2013 included the impact of charges to the income statement arising from changes in the fair value of the Group's debt which resulted from improvements in the Group's credit spreads, realignment costs and certain litigation provisions. Underlying results are non-GAAP financial measures and the tables beginning with "Underlying results" below provide a reconciliation of the Group and divisional underlying results to the most directly comparable US GAAP measures.

► Refer to "Core results", "Private Banking & Wealth Management", "Investment Banking" and "Corporate Center" in II – Operating and financial review for discussions of the individual line items.

The Group's results in 2013 improved over the previous year, with underlying pre-tax income increasing to CHF 5.7 billion from CHF 5.0 billion in 2012. Notwithstanding this improvement, underlying ROE was 10.0% compared to the target of 11.0% in 2013, and compared to 10.4% in 2012, reflecting the Group's focus on a strengthened capital base. The Look-through CET1 ratio was 10.0% at the end of 2013 compared to 8.0% in 2012. The Group's underlying cost/income ratio for the full year 2013 was 76.9% compared to 79.5% in 2012, reflecting continued progress towards the target cost/income ratio of 70.0% with the implementation of cost-efficiency measures.

Underlying results

in	Net revenues		Total operating expenses		Core pre-tax income		Net income attributable to shareholders	
	2013	2012	2013	2012	2013	2012	2013	2012
Overview of significant items (CHF million)								
Reported results	25,217	23,251	21,546	21,193	3,504	1,888	2,326¹	1,349¹
Cost/income ratio (%)	–	–	–	–	85.4	91.1	–	–
Reported return on equity attributable to shareholders (%)	–	–	–	–	–	–	5.7	3.9
Reconciling items								
Fair value losses/(gains) from movement in own credit spreads	296	2,912	(19)	(27)	315	2,939	261	2,261
Realignment costs	0	15	(394)	(665)	394	680	290	477
IT architecture simplification	0	0	(128)	0	128	0	103	0
Certain litigation provisions	0	0	(1,365)	(363)	1,365 ²	363 ³	1,038 ²	230 ³
Business disposals	13	(388)	4	0	9 ⁴	(388) ⁵	(96) ⁴	(336) ⁵
Impairment and other losses	86	68	(12)	0	98 ⁶	68 ⁷	63 ⁶	41 ⁷
Gain on sale of real estate	(68)	(533)	0	0	(68)	(533)	(61)	(445)
UK deferred tax asset reduction ⁸	0	0	0	0	0	0	173	160
Underlying results	25,544	25,325	19,632	20,138	5,745	5,017	4,097	3,737
Underlying cost/income ratio (%)	–	–	–	–	76.9	79.5	–	–
Underlying return on equity attributable to shareholders (%)	–	–	–	–	–	–	10.0	10.4

¹ The reclassification of the revenues and expenses from the segment results to discontinued operations for reporting at the Group level is effected through the Corporate Center. Refer to "Discontinued operations" in II – Operating and financial review – Credit Suisse for further information.

² Includes i) litigation provisions in Investment Banking related to the March 2014 agreement with the Federal Housing Finance Agency (FHFA) to settle certain litigation relating to residential mortgage-backed securities (RMBS) of CHF 467 million (CHF 275 million after tax); ii) litigation provisions in Investment Banking in connection with certain mortgage-related matters of CHF 298 million (after tax CHF 176 million); and iii) litigation provisions in Private Banking & Wealth Management in connection with the US tax matter of CHF 600 million (CHF 587 million after tax), including CHF 175 million (CHF 162 million after tax) in connection with the settlement with the SEC in February 2014.

³ Includes i) litigation provisions related to National Century Financial Enterprises, Inc. of CHF 227 million (CHF 134 million after tax); and ii) significant Investment Banking litigation provisions of CHF 136 million (CHF 96 million after tax).

⁴ Includes i) net gain on the sale of Strategic Partners of CHF 79 million, net of expenses of CHF 12 million (CHF 35 million after tax); ii) expenses in connection with the sale of Customized Fund Investment Group (CFG) of CHF 56 million (CHF 32 million after tax); iii) net gain on the sale of the Group's ETF business of CHF 135 million, net of expenses of CHF 11 million (CHF 114 million after tax); iv) net gains on private equity disposals of CHF 34 million, net of expenses of CHF 6 million (CHF 20 million after tax); v) loss on the sale of JO Hambro of CHF 53 million (CHF 38 million after tax); and vi) reclassifications to discontinued operations through the Corporate Center of CHF 144 million, net of expenses of CHF 93 million (CHF 108 million after tax) primarily related to the sale of the ETF business, Strategic Partners and CFG.

⁵ Includes i) gain on the sale of the Group's ownership interest in Aberdeen Asset Management (Aberdeen) of CHF 384 million (CHF 326 million after tax); ii) gain on the sale of Wincasa of CHF 45 million (CHF 45 million after tax); iii) gain on the sale of a non-core business from the integration of Clariden Leu of CHF 41 million (CHF 37 million after tax); and iv) losses on private equity disposals of CHF 82 million (CHF 72 million after tax).

⁶ Includes i) impairment related to Asset Management Finance LLC (AMF) and other losses of CHF 86 million (CHF 51 million after tax); and ii) goodwill impairment relating to the set-up of Private Banking & Wealth Management's non-strategic unit of CHF 12 million (CHF 12 million after tax).

⁷ Reflects the impairment related to AMF and other losses.

⁸ Reflects the corporate income tax reduction enacted in the UK.

The Compensation Committee noted that the Group largely completed its capital plan announced in July 2012. The Group also reduced leverage exposure by CHF 275 billion compared to the third quarter of 2012, to CHF 1,130 billion as of 2013, which was below the original year-end target. In terms of improved operating efficiency, the Group achieved cost reductions of CHF 3.1 billion for the full year 2013, compared to the adjusted run rate cost base for the first half of 2011, measured at constant foreign exchange rates and adjusted to exclude business realignment and other significant non-operating expenses and current year variable compensation expense. The qualitative factors taken into consideration

included the strong focus on, and maintenance of, the control environment, with a positive trend in Internal Audit results, a further improvement of supervisory control ratings and careful risk management in accordance with the Board's risk appetite policy. The Compensation Committee also considered the developments in the area of human capital, which saw an increase in internal hiring and management development across functional areas, and continued progress in diversity and inclusion. In respect of Corporate Citizenship, new initiatives were implemented in the areas of employee engagement in volunteering events, global education and micro-finance capacity building.

Underlying results – Private Banking & Wealth Management

in	Net revenues		Total operating expenses		Pre-tax income ¹		Cost/income ratio (%)	
	2013	2012	2013	2012	2013	2012	2013	2012
Overview of significant items (CHF million)								
Reported results	13,442	13,474	10,050	9,517	3,240	3,775	74.8	70.6
Reconciling items								
Certain litigation provisions	0	0	(600)	0	600 ²	0	–	–
Business disposals	(305)	(388)	(89)	0	(216) ³	(388) ⁴	–	–
Impairment and other losses	86	68	(12)	0	98 ⁵	68 ⁶	–	–
Underlying results	13,223	13,154	9,349	9,517	3,722	3,455	70.7	72.4

¹ The gains and expenses related to the business disposals are included in the segment's non-strategic results. Refer to "Discontinued operations" in II – Operating and financial review – Credit Suisse for further information.

² Reflects litigation provisions in connection with the US tax matter, including CHF 175 million in connection with the settlement with the SEC.

³ Includes i) net gain on the sale of Strategic Partners of CHF 79 million, net of expenses of CHF 12 million; ii) expenses in connection with the sale of CFGI of CHF 56 million; iii) net gain on the sale of the Group's ETF business of CHF 135 million, net of expenses of CHF 11 million; iv) gain on private equity disposals of CHF 34 million, net of expenses of CHF 6 million; and v) net gain on the sale of JO Hambro of CHF 28 million.

⁴ Includes i) gain on the sale of the Group's ownership interest in Aberdeen of CHF 384 million; ii) gain on the sale of Wincasa of CHF 45 million; iii) gain on the sale of a non-core business from the integration of Clariden Leu of CHF 41 million; and iv) losses on private equity disposals of CHF 82 million.

⁵ Includes i) impairment related to AMF and other losses of CHF 86 million; and ii) goodwill impairment relating to the set-up of Private Banking & Wealth Management's non-strategic unit of CHF 12 million.

⁶ Reflects the impairment of AMF and other losses.

Underlying results – Investment Banking

in	Net revenues		Total operating expenses		Pre-tax income		Return on allocated capital (%)	
	2013	2012	2013	2012	2013	2012	2013	2012
Overview of significant items (CHF million)								
Reported results	12,565	12,558	10,833	10,568	1,719	2,002	6.8	7.2
Reconciling items								
Certain litigation provisions	0	0	(765)	(136)	765 ¹	136 ²	–	–
Underlying results	12,565	12,558	10,068	10,432	2,484	2,138	9.8 ³	7.7 ³

¹ Includes i) litigation provisions related to the March 2014 FHFA settlement of CHF 467 million (CHF 275 million after tax); and ii) litigation provisions in connection with certain mortgage-related matters of CHF 298 million (after tax CHF 176 million).

² Reflects the significant Investment Banking litigation provisions.

³ Calculated using underlying income after tax denominated in US dollars and assumes tax rates of 27% in 2013 and 25% in 2012 and that capital is allocated at 10% of average Basel III risk-weighted assets and 2.4% of average Swiss leverage exposure.

Divisional performance evaluation

In Private Banking & Wealth Management, the Compensation Committee acknowledged improvement in the key financial indicators relevant to the division. Underlying pre-tax income for 2013 was CHF 3.7 billion compared to CHF 3.5 billion in 2012, and the underlying cost/income ratio improved to 70.7% compared

to the target of 70.0%, from 72.4% in 2012, reflecting stronger cost efficiency discipline. With regard to the qualitative assessment, the Compensation Committee considered the continued strong asset gathering momentum ahead of most peers for net new assets in targeted markets, particularly in emerging markets and the ultra-high-net-worth individual client business. It also

noted the successful restructuring and improved profitability of the Asset Management business, which mainly reflected the continued focus on alternative investment strategies, including emerging markets, and core investments, both in asset allocation and traditional products.

In Investment Banking, the Compensation Committee recognized the improvement in its key financial indicators, with underlying pre-tax income of CHF 2.5 billion for the full year 2013 compared to CHF 2.1 billion in 2012, and an underlying return on allocated capital of 9.8% compared to the target of 11.0% and compared to 7.7% achieved in 2012. For the purposes of determining compensation, the performance criteria of underlying return on allocated capital is measured as the after-tax return on capital calculated as the average of 10% of ◻ Basel III ◻ risk-weighted assets and 2.4% of leverage exposure. With regards to the qualitative assessment, the Compensation Committee noted the successful alignment of the business model to new market and regulatory requirements, the strong market share maintained by the Equities business and the significant turnaround in profitability of the Asia Pacific region. In addition, Investment Banking risk-weighted assets under Basel III

were reduced from USD 187 billion at year-end 2012 to USD 176 billion at year-end 2013, compared to the target level of less than USD 175 billion by year-end 2013.

For Shared Services functions, the Compensation Committee acknowledged the robust control and support environment combined with cost discipline compared to budget and efficiency gains, while transitioning the business to new regulatory requirements.

2013 targets and caps for Executive Board members

	Target levels		Cap levels	
	Range for Executive Board members	CEO	Range for Executive Board members	CEO
Multiples of base salaries				
Short-term awards				
Unrestricted cash	0.2 – 0.4	0.3	0.3 – 0.7	0.4
Short-term incentive award	0.6 – 1.7	1.1	1.2 – 2.9	1.6
Long-term incentive award	0.8 – 2.1	1.3	1.5 – 3.5	2.0

Executive Board compensation for 2013

in	Base salary	Unrestricted cash	Value of STI awards	Value of LTI awards	Pension and similar benefits and other benefits ¹	Dividend equivalents ²	Payments and awards due to contractual agreements ³	Total compensation ⁴
2013 (CHF million, except where indicated)								
9 members	14.08	3.93	21.86 ⁵	21.58	0.58	2.74	–	64.77
% of total compensation	22%	6%	34%	33%				
of which CEO:								
Brady W. Dougan	2.50	0.69	2.77	3.46	0.01	0.36	–	9.79
% of total compensation	26%	7%	28%	35%				

¹ Other benefits consist of housing allowances, lump sum expenses and child allowances.

² Share awards granted prior to January 1, 2014 carry the right to an annual payment equal to the dividend payable on each Group share. The dividend equivalents were paid in respect of awards granted in prior years and were delivered in a combination of cash and shares, consistent with dividends paid on actual shares.

³ During 2013, there were no payments made to Executive Board members for contractual agreements.

⁴ Does not include CHF 4.8 million of charitable contributions made by the Group for which the CEO and three other Executive Board members are able to make recommendations.

⁵ Short-term incentive awards for 2013 comprise CHF 20.56 million performance shares as well as CHF 1.3 million granted as blocked shares and performance shares to the Executive Board members who were categorized as UK Code Staff under the regulations of the PRA and the Executive Board member that stepped down. The applicable Group share price for all share awards was CHF 28.78.

Compensation decisions

Based on this evaluation of the Group, divisional and individual performance, the Board agreed with the Compensation Committee's conclusion that overall, the Executive Board members had exceeded their challenging performance targets for 2013 and approved the Compensation Committee's recommendations on the amount of incentive compensation to be awarded. The quantitative financial assessment resulted in the grant of awards averaging 12% below the target amounts for these components of compensation, while compensation linked to the qualitative assessment of the Executive Board members was, on average, 37% above the target amounts. On average, the variable compensation amounts as determined from the formulaic assessment were adjusted upward by approximately 10%. In applying its discretion to adjust

the amount of variable incentive compensation awarded to individual Executive Board members, the Compensation Committee recognized specific achievements in reaching targeted capital levels ahead of schedule, strong relative performance compared to peers, an improved level of control and compliance and adjustments to take into account market levels of compensation for comparable roles at peer firms.

The variable incentive compensation awarded totaled CHF 47.4 million, CHF 2.5 million or 5% lower than the CHF 49.9 million in 2012, partly due to the reduction in the number of Executive Board members and resultant reassignment of previously separate executive responsibilities to other Executive Board members. Variable incentive compensation awarded to the Executive Board was, on average, 17% above the individual target amounts and 31% below

the individual caps. The aggregate pool awarded to all members of the Executive Board was less than half the amount of the overall cap set at CHF 102.4 million, or 2.5% of Group underlying net income. The components of the awards granted are shown in the "Executive Board compensation for 2013" table.

2013 total compensation of the CEO and highest paid Executive Board member

In its recommendation to the Board regarding incentive compensation for the CEO Mr. Dougan, who was also the highest paid Executive Board member, the Compensation Committee, in consultation with the Chairman, considered the improved financial position of the Group in 2013. This was reflected in underlying pre-tax income of CHF 5.7 billion, compared to CHF 5.0 billion in the prior year, and an underlying cost/income ratio of 76.9% in 2013 compared to 79.5% in 2012. The Compensation Committee considered the achievement of capital requirement targets and the progress made in transitioning the business to the challenging new regulatory and market environment. In particular under Mr. Dougan's leadership, the Group strengthened its capital position,

increasing its Look-through CET1 ratio of 10.0% as of the end of 2013, from 8.0% in 2012. Further, the Group reduced its leverage exposure to CHF 1,130 billion as of the end of 2013, from CHF 1,276 billion as of the end of 2012, and achieved a Look-through Swiss leverage ratio of 3.7%, compared to the FINMA requirement of 4.0% applicable in 2019. The Compensation Committee also recognized the steady progress made towards meeting the Group's challenging target of achieving more than CHF 4.5 billion in cost reductions by year-end 2015. In terms of strategy execution, the Compensation Committee noted the creation of non-strategic units within the business divisions, to accelerate the shift of resources to focus on growth in high-returning businesses. Given the strong performance of Mr. Dougan during 2013 and his achievements in positioning the firm for the future, the Board approved the recommendation of the Compensation Committee to award Mr. Dougan unrestricted cash of CHF 0.69 million, a short-term incentive (STI) award of CHF 2.77 million and a long-term incentive (LTI) award of CHF 3.46 million, representing, in aggregate, 103% of his target compensation set for 2013.

Executive Board compensation for 2012

in	Base salary	Unrestricted cash	Value of STI awards	Value of LTI awards	Pension and similar benefits and other benefits ¹	Dividend equivalents ²	Payments and awards due to contractual agreements ³	Total compensation ⁴
2012 (CHF million, except where indicated)								
13 members ⁵	17.75	13.56 ⁶	20.95 ⁷	15.40	4.28	2.18	–	74.12
% of total compensation	24%	18%	28%	21%				
of which highest paid: Robert Shafir	1.40	0.70	3.50	2.80	1.91 ⁸	0.28	–	10.59
% of total compensation	13%	7%	33%	26%				
of which CEO: Brady W. Dougan	2.50	0.50	2.50	2.00	0.04	0.23	–	7.77
% of total compensation	32%	6%	32%	26%				

¹ Other benefits consist of housing allowances, lump sum expenses, child allowances and carried interest.

² Share awards carry the right to an annual payment equal to the dividend payable on each Group share. The dividend equivalents were paid in respect of awards granted in prior years.

³ During 2012, there were no payments made to Executive Board members for contractual agreements.

⁴ Does not include CHF 3.9 million of charitable contributions made by the Group for which the CEO and a former Executive Board member are able to make recommendations.

⁵ Of the 13 members, 5 left the Executive Board during 2012: Karl Landert and Antonio Quintella stepped down from the Executive Board effective April 30, 2012 and May 31, 2012, respectively, and Osama Abbasi, Walter Berchtold and Fawzi Kyriakos-Saad left the Executive Board effective November 30, 2012. The base salary and incentive compensation for these individuals has been pro rated accordingly. These individuals were paid incentive compensation in the form of unrestricted cash and STI awards for their performance in their respective roles on the Executive Board in 2012.

⁶ Includes pro rated unrestricted cash of CHF 10.2 million paid to the five individuals who left the Executive Board during 2012.

⁷ All short-term incentive awards for 2012 were granted as performance shares. The applicable Group share price for the performance share awards was CHF 24.62.

⁸ CHF 1.87 million of this amount was granted as carried interest in 2012. In addition, in connection with his role at the time as CEO of the Asset Management division, in 2008 Mr. Shafir received a carried interest award in certain alternative investment funds. The value realized over time depends on the investment performance of the funds over their lifetime up to fifteen years. The initial value of the award is determined by making assumptions about the return that will be realized on the funds. The aggregate theoretical value of these awards was approximately USD 10 million assuming an estimated 9 percent return on all fund investments over their projected lifetime, and reducing this estimated return by 25 percent to reflect potential underperformance in some of the funds.

2013 compensation structure

The annual 2013 base salary was CHF 2.5 million for the CEO, CHF 1.5 million for Executive Board members based in Switzerland and USD 1.5 million for Executive Board members based in the US and the UK, which remained unchanged from the prior year.

In 2013, the incentive compensation granted to each Executive Board member generally consisted of:

- 10% as unrestricted cash payment;
- 40% as STI awards in the form of a deferred performance share award; and
- 50% as LTI awards in the form of deferred cash and CCA.

An overview of the vesting timeline for the Executive Board short-term and long-term award plans is shown in the chart “Key features of Executive Board compensation – 2013”. These awards are described in more detail below.

In 2013, three Executive Board members were categorized as UK Code Staff and were therefore subject to the UK Prudential Regulation Authority (PRA) Remuneration Code requirements to have at least 50% of variable compensation awarded in the form of equity instruments. Two of the current members were awarded 50% of their variable compensation as STI awards, 40% as LTI awards, 5% as cash and 5% as vested Group shares that were subject to a six-month holding period.

The third member, Tobias Guldemann, stepped down from the Executive Board and his position as Chief Risk Officer (CRO) effective December 31, 2013 and was replaced by Joachim Oechslin, effective January 1, 2014. Mr. Guldemann was awarded variable compensation in respect of 2013, however as he was no longer a member of the Executive Board at the time of grant, the form of variable compensation awarded to him was consistent with the PRA Code Staff requirements applicable to managing directors.

Types of awards

All deferred Executive Board compensation awards are subject to malus provisions as well as the additional provisions that apply to Covered Employees. In addition, there are performance-based clawback provisions for the STI award and specific performance targets for the LTI award.

► Refer to “Malus and performance-based clawback provisions” in Group compensation for more information.

Unrestricted cash

Unrestricted cash awards are payable in cash after grant. The awards are intended to recognize the Executive Board members’ performance for the most recent prior year.

Short-term incentive (STI) award

STI awards are granted in the form of performance share awards, which are deferred over three years with one third of the award vesting on each of the three anniversaries of the grant date (ratable vesting), subject to the same performance conditions as the performance share awards granted to managing directors and MRTC.

► Refer to “Performance share awards” in Group compensation for performance-based adjustment criteria.

More specifically, for the heads of the divisions reporting a pre-tax loss, the full balance of unvested STI awards are reduced by 15% per CHF 1 billion of loss and the calculation of the reduction is performed on a pro-rata basis, based on the actual loss amount.

In the case of both a negative underlying ROE and a divisional pre-tax loss, the negative adjustment applied will be equal to the negative underlying ROE, or 15% per CHF 1 billion of pre-tax loss, whichever results in a larger adjustment.

For the CEO and Executive Board members who lead a Shared Services function, the clawback for negative performance will affect outstanding awards only if the Group has a negative underlying ROE.

The final number of STI awards delivered to Executive Board members is subject to the occurrence of malus and clawback events during the vesting periods. There are, however, no circumstances under which the outstanding STI awards are increased.

► Refer to “Potential downward adjustments of performance shares and STI awards” in Group compensation for specific downward adjustments to be applied.

Long-term incentive (LTI) award

LTI awards are deferred over a period of five years and vest in three equal tranches, one on each of the third, fourth and fifth anniversaries of the date of grant, subject to pre-defined performance vesting conditions. The amount due at vesting is determined based on the following performance criteria and conditions, which are measured on a tranche-by-tranche basis over the three calendar years preceding the year in which vesting occurs:

- Average of the Relative Total Shareholder Return (RTSR) achieved during each of the three years prior to vesting, calculated by reference to the average total shareholder return achieved by a group of peer firms, is the primary performance metric; and
- Average underlying ROE achieved during the three years prior to vesting compared to the underlying ROE targets set for the respective years acts as a further adjustment, increasing or decreasing the amount payable by up to 25%.
- The amount payable at vesting of each tranche is subject to a cap of 200% of the initial LTI award value for that tranche.

RTSR is the Group’s total shareholder return compared to the average total shareholder return of peers. Total shareholder return is equal to the appreciation or depreciation of a particular share, plus any dividends, over a given three-year period, expressed as a percentage of the share’s value at the beginning of the three-year measurement period. The peer group used for the RTSR calculation is the same group of twelve peer firms shown in the “2013 peer groups and performance criteria” table. The RTSR achievement level can increase or decrease the amount scheduled to vest on a sliding scale basis and is subject to a cap as follows:

- Achievement of average RTSR of 150% (where the Group RTSR is 50% greater than that of the peer group) or greater results in a maximum upward adjustment of 100% (cap);
- Achievement of average RTSR of 100% (where the Group RTSR is the same as that of the peer group) results in an LTI payout that equals the grant value (no upward or downward adjustment);
- Achievement of RTSR of 50% (where the Group RTSR falls 50% below that of the peer group) or below results in the forfeiture of the respective LTI awards (downward adjustment of 100%); and
- Achievement of average RTSR between 50% and 150% of that of the peer group results in an upward or downward

adjustment between negative 100% and positive 100%, applied on a sliding scale basis.

Following the RTSR calculation above, the amount payable is subject to a further upward or downward adjustment of up to 25%, depending on the average underlying ROE achieved during the three years prior to vesting compared to the pre-defined underlying ROE targets for the corresponding three-year period. The maximum upward adjustment of 25% applies if the average underlying ROE achieved is 200% of the target. The ROE adjustment, however, cannot increase the amount payable beyond two times the initial award.

For 2013, 60% of the LTI (or 30% of total variable incentive compensation) was structured as a deferred cash award. The Group retains the right to settle the cash portion of the LTI awards in shares at its discretion. In such a case, the amount of shares delivered in the year of vesting is based on the Group share price at the time of settlement.

For 2013, 40% of the LTI (or 20% of total variable incentive compensation) was delivered as CCA. This element of the LTI has the same terms as CCA awarded to managing directors and directors, except for the vesting and performance metrics, which are the same as those applicable to cash-based LTI awards described above. LTI awards granted as CCA entitle recipients to semi-annual cash payments of interest-equivalents until settlement, but would be written down to zero if the CCA trigger events described above occur. At the time of settlement, the Group, at its discretion, may deliver a contingent capital instrument or a cash payment based on the fair value of the CCA.

Other aspects of Executive Board compensation

Charitable contributions

Consistent with the prior three years, a portion of the Executive Board incentive compensation pool for 2013 was approved by the Compensation Committee to fund charitable contributions by the Group. The total amount approved for charitable contributions was CHF 4.8 million for 2013. The contributions will benefit eligible registered charities. The CEO and three other Executive Board members are able to make recommendations in respect of the allocation of the 2013 contributions to various specific charities.

Minimum share ownership requirements

The Group applies minimum share ownership requirements for members of the Executive Board as follows:

- CEO: 350,000 shares; and
- Other Executive Board members: 150,000 shares.

The thresholds include all Group shares held by or on behalf of these executive employees, including unvested share-based awards. All affected executive employees are restricted from selling shares, or from receiving their share-based awards in the form of cash, until they fulfill the minimum share ownership requirements. The Group prohibits all employees from entering into

transactions to hedge the value of unvested share-based awards. Pledging of unvested deferred awards by Executive Board members is also not permitted unless expressly approved by the Compensation Committee.

Amendment to share plans

The terms of all past and future share-based awards granted to the Executive Board were amended in 2014 to enable election of settlement in cash or shares. The amendments permit Executive Board members to elect once a year, at a predefined date in advance of settlement, to receive their vested share-based awards in the form of shares, cash or 50% in the form of shares and 50% in cash, in each case based on the Group share price at the time of settlement. An election to receive cash is subject to reversal if the Group share price falls by more than 25% between election and settlement. The timing and pricing of settlement will be the same as under the previous award plan and as under the plans of the non-Executive Board population. This change does not affect deferred share-based awards to non-Executive Board members, which will continue to be settled in the form of Group shares.

Contract lengths, change in control and termination provisions

All members of the Executive Board have employment contracts with the Group which are valid until terminated. The notice period for termination of employment by either the Group or the respective Executive Board member is six months. There are no other contracts, agreements or arrangements with the members of the Executive Board that provide for payments or benefits in connection with termination of employment that are not generally available to other employees of the Group. For example, in the event of a termination of employment, pre-defined conditions apply to the balances of outstanding compensation awards, depending on whether the termination of employment was voluntary, involuntary or the result of a change in control.

In the case of a change in control, the treatment of outstanding awards for all employees, including Executive Board members, will be determined by the Board upon recommendation of the Compensation Committee with the aim of maximizing shareholder value, subject to circumstances and prevailing market conditions. There are no provisions in the employment contracts of Executive Board members or any other pre-determined arrangements that require the payment of any type of extraordinary benefits, including special severance awards, in the case of a change in control.

Former Executive Board members

Generally, former members of the Group's most senior executive body who no longer provide services to the Group are still eligible to receive office infrastructure and secretarial support. These services are based on existing resources and are not used on a regular basis. No additional fees, severance payments or other forms of compensation were paid to former members of the Executive Board who no longer provide services to the Group during 2013.

Executive Board shareholdings and loans

Executive Board shareholdings

The table "Executive Board holdings and values of deferred share-based awards by individual" discloses the shareholdings of the Executive Board members, their immediate family and companies in which they have a controlling interest, as well as the value of the unvested share-based compensation awards held by Executive Board members as of December 31, 2013.

The value of share-based compensation awards granted to Executive Board members in prior years varies depending on the Group share price and other factors influencing the fair value of the award. The cumulative value of these unvested share-based

awards as of December 31, 2013 was on average 4% higher than at the grant date value of the awards.

The remaining cash-based deferred compensation awards granted to certain Executive Board members in prior years are the 2008 Partner Asset Facility (PAF), the 2011 Partner Asset Facility (PAF2) and the Plus Bond awards. The cumulative value of such cash-based awards at their grant dates was CHF 16.7 million compared to CHF 30.5 million as of December 31, 2013. The value of these awards varies depending upon the value of the underlying portfolios linked to the PAF, PAF2 and Plus Bond awards and the length of the remaining deferral period.

Executive Board holdings and values of deferred share-based awards by individual

end of	Number of owned shares ¹	Number of unvested share awards	Number of owned shares and unvested share awards	Number of unvested SISUs	Number of options	Value of unvested awards at grant (CHF)	Current value of unvested awards (CHF)
December 31, 2013							
Brady W. Dougan	1,221,334	416,540	1,637,874	38,051	–	12,176,651	12,396,697
Gaël de Boissard	107,329	536,014	643,343	31,283	–	16,187,272	15,470,189
Romeo Cerutti	136,344	231,491	367,835	11,636	–	6,128,891	6,630,073
Tobias Guldemann	–	258,127	258,127	14,545	–	6,907,523	7,435,765
David R. Mathers	17,469	387,642	405,111	7,565	–	9,422,493	10,777,295
Hans-Ulrich Meister	189,478	417,112	606,590	23,273	–	11,248,886	12,009,299
Robert S. Shafir	617,053	532,112	1,149,165	31,160	–	14,344,561	15,360,428
Pamela A. Thomas-Graham	–	216,875	216,875	7,191	–	5,461,314	6,110,280
Eric M. Varvel	–	286,098	286,098	27,735	–	9,597,358	8,558,226
Total	2,289,007	3,282,011	5,571,018	192,439	–	91,474,949	94,748,252
December 31, 2012							
Brady W. Dougan	906,929	666,068	1,572,997	76,102	–	18,945,613	19,815,939
Romeo Cerutti	80,279	320,261	400,540	23,272	–	8,446,679	9,172,331
Tobias Guldemann	57,763	375,725	433,488	29,090	–	9,964,935	10,808,561
David R. Mathers	0	461,439	461,439	15,130	1,095 ²	11,174,895	12,724,392
Hans-Ulrich Meister	178,198	550,776	728,974	46,546	–	14,848,594	15,948,497
Robert S. Shafir	387,544	736,377	1,123,921	62,320	–	19,807,159	21,325,210
Pamela A. Thomas-Graham	4,583	239,137	243,720	14,382	–	6,342,875	6,768,957
Eric M. Varvel	62,169	454,785	516,954	55,470	–	13,996,715	13,623,809
Total	1,677,465³	3,804,568	5,482,033	322,312	1,095	103,527,465	110,187,696

¹ Includes shares that were initially granted as deferred compensation and have vested.

² Consists of options with an expiration date of January 22, 2013 and an exercise price of CHF 30.60.

³ In addition to the number of owned shares shown, the following Executive Board members held an aggregate number of 2,320 mandatory and contingent convertible securities (MACCS): Brady Dougan (1,336), Romeo Cerutti (60), Hans-Ulrich Meister (262), Robert Shafir (571), Eric Varvel (91); these securities were converted into an aggregate number of 143,033 shares on March 29, 2013 at a conversion price of CHF 16.29 and were settled and delivered in April 2013.

Executive Board loans

The majority of loans outstanding to Executive Board members are mortgages or loans against securities. Such loans are made on the same terms available to employees under the Group's employee benefit plans. As of December 31, 2013, 2012 and 2011, outstanding loans to Executive Board members amounted to CHF 10 million, CHF 8 million and CHF 22 million, respectively. The number of individuals with outstanding loans at the beginning and the

end of 2013 was three and four, respectively, and the highest loan outstanding was USD 5 million to Eric Varvel.

All mortgage loans to Executive Board members are granted either with variable or fixed interest rates over a certain period. Typically, mortgages are granted for periods of up to ten years. Interest rates applied are based on refinancing costs plus a margin, and interest rates and other terms are consistent with those applicable to other employees. Loans against securities are granted at interest rates and on terms applicable to such loans

granted to other employees. The same credit approval and risk assessment procedures apply to Executive Board members as for other employees. Unless otherwise noted, all loans to Executive Board members were made in the ordinary course of business and substantially on the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and in consideration of the terms which apply to all Group employees. These loans did not involve more than the normal risk of collectability or present other unfavorable features.

► Refer to “Banking relationships and related party transactions” in Corporate Governance for further information.

2014 targets, caps and performance criteria

The targets, caps and performance criteria to be applied in 2014 are based on the framework and approach introduced for the 2013 performance year. The overall targets and caps expressed as multiples of base salaries for 2014 remain the same as for 2013, however the composition of the awards has been modified for 2014, as shown in the table “2014 targets and caps for Executive Board members” and described further below.

In early 2014, the Compensation Committee also refined the criteria applicable to the 2014 performance review to reflect broader measurements of performance. The criteria for 2014 encompass the achievement of profitability and cost targets, as well as progress towards the wind-down of non-strategic positions in light of the current operating environment. The progress of the wind-down of non-strategic units will be measured based on

the achievement of reduction targets for risk-weighted assets and leverage exposure, as well as the attainment of non-strategic pre-tax income targets. The Compensation Committee has introduced further measures relating to the execution of the Group’s strategy, development of the business, delivery of major infrastructure projects and other specific performance measures for each individual. These performance criteria and the respective weightings to be applied in relation to the CEO and other members of the Executive Board appear in the table “2014 performance criteria for the Executive Board”. The overall cap on total Executive Board incentive compensation in 2014 will be 2.5% of adjusted Group net income, based on reported results adjusted for fair value losses or gains from movement in own credit spreads and certain litigation provisions as determined by the Compensation Committee.

2014 targets and caps for Executive Board members

	Target levels		Cap levels	
	Range for Executive Board members	CEO	Range for Executive Board members	CEO
Multiples of base salaries				
Short-term awards				
Unrestricted cash	0.3 – 0.8	0.5	0.6 – 1.4	0.8
Short-term incentive award	0.5 – 1.3	0.8	0.9 – 2.1	1.2
Long-term incentive award	0.8 – 2.1	1.4	1.5 – 3.5	2.0

2014 performance criteria for the Executive Board

	CEO	Divisional head		Shared Services head		Performance objectives to meet target
		PB&WM	IB	CFO	Other	
Financial performance criteria (60% weighting)						
Group ROE (after tax) – strategic results ¹	30%	30%	30%	25%	25%	12.5% Group ROE based on strategic results
Group cost/income ratio – strategic results ¹	20%	–	–	15%	20%	71.0% Group cost/income based on strategic results
Wind-down of non-strategic units ²	10%	10%	10%	10%	–	35.0% year-on-year reduction of risk-weighted assets and leverage exposure (2.5% weighting for each metric) and achievement of budgeted non-strategic pre-tax income (5% weighting) ^{3,4}
Divisional return on allocated capital ^{5,6}	–	–	20%	–	–	11.5% return on allocated capital
Divisional cost/income ratio ⁵	–	20%	–	–	–	69.0% divisional cost/income
Divisional total operating expenses ⁵	–	–	–	10%	15%	2014 budget expenses on a foreign exchange neutral basis
Non-financial criteria (40% weighting)						
Business and infrastructure development	15%	15%	15%	15%	15%	Compensation Committee assessment of strategy execution, business development, performance of subdivisions and regions and delivery of major projects
Other performance	25%	25%	25%	25%	25%	Compensation Committee assessment of capital strength, human capital management, control/operational/reputational risk management, involvement in client activities, partnership and firm focused behavior

PB&WM – Private Banking & Wealth Management; IB – Investment Banking

¹ Refer to “Core Results” in II – Operating and financial review for further information on strategic results.

² Performance measured at the Group level for the CEO and the CFO and at the respective divisional non-strategic unit level for the divisional heads.

³ Risk-weighted assets are adjusted to exclude methodology changes.

⁴ Budgeted non-strategic pre-tax income is based on reported results, excluding the impact of changes in the fair value of own debt and certain substantial litigation provisions as determined by the Compensation Committee.

⁵ Based on reported results, excluding certain substantial litigation provisions as determined by the Compensation Committee.

⁶ Calculated using income after tax denominated in US dollars, assuming that allocated capital is measured as the average of 10% of average Basel III risk-weighted assets and 2.4% of average leverage exposure.

Key features of Executive Board compensation – 2014

Refinements in 2014	Composition	Vesting timeline (payout in year after grant)	Key features
<ul style="list-style-type: none"> ■ Additional financial performance criteria related to the wind-down of non-strategic units ■ Additional non-financial performance criteria related to strategy execution, business development and project delivery ■ Short-term incentive (STI) awards to cliff vest after three years (previously ratable vesting over three years) ■ Long-term incentive (LTI) awards delivered partly as share-based awards rather than cash 	50% STI awards Cash: 20% Performance share award: 30%	Full award at grant	Unrestricted cash, except for UK Code Staff, who will receive 10% in unrestricted cash and 10% in blocked share awards
		Full award cliff vested	In addition to malus provisions, a negative formula-based adjustment is applied to all outstanding awards, subject to the profitability of the Group and divisions
	50% LTI awards Share-based award: 25% Contingent Capital Award (CCA): 25%	1/3	The amount payable at vesting for all LTI awards ranges from 0 to 200% of the grant value and will be determined based on relative total shareholder return (primary metric) and average ROE based on strategic results ¹ (secondary metric)
		1/3	The CCA tranche is loss-absorbing and subject to write-down based on the Group's capital position
		Year 1 2 3 4 5	

¹ Subject to adjustments for significant litigation items as determined by the Compensation Committee.

2014 compensation structure

The annual base salary in 2014 will be CHF 2.5 million for the CEO, CHF 1.5 million for Executive Board members based in Switzerland and USD 1.5 million for Executive Board members based in the US and the UK, which is unchanged from the prior year. As of December 31, 2013, two of the Executive Board members qualify as UK Code Staff for 2014 and will therefore, in accordance with the rules introduced by CRD IV, be subject to the relevant variable award compensation caps applicable to UK Code Staff. Consistent with market practice in the UK, the Group intends to award these individuals a fixed allowance during 2014 based on their roles and responsibilities. The targets and caps on total compensation will not be affected by this fixed allowance.

In 2014, slight amendments to the structure of incentive compensation have been made compared to 2013. The variable compensation granted to each Executive Board member will consist of:

- 20% as unrestricted cash payment, except for UK Code Staff, who will receive 10% in the form of unrestricted cash and 10% in the form of blocked share awards;

- 30% as STI awards in the form of a deferred performance share award, with cliff vesting after three years; and
- 50% as LTI awards in the form of share-based awards and CCA in equal portions, with vesting on the third, fourth and fifth anniversaries of the grant date, subject to pre-defined performance vesting conditions.

The above changes to the compensation structure for 2014 extend the vesting period for the short-term deferred awards, reflecting the Compensation Committee's responsiveness to emerging market trends. Under the 2014 structure, no awards will vest before the third anniversary of the date of grant and the final vesting of awards will occur five years after the date of grant. In addition, the long-term incentive award will be delivered in a combination of shares and CCA, rather than cash and CCA. As a result, the portion of deferred share-based awards will be increased to 55%.

BOARD OF DIRECTORS COMPENSATION

Governance

Compensation to members of the Board is determined by the Articles of Association, OGR and the Compensation Committee Charter. The annual compensation paid to members of the Board, including the Chairman, is set by the Board based on the recommendation of the Compensation Committee for the 12-month period from the current AGM to the following year's AGM. In the case of the Chairman's compensation and the additional fees for the committee chairmen, the Board member concerned does not participate in the decision involving his or her own compensation.

Basis of determining compensation for the Board

All members of the Board receive a base board fee plus a committee fee or other additional fee that reflects the respective Board member's role, time commitment and scope of responsibility on the Board. The full-time Chairman, the Vice-Chairman and the three committee chairmen assume the greatest responsibility and dedicate the most time to fulfilling their board duties. As such, these individuals receive a higher annual base board fee than other board members and may receive additional fees which reflect the additional time commitment and responsibility assumed for their specific role. Members of the Board without designated leadership responsibilities (eight individuals) each received an annual base board fee for 2013 of CHF 250,000. Board members serving on the Audit, Risk or Compensation Committees also received an annual committee fee. The committee fees were CHF 150,000 for the Audit Committee, CHF 100,000 for the Risk Committee and CHF 100,000 for the Compensation Committee. Members of the Chairman's and Governance Committee do not receive a committee fee. The base and committee fee amounts are set at levels to attract and retain highly qualified and experienced individuals and take into consideration levels at comparable leading Swiss companies.

Fees paid to Board members are in the form of cash and Group shares, which are blocked for a period of four years. This ensures that the interests of Board members are closely aligned to the interests of shareholders.

Compensation of the Chairman

The Chairman is paid a base board fee plus an additional fee. The additional fee is paid in consideration of the Chairman's performance with respect to his Board responsibilities and is not linked to the Group's financial performance. Total compensation awarded to the Chairman reflects his full-time status and active role in shaping the Group's strategy, governing the Group's affairs and engaging with shareholders. The Chairman coordinates the Board's activities, works with the committee chairmen to coordinate the tasks of the committees and ensures that Board members are provided with sufficient information to perform their duties. The Chairman drives the Board agenda on key topics such as the strategic development of the Group, succession planning and the structure and

organization of the Group. The Chairman also steers the agenda on compensation and compensation structure, including the performance evaluation and compensation of the CEO and the Executive Board. He chairs the Board, the Chairman's and Governance Committee and the shareholder meetings and takes an active role in representing the Group to key shareholders, investors, regulators and supervisors, industry associations and other stakeholders.

For 2013, Chairman Urs Rohner received total compensation of CHF 4.9 million, which consisted of CHF 4.75 million from board fees (CHF 2.5 million base board fee and CHF 2.25 million additional fee) and CHF 0.15 million in other compensation. Of the CHF 4.75 million, CHF 3.6 million was awarded in cash and CHF 1.1 million was awarded in Group shares, blocked for a period of four years. The Chairman's total compensation for 2013 reflected the improved strategic and capital position of the Group and Mr. Rohner's performance. This included Mr. Rohner's leadership of the Board, his impact in closely steering and monitoring the strategic development of the Group, the transition to the challenging new capital requirements, the alignment of business structure and organization to emerging regulatory requirements, as well as his active engagement with key stakeholders and regulators and representation of the Group in a variety of industry associations.

Compensation of the Vice-Chairman and the committee chairmen

Peter Brabeck-Letmathe, in the role of Vice-Chairman, received an annual base board fee of CHF 400,000 but no committee or additional fees. Jean Lanier, Richard E. Thornburgh and John Tiner, each in the role of committee chairman of the Compensation, Risk and Audit Committees, respectively, received an annual base board fee for 2013 of CHF 400,000 plus an additional fee, reflecting the greater responsibility and time commitment required to perform the role of a committee chairman, which is considered to be a significant part-time role. This additional fee is not linked to the Group's financial performance. For 2013, the additional fee was CHF 400,000 for the chairman of the Compensation Committee and CHF 1 million each for the chairmen of the Risk and Audit Committees. The compensation for Jean Lanier takes into account that he began serving as chairman of the Compensation Committee following last year's AGM. In addition to the greater time commitment required to prepare and lead the committee work, the additional fees consider the engagement of the three committee chairmen throughout the year with global regulators, shareholders, the business divisions and Shared Services functions and other stakeholders. Regulatory developments in the banking industry in recent years have put increasing demands on the Risk and Audit Committee chairmen, in particular, increasing the frequency of interaction with the Group's main regulators on internal control, risk, capital and other matters under the supervision of these committees. Furthermore, the greater focus of shareholders on compensation has resulted in an increased number of engagements between the Compensation Committee

chairman and large shareholders and shareholder groups. The additional fees paid to the Compensation, Risk and Audit Committee chairmen also reflected the additional time commitment required to serve as regular members on other Board committees, which they do not chair.

► Refer to "Members of the Board and Board committees" in Corporate Governance – Board of Directors for further information.

Former members of the Board

Two former members of the Board are eligible to receive office infrastructure and secretarial support. These services are based on existing resources and are not used on a regular basis. No additional fees, severance payments or other forms of compensation were paid to former members of the Board or related parties during 2013.

Board compensation for 2013

in	Base board fee	Committee fee	Additional fees ¹	Other compensation categories ²	Total compensation	Awarded in cash	% of total compensation	Awarded in Group shares	% of total compensation	Number of Group shares ³
2013/2014 (CHF)										
Urs Rohner, Chairman ⁴	2,500,000	–	2,250,000	153,260	4,903,260	3,778,260	77%	1,125,000	23%	39,090
Peter Brabeck-Letmathe, Vice-Chairman ⁵	400,000	–	–	–	400,000	200,000	50%	200,000	50%	7,455
Jassim Bin Hamad J.J. Al Thani ⁵	250,000	–	–	–	250,000	125,000	50%	125,000	50%	4,659
Iris Bohnet ⁵	250,000	100,000	–	–	350,000	175,000	50%	175,000	50%	6,523
Noreen Doyle ⁵	250,000	100,000	294,000	–	644,000	469,000	73%	175,000	27%	6,523
Jean-Daniel Gerber ⁵	250,000	150,000	–	–	400,000	200,000	50%	200,000	50%	7,455
Walter B. Kielholz ⁵	250,000	100,000	–	–	350,000	175,000	50%	175,000	50%	6,523
Andreas N. Koopmann ⁵	250,000	200,000	–	–	450,000	225,000	50%	225,000	50%	8,387
Jean Lanier, Chairman of the Compensation Committee ⁴	400,000	–	400,000	–	800,000	600,000	75%	200,000	25%	6,950
Kai S. Nargolwala ⁵	250,000	100,000	–	–	350,000	175,000	50%	175,000	50%	6,523
Anton van Rossum ⁵	250,000	100,000	–	–	350,000	175,000	50%	175,000	50%	6,523
Richard E. Thornburgh, Chairman of the Risk Committee ⁴	400,000	–	1,000,000	–	1,400,000	900,000	64%	500,000	36%	17,374
John Tiner, Chairman of the Audit Committee ⁴	400,000	–	1,000,000	–	1,400,000	900,000	64%	500,000	36%	17,374
Total	6,100,000	850,000	4,944,000	153,260	12,047,260	8,097,260	67%	3,950,000	33%	141,359

¹ Includes the additional fees for the full-time Chairman and the three committee chairmen as well as the additional fees of CHF 294,000 (GBP 200,000) paid to Noreen Doyle in 2013 as a non-executive director and chair of the boards of two of the Group's UK subsidiaries, Credit Suisse International and Credit Suisse Securities Europe Limited. The additional fees of CHF 400,000 were awarded to Jean Lanier as Chairman of the Compensation Committee in 2013, a role to which he was appointed as of the 2013 AGM on April 26, 2013.

² Other compensation for the Chairman included pension benefits, lump sum expenses and child and health care allowances.

³ The value of the Group shares is included in total compensation. Group shares are subject to a four-year blocking period.

⁴ The Chairman and the three committee chairmen received an annual base board fee paid in cash. They also received additional fees paid in cash and/or shares as determined by the Board in the course of the regular compensation process. The additional fees paid to the three committee chairmen covered their regular memberships in other committees that they do not chair. The additional fees awarded to these four individuals for 2013 were paid in Group shares (50%) and cash (50%). The applicable Group share price was CHF 28.78.

⁵ Except for the Chairman and the three committee chairmen, members of the Board were paid an annual base board fee and a committee fee for their respective committee membership in advance for the period from one AGM to the other, i.e., from April 26, 2013 to May 9, 2014. The annual committee fees are CHF 150,000 for the Audit Committee and CHF 100,000 for each of the Risk and Compensation Committees. For 2013, these total combined fees were paid in Group shares (50%) and cash (50%). The applicable Group share price as of the 2013 AGM was CHF 26.83.

Board compensation for 2012

in	Base board fee	Committee fee	Additional fees ¹	Other compensation categories ²	Total compensation	Awarded in cash	% of total compensation	Awarded in Group shares	% of total compensation	Number of Group shares ³
2012/2013 (CHF)										
Urs Rohner, Chairman ⁴	2,500,000	–	2,500,000	234,881	5,234,881	3,984,881	76%	1,250,000	24%	50,772
Peter Brabeck-Letmathe, Vice-Chairman ⁵	400,000	–	–	–	400,000	200,000	50%	200,000	50%	9,026
Jassim Bin Hamad J.J. Al Thani ⁵	250,000	–	–	–	250,000	125,000	50%	125,000	50%	5,641
Robert H. Benmosche ⁵	250,000	100,000	–	–	350,000	175,000	50%	175,000	50%	7,898
Iris Bohnet ⁵	250,000	100,000	–	–	350,000	175,000	50%	175,000	50%	7,898
Noreen Doyle ⁵	250,000	100,000	182,600	–	532,600	357,600	67%	175,000	33%	7,898
Jean-Daniel Gerber ⁵	250,000	150,000	–	–	400,000	200,000	50%	200,000	50%	9,026
Walter B. Kielholz ⁵	250,000	100,000	–	–	350,000	175,000	50%	175,000	50%	7,898
Andreas N. Koopmann ⁵	250,000	100,000	–	–	350,000	175,000	50%	175,000	50%	7,898
Jean Lanier ⁵	250,000	250,000	–	–	500,000	250,000	50%	250,000	50%	11,282
Anton van Rossum ⁵	250,000	100,000	–	–	350,000	175,000	50%	175,000	50%	7,898
Aziz R.D. Syriani, Chairman of the Compensation Committee ⁴	350,000	–	400,000	–	750,000	522,500	70%	227,500	30%	9,241
David W. Syz ⁵	250,000	150,000	–	–	400,000	200,000	50%	200,000	50%	9,026
Richard E. Thornburgh, Chairman of the Risk Committee ⁴	400,000	–	1,000,000	–	1,400,000	900,000	64%	500,000	36%	20,309
John Tiner, Chairman of the Audit Committee ⁴	400,000	–	1,000,000	–	1,400,000	900,000	64%	500,000	36%	20,309
Total	6,550,000	1,150,000	5,082,600	234,881	13,017,481	8,514,981	65%	4,502,500	35%	192,020

¹ Includes the additional fees for the full-time Chairman and the three committee chairmen as well as the additional fees paid to Noreen Doyle in 2012 as a non-executive director of two of the Group's UK subsidiaries, Credit Suisse International and Credit Suisse Securities Europe Limited. The additional fees of CHF 182,600 for Noreen Doyle corresponded to the annual fees of GBP 125,000 which Noreen Doyle received in 2012 as a non-executive director (annual fee of GBP 100,000) and audit committee chair (additional fee of GBP 25,000) of Credit Suisse International and Credit Suisse Securities Europe Limited.

² Other compensation for the Chairman included lump sum expenses, child and health care allowances and pension benefits.

³ The value of the Group shares is included in total compensation. Group shares are subject to a four-year blocking period.

⁴ The Chairman and the three committee chairmen received an annual base board fee paid in cash. They also received additional fees paid in cash and/or share awards as determined by the Board in the course of the regular compensation process. The additional fees awarded to these four individuals for 2012 were paid in Group shares (50%) and cash (50%). The applicable Group share price was CHF 24.62.

⁵ Except for the Chairman and the three committee chairmen, members of the Board were paid an annual base board fee and a committee fee for their respective committee membership in advance for the period from one AGM to the other, i.e., from April 26, 2012 to April 27, 2013. The annual committee fees are CHF 150,000 for the Audit Committee and CHF 100,000 for each of the Risk and Compensation Committees. For 2012, these total combined fees were paid in Group shares (50%) and cash (50%). The applicable Group share price as of the 2012 annual general meeting was CHF 22.16.

Board shareholdings and loans

Board shareholdings

The table below discloses the shareholdings of the Board members, their immediate family and companies in which they have a controlling interest. As of December 31, 2013, there were no Board members with outstanding options.

Board shareholdings by individual

in	2013	2012
December 31 (shares)¹		
Urs Rohner	230,402	244,422
Peter Brabeck-Letmathe	144,186	120,999
Jassim Bin Hamad J.J. Al Thani	17,918	11,790
Iris Bohnet	15,464	7,898
Noreen Doyle	49,014	41,324
Jean-Daniel Gerber	17,701	9,826
Walter B. Kielholz	316,675	292,424
Andreas N. Koopmann	42,569	30,469
Jean Lanier	44,951	43,881
Kai S. Nargolwala	114,666	–
Anton van Rossum	56,464	48,598
Richard E. Thornburgh	212,530	218,456
John Tiner	48,471	24,799
Total	1,311,011	1,094,886^{2,3}

¹ Includes Group shares that are subject to a blocking period of up to four years.

² In addition to the shareholdings shown, the following Board members held an aggregate number of 1,519 mandatory and contingent convertible securities (MACCS): Urs Rohner (395), Peter Brabeck-Letmathe (175), Jassim Bin Hamad J.J. Al Thani (17), Iris Bohnet (11), Walter Kielholz (431), Andreas Koopmann (44), Aziz R.D. Syriani (113), Richard Thornburgh (297) and John Tiner (36); these securities were converted into an aggregate number of 93,247 shares on March 29, 2013 at a conversion price of CHF 16.29 and were settled and delivered in April 2013.

³ Excludes 30,872, 76,774 and 92,745 shares held by Robert H. Benmosche, Aziz R.D. Syriani and David W. Syz, respectively, as of December 31, 2012, who stepped down from the Board as of April 26, 2013.

Board loans

The majority of loans outstanding to members of the Board are mortgages or loans against securities. Such loans are made to Board members on the same terms available to third-party clients. As of December 31, 2013, 2012 and 2011, outstanding loans to

Board members amounted to CHF 55 million, CHF 41 million and CHF 34 million, respectively.

Board members with loans do not benefit from employee conditions, but are subject to conditions applied to clients with a comparable credit standing. Board members who were previously employees of the Group may still have outstanding loans, which were provided at the time that employee conditions applied to them. Unless otherwise noted, all loans to Board members are made in the ordinary course of business and substantially on the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons. Such loans do not involve more than the normal risk of collectability or present other unfavorable features. In addition to the loans listed below, the Group or any of its banking subsidiaries may enter into financing and other banking agreements with companies in which current Board members have a significant influence as defined by the US Securities and Exchange Commission (SEC). Examples include holding executive and/or board level roles in these companies. Unless otherwise noted, loans extended by the Group to such companies are also made in the ordinary course of business and at prevailing market conditions. As of December 31, 2013, 2012 and 2011, there was no loan exposure to such related party companies that was not made in the ordinary course of business and at prevailing market conditions.

► Refer to "Banking relationships and related party transactions" in Corporate Governance for further information.

Board loans by individual

in	2013	2012
December 31 (CHF)		
Urs Rohner	4,968,270	5,034,157
Peter Brabeck-Letmathe	40,631,650	27,520,527
Walter B. Kielholz	4,000,000	4,200,000
Andreas N. Koopmann	4,933,650	2,775,000
Richard E. Thornburgh	222,756	–
Total¹	54,756,326	39,529,684²

¹ Includes loans to immediate family members.

² Excludes a loan of CHF 1,500,000 held by David W. Syz as of December 31, 2012, who stepped down from the Board as of April 26, 2013.

DISCONTINUED COMPENSATION PLANS

The Group has discontinued compensation instruments with leverage components. A summary of the principal forms of awards granted in prior years, which have since been discontinued but are still outstanding, is shown in the following overview. For certain plans, the Group retains the right to settle the instruments in cash or in shares at its discretion.

Principal outstanding deferred variable compensation plans

Restricted Cash Awards

- Basis: cash-based;
- Vesting start: 2013;
- Vesting end: 2016;
- Applied to: performance in 2012, which included managing directors in Investment Banking;
- General award conditions: vesting ratably over three years and other restrictive covenants and provisions. Paid in the first quarter of 2013;
- Other award conditions or restrictions: subject to repayment in part or in full if a clawback event occurs, such as voluntary termination or termination for cause during the vesting period;
- Program objective/rationale: promoting retention of senior management.

Plus Bond awards

- Basis: cash-based;
- Vesting start: 2012;
- Vesting end: 2012/2016;
- Applied to: performance in 2012 for managing directors and directors in Investment Banking. Other managing directors and directors were allowed to reallocate a portion of the share awards into Plus Bond awards. Mandatory Plus Bond awards for managing directors and directors in the Investment Banking division were fully vested on grant, subject to cancellation in the event of a termination with cause or where settlement conditions are violated. Vesting in 2016 for employees who elected to reallocate a portion of their share awards to Plus Bond awards;
- General award conditions: awards are linked to the future performance of a portfolio or unrated and sub-investment grade asset-backed securities that are held in inventory by various trading desks in Investment Banking;
- Other award conditions or restrictions: Plus Bond award holders will receive semi-annual cash payments at the rate of ◐ LIBOR plus 7.875% per annum. Holders of Plus Bond awards are subject to a non-compete/non-solicit provision;
- Program objective/rationale: providing employees with a fixed income strategy while transferring risk from the Group to employees thereby contributing to a reduction of ◐ risk-weighted assets.

2011 Partner Asset Facility (PAF2)

- Basis: cash-based;
- Vesting start: 2012;
- Vesting end: March 31, 2012;
- Applied to: performance in 2011, which included managing directors and directors and certain members of the Executive Board;
- General award conditions: the contractual term of a PAF award is four years, but it may be extended to nine years at the election of either the Group or the holders acting collectively. PAF2 units are essentially fixed income structured notes that are exposed to a portion of the credit risk that arises in the Group's derivative activities. The value of the award (for both the interest accrual and the final redemption) will be reduced if the amount of realized credit losses from a specific reference portfolio exceeds a pre-defined threshold. The Group will bear the first USD 500 million of such losses and the PAF2 holders will bear any losses in excess of USD 500 million, up to the full amount of the deferred compensation awarded;
- Other award conditions or restrictions: PAF2 holders will receive a semi-annual cash interest payment equivalent to an annual return of 5% per annum (Swiss franc-denominated awards) or 6.5% per annum (US dollar-denominated awards) applied to the then current balance of the units. PAF2 holders are subject to a non-compete/non-solicit provision;
- Program objective/rationale: providing employees with a fixed income strategy while transferring risk from the Group to employees thereby contributing to risk reduction and capital efficiency;
- Subsequent activity: PAF2 awards were linked to a portfolio of the Group's credit exposures, providing risk offset and capital relief. Due to regulatory changes, this capital relief would no longer be available. As a result, the Group restructured the awards in March 2014, requiring PAF2 holders to reallocate the exposure of their awards from the pool of counterparty credit risks in the original PAF2 structure to one of the following options, or a combination thereof: i) Capital Opportunity Facility: participants elect for their award to be referenced to a Capital Opportunity Facility (COF). The COF is a seven-year facility that is linked to the performance of a portfolio of risk-transfer and capital mitigation transactions to be entered into with the Group chosen by the COF management team. The value of the COF awards will be reduced if there are losses from the COF portfolio, up to the full amount of the award. Participants who elect the COF will receive semi-annual US dollar cash distributions of 6.5% per annum until settlement in cash in 2021, and such semi-annual distributions will reduce the cash settlement amount payable in 2021; and ii) CCA: participants elect to receive CCA, with similar terms to the instruments granted as part of the 2013 compensation awards. The principal differences between the two forms of CCA are that these CCA are expected to settle approximately one year earlier and provide semi-annual cash payments of interest equivalents at slightly lower rates (4.51% per annum over the six-month Swiss franc LIBOR or 5.07% per annum

over the six-month US dollar LIBOR). Settlement is expected to occur in February 2016, subject to regulatory approvals.

► Refer to [Contingent Capital Awards \(CCA\)](#) in Group compensation for further information.

Adjustable Performance Plan awards

- Basis: cash and share-based;
- Vesting start: 2011;
- Vesting end: 2015;
- Applied to: performance in 2010, which included the Executive Board, managing directors and directors;
- General award conditions: Adjustable Performance Plan awards link awards to future performance through positive and negative adjustments. Vesting ratably over a four-year period;
- Other award conditions or restrictions: for revenue-generating employees in the divisions, Adjustable Performance Plan awards are linked to the financial performance of the specific business areas in which the employees work and the Group reported ROE. For employees in Shared Services and other support functions and all Executive Board members, the awards are linked to the Group's adjusted profit or loss and the Group reported ROE;
- Program objective/rationale: promoting retention of Executive Board members, managing directors and directors.

Scaled Incentive Share Unit (SISU)

- Basis: share-based;
- Vesting start: 2010;
- Vesting end: 2014;
- Applied to: performance in 2009, which included half of the variable compensation awarded to all managing directors and directors across all divisions and Shared Services;
- General award conditions: vesting ratably over a four-year period;
- Other award conditions or restrictions: an SISU is similar to other share-based awards, but offers additional upside depending on the development of the Group share price and the Group reported ROE;
- Program objective/rationale: promoting retention of managing directors and directors.

2008 Partner Asset Facility (PAF)

- Basis: cash-based;
- Vesting start: 2008, 66.7% vested upon grant;
- Vesting end: 33.3% vested in March 2009;
- Applied to: performance in 2008, which included all managing directors and directors in Investment Banking;
- General award conditions: the contractual term of a PAF award is eight years. PAF awards are indexed to, and represent a first-loss interest in, a specified pool of illiquid assets (Asset Pool) that originated in Investment Banking. The notional value of the Asset Pool was based on the fair market value of the assets within the Asset Pool as of December 31, 2008, and those assets cannot be substituted throughout the contractual term of the award or until liquidated;
- Other award conditions or restrictions: PAF holders will receive a semi-annual cash interest payment of the LIBOR plus 250 basis points applied to the notional value of the PAF award granted throughout the contractual term of the award. They will participate in the potential gains on the Asset Pool if the assets within the pool are liquidated at prices above the initial fair market value. If the assets within the Asset Pool are liquidated at prices below the initial fair market value, the PAF holders will bear the first loss on the Asset Pool;
- Program objective/rationale: designed to incentivize senior managers in Investment Banking to effectively manage assets which were a direct result of risk taking in Investment Banking during this period. As a result of the PAF program, a significant portion of risk positions associated with the Asset Pool has been transferred to the employees and removed from the Group's risk-weighted assets, resulting in a reduction in capital usage.

► Refer to ["Note 28 – Employee deferred compensation"](#) in V – Consolidated financial statements – Credit Suisse Group for more information.