CREDIT SUISSE

Annual Report 2022

Credit Suisse Group AG

Key metrics

	2022	2021	in / end of 2020	% change 22 / 21	% change 21 / 20
Credit Suisse (CHF million)					
Net revenues	14,921	22,696	22,389	(34)	1
Provision for credit losses	16	4,205	1,096	(100)	284
Total operating expenses	18,163	19,091	17,826	(5)	7
Income/(loss) before taxes	(3,258)	(600)	3,467	443	–
Net income/(loss) attributable to shareholders	(7,293)	(1,650)	2,669	342	–
Cost/income ratio (%)	121.7	84.1	79.6	–	–
Effective tax rate (%)	(124.2)	(171.0)	23.1	–	–
Basic earnings/(loss) per share (CHF)	(2.55)	(0.63)	1.02	305	–
Diluted earnings/(loss) per share (CHF)	(2.55)	(0.63)	0.99	305	–
Return on equity (%)	(16.1)	(3.8)	5.9	–	–
Return on tangible equity (%)	(17.4)	(4.2)	6.6	–	–
Assets under management and net new assets (CHF billion)					
Assets under management	1,293.6	1,614.0	1,511.9	(19.9)	6.8
Net new assets/(net asset outflows)	(123.2)	30.9	42.0	–	(26.4)
Balance sheet statistics (CHF million)					
Total assets	531,358	755,833	818,965	(30)	(8)
Net loans	264,165	291,686	291,908	(9)	0
Total shareholders' equity	45,129	43,954	42,677	3	3
Tangible shareholders' equity	41,768	40,761	38,014	2	7
Basel III regulatory capital and leverage statistics (%)					
CET1 ratio	14.1	14.4	12.9	–	–
CET1 leverage ratio	5.4	4.3	4.3	–	–
Tier 1 leverage ratio	7.7	6.1	6.3	–	–
Share information					
Shares outstanding (million)	3,941.3	2,569.7	2,406.1	53	7
of which common shares issued	4,002.2	2,650.7	2,447.7	51	8
of which treasury shares	(60.9)	(81.0)	(41.6)	(25)	95
Book value per share (CHF)	11.45	17.10	17.74	(33)	(4)
Tangible book value per share (CHF)	10.60	15.86	15.80	(33)	0
Market capitalization (CHF million)	11,062	23,295	27,904	(53)	(17)
Dividend per share (CHF)	0.05	0.10	0.10	(50)	0
Number of employees (full-time equivalents)					
Number of employees	50,480	50,390	49,190	0	2

See relevant tables and related narratives for additional information on these metrics.

Annual Report 2022

Credit Suisse Group AG

Credit Suisse Apps –
Available in the App Store and Google Play Store

Credit Suisse Direct
With the Credit Suisse Direct app for smartphones and tablets you have all the advantages of mobile banking at your fingertips – anytime, anywhere. Whether you want to pay bills, transfer account, trade securities, check your credit card details or follow your safe-keeping account in real time or catch up on financial information.

Investor Relations
allows investors, analysts, media and other interested parties to remain up to date with relevant online and offline financial information on Credit Suisse.

For the purposes of this report, unless the context otherwise requires, the terms "Credit Suisse Group", "Credit Suisse", the "Group", "we", "us" and "our" mean Credit Suisse Group AG and its consolidated subsidiaries. The business of Credit Suisse AG, the direct bank subsidiary of the Group, is substantially similar to the Group, and we use these terms to refer to both when the subject is the same or substantially similar. We use the term the "Bank" when we are referring only to Credit Suisse AG and its consolidated subsidiaries. We use the term the "Bank parent company" when we are referring only to the standalone parent entity Credit Suisse AG. Abbreviations and selected terms are explained in the List of abbreviations and the Glossary in the back of this report. Publications referenced in this report, whether via website links or otherwise, are not incorporated into this report. The English language version of this report is the controlling version. In various tables, use of "–" indicates not meaningful or not applicable.

Message from the Chairman and the Chief Executive Officer

For Credit Suisse, 2022 was an important year that marked a decisive break from the past and the beginning of our journey to become a simpler, more focused bank built around the needs of our clients. In October, we announced a clear strategy that builds on our core strengths and addresses current challenges, and we have since been executing it at pace. Our strategic, cultural and operational transformation aims to re-establish Credit Suisse as a solid, reliable and trusted partner with a strong value proposition for all our stakeholders.

Dear shareholders, clients and colleagues

We would like to begin by expressing our sincere gratitude to you for the continued loyalty and trust that you have shown Credit Suisse through what was undoubtedly one of the most challenging years in the recent history of our bank.

The need for renewal is clear. In October 2022, we announced a strategic plan to create a new Credit Suisse, centered on our core strengths – our leading Wealth Management and Swiss Bank franchises, with strong capabilities in Asset Management and Markets – and returning to our heritage and cultural values. While our strategic priorities focus on the restructuring of our Investment Bank, the strengthening and reallocation of our capital and the accelerated cost transformation, we are also fundamentally reshaping the bank at a cultural and an operational level.

As we build the new Credit Suisse, we must strike a careful balance between renewal and continuity. While we intend to address the issues we face transparently and expeditiously, we are committed to staying true to the essence of Credit Suisse that has made us a preferred partner to our clients for decades. Credit Suisse's purpose is unchanged and will be rejuvenated: To build lasting value by serving our clients with care and entrepreneurial spirit.

By 2025, we want Credit Suisse to have resilient franchises that are positioned for sustainable and profitable growth, supported by our strong capital position and balance sheet and a right-sized cost base. To achieve these ambitions, we have announced bold and decisive actions that go beyond previous realignments.

Bold and decisive actions

In terms of our strategic transformation, we are radically restructuring the Investment Bank to focus on our strengths and capabilities where we already have a competitive advantage, while exiting or scaling back non-core activities. As such, we plan to focus on those parts of our Markets business going forward with strong connectivity to Wealth Management and our Swiss clients, to offer cross-asset investment products, market access and financing solutions. In addition, we are reviving the CS First Boston brand by creating a leading capital markets and advisory business. This business is expected to have a reduced risk profile, while building on a partnership model to tap the right talent and attract external capital.

Culturally, we want to build on our core values of entrepreneurship, inclusion, meritocracy, partnership, accountability, client focus and trust – values that have shaped the bank since 1856 when it was founded by entrepreneur Alfred Escher. As part of our cultural transformation, we want to ensure that our people act as prudent and professional risk managers at all times, are part of a diverse and inclusive environment and always feel confident to speak up. As one of the milestones in this respect, all our people, including ourselves, completed a dedicated risk culture training during 2022.

At the operational level, we are focusing on right-sizing our cost base through a comprehensive transformation program that goes further and deeper than ever before. We aim to reduce the Group's cost base to approximately CHF 14.5 billion by 2025, to substantially improve long-term efficiency and boost Credit Suisse's overall resilience. Actions already initiated in the fourth quarter of 2022 are expected to represent approximately 80% of the 2023 cost base reduction target of approximately CHF 1.2 billion, with further initiatives underway. While cost reductions are a focal point, growth investments should be protected, and we intend to continue to develop our business to meet the evolving needs of our clients in a rapidly changing world. Ultimately, we want to transform the way we run our bank to ensure we can sustainably build our business at lower costs in the future.

Regarding legacy issues, we have also taken decisive action, as demonstrated by the settlements we have reached relating to our residential mortgage-backed securities, foreign exchange and French legacy cases. Our regulatory remediation program is advancing, and we have rolled out a comprehensive plan to strengthen and improve risk management across the Group, including putting additional measures and safeguards in place.

Axel Lehmann, Chairman of the Board of Directors (left) and Ulrich Körner, Chief Executive Officer.

Building and maintaining a strong capital base is another key element of our strategic plan. We have already announced a number of measures to provide us with sufficient capital to deliver on our objectives. In November 2022, we announced that we had entered into definitive transaction agreements in relation to the sale of a significant part of our Securitized Product Group (SPG) to Apollo Global Management[1] (Apollo). This transaction involves phased closings with the first and second closing of the transaction with Apollo completed on February 7, 2023 and February 23, 2023, respectively. The reduction in the asset equivalent exposures of SPG and related financing businesses from these first and second closings, together with recently completed sales of other portfolio assets to Apollo and other third parties and certain business reductions, has already achieved approximately 70% of its targeted asset reduction since the third quarter of 2022. We expect the full transaction to be completed in the first half of 2023. In December, we successfully completed capital raises with gross proceeds of CHF 4 billion, enabling us to drive our transformation from a position of capital strength.

2022 financial results and outlook

Our financial results for 2022 were significantly affected by the challenging macro and geopolitical environment with market uncertainty and client risk aversion, significant deposit and net asset outflows in the fourth quarter as well as the strategic actions we are taking to build the new Credit Suisse. Net revenues for 2022 decreased by 34% year on year, driven by declines across all of our divisions. Net revenues of CHF 14.9 billion included real estate gains of CHF 368 million and a valuation loss of CHF 586 million related to our equity investment in Allfunds Group.

Operating expenses of CHF 18.2 billion were down 5% year on year and included major litigation provisions of CHF 1.3 billion and restructuring expenses of CHF 533 million. For the full year 2022, Credit Suisse reported a pre-tax loss of CHF 3.3 billion, compared to a pre-tax loss of CHF 600 million for 2021. The adjusted* pre-tax loss for 2022 was CHF 1.3 billion, compared to an exceptionally strong adjusted* pre-tax income of CHF 6.6 billion for 2021. The net loss attributable to shareholders for 2022 was CHF 7.3 billion, compared to a net loss attributable to shareholders of CHF 1.7 billion in 2021. The net loss attributable to shareholders for 2022 included an impairment of deferred tax assets related to our comprehensive strategic review of CHF 3.7 billion taken in the third quarter of the year.

In view of our financial results in 2022, the Board of Directors proposes a cash distribution of CHF 0.05 per share for the 2022 financial year to shareholders at the Annual General Meeting on April 4, 2023. This is in line with the nominal dividend approach for 2022-2024 that we announced on October 27, 2022. As we complete our transformation program, we plan meaningful distributions from 2025 onwards.

The transformation we announced and started in 2022 is fully underway. Both in 2023 and 2024, we will be absolutely focused on the execution of our strategic plans, transforming into the new Credit Suisse with its leading franchises in Switzerland and in Wealth Management, strong capabilities in Asset Management and Markets and the carveout of CS First Boston as a leading capital markets and advisory business. We will work diligently to improve our cost efficiency in a sustainable manner, while investing in our core businesses and further improving our risk management overall.

Steering a course for success with a new and highly experienced leadership team

The Board of Directors and the Executive Board are convinced that our new strategy and implementation plans are a blueprint for future success. With a new and highly experienced leadership team, which has a proven track record in the delivery of restructurings and executing to plan, we believe we have the right team in place to achieve the strategic, cultural and operational transformation of our bank. Since October 2022, this team has been executing our strategy towards the new Credit Suisse at pace and with full dedication and commitment. Together, we will work hard to restore trust and pride in Credit Suisse, to create value for our clients and to deliver strong returns for our shareholders.

We want to take this opportunity to thank all our employees around the world for their great professionalism and dedication in 2022. They stayed close to our clients, delivering first-class service and advice, while demonstrating a high level of commitment to Credit Suisse. We would also like to thank our clients and shareholders for their support as we work tirelessly to create the new Credit Suisse and position the bank for sustainable future success.

Best regards

Axel P. Lehmann
Chairman of the
Board of Directors

Ulrich Körner
Chief Executive Officer

March 2023

Important Information

* Refers to results excluding certain items included in our reported results, which are non-GAAP financial measures. For a reconciliation to the most directly comparable US GAAP measures and other information, see "Reconciliation of adjustment items" in section II – Operating and financial review – Credit Suisse.

[1] Refers to entities and funds managed by affiliates of Apollo Global Management.

For further details on capital-related information, see "Regulatory framework" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Capital Management.

This document contains forward-looking statements that involve inherent risks and uncertainties, and we might not be able to achieve the predictions, forecasts, projections and other outcomes we describe or imply in forward-looking statements. A number of important factors could cause results to differ materially from the plans, targets, goals, expectations, estimates and intentions we express in these forward-looking statements, including those we identify in "Risk factors" and in the "Cautionary statement regarding forward-looking information" in our Annual Report on Form 20-F for the fiscal year ended December 31, 2022, published on March 14, 2023 and filed with the US Securities and Exchange Commission, and in other public filings and press releases. We do not intend to update these forward-looking statements.

We may not achieve all of the expected benefits of our strategic initiatives, such as in relation to our intended reshaping of the bank, cost reductions and strengthening and reallocating capital. Factors beyond our control, including but not limited to the market and economic conditions (including macroeconomic and other challenges and uncertainties, for example, resulting from Russia's invasion of Ukraine), customer reaction to our proposed initiatives, enhanced risks to our businesses during the contemplated transitions, changes in laws, rules or regulations and other challenges discussed in our public filings, could limit our ability to achieve some or all of the expected benefits of these initiatives. Our ability to implement our strategy objectives could also be impacted by timing risks, obtaining all required approvals and other factors.

In particular, the terms "Estimate", "Illustrative", "Ambition", "Objective", "Outlook", "Guidance", "Goal", "Commitment" and "Aspiration" are not intended to be viewed as targets or projections, nor are they considered to be Key Performance Indicators. All such estimates, illustrations, ambitions, objectives, outlooks, guidance, goals, commitments and aspirations are subject to a large number of inherent risks, assumptions and uncertainties, many of which are completely outside of our control. These risks, assumptions and uncertainties include, but are not limited to, general market conditions, market volatility, increased inflation, interest rate volatility and levels, global and regional economic conditions, challenges and uncertainties resulting from Russia's invasion of Ukraine, political uncertainty, geopolitical and diplomatic tensions, instabilities and conflicts, changes in tax policies, scientific or technological developments, evolving sustainability strategies, changes in the nature or scope of our operations, including as a result of our recently announced strategy initiatives, changes in carbon markets, regulatory changes, changes in levels of client activity as a result of any of the foregoing and other factors. Accordingly, these statements, which speak only as of the date made, are not guarantees of future performance and should not be relied on for any purpose. We do not intend to update these estimates, illustrations, ambitions, objectives, outlooks, guidance, goals, commitments, aspirations or any other forward-looking statements. For these reasons, we caution you not to place undue reliance upon any forward-looking statements.

In preparing this document, management has made estimates and assumptions that affect the numbers presented. Actual results may differ. Annualized numbers do not take into account variations in operating results, seasonality and other factors and may not be indicative of actual, full-year results. Figures throughout this document may also be subject to rounding adjustments. All opinions and views constitute good faith judgments as of the date of writing without regard to the date on which the reader may receive or access the information. This information is subject to change at any time without notice and we do not intend to update this information.

Our estimates, ambitions, objectives, aspirations and targets often include metrics that are non-GAAP financial measures and are unaudited. A reconciliation of the estimates, ambitions, objectives, aspirations and targets to the nearest GAAP measures is unavailable without unreasonable efforts. Results excluding certain items included in our reported results do not include items such as goodwill impairment, major litigation provisions, real estate gains, impacts from foreign exchange and other revenue and expense items included in our reported results, all of which are unavailable on a prospective basis. Our cost base target is measured using adjusted operating expenses at constant 2022 foreign exchange rates and on a constant perimeter, before taking into account the SPG transaction and other divestments, all of which is unavailable on a prospective basis. Such estimates, ambitions, objectives, aspirations and targets are calculated in a manner that is consistent with the accounting policies applied by us in preparing our financial statements.

The English language version of this document is the controlling version.

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I – Information on the company

Strategy

Credit Suisse Strategy

On October 27, 2022, Credit Suisse announced a series of decisive actions intended to create a simpler, more focused bank built around client needs. The announcement follows a strategic review conducted by the Board of Directors and Executive Board, resulting in a radical restructuring of the Investment Bank, an accelerated cost transformation, and strengthened and reallocated capital.

We are taking extensive measures to deliver a new, more integrated business model, with the goal of creating value for shareholders. We will build on our leading Wealth Management and Swiss Bank franchises, with strong capabilities in Asset Management and Markets.

Over the next three years, we will focus on the following strategic priorities:

- **Restructuring the Investment Bank** to significantly reduce the risk profile and improve returns with (i) a highly connected Markets business and industry-leading investor products franchise; (ii) CS First Boston as a leading capital markets and advisory business; and (iii) a significant exposure reduction from the contemplated sale of the majority of our Securitized Products Group (SPG)'s assets and from the wind-down of other businesses moved to the Non-Core Unit (NCU).
- **Strengthening and reallocating capital** with a focus on (i) improving the CET1 ratio through, among other things, the SPG transaction and other divestments, as well as the capital raises completed in the fourth quarter of 2022; (ii) utilizing the NCU to accelerate the wind-down of non-strategic, low-return businesses and markets to release capital; and (iii) allocating almost 80% (excluding Corporate Center) of capital to Wealth Management, Swiss Bank, Asset Management and Markets by 2025.
- **Accelerating cost transformation** by significantly reducing the Group's cost base.

Strategic priorities for transforming Credit Suisse

Restructuring the Investment Bank

We are taking decisive steps to restructure the Investment Bank and focus on areas more closely connected to our core businesses where we have a competitive advantage. This will involve transforming the risk profile of the Investment Bank and targeting a reduction in each of risk-weighted assets (RWA) and leverage exposure of approximately 40% (compared to the end of the third quarter of 2022, excluding Basel III reforms) by 2025 through strategic actions across four areas:

Markets business

The Markets business includes the strongest and most relevant aspects of our trading capabilities. While remaining fully committed to serving institutional clients, our leading capabilities in cross-asset investor products as well as equities, foreign exchange and rates access is closely aligned with the Wealth Management and Swiss Bank franchises. This allows us to provide tailored solutions to clients and differentiate ourselves from other pure-play wealth managers. These changes enable Markets to reinforce its position as a solutions provider to third-party wealth managers. Markets will also support CS First Boston.

Securitized Products Group

On November 15, 2022, Credit Suisse announced that it had entered into definitive transaction agreements to sell a significant part of its Securitized Products Group (SPG) (Apollo transaction) to entities and funds managed by affiliates of Apollo Global Management (collectively, Apollo). This transaction involves phased closings through the first half of 2023 and represents an important step towards a managed exit from the SPG business and to de-risk the bank. On February 7, 2023, the parties completed the first closing of such transaction and the majority of the assets and professionals associated with the transaction are now part of or managed by ATLAS SP Partners, a new standalone credit firm focused on asset-backed financing and capital markets solutions. On February 23, 2023, the parties completed the second closing of such transaction, with further assets transferred.

Although the closings of the Apollo transaction are phased, Credit Suisse is now, after the first closing, expecting to recognize the full pre-tax gain on the sale to Apollo of approximately USD 0.8 billion, representing a CET1 ratio benefit of approximately 30 basis points to be booked in the first quarter of 2023. Furthermore, these first and second closings, together with recently completed sales of other portfolio assets to Apollo and other third parties and certain business reductions, resulted in a reduction of the asset equivalent exposures of SPG and related financing businesses from USD 74 billion as of September 30, 2022 to approximately USD 35 billion as of February 23, 2023. As previously announced, upon completion of the Apollo transaction and the expected sale of related assets and businesses and other planned deleveraging, SPG assets are expected to be reduced to approximately USD 20 billion and up to a total of approximately USD 10 billion in RWA is currently expected to be released further benefiting the CET1 ratio. Other than the recognition of the pre-tax gain, the above outcomes are subject to regulatory approvals.

In connection with the initial closing of this transaction, Credit Suisse and Apollo entered into various ancillary agreements related to the Apollo transaction, including an investment management agreement, certain financing arrangements and a transition services agreement. Under the investment management agreement, an affiliate of ATLAS SP Partners will provide services to Credit Suisse for an initial term of five years with respect to the management of Credit Suisse's retained portfolio of SPG assets and related financing businesses intended to cover approximately USD 20 billion of assets. Credit Suisse and Apollo also entered into financing arrangements, including to finance a significant portion of the aggregate amount of assets purchased in the transaction, secured by underlying collateral. Credit Suisse expects to syndicate the majority of these financings. Furthermore, under the transitional services agreement, in order to maintain a seamless experience for clients, Credit Suisse will provide certain transitional services to Apollo for the transferred SPG business and related financing businesses. The transfer of the remainder of the assets under the Apollo transaction remains subject to receipt of customer consents.

As we reduce residential mortgage-backed securities (RMBS) exposures and activity as part of our announced strategy towards a managed exit from the SPG business and to de-risk the bank we anticipate based on ongoing regulatory discussions that operational risk RWA associated with historical RMBS activity will decrease.

CS First Boston

On February 9, 2023, the Group announced that it had taken further important steps to progress the carve-out of CS First Boston as a leading capital markets and advisory business through the acquisition of The Klein Group LLC, the investment banking business as well as the registered broker-dealer of M. Klein & Company LLC (the seller). The Group also announced the appointment of former Board of Directors member Michael Klein as Chief Executive Officer (CEO) of Banking and regional CEO of Americas, as well as designated CEO of CS First Boston and a member of the Executive Board. Both Michael Klein's appointment to the Executive Board and the acquisition of The Klein Group LLC are subject to regulatory approval. The purchase price is USD 175 million. To align interests with the Group, the seller will receive a convertible note and a warrant. The note will provide annual payments and convert into, and the warrant entitles the seller to subscribe to, CS First Boston shares at a qualified initial public offering or other liquidity event, at the then-valuation of CS First Boston, less a customary discount. The principal amount of the convertible note is expected to be USD 100 million, with the balance being paid in cash dependent on the amount of taxes to be paid by the seller at closing. The net present value of the transaction to the Group is expected to be approximately USD 210 million, which also includes interest cost, annual payments on the note and other payments that may in the future become payable in respect of this transaction. Deutsche Bank AG has provided a fairness opinion to the Board of Directors in connection with the acquisition. The transaction is expected to close in the first half of 2023. Following the acquisition's closing, The Klein Group LLC is expected to be fully integrated into CS First Boston. The Group will retain control over the ultimate scope and structure of CS First Boston, including options to attract third-party capital in the future, as announced at the strategy update on October 27, 2022.

Capital Release Unit

Effective January 1, 2023, the Capital Release Unit (CRU) was established as a separate division to accelerate the reduction of assets, release capital, reduce risk and manage the residual of the SPG business. In advance of its formal establishment, proactive deleveraging and de-risking measures were implemented over the fourth quarter of 2022. The CRU is working to accelerate the wind-down of these assets to release capital and liquidity while targeting cost reductions.

Strengthening and reallocating capital

In the fourth quarter of 2022, we raised capital with gross proceeds of CHF 4.0 billion through the issuance of new shares to qualified investors and through a rights offering for existing shareholders. These capital raises improved our capital base, and we ended the year 2022 with a CET1 ratio of 14.1% and a CET1 leverage ratio of 5.4%. In addition, the successful execution of the SPG transaction and other planned divestments as well as RWA and leverage reductions from the new CRU are expected to release further amounts of capital to support the execution of the strategic transformation. Accordingly, the Group expects to maintain a pre-Basel III reform CET1 ratio of at least 13.0% throughout 2023-2025, with an expected 2025 pre-Basel III reform CET1 ratio in excess of 13.5%.

The CRU comprises the NCU and the residual of the SPG business. The NCU's purpose is to release capital through the wind-down of non-strategic, low return and higher-risk businesses. The NCU includes the global prime services business, select European lending and capital markets activities, non-Wealth Management-related lending in emerging markets, our global trust business, select trading assets from our Markets business and residual assets transferred from the Asset Resolution Unit. The NCU is expected to release approximately 60% of RWA (excluding operational risk RWA) and approximately 55% of leverage exposure by the end of 2025 compared to the end of the third quarter of 2022, allowing the bank to allocate more capital to higher-return businesses where it has clear competitive advantages.

We further intend to reallocate capital to our core, higher-return businesses. The share of RWA in Wealth Management, the Swiss Bank and Asset Management, together with Markets, is estimated to increase to almost 80% (excluding the Corporate Center) by 2025, with the intention of growing the revenue share of these businesses to over 85% (excluding the Corporate Center) by 2025. CS First Boston is estimated to account for a further 9% (excluding the Corporate Center) of RWA and approximately 14% (excluding the Corporate Center and CRU) of the revenue share by 2025. As we reduce residential mortgage-backed securities (RMBS) exposures and activity as part of our announced strategy towards a managed exit from the SPG business and to de-risk the bank, we anticipate based on ongoing regulatory discussions that operational risk RWA associated with historical RMBS activity will decrease.

Accelerating cost transformation

We have started to take significant measures aiming to reduce the Group's cost base by 15%, or approximately CHF 2.5 billion, to a cost base of approximately CHF 14.5 billion in 2025. Of this, a reduction of approximately CHF 1.2 billion relative to 2022 guidance at the second quarter of 2022 is targeted for 2023. A comprehensive cost transformation program has been initiated and we plan to go deeper and further than the bank has previously indicated to substantially improve long-term efficiency while retaining a focus on strengthening risk management and investing in our core businesses. Key cost transformation initiatives include non-core unit run down and business descoping, organizational simplification, workforce management and third-party cost management. Our cost base target is measured using adjusted operating expenses at constant 2022 foreign exchange rates and on a constant perimeter, before taking into account the SPG transaction and other divestments.

The cost actions already initiated as of December 2022 are expected to represent around 80% of the 2023 cost base reduction target of approximately CHF 1.2 billion, with further initiatives in progress. We already reduced contractor headcount by approximately 30% and consultant headcount by approximately 20% in the fourth quarter of 2022, as we progress towards a targeted 50% reduction in consultancy spend and a 30% reduction in contractor spend in 2023. The number of employees was reduced by approximately 4% in the fourth quarter of 2022, including notified reductions in workforce. Credit Suisse expects to run the bank with approximately 43,000 employees (based on full-time equivalents) by the end of 2025 compared to approximately 52,000 at the end of the third quarter of 2022, reflecting natural attrition and targeted headcount reductions.

The bank estimates restructuring charges, software and real estate impairments in connection with the transformation of approximately CHF 2.9 billion over a period from the fourth quarter of 2022 to 2024. The transformation is intended to be funded through divestments, exits, the completed capital actions and existing resources.

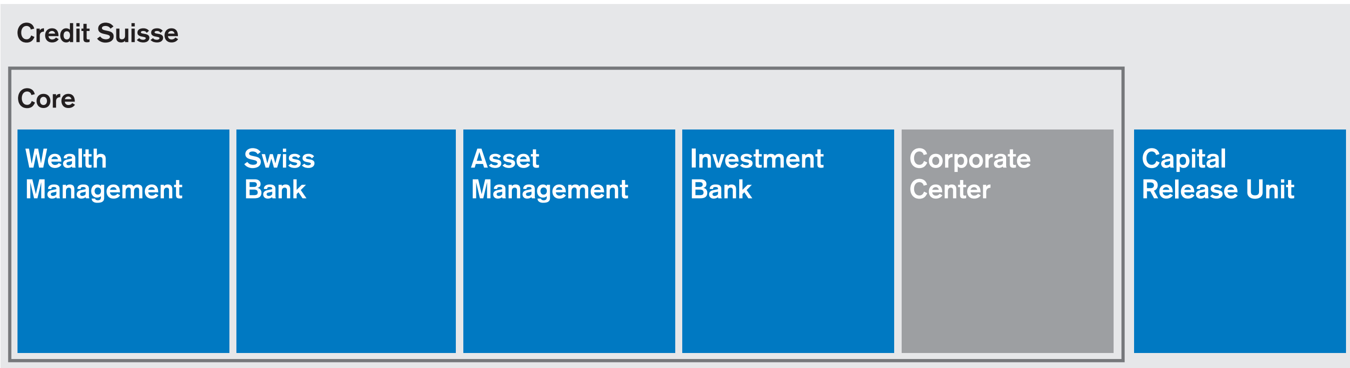
Organizational structure

Division

Effective January 1, 2023, the Group is organized into five divisions – Wealth Management, Swiss Bank, Asset Management, the Investment Bank and a new Capital Release Unit. Beginning in the first quarter of 2023, our financial reporting will be presented accordingly.

Credit Suisse reporting structure

Effective January 1, 2023, Credit Suisse includes the results of our five reporting segments, including the Capital Release Unit, and the Corporate Center. Core does not include the Capital Release Unit.



Corporate functions

Our operating businesses are supported by focused corporate functions at the Group Executive Board level, consisting of: Chief Financial Officer, Chief Technology & Operations Officer, Chief Risk Officer, Chief Compliance Officer, General Counsel and Global Head of People. The bank's corporate functions partner with the divisions and regions as part of our effort to provide effective collaboration, management and control oversight.

Financial objectives and certain management actions

Strategic review

We expect to follow a clear execution roadmap and:

- Radically restructure the Investment Bank to significantly reduce risk-weighted assets, targeting a reduction in RWA of approximately 40% (as of the end of the third quarter of 2022, excluding Basel III reforms) by 2025.
- Execute the transfer of a significant part of SPG portfolio assets to Apollo.
- Accelerate cost reductions, reducing the Group's cost base by 15%, or approximately CHF 2.5 billion, to approximately CHF 14.5 billion in 2025, with an interim target of CHF 15.8 billion in 2023.
- Strengthen and reallocate capital. The Group is targeting a pre-Basel III reform CET1 ratio of at least 13% throughout the transformation from 2023 through 2025, and a pre-Basel III reform CET1 ratio of more than 13.5% by the end of 2025. In addition, we intend to allocate almost 80% of capital to Wealth Management, Swiss Bank, Asset Management and the Markets business by 2025, excluding the Corporate Center.
- Utilize the NCU to accelerate the wind-down of non-strategic, low-return businesses and markets and to release capital, targeting a reduction of approximately 60% of RWA (excluding operational risk RWA) and approximately 55% of leverage exposure by the end of 2025.
- Target a Group return on tangible equity (RoTE) of approximately 6% by 2025 and a Core RoTE of more than 8% by 2025.
- Advance a capital distribution policy with a nominal dividend over 2022-2024 and meaningful distributions from 2025 onward.

Our estimates, ambitions, objectives, aspirations and targets often include metrics that are non-GAAP financial measures and are unaudited. A reconciliation of these estimates, ambitions, objectives, aspirations and targets to the nearest generally accepted accounting principles (GAAP) measures is unavailable without unreasonable efforts. Results excluding certain items included in our reported results do not include items such as goodwill impairment, major litigation provisions, real estate gains, impacts from foreign exchange and other revenue and expense items included in our reported results, all of which are unavailable on a prospective basis. Return on Tangible Equity is based on tangible shareholders' equity, a non-GAAP financial measure also known as tangible book value, which is calculated by deducting goodwill and other intangible assets from total shareholders' equity as presented in our balance sheet, both of which are unavailable on a prospective basis. Our cost base target is measured using adjusted operating expenses at constant 2022 foreign exchange rates and on a constant perimeter, before taking into account the SPG transaction and other divestments, all of which is unavailable on a prospective basis. Such estimates, ambitions, objectives, aspirations and targets are calculated in a manner that is consistent with the accounting policies applied by us in preparing our financial statements.

Divisions

Wealth Management

Business profile

The **Wealth Management** division offers comprehensive wealth management and investment solutions and tailored financing and advisory services to ultra-high-net-worth (UHNW) and high-net-worth (HNW) individuals and external asset managers. Our wealth management business is among the industry's leaders in our target markets. We serve our clients along a client-centric and needs-based delivery model, utilizing the broad spectrum of Credit Suisse's global capabilities, including those offered by the Investment Bank and Asset Management.

We serve our clients through geographic coverage business areas Asia Pacific, Europe, Middle East & Türkiye, and Latin America, and client segment-specific coverage business areas for Premium Clients Switzerland, Private Banking International, and External Asset Managers. We continue to exit certain non-core markets, while expanding our market leading UHNW and HNW franchises in priority markets.

Organizational change

Effective January 1, 2023, both the Global Trading Solutions (GTS) and the Asia Pacific Financing Group (AFG) joint-ventures between Wealth Management and the Investment Bank were dissolved. Certain financing activities were transferred to Wealth Management. The Markets business within the Investment Bank continues to provide cross-asset investor products for Wealth Management clients, while AFG has moved to Wealth Management, with selective transactions moving to the Non-Core Unit.

→ Refer to "Organizational structure" in Strategy for further information.

In October 2022, we announced the successful completion of the offering of our entire shareholding in Allfunds Group plc (Allfunds Group), which represented approximately 8.6% of the share capital of Allfunds Group, through an accelerated bookbuild offering to institutional investors. Following the completion of this transaction, we no longer hold any shares in Allfunds Group.

In September 2022, we signed separate agreements with The Bank of N.T. Butterfield & Son Limited (Butterfield) and Gasser Partner Trust reg. (Gasser Partner) for the sale of our global trust business (Credit Suisse Trust, CST). CST entities continue to operate with a limited number of clients. Under separate agreements, Butterfield acquired CST's businesses based in Guernsey, Singapore and The Bahamas, while Gasser Partner acquired CST's Liechtenstein business. The transaction with Butterfield is expected to close in 2023 and is subject to customary conditions.

Business strategy

Wealth Management significantly contributes to Credit Suisse's strategic and financial ambitions and our business is among the industry's leaders in our target markets. We redefined our business strategy in 2022 to reinvigorate long-term sustainable growth and capitalize on the attractive growth opportunities in our industry. The following six strategic priorities guide our decisions:

Integrate our Wealth Management division and simplify organization

In 2022, we took extensive integration and simplification steps to create a unified Wealth Management division. This included streamlining the number of client coverage business areas, creating a single, global external asset manager coverage unit, simplifying investment and lending solutions delivery and unifying and centralizing technology platform accountability and strategy. We believe these critical steps lay the foundations for sustainable growth of Wealth Management and will drive further synergies over time.

Grow systematically UHNW and accelerate HNW client segments

In the UHNW client segment, we continue to strengthen the focus on, and level of service provided to, UHNW clients. To this end, we made strategic hires in certain priority markets and implemented a new global coverage model and value proposition for the top-end of the segment, our Strategic Clients. Our integrated, one-stop-shop value proposition across our clients' lifecycle needs continues to be a key driver of success and differentiator for our UHNW and Entrepreneurial clients.

We evolved the HNW coverage model, through our successful Private Banking International coverage and delivery model, to include Swiss-based HNW focused relationship managers. We believe that for clients with less complex needs, a hybrid-model of engagement built around wealth planning and House View-led advisory services with a personalized and timely offering will continue to support our ambition to achieve superior client experience.

Optimize footprint with a focus on priority markets

We have a deep and long-standing history across our coverage areas and the regions served, where we are geared toward higher growth markets. As part of executing our strategic plan, we intend to focus on the clear opportunities and optimize our footprint. We have identified those priority markets that have attractive characteristics over the long-term and where we want to grow. We aim to achieve this through investing in certain initiatives to scale up and build out our presence and capabilities.

We are also in the process of reducing activities with unattractive risk and return profiles and exiting certain sub-scale markets, taking a disciplined approach to better allocate resources and sharpen focus on those priority markets.

Leverage our centralized lending and investment platforms
We focus on systematically offering solutions and products that are tailored to our clients' needs, holistically advising them on their assets and liabilities. We believe that broadened collaboration and partnership across our firm provides the basis for creating a differentiated and needs-based value proposition and for gaining a larger share of our clients' business. We are leveraging our investment strategy and research capabilities, including the Credit Suisse House View, as part of our approach to further optimize the risk/return profiles of our clients' investment portfolios, also through the Markets business in the Investment Bank, Asset Management and sustainability-related solutions. It remains our priority to grow discretionary and advisory mandates, embed sustainability considerations into our thematic investment solutions and advisory process and continue to grow our private markets and alternatives offering.

Additionally, financing solutions for our clients are an integral part of our holistic approach to wealth management. To meet their needs, we leverage our centralized capabilities and deploy a consistent product offering across regions, while maintaining a focus on managing credit portfolio and operational risk. We also plan to grow our advisory solutions in collaboration with the Investment Bank.

Enhance client and relationship manager experience through technology and automation
We continue to invest in infrastructure and drive the digital transformation with the aim of further improving the technology-enabled service experience for our clients and our relationship managers. In particular, we are focused on how we are deploying our technologies, prioritizing the development of our advanced data analytics and digital advisory strategy and our omni-channel service model.

Furthermore, we continue to take steps to prioritize and direct investment into the simplification and automation of our operating model and front-to-back processes as we consolidate and leverage our technology capabilities across geographies, enhance risk management and control processes and streamline the client onboarding process. All these measures are targeted at a better client experience, higher front-office productivity and a cost efficient and scalable global technology platform, while systematically embedding risk management and compliance into our processes.

Consistent risk management, enabling sustainable growth
We have taken steps to strengthen our approach to risk management, with a particular focus placed on client risk and compliance. Further, a more focused operating model is being implemented with a more harmonized approach to the first line of defense and our chief operating office & business risk management setup. This seeks to realign accountability and resources, reduce fragmentation and consolidate expertise.

We realigned our risk appetite and reduced the risk exposure of the credit portfolio following the execution of certain de-risking measures. As capital deployment into our division increases, we expect to grow our diversified lending portfolio in a sustainable way over time.

Products and services

We offer a wide range of wealth management solutions tailored to the specific needs of our clients, working in close collaboration with our investment banking and asset management businesses.

Structured advisory process
We apply a structured and technology-enabled approach in our advisory process based on a thorough understanding of our clients' needs, personal circumstances, product knowledge, investment objectives and a comprehensive analysis of their financial situation to define individual client risk profiles. On this basis, we define an individual investment and financing strategy in collaboration with our clients. This strategy is implemented to help ensure adherence to portfolio quality standards and compliance with suitability and appropriateness standards for all investment and financing instruments. Our relationship managers, working together with our investment consultants and, where required, with other solution-specific experts, are responsible for the implementation and ensuring our ability to provide comprehensive advice to our clients.

Comprehensive investment services
We offer a comprehensive range of investment advice and discretionary asset management services based on the outcome of our structured advisory process and the global House View of our Credit Suisse Investment Committee. We base our advice and services on the analysis and recommendations of our research and investment strategy teams, which provide a wide range of investment expertise, including macroeconomic, equity, bond, commodity and foreign-exchange analysis, as well as research on the economy. Our investment advice covers a range of services, from portfolio consulting to advising on individual investments. We offer our clients portfolio and risk management solutions, including managed investment products. These are products actively managed and structured by our specialists or third parties. We apply environmental, social and governance (ESG) criteria at various points in the investment process with an active sustainability offering, which invests in line with the Credit Suisse Sustainable Investment Framework, and passive ESG index and exchange traded funds (ETF). The Markets business within the Investment Bank continues to provide cross-asset investor products for Wealth Management clients, while our Asset Management division provides a broad range of thematic or specific investment solutions for our clients. For clients with more complex requirements, we offer investment portfolio structuring and the implementation of individual strategies, including a wide range of structured, alternative and private market investments. Discretionary asset management services are available to clients who wish to delegate the responsibility for investment decisions to Credit Suisse. In addition, our clients benefit from our comprehensive expertise and services in wealth and succession planning.

Financing and lending
We offer a broad range of financing and lending solutions across all of our private client segments, including consumer credit and real estate mortgage lending, real asset lending relating to ship and aviation financing for UHNW individuals, standard and structured hedging and lombard lending solutions as well as collateral trading services.

Swiss Bank

Business profile

The **Swiss Bank** division offers comprehensive advice and a wide range of financial solutions to private, corporate and institutional clients primarily domiciled in our home market of Switzerland. Our private clients business has a leading franchise in Switzerland, including HNW, affluent, retail and small business clients. In addition, we provide consumer finance services through our subsidiary BANK-now and the leading credit card brands through our investment in Swisscard AECS GmbH. Our corporate and institutional clients business serves large corporate clients, small and medium-sized enterprises (SMEs), institutional clients, financial institutions and commodity traders.

Organizational change

Effective January 1, 2023, the Swiss investment banking business moved from the Investment Bank division into the Swiss Bank division. Investment banking Switzerland serves corporate clients and financial institutions in connection with financing transactions in debt and equity capital markets and advises on mergers and acquisitions (M&A) transactions.

→ Refer to "Organizational structure" in Strategy for further information.

Business strategy

The Swiss Bank operates in an attractive market with a resilient economy, leading multinationals and SMEs, and large institutional clients. The Swiss Bank has leading positions in each business segment: HNW, affluent, retail, consumer finance, credit cards, corporate banking, institutional banking, M&A advisory, equity capital markets and debt capital markets.

In close collaboration with the other divisions, we aim to further build on our positioning as:

- Bank for Switzerland with global expertise, committed to our Swiss home market and to all our clients in Switzerland
- Bank for Entrepreneurs, leveraging Credit Suisse experience in supporting entrepreneurs across its divisions
- Bank for bespoke solutions, working as partners, understanding clients' complex needs and finding compelling solutions that solve problems holistically, giving clients practical experiences, services and products
- Bank for the digital generation, further leveraging digitalization, automation and data management to serve and advise our clients in an increasingly digital society and economy

The Swiss Bank operates a "high-touch/high-tech" business model, providing tailor-made solutions for HNW, affluent and corporate and institutional clients with sophisticated needs ("high-touch"), and an increasingly digitally led hybrid service model for retail and corporate clients with less complex needs and a preference for digital channels ("high-tech"). Across all businesses we seek to put a strong focus on disciplined risk management.

For "high-touch", our aspiration is to gain market share by building on our strong positions with our clients and providing the full range of our offering. Our key initiatives to achieve this goal are:

- Strengthen global connectivity with Wealth Management, the Investment Bank and Asset Management;
- Invest in products: sustainability, lending, financial planning and further develop data analytics; and
- Drive capital velocity by redirecting capital and creating fund-based offerings.

For "high-tech", our aspiration is to innovate with a tech-centric approach to win new clients and improve profitability. Our key initiatives to achieve this goal are:

- Simplify and digitalize front-to-back operating model;
- Further expand our CSX platform: grow private clients, enhance offering, target smaller SME clients; and
- Further invest in digital client engagement and marketing.

Products and services

For our Swiss retail and small business clients, we provide core banking solutions, such as payments, accounts, debit and credit cards, product bundles, as well as investment solutions and lending offerings such as mortgages, consumer loans and lombard loans. In 2021, we further strengthened our CSX digital brand, targeting younger and digitally savvy clients, and surpassed 300,000 clients by the end of 2022.

For our Swiss HNW and affluent clients, we provide products for day-to-day banking needs and a wide range of tailored solutions for more sophisticated client needs. These include discretionary and advisory investment mandates, a variety of lending solutions, wealth planning services as well as a dedicated offering for entrepreneurs. Apart from the aforementioned digital enhancements, we continued to invest in our advisory process in 2022. This allows us to offer our clients integrated financial planning services and more personalized offerings, which is intended to significantly enhance the client experience along their individual lifecycle.

We further built the strategic partnership with MoneyPark AG and PriceHubble AG to provide a fully integrated digital real estate offering to our clients, such as, for example an overview of the client's property, including its valuation and further information about its surroundings integrated into our digital banking products and services.

In accordance with our ambition to position ourselves as the "Bank for Entrepreneurs", we provide corporate and institutional clients with a holistic range of banking solutions. Our value proposition in the Swiss market allows us to assist our clients at virtually every stage of their business life cycle.

For our corporate clients, we provide a comprehensive set of banking solutions such as payment services, foreign exchange, traditional and structured lending, corporate leasing, employee share ownership services (ESOS) and escrow services. For large

Swiss corporations, multinational groups and commodity traders with specific needs for global finance and transaction banking, we leverage Credit Suisse's global investment banking expertise and provide tailored services, including large-scale financing and capital market transactions.

For our institutional clients, we have a dedicated coverage model and offer a broad range of products and services. For pension funds and corporate investors, we provide the full suite of Credit Suisse solutions:
- Institutional mandates and fund solutions from Asset Management
- Trading solutions from the Investment Bank
- Asset servicing solutions including global custody, investment reporting and private labeled funds
- Cash products and payment processing
- Investment strategy advisory including asset-liability management

For financial institutions, we deliver the following core products and services:
- Swiss franc and multicurrency payments
- Continuous linked settlement
- Execution/brokerage
- Swiss and international custody
- Trade finance
- Private label funds

Additionally, we provide the following investment banking products and services to our private, corporate and institutional clients:
- Advisory on both the buy- and sell-side during mergers, acquisition and divestiture transactions
- Origination and execution of capital raises through equity and equity-linked instruments, secondary placements and equity derivative transactions
- Origination and execution of bond offerings for Swiss issuers in all currencies and for international issuers in Swiss francs

Asset Management

Business profile

The Asset Management division offers investment solutions and services globally to a broad range of clients, including pension funds, governments, foundations and endowments, corporations and individuals, with a strong presence in our Swiss home market. Backed by the Group's global presence, Asset Management offers active and passive solutions in traditional investments as well as alternative investments. We apply ESG criteria at various points in the investment process with an active sustainability offering, which invests in line with the Credit Suisse Sustainable Investment Framework, and passive ESG index and ETF.

Business strategy

Asset Management's vision is to be a multi-specialist asset manager of choice in both public and private markets and across institutional and wealth management clients, as well as third-party wholesale distributors. To deliver on this vision, we plan to simplify, strengthen and invest in our asset management business.

Simplification is a key element in the years to come as we plan to undergo a fundamental transformation of our business. This involves, among other things, (i) further reducing our non-core investment and partnership portfolio; and (ii) building one global operating platform for our core franchise, characterized by globally standardized, streamlined and automated processes with a view towards delivering scale and efficiency gains while simultaneously reducing operational risk.

While simplifying the business, we also envisage strengthening the existing franchise across key dimensions of our five defined strategic pillars: distribution, products and capabilities, operational model and technology, risk and controls, and governance and legal entity set-up. Strategic actions include the introduction of a holistic and globally aligned coverage model for our target client segments, a strengthened sales management team and the build-out of existing and new core investment capabilities.

We also plan to invest with the primary focus on shifting our business into higher margin segments of the market by (i) building out our third-party wholesale business and expanding our in-house Wealth Management connectivity; (ii) building a meaningful presence in attractive markets across Europe and the Asia Pacific region; and (iii) expanding our high alpha investment capabilities and developing our private markets offering.

Products and services

Our traditional investment products provide strategies and comprehensive management across equities, fixed income and multi-asset products in both fund formation and customized solutions. Stressing investment principles, such as risk management and asset allocation, we take an active and disciplined approach to investing. Alongside our actively managed offerings, we have a suite of passively managed solutions, which provide clients access to a wide variety of investment options for different asset classes in a cost-effective manner.

We also offer institutional and individual clients a range of alternative investment products, including credit investments, hedge fund strategies, real estate and commodities.

Investment Bank

Business profile

The **Investment Bank** offers a broad range of financial products and services focused on client-driven businesses and also supports Credit Suisse's Wealth Management division and its clients. Our suite of products and services includes global securities sales, trading and execution, capital raising and advisory services. Our clients include financial institutions, corporations, governments, sovereigns, UHNW and institutional investors, such as pension funds and hedge funds, financial sponsors and private individuals around the world. We deliver our investment banking capabilities globally through regional and local teams based in both major developed and selected emerging market centers. Our business model enables us to deliver high value, customized solutions that leverage the expertise offered across Credit Suisse and that help our clients unlock capital and value in order to achieve their strategic goals.

Organizational change

The Investment Bank in its current state continues to operate and is managed as one division. Effective January 1, 2023, the division is reorganized into Markets and Banking, with the latter to be carved out later as CS First Boston. Markets includes cross-asset investor products, equities, foreign exchange and rates trading and securities research. Banking includes capital markets, advisory and global credit products.

→ Refer to "Organizational structure" in Strategy for further information.

Business strategy

On October 27, 2022, we announced our strategy to restructure the Investment Bank to significantly reduce the risk profile and improve returns. Our Investment Bank strategy is to be a leading provider of cross-asset investor products, equities, foreign exchange and rates access for Credit Suisse clients, as well as to carve out our capital markets and advisory business. In addition, we expect to reduce our risk and capital usage, targeting a reduction in each of RWA and leverage exposure from the end of the third quarter of 2022 levels of approximately 40% (pre-Basel III reforms) by 2025 through strategic actions across four areas: align and streamline our Markets business, carve out CS First Boston, complete our SPG transaction and utilize the CRU to release capital.

Our streamlined **Markets business** includes the strongest and most relevant aspects of our trading capabilities, which are aligned with Credit Suisse's strategic objectives, combined with differentiated securities research. While remaining fully committed to serving institutional clients, our leading capabilities in cross-asset investor products as well as equities, foreign exchange and rates access are closely aligned with the Wealth Management and Swiss Bank franchises and are intended to support CS First Boston once it is created. In addition, to reduce risk and capital usage we exited and reduced certain activities across the following businesses: Prime services, emerging markets financing, fund financing and foreign exchange high-touch international institutional.

On November 15, 2022, Credit Suisse announced that it had entered into definitive transaction agreements for the Apollo transaction, which involves phased closings through the first half of 2023 and represents an important step towards a managed exit from the SPG business and to de-risk the bank. On February 7, 2023, the parties completed the first closing of such transaction and the majority of the assets and professionals associated with the transaction are now part of or managed by ATLAS SP Partners, a new standalone credit firm focused on asset-backed financing and capital markets solutions. On February 23, 2023, the parties completed the second closing of such transaction, with further assets transferred.

→ Refer to "Securitized Products Group" in Strategy – Credit Suisse Strategy for further information.

The Investment Bank's **capital markets and advisory activities combined with global credit products** are expected to be integrated into CS First Boston, which after a transition period is intended to become a leading capital markets and advisory business. The core product offerings of CS First Boston will include M&A, as well as capital raising solutions across equity capital markets, debt capital markets, leveraged finance, and equity and debt derivatives, the latter two in cooperation with Markets. In addition, our credit sales & trading franchise offers clients a range of financing options, including but not limited to, collateralized loan obligation formation and repurchase agreements, providing integrated core market access and distribution capabilities. The future CS First Boston plans to attract third-party capital, as well as a preferred long-term partnership with other Credit Suisse businesses.

→ Refer to "CS First Boston" in Strategy – Credit Suisse Strategy for further information.

Products and services

Capital markets and advisory

Equity capital markets originates, syndicates and underwrites equity in initial public offerings (IPOs), common and convertible stock issues, acquisition financing and other equity issues. **Debt capital markets** originates, syndicates and underwrites corporate and sovereign debt, including investment grade and leveraged loans, investment grade and high yield bonds and unit transactions. We are also a leading provider of committed acquisition financing, including leveraged loan, bridge finance and mezzanine finance. **Advisory services** advises clients on all aspects of M&A, corporate sales, restructurings, divestitures, spin-offs and takeover defense strategies. **Private Fund Group** (PFG) is a fully integrated global placement agent and advisory group with a dedicated capital solutions team providing customized liquidity solutions and direct placement capabilities to clients.

Equities

Cash equities provides clients access to primary and secondary equity markets globally. The business is a market maker on numerous exchanges, trading in traditional single stock and equity-related securities, including American depositary receipts (ADRs). Cash equities operates five primary trading desks. Advanced Execution Services (AES) is a platform operated by us to facilitate global equity trading. By employing algorithms to execute client orders and limit volatility, AES helps institutions and hedge funds reduce market impact. AES execution services are offered directly to clients and also to internal trading desks. Program trading provides execution of baskets, rather than single stock names. The desk engages in program facilitation trading, particularly around global index rebalancing and other major index events. It incorporates agency, facilitation, guaranteed VWAP (volume weighted average price), blind bids and risk trading. High-touch trading offers an interactive experience to clients, providing a higher level of client communication with sales traders on market color and trends. High-touch trading may be more relevant when clients are interested in trading less liquid products or contemplate more complex trades. ETF market making (Americas-only) provides liquidity to clients of the bank looking to transact in ETFs. Position traders stand ready to bid for or offer ETF or Index-based equities and may hold inventory for this purpose. Trades may be executed on an agency, principal (facilitation), or riskless principal basis. Systematic strategies (US-only) is a largely electronic business operating a range of process-driven liquidity providing strategies focusing on highly liquid cash equity, foreign exchange and listed derivatives through diversification and continuous risk recycling with a systematic approach to the development, implementation and risk management of electronic strategies. In addition, we also provide specific research and analytics and other content-driven products and services (such as HOLT). **Equity derivatives** provides a full range of equity-related and cross-asset products globally, including flow and structured products, systematic strategies and strategic equity solutions, as well as sophisticated hedging and risk management expertise and comprehensive execution capabilities to private banking clients, financial institutions, hedge funds, asset managers and corporations. **Convertibles** provides secondary trading and market making of convertible bonds as well as pricing and distribution of Credit Suisse-originated convertible issuances. Our equities offering also includes **HOLT**, a differentiated and proprietary framework for objectively assessing the performance of over 20,000 companies worldwide with interactive tools and consulting services that clients integrated into their investment process to make better decisions.

Fixed income

Global credit products is a client-focused credit franchise that provides expert coverage in credit trading, sales and financing. We offer market-making capabilities in private and public debt across the credit spectrum, including leveraged loans, high yield and investment grade corporate bonds, and credit derivatives. We offer clients a range of financing options for credit products including, but not limited to, repurchase agreements and collateralized loan obligation formation. **Macro products** includes our global foreign exchange and rates businesses and structured macro solutions. Our rates business offers market-making capabilities in US cash and derivatives, European cleared swaps and select bilateral and structured solutions. Our investor products business manufactures rates, foreign exchange and commodity-based structured products for institutional and private banking clients. **Emerging markets and structured credit** include a range of structured credit products including secured financing transactions and credit investor products as well as onshore-trading in a range of local markets including Brazil, China and India.

Other

Other products and activities include lending and certain real estate investments. Corporate lending includes senior bank debt in the form of syndicated loans and commitments to extend credit to investment grade and non-investment grade borrowers.

Research

Our equity and fixed income businesses are enhanced by the securities research function. Securities research offers differentiated content with and around our leading single stock research (about 2,800 companies under coverage) leveraging proprietary insights through our industry immersion strategy, thematic research across public and private markets, insights through alternative data & analytics, and thought leadership in ESG across all our products.

Capital Release Unit

Business profile

The **Capital Release Unit** (CRU) was established to accelerate the reduction of assets, release capital, reduce risk and manage the residual of the SPG business. The Non-Core Unit (NCU) is focused on accelerating the wind-down of assets that are not aligned to the bank's strategic priorities and eliminate operating expenses and funding costs associated with these businesses.

Composition

The CRU comprises the NCU and the residual of the SPG business. The NCU includes assets, operating expenses and funding costs associated with the following businesses and activities: the remaining global prime services business, select European lending and capital markets activities, non-Wealth Management-related lending in emerging markets, our global trust business, select trading assets from our Markets business and residual assets transferred from the Asset Resolution Unit. Transfers from the Investment Bank division include corporate bank and emerging markets loans, equity swaps, fixed income trading, rates and foreign exchange, legacy life finance business and minority interest investments. The NCU is expected to release approximately 60% of RWA (excluding operational risk RWA and the impact from methodology updates) and approximately 55% of leverage exposure by the end of 2025 compared to the end of the third quarter of 2022, allowing the bank to allocate more capital to higher-return businesses where it has clear competitive advantages.

Reporting structure in 2022

Until December 31, 2022, we served our clients through four divisions – Wealth Management, Investment Bank, Swiss Bank and Asset Management. Our business divisions cooperated closely to provide holistic financial solutions, including innovative products and specially tailored advice. Our financial reporting for 2022 was presented as four reporting segments and the Corporate Center.

→ Refer to the respective divisional reporting in II – Operating and financial review for further information.

The **Wealth Management** division offered comprehensive wealth management and investment solutions and tailored financing and advisory services to UHNW and HNW individuals and external asset managers. We served our clients along a client-centric and needs-based delivery model, utilizing the broad spectrum of Credit Suisse's global capabilities, including those offered by the Investment Bank and Asset Management. We served our clients through coverage areas addressing the geographies of Switzerland, EMEA, Asia Pacific and Latin America.

The **Swiss Bank** division offered comprehensive advice and a wide range of financial solutions to private, corporate and institutional clients primarily domiciled in our home market of Switzerland. Our private clients business has a leading franchise in Switzerland, including HNW, affluent, retail and small business clients. In addition, we provided consumer finance services through our subsidiary BANK-now and the leading credit card brands through our investment in Swisscard AECS GmbH. Our corporate and institutional clients business served large corporate clients, small and medium-sized enterprises (SMEs), institutional clients, financial institutions and commodity traders.

The **Asset Management** division offered investment solutions and services globally to a broad range of clients, including pension funds, governments, foundations and endowments, corporations and individuals, with a strong presence in our Swiss home market. Backed by the Group's global presence, Asset Management offered active and passive solutions in traditional investments as well as alternative investments. We applied ESG criteria at various points in the investment process with an active sustainability offering, which invested in line with the Credit Suisse Sustainable Investment Framework, and passive ESG index and ETF.

The **Investment Bank** division offered a broad range of financial products and services focused on client-driven businesses and also supported our Wealth Management division and its clients. Our suite of products and services included global securities sales, trading and execution, capital raising and advisory services. Our clients included financial institutions, corporations, governments, sovereigns, UHNW and institutional investors, such as pension funds and hedge funds, financial sponsors and private individuals around the world. We delivered our investment banking capabilities globally through regional and local teams based in both major developed and emerging market centers.

Regulation and supervision

Overview

Our operations are regulated by authorities in each of the jurisdictions in which we have offices, branches and subsidiaries.

Central banks and other bank regulators, financial services agencies, securities agencies and exchanges and self-regulatory organizations are among the regulatory authorities that oversee our businesses. There is coordination among many of our regulators, in particular among our primary regulators in Switzerland, the US, the EU and the UK as well as in the Asia Pacific region.

The supervisory and regulatory regimes of the countries in which we operate determine to some degree our ability to expand into new markets, the services and products that we are able to offer in those markets and how we structure specific operations.

Governments and regulatory authorities around the world have responded to challenging market conditions by proposing and enacting numerous reforms of the regulatory framework for financial services firms such as the Group. In particular, a number of reforms have been proposed and enacted by regulators, including our primary regulators, which could potentially have a material effect on our business. These regulatory developments could result in additional costs or limit or restrict the way we conduct our business. Although we expect regulatory-related costs and capital requirements for all major financial services firms (including the Group) to continue to be high, we cannot predict the likely impact of proposed regulations on our businesses or results. We believe, however, that overall we are well positioned for regulatory reform.

→ Refer to "Risk factors" for further information on risks that may arise relating to regulation.

Recent regulatory developments and proposals

Some of the most significant regulations proposed or enacted during 2022 and early 2023 are discussed below.

Global initiatives

Certain regulatory developments and standards are being coordinated on a global basis and implemented under local law, such as those discussed below.

Interbank offered rate transition

Credit Suisse has identified a significant number of its liabilities and assets linked to interbank offered rate (IBOR) indices across businesses that require transition to alternative reference rates (ARRs) and is participating in national working groups and industry forums that are working to address this transition.

Consistent with prior announcements by the Financial Conduct Authority (FCA) and ICE Benchmark Administration Limited (IBA) on March 5, 2021, the London Interbank Offered Rate (LIBOR) administrator's representative settings for all CHF, EUR, GBP and JPY LIBORs and for the one-week and two-month USD LIBORs are no longer available. Representative settings for the remaining USD LIBORs will permanently cease immediately after June 30, 2023. The FCA has proposed to continue requiring the publication of synthetic USD LIBOR until September 30, 2024.

On March 15, 2022, the United States enacted the Adjustable Interest Rate (LIBOR) Act of 2021 (LIBOR Act). The federal LIBOR Act preempts similar state legislation (including that enacted in New York) and provides one national approach for replacing USD LIBOR as a reference interest rate in certain contracts, including those with no fallback provisions or with fallback provisions that identify neither a specific replacement rate nor a "determining person" as defined in the legislation, once USD LIBOR is no longer published or is no longer representative. The Board of Governors of the Federal Reserve System (Fed) has adopted the final rule that implements the LIBOR Act, which establishes benchmark replacements for contracts governed by US law that reference overnight and one-, three-, six- and 12-month tenors of USD LIBOR that do not have suitable fallback provisions after June 30, 2023. Under this final rule, the benchmark replacement will be (i) for derivative contracts and Federal Home Loan Bank advances, the "Fallback Rate (SOFR)" (as defined in the ISDA 2020 IBOR Fallbacks Protocol), or (ii) for other contracts, the applicable Secured Overnight Financing Rate (SOFR)-based benchmark rates selected by the Fed plus the relevant tenor spread adjustments. The Commodity Futures Trading Commission (CFTC) has also issued a final rule modifying the swap clearing requirement to support the transition from LIBOR and certain other interbank offered rates to alternative reference rates, including SOFR.

→ Refer to "Replacement of interbank offered rates" in II – Operating and financial review – Credit Suisse – Other information for further information pertaining to IBOR transition.

Sanctions developments

As a result of Russia's invasion of Ukraine, as well as allegations concerning Russian acts related to Syria, cybersecurity, electoral interference and other matters, the US Department of Treasury's (US Treasury) Office of Foreign Assets Control (OFAC) has imposed sanctions against a number of parties, sectors and activities relating to Russia, including the designation of Russian government officials, financial institutions, business people and certain related companies and close associates as specially designated nationals (SDNs). Such designation blocks their assets and prohibits dealings within US jurisdiction involving the designated SDNs, entities owned 50% or more by one or more SDNs, or the property of such parties. OFAC has also imposed targeted sanctions restrictions relating to new investments in Russia, providing certain professional services to Russia, certain debt and equity activities, limitations on USD payments, Russian sovereign debt and transactions with the Russian sovereign. US law also authorizes the imposition of other restrictions against non-US entities that, among other activities, operate in the Russian financial sector or engage in significant transactions with or provide material support to blocked persons or to Russia's military and defense industrial base. The US has also imposed certain import bans and has significantly expanded export controls against Russia.

In addition, the EU, UK, Switzerland and other governments have imposed or announced similar sanctions and trade controls against a number of parties, sectors and activities relating to Russia, including asset-freeze sanctions targeting Russian individuals and entities (including financial institutions), restrictions on deposits exceeding certain values from Russian nationals or residents, restrictions on transactions with the Russian sovereign, restrictions on providing certain professional services to Russia and capital markets-related restrictions. In addition, the EU required the disconnection of certain Russian banks from the Society for Worldwide Interbank Financial Telecommunication (SWIFT) network and the UK has prohibited new investments in Russia. A coalition of countries including the G7 countries, the EU and Australia, has implemented a prohibition on certain financial and professional services relating to the maritime transport of Russian-origin crude and petroleum products that do not conform with the coalition's price cap policy.

The Russian government has also enacted certain countermeasures, which include restrictions relating to foreign currency accounts and security transactions. In light of the continuing conflict in Ukraine, additional US, EU, UK and Swiss sanctions related to Russia or additional Russian persons or entities are possible, and the potential effects of related disruptions (including potential Russian countermeasures) may include an adverse impact on our businesses and the businesses of our customers.

In addition, political and trade tensions between the US and China led to a series of sanctions and countermeasures beginning in 2020, as previously disclosed. These include US sanctions prohibiting US persons from transacting in certain publicly traded securities linked to designated Chinese companies and foreign investment and export control developments from both China and the US. The EU has also issued sanctions against China relating to human rights, and China has issued counter-sanctions against the EU in response. Further sanctions and other restrictive measures arising from tensions between China and the US and other countries are possible, and could give rise to conflicts of law, compliance risks and market disruptions that may have an adverse impact on our businesses and the business of our customers.

Minimum tax

In October 2021, the Organization for Economic Co-operation and Development (OECD) published key parameters and rules on a minimum tax rate of 15% (Pillar Two) for multinational companies with revenue of more than EUR 750 million, such as Credit Suisse. The introduction of the minimum tax system may subject Credit Suisse to additional compliance and reporting obligations as well as increased operational costs. The impact on Credit Suisse's tax rate remains uncertain.

On June 22, 2022, in order to implement the OECD/G20 project of a minimum tax, the Swiss Federal Council adopted the dispatch on the federal resolution for the introduction of a supplementary tax on large multinational companies. In view of the time pressure, the Swiss Federal Council has decided to proceed in stages. On December 16, 2022, the Swiss Federal Parliament resolved the Swiss Federal Resolution on a Special Taxation of Large Corporate Groups (Implementation of the OECD/G20 Project on the Taxation of Large Corporate Groups). The resolution provides for an amendment of the Swiss Federal Constitution by a new Article 129a to create the basis for the implementing legislation and for the submission of the resolution to the vote of the people and cantons. The public vote will take place on June 18, 2023. If it is adopted by the people and the cantons, the constitutional amendment will enter into force on January 1, 2024, and a temporary ordinance to regulate minimum taxation will enter into force on a date to be determined by the Swiss Federal Council, which, depending on the implementation of the minimum tax by other countries, may be as early as January 1, 2024. The temporary ordinance is to be replaced by a federal law passed by the Swiss Federal Parliament as soon as there is sufficient clarity on the application of the international minimum taxation rules.

During 2023, other jurisdictions where Credit Suisse operates are intending to enact rules to introduce the minimum tax system, expected to be effective from 2024.

Switzerland

Credit Suisse is subject to the Basel III framework, as implemented in Switzerland, as well as Swiss legislation and regulations for systemically important banks, which include capital, liquidity, leverage and large exposure requirements and rules for emergency plans designed to maintain systemically important functions in the event of impending insolvency.

→ Refer to "Liquidity and funding management" and "Capital management" in III – Treasury, Risk, Balance sheet and Off-balance sheet for information regarding our current regulatory framework and expected changes to this framework affecting capital and liquidity standards.

Revision of CIS – Introduction of L-QIF

On December 17, 2021, the Swiss Parliament approved the revised Federal Act on Collective Investment Schemes (CIS), which, following an optional referendum period that ended on April 7, 2022, without a referendum being called, will enter into force and introduce the Limited Qualified Investor Fund (L-QIF) into Swiss law. The L-QIF is a new fund category which is not subject to supervisory licensing or approval requirements by Swiss Financial Market Supervisory Authority FINMA (FINMA) at the level of the fund. However, the L-QIF is only open to qualified investors and must be managed by an institution licensed and supervised by FINMA. The revised CIS is expected to enter into force in the second quarter of 2023.

FINMA enforcement action

In June 2021, FINMA opened enforcement proceedings relating to the delayed implementation of a comprehensive overview of client relationships, which is one of the measures that FINMA ordered in September 2018 in connection with the conclusion of two enforcement procedures against Credit Suisse AG. FINMA appointed a monitor to oversee the implementation and confirm effectiveness. In April 2022, FINMA issued an enforcement decision generally accepting Credit Suisse's submissions concerning the scope of the project and the related implementation and development work. FINMA found no breach of Swiss supervisory law nor imposed any reprimand and set a final deadline until the end of 2024 to finalize the implementation.

Revision of the Swiss Anti-Money Laundering Act
On August 31, 2022, the Swiss Federal Council enacted the revised Anti-Money Laundering Act (AMLA) and Anti-Money Laundering Ordinance (AMLO) with effect from January 1, 2023. The revisions provide for enhanced measures for financial intermediaries in the areas of beneficial ownership, updating of client data and suspicious activity reports concerning money laundering. In this context, on November 2, 2022, FINMA announced that it had made the necessary amendments to the implementing FINMA ordinance, which sets out the additional implementing provisions. The revised Anti-Money Laundering Ordinance-FINMA also entered into force on January 1, 2023.

In addition to the amendments to the AMLA and AMLO, the Swiss Federal Council is implementing provisions in various Swiss federal ordinances, including on reporting and on the new mandate of the Central Office for Precious Metals Control as a money laundering oversight authority. Furthermore, the duties in the event of suspicion of money laundering will no longer be set out in ordinances from the supervisory authorities, and instead will be regulated by the Swiss Federal Council.

Revision of the Swiss Bank Law and Banking Ordinance
On November 23, 2022, the Swiss Federal Council enacted the revised Federal Act on Banks and Savings Institutions (Bank Law) and the revised Federal Ordinance on Banks and Savings Institutions (Banking Ordinance), as well as certain other revised ordinances, effective as of January 1, 2023. Among other things, these amendments relate to the resolvability and resolution provisions for banks and aim to strengthen the Swiss deposit insurance program. The revisions include certain amendments to the Banking Ordinance and the Capital Adequacy Ordinance which replace the current rebate system on certain capital requirements with an incentive system.

→ Refer to "Liquidity and funding management" and "Capital management" in III – Treasury, Risk, Balance sheet and Off-balance sheet for information regarding our current regulatory framework and expected changes to this framework affecting capital and liquidity standards.

Climate-related disclosures
On November 23, 2022, the Swiss Federal Council adopted the implementing ordinance on climate disclosures for large Swiss companies (Disclosure Ordinance) and enacted the Disclosure Ordinance effective as of January 1, 2024. Under the Disclosure Ordinance, public companies, banks and insurance companies with 500 or more employees and at least CHF 20 million in total assets or more than CHF 40 million in revenues are obliged to publicly report on climate-related issues. The required public reporting includes disclosures on the financial risk that a company incurs as a result of climate-related activities and the general impact of the company's business activities on the climate.

Under the FINMA Circular 2016/1 "Disclosure – banks", category 1 banks, such as Credit Suisse, had already included disclosures on climate-related financial risks in the annual reporting for the financial year 2021. On November 29, 2022, FINMA published the FINMA Guidance 03/2022 "implementation of climate-related risk disclosures by category 1-2 institutions" under which FINMA has further defined the applicable disclosure obligations.

On January 24, 2023, FINMA published the FINMA Guidance 01/2023 "developments in the management of climate risks," under which FINMA reiterates its expectation that supervised institutions establish an appropriate climate risk management framework based on recognized practices.

Supervision
On December 13, 2022, FINMA published the fully revised Circular "Operational risks and resilience—banks," in which FINMA addresses current technological developments and clarifies its supervisory practice with regard to the management of operational risks, in particular, in connection with information and communication technology, handling of critical data and cyber risks. The circular also adopts the revised principles for managing operational risks and the new principles on operational resilience published by the Basel Committee on Banking Supervision (BCBS) in March 2021. The circular will enter into force on January 1, 2024, with gradual transitional provisions for ensuring operational resilience applying over two years.

On December 14, 2022, FINMA published the partially revised Financial Market Infrastructure Ordinance-FINMA (FMIO-FINMA), which entered into force on February 1, 2023. Under the revised FMIO-FINMA, FINMA specifies the information to be reported for derivative transactions subject to a reporting obligation. Transactions involving derivatives with underlying securities that are admitted to trading on a trading venue must be reported and included in trading surveillance, and the trading venues must create the technical infrastructure to guarantee that all derivative reports can be submitted correctly and completely. In response to the benchmark reform (replacement of reference rates such as LIBOR), FINMA also updated the catalog of interest-rate derivatives that must be cleared through a central counterparty.

Tax

Rejection of withholding tax reform
As previously disclosed, in April 2021, following a consultation procedure in 2020, the Swiss Federal Council submitted to the Swiss Parliament a proposal for the amendment of the Federal Withholding Tax Act. In December 2021, the Swiss Parliament approved several amendments which would largely abolish withholding tax on interest and remove the turnover tax on domestic bonds. However, a referendum was subsequently called and on September 25, 2022, the amendments were rejected in the national vote. The reform will therefore not enter into force.

Suspension of transmission of tax-related information to Russia
On September 16, 2022, the Swiss Federal Council decided, based on the public policy provision of the Convention on Mutual Administrative Assistance in Tax Matters, to stop transmitting tax-related information to the Russian Federation for the time being. The temporary suspension affects all forms of tax-related information exchange with the Russian Federation, including the automatic exchange of information on financial accounts and country-by-country reports, the exchange of information on request and the spontaneous exchange of information.

US

Banking regulation and supervision
On June 23, 2022, the Fed announced the results of its annual supervisory stress tests, as implemented pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd Frank Act). Our US intermediate holding company (IHC) remained above its risk-based minimum capital requirements. On August 4, 2022, the Fed announced the individual capital requirements for large banks. Our US IHC's stress capital buffer increased from 6.9% to 9% based on the 2022 stress tests. This revised stress capital buffer went into effect on October 1, 2022. If our US IHC does not maintain its stress capital buffer above minimum risk-based capital requirements, it will be limited in its ability to make distributions and discretionary bonus payments.

On December 16, 2022, the Fed and the Federal Deposit Insurance Corporation (FDIC) announced that they had identified two deficiencies in our 2021 targeted plan submission. We are required to submit a revised resolution plan for our US operations by May 31, 2023 demonstrating that the identified governance weaknesses have been addressed. We are also required to submit a revised resolution plan by July 1, 2024, demonstrating that the identified cash flow forecasting weaknesses have been remediated. If these plans do not adequately remedy the applicable deficiencies, the Fed and the FDIC may jointly determine that Credit Suisse or any of its subsidiaries shall be subject to more stringent capital, leverage or liquidity requirements, or restrictions on their growth, activities, or operations.

Broker-dealer regulation and supervision
On September 16, 2020, the US Securities and Exchange Commission (SEC) adopted amendments to SEC Rule 15c2-11, which sets out a broker-dealer's information review obligations concerning the issuer of an over-the-counter security prior to publication or submission of a quotation in that security. The original compliance date for the amendments was September 28, 2021; however, the SEC staff has issued no-action letters phasing in the compliance date for quotations published by broker-dealers for certain fixed income securities. Most recently, on November 30, 2022, the SEC staff extended the phase-in period of the Rule 15c2-11 amendments to certain fixed income securities through January 4, 2025.

On December 14, 2022, the SEC proposed a new Regulation Best Execution, modeled after the Financial Industry Regulatory Authority (FINRA)'s best execution rule, which would require broker-dealers to use reasonable diligence to provide the best price to customers under current market conditions and impose certain additional policy and procedure obligations on broker-dealers. The SEC also proposed a package of reforms to the equity market structure rules that, if adopted as proposed, would make significant changes to the way equity orders are handled and executed. The proposals include a new requirement for certain retail equity orders to be exposed to a qualified auction before being executed internally, an adjustment to the tick sizes at which certain equity stocks can be quoted and extension of the tick size requirements to executions, and an expansion of the information that is reported under Regulation NMS Rule 605.

On February 15, 2023, the SEC published a final rule to shorten standard settlement cycles for certain broker-dealer transactions from two business days after the trade (T+2) to one business day after the trade (T+1). The final rule is set to take effect on May 28, 2024.

Data protection and cybersecurity
On March 9, 2022, the SEC proposed rule amendments to enhance and standardize disclosure requirements related to cybersecurity incident reporting and cybersecurity risk management, strategy and governance. The proposal was open for public comment through November 1, 2022.

On March 15, 2022, the Cyber Incident Reporting for Critical Infrastructure Act of 2022 was signed into law, imposing federal reporting requirements for cyber incidents and ransomware attack payments. The legislation will require covered entities, which will be defined in rulemaking and identified from within the 16 currently designated critical infrastructure sectors as defined in the Presidential Policy Directive 21, such as financial services, to report to the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency (CISA) within 72 hours of forming a reasonable belief that a substantial cyber incident has occurred and within 24 hours of making a ransom payment following a ransomware attack. The reporting requirements will not take effect until CISA enacts implementing regulations, including clear descriptions of covered entities and "substantial cyber incident". CISA is required to publish a notice of proposed rulemaking within 24 months of the statute's enactment and a final rule within 18 months of issuing the proposed rule.

Tax
On August 16, 2022, major US tax reform legislation known as the Inflation Reduction Act (IRA) of 2022 was enacted. The IRA makes significant changes to US tax law, including the introduction of a corporate alternative minimum tax of 15% of the "adjusted financial statement income" of certain domestic corporations (effective in taxable years beginning after December 31, 2022) and a 1% excise tax on stock repurchases by certain domestic corporations (effective on repurchases made after December 31, 2022). The IRA may affect the taxation of our subsidiaries in the future and thus could affect our valuation.

Anti-money laundering regulation and supervision
On September 29, 2022, the US Treasury's Financial Crimes Enforcement Network (FinCEN) published a final rule implementing the beneficial ownership reporting requirements of the Corporate Transparency Act of 2020. Under the final rule, beginning January 1, 2024, US legal entities and foreign legal entities registered to do business in the United States will be required to report beneficial ownership information to FinCEN, unless they are eligible for an exemption from reporting.

Climate-related regulation and supervision
On March 21, 2022, the SEC issued for public comment proposed rule changes that would require registrants to include certain climate-related disclosures in their registration statements

and periodic reports, including information about climate-related governance, risk, business impacts, targets and goals and other related disclosures, as well as a note to registrants' audited financial statements providing certain climate-related metrics and impacts on a line-item basis. The proposal was open for public comment through November 1, 2022.

Clawback rule

On October 26, 2022, the SEC adopted rules requiring stock exchanges, such as the New York Stock Exchange (NYSE) on which our American Depositary Shares are listed and the Nasdaq Stock Market (Nasdaq) on which Credit Suisse AG has other securities listed, to establish new listing rules that set minimum standards for clawback policies to recover incentive-based compensation erroneously paid to current and former executive officers due to accounting restatements that must be implemented by their listed companies.

EU

Banking and securities regulation and supervision

The EU has also proposed and enacted a wide range of prudential, securities and governance regulations to address systemic risk and to further regulate financial institutions, products and markets. These proposals are at various stages of the EU pre-legislative, legislative rule-making and implementation processes, and their final form and cumulative impact remain uncertain.

The EU legislators and supervisory authorities are working towards the integration of ESG risks across the three pillars of the EU banking prudential framework. Concerning Pillar I minimum mandatory capital requirements, the proposed amendment of the Capital Requirements Regulation (CRR) through an amending Regulation (CRR III) would advance the deadline from 2025 to 2023 for the European Banking Authority (EBA) to deliver its report on a possible dedicated prudential treatment for exposures subject to environmental and social risk. Concerning Pillar II supervisory review, in 2022 the European Central Bank (ECB) conducted climate stress tests among significant credit institutions and published its findings in July 2022. In 2022, the ECB also launched a thematic review of credit institutions' climate-related and environmental risk strategies, as well as their governance and risk management framework, and in November 2022, it published a report on the good practices it identified for climate-related and environmental risk management and set deadlines for individual significant banks to achieve full alignment with ECB expectations relating to such risks. Certain national authorities in several EU member states have taken similar initiatives with respect to less significant banks that are directly supervised by them. Concerning Pillar III disclosure requirements, new rules apply for the disclosure of ESG risks by large listed institutions as of December 31, 2022. CRR III proposes to extend these disclosure obligations in the future to all EU banks.

In 2020, the European Commission presented a "Communication on a Digital Finance Strategy for the EU" and several legislative proposals that form part of the so-called Digital Finance Package: a "Regulation on Markets in Crypto-Assets" (MiCA), a "Digital Operational Resilience Act" (DORA), and a "Regulation on a pilot regime for market infrastructures based on distributed ledger technology" (DLT Pilot Regulation). On June 30, 2022, the Council of the EU and the European Parliament reached a provisional agreement on MiCA, which is a proposed regulation aimed at creating an EU harmonized regulatory framework for the issuance, offering to the public and trading of crypto-assets and stablecoins in the EU. The final vote by the European Parliament is currently scheduled for April 2023. On November 28, 2022, the Council of the EU adopted DORA, which is a package composed of a regulation and a directive aimed at harmonizing and strengthening the IT security requirements of European financial entities such as banks, insurance companies and investment firms. Its purpose is to make sure that the financial sector in Europe is able to maintain resilient operations in case of severe operational disruption. DORA will become applicable on January 17, 2025. On May 30, 2022, the DLT Pilot Regulation was adopted and will be effective on March 23, 2023. It aims to provide European DLT-based trading and securities settlement systems with harmonized licensing and conduct of business rules suited to DLT-based crypto-assets that qualify as financial instruments under the revised Markets in Financial Instruments Directive.

On November 28, 2022, the Council of the EU approved the Corporate Sustainability Reporting Directive (CSRD), which entered into force on January 5, 2023. The new rules will need to be implemented by member states within 18 months. The CSRD will require companies to publish detailed information on how their business model affects their sustainability and on how external sustainability factors (such as climate change or human rights issues) influence their activities. The CSRD strengthens the existing rules on non-financial reporting introduced in the Accounting Directive by the 2014 Non-financial Reporting Directive. The application of the CSRD will take place in four stages.

UK

Banking regulation and supervision

On July 27, 2022, the FCA published its final rules and guidance for a new duty of care owed by UK financial services firms, including UK authorized firms of the Group, to retail customers (Consumer Duty). The new rules introduce the overarching principle that firms must "act to deliver good outcomes for retail customers"; the principle is supported by four specific outcomes relating to products and services, price and value, consumer understanding and customer support. The rules and guidance also introduce requirements for firms to monitor, and for their management to confirm at least once annually, compliance with the Consumer Duty. The effective date will be July 31, 2023 in respect of new and existing products or services that are open to sale or renewal, and July 31, 2024 for "closed" products or services.

On November 30, 2022, the Prudential Regulation Authority (PRA) published Consultation Paper CP16/22 on the Implementation of the Basel III standards that remain to be implemented in the UK.

The proposals in the consultation paper include, among other things, changes to the rules on credit risk, operational risk and credit valuation adjustment, and the implementation of the output floor. The PRA proposes that the new rules apply from January 1, 2025, subject to certain transitional provisions. On the same day, His Majesty's Treasury (HM Treasury) launched a related consultation on the technical and legislative changes necessary to facilitate the PRA's implementation of the remaining Basel III standards. In addition, HM Treasury's consultation seeks views on improving aspects of the prudential framework, including changes in relation to equivalence, resolution and overseas exchanges.

Data protection regulations

On March 21, 2022, two new agreements governing international data transfers out of the UK came into force: the International Data Transfer Agreement (IDTA) and the Data Transfer Addendum (Addendum). The IDTA is a stand-alone agreement, whereas the Addendum supplements the European Commission Standard Contractual Clauses (SCCs) for transferring personal data from the EEA to third countries pursuant to the General Data Protection Regulation (GDPR) approved by the European Commission on June 4, 2021. The old SCCs are still considered to provide adequate safeguards until March 21, 2024 for contracts entered into before September 22, 2022. All new contracts entered into after September 22, 2022 must be safeguarded by either the IDTA or the Addendum.

Regulatory framework

The principal regulatory structures that apply to our operations are discussed below.

Global initiatives

Total Loss-Absorbing Capacity

On January 1, 2019, the final Financial Stability Board's (FSB) total loss-absorbing capacity (TLAC) standard for global systemically important banks (G-SIBs) became effective, subject to a phase-in until January 1, 2022. The purpose of the standard is to enhance the ability of regulators to recapitalize a G-SIB at the point of non-viability in a manner that minimizes systemic disruption, preserves critical functions and limits the exposure of public sector funds. TLAC-eligible instruments include instruments that count towards satisfying minimum regulatory capital requirements, as well as long-term unsecured debt instruments that have remaining maturities of no less than one year, are subordinated by statute, corporate structure or contract to certain excluded liabilities, including deposits, are held by unaffiliated third parties and meet certain other requirements. Excluding any applicable regulatory capital buffers that are otherwise required, as of January 1, 2022, the minimum TLAC requirement is at least 18% of a G-SIB's risk-weighted assets. In addition, as of January 1, 2022, the minimum TLAC requirement is at least 6.75% of the Basel III leverage ratio denominator. National regulators may implement or interpret the requirements more strictly within their own jurisdictions.

In Switzerland, the FSB's TLAC standard was implemented on July 1, 2016 under the Capital Adequacy Ordinance.

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In the US, the Fed has adopted a final rule that implements the FSB's TLAC standard. The final rule requires, among other things, the US IHCs of non-US G-SIBs, such as Credit Suisse's US IHC, to maintain minimum amounts of "internal" TLAC, a TLAC buffer and long-term debt satisfying certain eligibility criteria, commencing January 1, 2019. The entity designated as Credit Suisse's US IHC is required to issue all TLAC debt instruments to a foreign parent entity (a non-US entity that controls the IHC) or another foreign affiliate that is wholly owned by its foreign parent. The final rules also impose limitations on the types of financial transactions in which the entity designated as Credit Suisse's US IHC can engage.

In the UK, the Bank of England published its statement of policy on its approach to establishing the requirement under the EU Bank Recovery and Resolution Directive (BRRD) for certain UK entities, including Credit Suisse International (CSI) and Credit Suisse Securities (Europe) Limited (CSSEL), to maintain MREL as well as its approach on setting internal MREL. Similar to the FSB's TLAC standard, the MREL requirement obliges firms within the scope of the BRRD to maintain a minimum level of own funds and liabilities that can be bailed in. The statement of policy provides that internal MREL requirements for UK material subsidiaries of non-UK G-SIBs, such as Credit Suisse would be scaled between 75% and 90% of external MREL based on factors including the resolution strategy of the group and the home country's approach to internal TLAC calibration. Interim internal MREL requirements came into effect beginning January 1, 2019, and their full implementation became effective January 1, 2022. In addition, the amendments to the CRR made by amending Regulation (CRR II) introduced a requirement, as of June 27, 2019, for material subsidiaries of non-EU G-SIBs, which are not resolution entities, to maintain internal MREL scaled at 90% of the external MREL requirement that would apply if the material subsidiary were a resolution entity. The UK Government intends to legislate to remove this requirement and only subject banks to the Bank of England's MREL policy. The Bank of England has stated that its statement of policy should be read in compliance with the CRR II requirements.

ISDA Resolution Stay Protocols

Credit Suisse voluntarily adhered to the ISDA 2015 Universal Resolution Stay Protocol (ISDA 2015 Universal Protocol) at the time of its launch in November 2015. By adhering to the ISDA 2015 Universal Protocol, parties agree to be bound by certain existing and forthcoming special resolution regimes to ensure that cross-border derivatives and securities financing transactions are subject to statutory stays on direct and affiliate-linked default rights in the event a bank counterparty enters into resolution, regardless of its governing law. These stays are intended to facilitate an orderly resolution of a troubled bank. The ISDA 2015 Universal Protocol also introduces similar stays and overrides on affiliate-linked default rights in the event that an affiliate of an adhering party becomes subject to proceedings under the US Bankruptcy Code, under which no such stays or overrides currently exist.

In order to expand the scope of parties and transactions covered by the ISDA 2015 Universal Protocol or similar contractual arrangements, the G20 committed to introducing regulations requiring large banking groups to include ISDA 2015 Universal Protocol-like provisions in certain financial contracts when facing counterparties under foreign laws.

In Switzerland, the Banking Ordinance and the Federal Ordinance of FINMA on the Insolvency of Banks and Securities Dealers (FINMA Banking Insolvency Ordinance) require Swiss banks, including Credit Suisse, to include a clause under which the counterparty recognizes FINMA's stay powers under the Federal Act on Banks and Savings Banks of November 8, 1934, as amended, in certain of their contracts and in certain contracts entered into by their subsidiaries or affiliates. The requirement to include such a clause applies to the financial contracts exhaustively listed under the FINMA Banking Insolvency Ordinance and that are not governed by Swiss law or that provide for jurisdiction outside of Switzerland.

In the UK, the PRA published final rules requiring UK entities to ensure that their counterparties under a broad range of financial arrangements are subject to the stays on early termination rights under the UK Banking Act that would be applicable upon their resolution.

ISDA has developed another protocol, the ISDA Resolution Stay Jurisdictional Modular Protocol, which is intended to be a mechanism to facilitate market-wide compliance with these requirements by both dealers, such as Credit Suisse, and their counterparties.

In the EU, amendments to BRRD (through amending Directive BRRD II) (BRRD II) introduced harmonized requirements for relevant EU entities to include a contractual term within certain financial contracts governed by the laws of a non-EU jurisdiction, recognizing that the contract may be subject to the exercise of resolution powers by the resolution authority to suspend the entity's payment or delivery obligations, or to suspend a counterparty's termination or security enforcement rights.

In the US, the Fed, the FDIC and the Office of the Comptroller of the Currency (OCC) each issued final rules designed to improve the resolvability of US-headquartered G-SIBs and the US operations of non-US G-SIBs, such as our US operations. These final rules require covered entities to modify certain qualified financial contracts to obtain the agreement of counterparties that (1) their qualified financial contracts are subject to the stays on default rights under the Dodd-Frank Act's Orderly Liquidation Authority and the Federal Deposit Insurance Act, which is similar to requirements introduced in other jurisdictions to which we are already subject, and (2) certain affiliate-linked default rights would be limited or overridden if an affiliate of the G-SIB entered proceedings under the US Bankruptcy Code or other insolvency or resolution regimes. ISDA has developed the ISDA 2018 US Resolution Stay Protocol (ISDA US Protocol) to facilitate compliance with the final rules. All the relevant Credit Suisse's entities have adhered to the ISDA US Protocol to amend their qualified financial contracts with adhering counterparties to comply with the final rules.

Data protection regulation

The GDPR applies to the processing of personal data in the context of our EU establishments as well as on an extraterritorial basis. The GDPR also forms the basis of our Global Data Protection standard ensuring that policies and processes of the highest standard apply to all Credit Suisse entities globally, subject to local laws and regulations. The GDPR requires us to take various measures to ensure compliance with the regulation, including processing personal data in accordance with the data protection principles, maintaining records of data processing, ensuring adequate security for personal data, complying with data breach notification requirements, and giving effect to data subjects' rights. Furthermore, in accordance with the GDPR, we have appointed a Data Protection Officer who is responsible for monitoring our compliance with and providing advice in connection with global data protection laws and regulations. The GDPR grants broad enforcement powers to data protection authorities, including the potential to levy significant administrative fines for non-compliance.

In addition to the GDPR, other jurisdictions in which we operate have adopted or are proposing data privacy standards, for example the Federal Act on Data Protection in Switzerland, applicable US data privacy laws including the GLBA, CCPA and CPRA (each as defined herein), the Thailand Personal Data Protection Act and the Data Protection Law DIFC No. 5 2020 in Dubai, some of which are similar to the GDPR or contain their own requirements more robust than the GDPR. Following the UK's withdrawal from the EU, the UK also adopted into its national legislation the UK version of the GDPR, which largely mirrors the GDPR as in force in the EU; however, there is currently uncertainty as to whether the UK government intends to significantly overhaul the data protection regime in the UK. In 2021, China passed the Data Security Law and the Personal Information Protection Law, which enacts strict requirements around the areas of information security, personal data processing, data localization and cross-border data transfers, and under which the Chinese government can request data for national security or criminal investigations and must give its approval prior to the transfer of data to a judicial or enforcement agency outside of China. As additional data privacy laws come into effect in the coming years, we continue to monitor changes and ensure compliance with our data privacy obligations.

Foreign Exchange

In 2017, public and private sector representatives from the foreign exchange (FX) committees of 16 international foreign exchange trading centers agreed to form a Global Foreign Exchange Committee (GFXC) and publish the FX Global Code, which sets out global principles of good practice, including ethics, governance, execution, information sharing, risk management and compliance, and confirmation and settlement processes. Credit Suisse signed the FX Global Code's Statement of Commitment on a global basis on May 21, 2018 and supports the adoption of the FX Global Code by FX market participants. The GFXC published an updated version of the FX Global Code on July 15, 2021.

Switzerland

Banking regulation and supervision
Although Credit Suisse Group is not a bank according to the Bank Law and the Banking Ordinance, the Group is required, pursuant to the provisions on consolidated supervision of financial groups and conglomerates of the Bank Law, to comply with certain requirements for banks. Such requirements include capital adequacy, loss-absorbing capacity, solvency and risk concentration on a consolidated basis, and certain reporting obligations. Our banks in Switzerland are regulated and supervised by FINMA on a legal entity basis and, if applicable, on a consolidated basis.

Our banks in Switzerland operate under banking licenses granted by FINMA pursuant to the Bank Law and the Banking Ordinance. In addition, certain of these banks hold securities firm licenses granted by FINMA pursuant to the Swiss Federal Act on Stock Exchanges and Securities Trading, which was in effect at the time the license was granted. As of January 1, 2020, the applicable ongoing licensing requirements for securities firms are set out under the Financial Institutions Act (FinIA) and the Financial Institutions Ordinance (FinIO).

FINMA is the sole bank supervisory authority in Switzerland and is independent, including from the Swiss National Bank (SNB). Under the Bank Law, FINMA is responsible for the supervision of the Swiss banking system. The SNB is responsible for implementing the government's monetary policy relating to banks and securities firms and for ensuring the stability of the financial system. Under the "Too Big to Fail" legislation, the SNB is also responsible for determining which banks in Switzerland are systemically important banks and which functions are systemically relevant in Switzerland. The SNB has identified the Group on a consolidated basis as a systemically important bank for the purposes of Swiss law.

Our banks in Switzerland are subject to close and continuous prudential supervision and direct audits by FINMA. Under the Bank Law, our banks are subject to inspection and supervision by an independent regulatory auditing firm recognized by FINMA, which is appointed by the bank's board of directors and required to assess whether the bank is in compliance with Swiss laws and regulations, including the Bank Law, the Banking Ordinance and the relevant FINMA regulations.

Credit Suisse is subject to the Basel III framework, as implemented in Switzerland, as well as Swiss legislation and regulations for systemically important banks, which include capital, liquidity, leverage and large exposure requirements, and rules for emergency plans designed to maintain systemically relevant functions in the event of impending insolvency.

Our regulatory capital is calculated on the basis of accounting principles generally accepted in the US, with certain adjustments required by, or agreed with, FINMA.

→ Refer to "Liquidity and funding management" and "Capital management" in III – Treasury, Risk, Balance sheet and Off-balance sheet for further information regarding our current regulatory framework and expected changes to this framework affecting capital and liquidity standards.

Under Swiss banking law, banks and securities firms are required to manage risk concentration within specific limits. Aggregated credit exposure to any single counterparty or a group of related counterparties must bear an adequate relationship to the bank's adjusted eligible capital (for systemically important banks like us, to their core Tier 1 capital) taking into account counterparty risks and risk mitigation instruments.

The Financial Services Act (FinSA) and FinIA as well as the implementing ordinances, the Financial Services Ordinance (FinSO) and the FinIO, provide for a comprehensive regime, governing the provision of financial services in Switzerland, including to Swiss clients from abroad on a cross-border basis, as well as the offering of financial instruments, and the admission to trading of financial instruments in Switzerland. Further, FinSA sets out a prospectus regime for the offering of securities in Switzerland. FINMA granted both BX Swiss AG and the SIX Exchange Regulation AG a license as reviewing bodies for prospectuses. The reviewing bodies are regulated under the FinSA and are tasked with reviewing and approving the prospectuses published in connection with a public offer of securities or the admission of securities to trading on a trading venue in Switzerland. Subject to certain exemptions, the publication of approved prospectuses is mandatory for issuers of securities, provided a public offer or admission to trading is intended in Switzerland. FinSA also sets out duties for Swiss financial service providers or foreign financial service providers providing financial services to clients in Switzerland, including on a mere cross-border basis. FinIA and FinIO govern the licensing requirements and provide for a differentiated supervisory regime for securities firms, asset managers, trustees, managers of collective assets, fund management companies and investment firms.

Under the Bank Law and FinIA, Swiss banks and securities firms are obligated to keep confidential the existence and all aspects of their relationships with customers. These customer confidentiality laws do not, however, provide protection with respect to criminal offenses such as insider trading, money laundering, terrorist financing activities, tax fraud or evasion or prevent the disclosure of information to courts and administrative authorities.

Swiss rules and regulations to combat money laundering and terrorist financing are comprehensive and require banks and other financial intermediaries to thoroughly verify and document customer identity before commencing business. In addition, these rules and regulations, aimed at preventing money laundering, include obligations to maintain appropriate policies for dealings with politically exposed persons and procedures and controls to detect money laundering and terrorist financing activities, including reporting suspicious activities to authorities.

In addition, the Swiss Criminal Code provides for stringent anti-corruption and anti-bribery laws prohibiting illegitimate bribery payments (and the receipt thereof) to Swiss and foreign public officials as well as persons in the private sector.

Compensation design and its implementation and disclosure have been required to comply with standards promulgated by FINMA under its Circular on Remuneration Schemes and the Swiss Code of Obligations, as updated from time to time.

Securities firm and asset management regulation and supervision

Our securities firm activities in Switzerland are conducted primarily through the Bank, under the supervision of FINMA, and are subject to regulation under FinIA and FinIO, which regulate all aspects of the securities firm business in Switzerland, including regulatory capital, risk concentration, sales and trading practices, record-keeping requirements and procedures and periodic reporting procedures.

Our asset management activities in Switzerland, which include the establishment and administration of mutual funds registered for public distribution, are conducted under the supervision of FINMA and are governed by FinIA, FinSA and the Federal Act on Collective Investment Schemes.

Resolution regime

Following the financial crisis of 2007/2008, the Swiss legislator promulgated special rules for the stabilization and restructuring of systemically important financial institutions. Among other aspects, these rules require plans for recovery and resolution. Each systemically important bank is required to submit a recovery plan to FINMA once a year, in which it sets out how it would stabilize itself in a crisis without government intervention, also taking the requirements of foreign regulators into account; this plan requires FINMA's approval. In addition, each Swiss systemically important bank must submit an emergency plan, in which it details how it would ensure uninterrupted continuity of its systemically important functions in Switzerland, particularly access to deposits and payments, in a crisis; FINMA must review this plan and evaluate whether it is ready to be implemented if necessary. Credit Suisse was required to submit an effective Swiss emergency plan to FINMA for review by the end of 2019, and on February 25, 2020, FINMA published a report noting that it regarded the Swiss emergency plan submitted by Credit Suisse as effective. A third element is the resolution plan, which FINMA produces for systemically important banks, indicating how the entire global group would be recapitalized, restructured and/or liquidated in a crisis; FINMA assesses the resolvability of an institution on the basis of whether the preparations are sufficient to successfully implement the plan if necessary. On March 24, 2022, FINMA published a report providing a detailed assessment of the recovery and resolution plans of the systemically important Swiss institutions. FINMA approved the recovery plans of all five systemically important Swiss banks. FINMA continued to regard the Swiss emergency plan submitted by Credit Suisse as effective. With respect to the global resolvability, FINMA concluded that Credit Suisse has already taken important preparatory steps and has made further progress in 2021.

The Bank Law governs resolution (i.e., restructuring or liquidation) proceedings applicable to Swiss banks and securities firms, such as Credit Suisse AG and Credit Suisse (Schweiz) AG, and Swiss-domiciled parent companies of financial groups, such as Credit Suisse Group AG, and certain other unregulated Swiss-domiciled companies belonging to financial groups. Additional implementing provisions are set out under the FINMA Banking Insolvency Ordinance. Instead of prescribing a particular resolution concept, the Bank Law and the FINMA Banking Insolvency Ordinance provide FINMA with a significant amount of authority and discretion in the case of resolution, as well as various restructuring tools from which FINMA may choose.

FINMA may open resolution proceedings if there is an impending insolvency because there is justified concern that the relevant Swiss bank (or Swiss-domiciled parent companies of financial groups and certain other unregulated Swiss-domiciled companies belonging to financial groups) is over-indebted, has serious liquidity problems or no longer fulfills capital adequacy requirements. Resolution proceedings may only take the form of restructuring (rather than liquidation) proceedings if (i) the recovery of, or the continued provision of individual banking services by, the relevant bank appears likely and (ii) the creditors of the relevant bank are likely not worse off in restructuring proceedings than in liquidation proceedings. All realizable assets in the relevant entity's possession will be subject to such proceedings, regardless of where they are located.

If FINMA were to open restructuring proceedings with respect to Credit Suisse AG, Credit Suisse (Schweiz) AG or Credit Suisse Group AG, it would have discretion to take decisive actions, including (i) transferring the assets of the banks or Credit Suisse Group AG, as applicable, or a portion thereof, together with its debt and other liabilities, or a portion thereof, and contracts, to another entity, (ii) staying (for a maximum of two working days) the termination of, and the exercise of rights to terminate netting rights, rights to enforce or dispose of certain types of collateral or rights to transfer claims, liabilities or certain collateral, under contracts to which the banks or Credit Suisse Group AG, as applicable, is a party, (iii) converting the debt of the banks or Credit Suisse Group AG, as applicable, into equity (debt-to-equity swap), and/or (iv) partially or fully writing off the obligations of the banks or Credit Suisse Group AG, as applicable (haircut).

Prior to any debt-to equity swap or haircut, outstanding equity capital and debt instruments issued by Credit Suisse AG, Credit Suisse (Schweiz) AG or Credit Suisse Group AG that are part of its regulatory capital (including outstanding high trigger capital instruments and low trigger capital instruments) must be converted or written off (as applicable) and cancelled. Any debt-to-equity swap (but not any haircut) would have to follow the hierarchy of claims to the extent such debt is not excluded from such conversion by the Bank Law. Contingent liabilities of Credit Suisse AG, Credit Suisse (Schweiz) AG or Credit Suisse Group AG such as guarantees could also be subjected to a debt-to-equity swap or a haircut, to the extent amounts are due and payable thereunder at any time during restructuring proceedings.

For systemically important institutions, such as Credit Suisse AG, Credit Suisse (Schweiz) AG and Credit Suisse Group AG, creditors have no right to reject the restructuring plan approved by FINMA.

Supervision

The Federal Act on Financial Market Infrastructure and Market Conduct in Securities and Derivatives Trading (FMIA) governs the organization and operation of financial market infrastructures and the conduct of financial market participants in securities and derivatives trading. FMIA, along with the Financial Market Infrastructure Ordinance (FMIO) came into effect on January 1, 2016, subject to certain transitional periods. Under the FMIA, FINMA was designated to determine the timing of the introduction of a clearing obligation and to specify the categories of derivatives covered. Accordingly, on September 1, 2018, the revised Ordinance of the Swiss Financial Market Supervisory Authority on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading entered into force, introducing a mandatory clearing obligation for standardized interest-rate and credit derivatives traded over-the-counter (OTC) and making effective, as of such date, the deadlines for the first clearing obligations laid down in the FMIO.

Tax

Automatic exchange of information and administrative assistance in tax matters

In Switzerland, the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAC) and the Multilateral Competent Authority Agreement (MCAA), together with the Federal Act on the International Automatic Exchange of Information in Tax Matters and its implementing ordinance, form the legal basis for the automatic exchange of information. Based on the MCAA, the multilateral agreement with the EU on the international automatic exchange of information in tax matters and a number of bilateral automatic exchange of information (AEI) agreements, most of them based on the MCAA, Switzerland collects and exchanges information with more than 100 jurisdictions in respect of financial assets held in, and income derived thereon and credited to, accounts or deposits maintained in Switzerland.

Further to the MAC, Switzerland is required to spontaneously exchange certain information on advanced tax rulings in accordance with the OECD and G20 project to combat base erosion and profit shifting. Additionally in 2009, Switzerland adopted the OECD standard on administrative assistance in tax matters in accordance with Art. 26 of the OECD Model Agreement which has subsequently been included in 81 Double Tax Agreements, 80 of which are in force and applicable. The 2009 protocol (Protocol, ratified in 2019) amending the tax treaty regarding income tax between Switzerland and the US, a mechanism for the exchange of information upon request in tax matters between Switzerland and the US is now in place. This mechanism allows the US to make group requests under the US Foreign Account Tax Compliance Act (FATCA) concerning non-consenting US accounts and non-consenting non-participating foreign financial institutions. The Protocol further erases the distinction between tax evasion and tax fraud in the context of administrative assistance to permit any exchanges of information as may be relevant to the administration or enforcement of the domestic laws concerning taxes.

Finally, in accordance with the MCAA on the Exchange of Country-by-Country Reports as well as the implementing Swiss federal legislation, multinational groups of companies in Switzerland have to prepare country-by-country reports since the 2018 tax year with the exchange of the reports by Switzerland having started in 2020.

Tax exemptions on TLAC and similar instruments

Based on the revised Withholding Tax Act, which entered into force on January 1, 2022, the exemption from withholding tax of interest paid on contingent convertible bonds and write-down bonds of banks or group companies of finance groups which were approved by FINMA and issued between January 1, 2013 and December 31, 2021, has been extended to issuances between January 1, 2013 and December 31, 2026. It also exempts interest paid on TLAC instruments approved by FINMA for purposes of meeting regulatory requirements which have been or will be issued between January 1, 2017 and December 31, 2026, or have been issued prior to January 1, 2017 where the foreign issuer thereof has been or will be substituted for a Swiss issuer between January 1, 2017 and December 31, 2026.

Furthermore, since 2017, equity securities in banks or group companies of a financial group issued in connection with the conversion of TLAC instruments into equity are exempt from the 1% issuance stamp tax, in addition to the exemption since 2012 for equity securities in banks issued from conversion capital.

Participation exemption for “Too Big to Fail” instruments

Current legislation requires systemically important banks to issue contingent convertible bonds, write-off bonds and bail-in bonds (“Too Big to Fail” instruments) through their top holding company, which may then on-lend the funds to direct or indirect subsidiaries. Based on the revised Withholding Tax Act, as amended by the Federal Act on Calculation of the Participation Deduction for “Too Big to Fail” instruments, which became effective as of January 1, 2019, top holding companies (Konzernobergesellschaften) of systemically important banks are permitted to carve out interest expenses on these “Too Big to Fail” instruments for purposes of calculating their tax-exempt net participation income. To level the effect of the carve-out, the respective assets and liabilities positions are also eliminated in the calculation. This allows for a calculation of the participation exemption with a complete carve-out of “Too Big to Fail” instruments to the extent the proceeds thereof are downstreamed.

50:50 distribution rule

Based on the Withholding Tax Act and federal and cantonal income tax acts, as amended by the Federal Act on Tax Reform and Alters- und Hinterlassenenversicherung (AHV) Financing, which became effective as of January 1, 2020, companies listed on a Swiss stock exchange that are paying a dividend out of legal capital contribution reserves are required to simultaneously pay a dividend out of taxable reserves of at least the same amount.

Also, under these new rules, when a company listed on a Swiss stock exchange repurchases shares to cancel them, the company must charge at least fifty percent of the liquidation amount to capital contribution reserves, the liquidation amount being the amount equal to the repurchase price less the nominal amount. Prior to the new law, these companies were not limited in using the one or other type of reserves.

The Swiss Federal Tax Authority's and Swiss courts' practice on withholding tax refunds

The Swiss Federal Tax Authority (FTA) and the Swiss courts continue to apply a strict beneficial ownership test for the application of any double taxation agreement-based refund or Swiss domestic law-based refund of Swiss withholding tax on dividend payments and interest payments on equity instruments or bond instruments, respectively, of issuers domiciled in Switzerland. The focus is on the beneficial ownership of the securities and/or the dividends or interest at the time of payment, which is assessed from a factual and economic point of view, without regard to the parties' intentions or motivation. At the request of the FTA, the party requesting a refund must prove beneficial ownership in the form of detailed documentation. In the context of derivative transactions, it has become increasingly more difficult to obtain a refund of Swiss withholding tax as in many cases the FTA will not consider the recipient of a payment subject to withholding tax as the beneficial owner of such payment if the market risk from the securities paying the taxable amount is fully or almost fully hedged by the derivative transaction. However, the Swiss Supreme Court has also held that this strict application of the beneficial ownership test, as well as the proof requirements, do not mean that a financial institution involved in a derivative transaction is not entitled to a refund; if beneficial ownership can be established, a refund will be granted.

Cybersecurity

FINMA continues to view cyber risks as one of the most significant operational risks for financial institutions, and has increasingly focused its supervisory practice on such risks. Supervised institutions such as Credit Suisse are, therefore, required to adequately address the relevant cyber risks under their operational risk management. These risks are also monitored directly by FINMA, for example through ongoing supervision and focused on-site audits, and monitored by audit firms as part of the regulatory audit process. Further, under the FINMA Guidance 05/2020 – Duty to report cyber attacks pursuant to Article 29 paragraph 2 FINMASA, FINMA has outlined the regulatory duties in case of cyber attacks directed against Swiss supervised financial institutions. Thereunder, supervised entities must notify FINMA within 24 hours of cyber attacks that could potentially lead to a malfunction or failure of its critical functions. Depending on the severity of the cyber attack, additional disclosure and reporting obligations may apply.

Environmental, social and human rights – due diligence, disclosure obligations and prevention of greenwashing

The Swiss regulatory framework sets out a number of due diligence and disclosure requirements relating to environmental, social and human rights related matters. Under the Ordinance on Due Diligence and Transparency Requirements regarding Metals and Mineral from Conflict Areas and Child Labor (Due Diligence and Transparency Ordinance), companies of public interest (i.e., listed companies, banks, insurance companies and other supervised companies in the financial sector) must report annually on certain non-financial matters and must provide information on the impact the company's activity has on environmental (including CO2 targets), social, employee, human rights and anti-corruption matters. In addition, under the FINMA Circular 2016/01 "Disclosure – Banks" (Circular), large banks, such as Credit Suisse, are required to describe the major climate-related financial risks and their impact on the business strategy, business model and financial planning. Finally, under the FINMA Guidance 05/2021 on preventing and combating greenwashing, FINMA has communicated which measures FINMA expects regulated financial institutions to take in order to prevent greenwashing of financial products.

US

Banking regulation and supervision

Our US banking operations are subject to extensive federal and state regulation and supervision in the US. Our direct US offices are composed of our New York Branch and representative offices in California. Each of these offices is licensed with, and subject to examination and regulation by, the state banking authority in the state in which it is located.

Our New York Branch is licensed by the New York Superintendent of Financial Services (Superintendent), examined by the Department of Financial Services (DFS), and subject to laws and regulations applicable to a foreign bank operating a New York branch. Under the New York Banking Law, our New York Branch must maintain eligible assets with banks in the state of New York. The amount of eligible assets required, which is expressed as a percentage of third-party liabilities, could increase if our New York Branch is no longer designated as well rated by the Superintendent.

The New York Banking Law authorizes the Superintendent to seize our New York Branch and all of Credit Suisse AG's business and property in New York State (which includes property of our New York Branch, wherever it may be located, and all of Credit Suisse AG's property situated in New York State) under circumstances generally including violations of law, unsafe or unsound practices or insolvency. In liquidating or dealing with our New York Branch's business after taking possession, the Superintendent would only accept for payment the claims of depositors and other creditors (unaffiliated with us) that arose out of transactions with our New York Branch. After the claims of those creditors were paid out of the business and property of the Bank in New York, the Superintendent would turn over the remaining assets, if any, to us or our liquidator or receiver.

Under New York banking law and US federal banking laws, our New York Branch is generally subject to single borrower lending limits expressed as a percentage of the worldwide capital of the

Bank. Under the Dodd-Frank Act, lending limits take into account credit exposure arising from derivative transactions, securities borrowing and lending transactions and repurchase and reverse repurchase agreements with counterparties.

Our US operations are also subject to reporting and examination requirements under US federal banking laws. Our US non-banking operations are subject to examination by the Fed in its capacity as our US umbrella supervisor. The New York Branch is also subject to examination by the Fed and is subject to federal banking law requirements and limitations on the acceptance and maintenance of deposits. The New York Branch is not a member of, and its deposits are not insured by, the FDIC, and it does not engage in retail deposit taking.

US federal banking laws provide that a state-licensed branch (such as the New York Branch) or agency of a foreign bank may not, as a general matter, engage as principal in any type of activity that is not permissible for a federally licensed branch or agency of a foreign bank unless the Fed has determined that such activity is consistent with sound banking practice. In addition, regulations which the Fed may adopt (including at the recommendation of the Financial Stability Oversight Council (FSOC)) could affect the nature of the activities which the Bank (including the New York Branch) may conduct, and may impose restrictions and limitations on the conduct of such activities.

The Fed may terminate the activities of a US branch or agency of a foreign bank if it finds that the foreign bank: (i) is not subject to comprehensive supervision in its home country; (ii) has violated the law or engaged in an unsafe or unsound banking practice in the US; or (iii) for a foreign bank that presents a risk to the stability of the US financial system, the home country of the foreign bank has not adopted, or made demonstrable progress toward adopting, an appropriate system of financial regulation to mitigate such risk.

Credit Suisse Group and the Bank became financial holding companies for purposes of US federal banking law in 2000 and, as a result, may engage in a broad range of non-banking activities in the US, including insurance, securities, private equity and other financial activities, in each case subject to regulatory requirements and limitations. Credit Suisse Group is still required to obtain the prior approval of the Fed (and potentially other US banking regulators) before acquiring, directly or indirectly, the ownership or control of more than 5% of any class of voting shares of (or otherwise controlling) any US bank, bank holding company or many other US depositary institutions and their holding companies, and as a result of the Dodd-Frank Act, before making certain acquisitions involving large non-bank companies. The New York Branch is also restricted from engaging in certain tying arrangements involving products and services, and in certain transactions with certain of its affiliates. If Credit Suisse Group or the Bank ceases to be well-capitalized or well-managed under applicable Fed rules, or otherwise fails to meet any of the requirements for financial holding company status, it may be required to discontinue certain financial activities or terminate its New York Branch. Credit Suisse Group's ability to undertake acquisitions permitted for financial holding companies could also be adversely affected.

Credit Suisse is also subject to the so-called "Volcker Rule," which limits the ability of banking entities to sponsor or invest in certain private equity or hedge funds, broadly defined, and to engage in certain types of proprietary trading for their own account. These restrictions are subject to certain exclusions and exemptions, including with respect to underwriting, market-making, risk-mitigating hedging and certain asset and fund management activities, and with respect to certain transactions and investments occurring solely outside of the US. The Volcker Rule requires banking entities to establish an extensive array of compliance policies, procedures and quantitative metrics reporting designed to ensure and monitor compliance with restrictions under the Volcker Rule. It also requires an annual attestation either by the Chief Executive Officer of the top-tier foreign banking organization or the senior management officer in the US as to the implementation of a compliance program reasonably designed to achieve compliance with the Volcker Rule. Credit Suisse has implemented a Volcker Rule compliance program reasonably designed to satisfy the requirements of the Volcker Rule. The Volcker Rule's implementing regulations are highly complex and may be subject to further rulemaking and regulatory interpretation and guidance.

Fed regulations implementing the Dodd-Frank Act required Credit Suisse to create a single US IHC to hold all of its US subsidiaries with limited exceptions. The IHC requirement does not apply to the New York Branch. Credit Suisse's US IHC is subject to US risk-based capital and leverage requirements that are largely consistent with the Basel III framework published by the BCBS, though they diverge in several important respects due to the requirements of the Dodd-Frank Act, and is subject to capital planning and capital stress testing requirements under the Dodd-Frank Act.

Credit Suisse's US IHC is also subject to additional requirements under the Fed's TLAC framework for IHCs, described above. In addition, both Credit Suisse's US IHC itself and the combined US operations of Credit Suisse (including Credit Suisse's US IHC and the New York Branch) are subject to other prudential requirements, including with respect to liquidity risk management, liquidity stress testing and separate liquidity buffers for each of Credit Suisse's US IHC and the New York Branch. Our US IHC is also subject to the Fed's applicable rules on liquidity coverage ratio (LCR), single counterparty credit limits (SCCL) and, effective as of July 1, 2021, the Net Stable Funding Ratio (NSFR). The SCCL limits our aggregate net credit exposures to any single unaffiliated counterparty based on Tier 1 capital. Our combined US operations (including our US IHC and New York Branch) have certified of substituted compliance with comparable home country rules, but our US IHC is ineligible for the substituted compliance regime and remains subject to a separate SCCL requirement. Under proposals that remain under consideration, the combined US operations of Credit Suisse may become subject to an early remediation regime which could be triggered by risk-based capital, leverage, stress tests, liquidity, risk management and market indicators.

→ Refer to "Liquidity and funding management" in III – Treasury, Risk, Balance sheet and Off-balance sheet for further information on Basel III LCR and NSFR.

A major focus of US policy and regulation relating to financial institutions has been to combat money laundering and terrorist financing and to enforce compliance with US economic sanctions. These laws and regulations impose obligations to maintain appropriate policies, procedures and controls to detect and report money laundering and terrorist financing, verify the identity of customers and beneficial owners as part of a customer due diligence program and comply with economic sanctions. Any failure to maintain and implement adequate programs to combat money laundering and terrorist financing, and any conduct targeted by or in violation of such economic sanctions, laws and regulations, could have serious legal and reputational consequences. Conflicts of law, including those arising from blocking regulations targeting US sanctions, may also raise serious legal risks. We take our obligations to prevent money laundering and terrorist financing in the US and globally and to comply with US economic sanctions very seriously, while appropriately respecting and protecting the confidentiality of clients. We therefore maintain policies, procedures and training intended to ensure compliance with the applicable US anti-money laundering, counter terrorist financing and sanctions laws and regulations. We are also subject to both the anti-bribery and accounting provisions of the US Foreign Corrupt Practices Act. The anti-bribery provisions prohibit the bribery of non-US government officials. The accounting provisions require us to keep accurate books and records and to maintain a system of internal accounting controls.

Broker-dealer and asset management regulation and supervision

Our US broker-dealers are subject to extensive regulation by US regulatory authorities. The SEC is the federal agency primarily responsible for the regulation of broker-dealers, investment advisers and investment companies. In addition, the US Treasury has the authority to promulgate rules relating to US Treasury and government agency securities, the Municipal Securities Rulemaking Board (MSRB) has the authority to promulgate rules relating to municipal securities, and the MSRB also promulgates regulations applicable to certain securities credit transactions. In addition, broker-dealers are subject to regulation by securities industry self-regulatory organizations, including FINRA, and by state securities authorities.

Our US broker-dealers are registered with the SEC and our primary US broker-dealer is registered in all 50 states, the District of Columbia, Puerto Rico and the US Virgin Islands. Our US registered entities are subject to extensive regulatory requirements that apply to all aspects of their business activity, including, where applicable: capital requirements; the use and safekeeping of customer funds and securities; the suitability of customer investments and best interest obligations for certain retail customers; record-keeping and reporting requirements; employee-related matters; limitations on extensions of credit in securities transactions; prevention and detection of money laundering and terrorist financing; procedures relating to research analyst independence; procedures for the clearance and settlement of trades; and communications with the public.

Our US broker-dealers are also subject to the SEC's net capital rule, which requires broker-dealers to maintain a specified level of minimum net capital in relatively liquid form. Compliance with the net capital rule could limit operations that require intensive use of capital, such as underwriting and trading activities and the financing of customer account balances and also could restrict our ability to withdraw capital from our broker-dealers. Most of our US broker-dealers are also subject to additional net capital requirements of FINRA and, in some cases, other self-regulatory organizations.

Our securities and asset management businesses include legal entities registered and regulated as a broker-dealer and investment adviser by the SEC. The SEC-registered mutual funds that we advise are subject to the Investment Company Act of 1940. For pension fund customers, we are subject to the Employee Retirement Income Security Act of 1974 and similar state statutes.

The Dodd-Frank Act also requires broader regulation of hedge funds and private equity funds, as well as credit rating agencies.

Derivative regulation and supervision

The CFTC is the federal agency primarily responsible for the regulation of futures commission merchants, commodity pool operators, commodity trading advisors and introducing brokers, among other regulatory categories. With the effectiveness of the Dodd-Frank Act, CFTC oversight was expanded to include persons engaging in a relevant activity with respect to swaps, and registration categories were added for swap dealers and major swap participants. For derivatives activities, these CFTC registrants are subject to industry self-regulatory organizations, such as the National Futures Association (NFA), which has been designated by the CFTC as a registered futures association.

CSI is registered with the CFTC as a swap dealer as a result of its applicable swap activities and is therefore subject to requirements relating to reporting, record-keeping, swap confirmation, swap portfolio reconciliation and compression, mandatory clearing, mandatory on-facility trading, swap trading relationship documentation, external business conduct, risk management, chief compliance officer duties and reports and internal controls. However, where permitted by comparability determinations by the CFTC or in reliance on no-action letters issued by the CFTC, non-US swap dealers, including CSI, can comply with certain requirements through substituted compliance with EU regulations. The CFTC has also granted no-action letters that have applied since the UK's withdrawal from the EU, which permit CSI to satisfy such requirements by complying with relevant UK regulations.

As a registered swap dealer that is a foreign bank, CSI is subject to the margin rules for uncleared swaps and security-based swaps of the Fed, and CSI likewise is only subject to these rules in connection with its uncleared swaps and security-based swaps with US persons, non-US persons guaranteed by US persons, and certain non-US swap dealer subsidiaries of US persons. The Fed's margin rules have followed a phased implementation schedule. Since March 1, 2017, CSI has been required to comply with variation margin requirements with covered entities under these rules, requiring the exchange of daily mark-to-market margin with all such covered entities. Initial margin requirements began phasing in annually for different counterparties from September 1, 2016, with the final phase of counterparties with material swap exposure subject to initial margin as of September 1, 2022. The broad expansion of initial margin requirements on September 1, 2022 affected a large number of counterparties and required significant outreach and new documentation with existing clients, and will continue to impact similarly situated new clients going forward.

CSI, which is a UK bank provisionally registered with the CFTC as a swap dealer, is now subject to CFTC financial reporting requirements. The CFTC has issued a time-limited no-action letter for swap dealers subject to capital requirements of the OCC, the Board of Governors of the Fed, the FDIC, the Farm Credit Administration or the Federal Housing Finance Agency, which provides that the CFTC's Market Participants Division will not recommend an enforcement action to the CFTC if such swap dealers fail to comply with certain CFTC financial reporting requirements. Although CSI would be able to avail itself of such no-action relief, due to CSI's dual registration with the SEC as a security-based swap dealer, the conditions imposed by the SEC UK substituted compliance order discussed below effectively supersede such no-action relief. Thus, CSI must bear increased cost to comply with the SEC's requirements given that they diverge from CSI's UK financial reporting obligations (for example by requiring it to report certain different financial information).

One of our US broker-dealers, Credit Suisse Securities (USA) LLC, is also registered as a futures commission merchant and subject to the capital, segregation and other requirements of the CFTC and the NFA.

Our asset management businesses include legal entities registered and regulated as commodity pool operators and commodity trading advisors by the CFTC and the NFA and therefore are subject to disclosure, recordkeeping, reporting and other requirements of the CFTC and the NFA.

The Dodd-Frank Act mandates that the CFTC establish, and the CFTC has established, aggregate position limits for certain physical commodity futures contracts and economically equivalent swaps. Position limits on future contracts adopted by the CFTC in 2020 are in effect as of January 1, 2022, and position limits on swaps and related new hedging restrictions adopted by the CFTC are in effect as of January 1, 2023. Overall, the position limit rules may restrict the ability of our asset management businesses to trade in physical commodity derivatives covered by position limits, restrict the ability of our market-making businesses to provide liquidity in these derivatives to certain types of clients, and generally increase the compliance costs and burdens of our businesses that transact in physical commodity derivatives.

The SEC has finalized rules implementing most of the key derivatives provisions of the Dodd-Frank Act, including security-based swap dealer registration, capital, margin, segregation, internal and external business conduct, recordkeeping and financial reporting, risk mitigation techniques, and transaction reporting rules. Unlike the CFTC, the SEC has not yet finalized rules relating to mandatory clearing or mandatory on-facility trading. Each of CSI and Credit Suisse AG have registered with the SEC as a security-based swap dealer effective November 1, 2021 and are thus subject to the requirements under the SEC rules. While the SEC's rules have largely paralleled many of the CFTC's rules, significant differences between the final CFTC and SEC rules could materially increase the compliance costs associated with, and hinder the efficiency of, our equity and credit derivatives businesses with US persons. For example, significant differences between the cross-border application of SEC and CFTC rules could have such effects. In particular, SEC rules applying public transaction reporting and external business conduct requirements to security-based swaps between non-US persons that are arranged, negotiated or executed by US personnel (ANE transactions) could discourage non-US counterparties from entering into such transactions, especially given the limited extent to which the SEC permits substituted compliance with relevant non-US requirements. While the SEC has issued time-limited relief from its reporting requirements which will last until the earlier of November 8, 2025 or 12 months after the SEC provides notice that its no-action position will expire, the portion of the relief related to assignment of reporting duties does not extend to certain ANE transactions. The SEC has issued final orders for substituted compliance for non-US, SEC-registered security-based swap dealers that are subject to certain UK and Swiss regulations, respectively, which would allow such security-based swap dealers to comply with certain requirements under the SEC rules via compliance with corresponding requirements of the UK and Switzerland, respectively. CSI and Credit Suisse AG avail themselves of such substituted compliance in respect of certain SEC rules, which reduces the extent of their burden of having to reconcile compliance with conflicting SEC and UK or Swiss requirements. However, both orders include extensive conditions and limitations, especially in relation to such matters as counterparty protection and financial reporting requirements, which limit the extent to which CSI and Credit Suisse AG avail themselves of substituted compliance and subject CSI and Credit Suisse AG to additional costs and burdens due to a need to still comply with various SEC rules and conditions.

FATCA

Pursuant to an agreement with the US Internal Revenue Service (IRS) entered into in compliance with FATCA, Credit Suisse is required to identify and provide the IRS with information on accounts held by US persons and certain US-owned foreign entities, as well as to withhold tax on payments made to foreign financial institutions that are not in compliance with FATCA and account holders who fail to provide sufficient information to classify an account as a US or non-US account. Switzerland and the US have entered into a "Model 2" intergovernmental agreement to implement FATCA, which requires Credit Suisse to disclose account details directly to the US tax authority with the consent of the US clients concerned. Where US clients do not provide Credit Suisse consent to disclose to the IRS, the US authorities must make a group request for this data through normal administrative assistance channels. Group requests are effective for information applying to cases dating from June 30, 2014.

Resolution regime

The Dodd-Frank Act also established an "Orderly Liquidation Authority," a regime for the orderly liquidation of systemically significant non-bank financial companies, which could potentially apply to certain of our US entities. The Secretary of the US Treasury may under certain circumstances appoint the FDIC as receiver for a failing financial company in order to prevent risks to US financial stability. The FDIC would then have the authority to charter a "bridge" company to which it can transfer assets and liabilities of the financial company, including swaps and other qualified financial contracts, in order to preserve the continuity of critical functions of the financial company. The FDIC has indicated that it prefers a single-point-of-entry strategy, although it retains the ability to resolve individual financial companies. In July 2020, the FDIC and SEC finalized rules that would clarify the application of the Securities Investor Protection Act (SIPA) in a receivership for a systemically significant broker-dealer under the Dodd-Frank Act's Orderly Liquidation Authority, which could potentially apply to our US broker-dealer. The rules clarify how relevant provisions of SIPA would be incorporated into a proceeding under the Orderly Liquidation Authority, that the Securities Investor Protection Corporation would be appointed as trustee for the broker-dealer, the claims process and the FDIC's powers as receiver with respect to the transfer of assets of the broker-dealer.

As referred to above, the Dodd-Frank Act and implementing regulations require bank holding companies and companies treated as bank holding companies with total consolidated assets above specified thresholds to submit periodically to the Fed and the FDIC resolution plans describing the strategy for rapid and orderly resolution under the US Bankruptcy Code or other applicable insolvency regimes, though such plans may not rely on the Orderly Liquidation Authority. Our combined US operations are required to file a resolution plan every three years, alternating between a full resolution plan and a less extensive targeted resolution plan containing certain core elements, responses to any targeted information request, and certain changes from the previous full plan. We filed a targeted plan on December 17, 2021. However, as described above among our recent regulatory developments and proposals, the Fed and FDIC announced that they identified two deficiencies in our 2021 targeted plan submission, for which we are required to submit a revised resolution plan. The deadline for our next full plan is July 1, 2024.

Data protection and cybersecurity

In the United States, we are subject to the federal Gramm-Leach-Bliley Act (GLBA) and the DFS Cybersecurity Regulation (discussed below), and some of our operations may be subject to other consumer protection or privacy laws related to the collection, processing and disclosure of consumer personal information, including the California Consumer Privacy Act of 2018 (CCPA) as amended by the California Privacy Rights Act (CPRA). The GLBA, which is enforced by numerous administrative agencies such as the SEC, requires covered financial institutions to explain their information collection and sharing practices to their customers, provide opt-out mechanisms to prevent the disclosure of customer nonpublic personal information to certain nonaffiliated third parties, and safeguard nonpublic personal information by establishing appropriate standards to ensure the security and confidentiality of customer records and protect against anticipated threats or hazards and the unauthorized access to or use of such information. Similarly, the CPRA, which became effective on January 1, 2023 and amends the CCPA with additional data privacy compliance requirements, requires a covered business to provide disclosures to California consumers about such business' data collection, use and sharing practices and gives California residents expanded rights with respect to the processing of their personal information and sensitive personal information.

Additionally, federal and state regulators, including the DFS, Fed, FINRA and the SEC, continue to increase focus on cybersecurity risks and responses for regulated entities. For example, the DFS continues to update and enforce its Cybersecurity Regulation, which applies to any licensed person, including DFS-licensed branches of non-US banks, and requires each covered entity to assess its specific risk profile periodically and design a program that addresses such risks in a robust fashion. Furthermore, each covered entity must monitor its systems and networks and notify the superintendent of the DFS within 72 hours after it is determined that a material cybersecurity event has occurred. The Fed has also adopted a notification rule effective May 2022 that requires certain banking organizations (including the US operations of non-US banks) to notify the Fed within 36 hours of a determination that a significant computer-security incident has occurred. Similarly, FINRA has identified cybersecurity as a significant risk and will assess firms' programs to mitigate those risks. In addition, the SEC has issued expanded interpretative guidance that highlights requirements under US federal consumer protection and securities laws that public operating companies must pay particular attention to with respect to cybersecurity risks and incidents.

EU

Financial services regulation and supervision

Our EU banks, investment firms and fund managers are subject to extensive regulation by EU and national regulatory authorities, whose requirements are increasingly imposed under EU directives and regulations aimed at increasing integration and harmonization in the European market for financial services. While regulations have immediate and direct effect in EU member states, directives must be implemented through national legislation. As a result, the terms of implementation of directives are not always consistent from country to country. In response to the financial crisis and in order to strengthen European supervisory arrangements, the EU established the European Systemic Risk Board, which has macro-prudential oversight of the financial system. The EU has also established three supervisory authorities responsible for promoting greater harmonization and consistent application of EU legislation by national regulators: the EBA, the European Securities and Markets Authority and the European Insurance and Occupational Pensions Authority.

The Basel III capital framework is implemented in the EU by the amendments to the Capital Requirements Directive (CRD) (through the amending directive CRD V) and the CRR II (jointly known as the CRD V package). The CRD V amendments include a new requirement, applicable from December 30, 2023, for non-EU banking groups with two or more institutions and at least EUR 40 billion of assets in the EU to establish an EU intermediate financial holding company that would be subject to consolidated prudential supervision in the EU. In October 2021, the European Commission published legislative proposals for the amendment of the CRR, including through CRR III, and for the amendment of the CRD through an amending Directive (CRD VI). CRR III contains, among other things, proposed reforms to the CRR regarding international prudential standards based on the Basel III framework, including provisions relating to credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor, which were due to be implemented by January 1, 2023 (according to the timeline set by the Basel Committee), but under the proposals would apply from January 1, 2025. The CRD VI proposal includes, among other things, measures relating to supervisory powers, sanctions, and ESG risks and new measures regarding the provision of banking services into the EU by third-country undertakings. The Council of the EU and the European Parliament are currently negotiating to reach a final agreed text.

The revised Markets in Financial Instruments Directive (MiFID II) and the Markets in Financial Instruments Regulation (MiFIR) have introduced enhanced organizational and business conduct standards that apply to investment firms, including a number of Credit Suisse EU entities advising clients within the European Economic Area. In February 2021, the EU enacted a series of "quick-fix" amendments to MiFID II, as a response to the COVID-19 pandemic, relating to product governance, payment for research, client information requirements, energy derivatives markets and best execution requirements. Furthermore, in November 2021, the European Commission adopted two legislative proposals for a new regulation and a new directive amending MiFID II and MiFIR as part of its 2020 Capital Markets Union Action Plan. This legislative package would establish a new process for selecting consolidated tape providers for the EU market; moreover, the proposals would, among other things, make changes to the transparency regimes, update the share and derivative trading obligations and introduce restrictions on payments for order flow.

The Benchmarks Regulation (BMR) introduces new rules aimed at ensuring greater accuracy and integrity of benchmarks in financial instruments. The BMR sets out various requirements which govern the activities of benchmark administrators and submitters. Certain requirements have applied to Credit Suisse in its capacity as a contributor to several critical benchmarks since June 2016. The majority of the other provisions of the BMR have applied since January 2018, although a two-year transition period permitting usage of the EU non-critical benchmark, not yet compliant with the BMR, by EU-supervised entities came to an end on December 2019 and "critical" and third country benchmark providers, including CSI as a UK benchmark administrator, have been given until December 31, 2023 to comply.

In January 2017, the European Commission Delegated Regulation supplementing the European Market Infrastructure Regulation (EMIR) with regard to regulatory technical standards for risk mitigation techniques for OTC derivatives not cleared by a central counterparty (CCP) entered into force. The Delegated Regulation imposes a requirement on financial counterparties and non-financial counterparties above the clearing threshold to collect initial margin and variation margin in respect of non-centrally cleared OTC derivative transactions. In February 2021, the deadline for the implementation of initial margin requirements for firms in the final implementation phases has been extended to September 2021 (phase 5) and September 2022 (phase 6), whereas the temporary exemption from initial margin and variation margin requirements for single-stock equity options and index options (equity options) has been extended to January 4, 2024.

In June 2019, a broad range of amendments to EMIR (through the "EMIR Refit" Regulation) entered into force, including in relation to counterparty classification, clearing, margin and reporting requirements. The amendments include an obligation for clearing members and clients which provide clearing services to provide services under fair, reasonable, non-discriminatory and transparent commercial terms. Further amendments to EMIR (known as "EMIR 2.2") entered into force in January 2020. EMIR 2.2 focuses on the authorization and supervision of CCPs. Amongst other things, EMIR 2.2 creates new supervisory mechanisms for ensuring more coherent and consistent supervision of EU CCPs as well as a more robust regime for recognizing non-EU CCPs, including through the newly established CCP Supervisory Committee and a tiering system for non-EU CCPs according to their systemic importance to the EU or member states.

On February 8, 2022, the EU Commission adopted a decision to extend equivalence for UK central counterparties (CCPs) until June 30, 2025 only.

On December 7, 2022, the European Commission proposed a legislative package (so-called EMIR 3) to review the central clearing framework in the EU, through certain amendments to EMIR, CRR, CRD, the Investment Firm Directive (IFD), the UCITS Directive and the Money Market Funds (MMF) Regulation with the purpose of making the EU clearing system more attractive, by simplifying regulatory procedures and strengthening the EU supervisory framework for CCPs, as well as requiring clearing members and clients to hold active accounts at EU CCPs and reducing excessive exposures of EU market participants to systemically important third country CCPs.

Resolution regime

The BRRD establishes a framework for the recovery and resolution of credit institutions and investment firms and applies to all Credit Suisse EU entities, including branches of the Bank. The BRRD introduces requirements for recovery and resolution plans, provides for bank resolution tools, including bail-in for failing banks, and establishes country-specific bank resolution financing arrangements. In addition, as part of their powers over banks in resolution, resolution authorities are empowered to replace a bank's senior management, transfer a bank's rights, assets and liabilities to another person, take a bank into public ownership, and close out and terminate a bank's financial contracts or derivatives contracts. Banks are required to produce recovery plans, describing proposed arrangements to permit them to restore their viability, while resolution authorities are empowered to produce resolution plans which describe how a bank may be resolved in an orderly manner, were it to fail.

Under the BRRD, the resolution authority can increase the capital of a failing or failed bank through bail-in: i.e., the write-down, reduction or cancellation of liabilities held by unsecured creditors, or their conversion to equity or other securities. All of a bank's liabilities are subject to bail-in, unless explicitly excluded by the BRRD because they are, for example, covered deposits, secured liabilities, or liabilities arising from holding client assets or client money.

The BRRD also requires banks to hold a certain amount of bail-inable loss-absorbing capacity at both individual and consolidated levels. This requirement is known as the MREL, and is conceptually similar to the TLAC framework.

In June 2019, amendments to BRRD (through BRRD II) entered into force. EU member states were required to adopt national legislative measures necessary to comply with BRRD II by December 2020. BRRD II contains amendments to the existing EU regime relating to MREL to align it with the TLAC standard and to introduce, among other things, changes to the contractual recognition of bail-in and a new moratorium power for competent authorities. The relevant amendments to the CRR relating to the indirect subscription of internal MREL-eligible instruments within resolution groups will apply from January 1, 2024 and the amendments of the BRRD relating to the indirect subscription of internal MREL-eligible instruments within resolution groups must be implemented by member states by November 15, 2023, while the other amendments to the BRRD and CRR applied from November 14, 2022.

Anti-money laundering regulations

In July 2021, the European Commission presented a package of legislative proposals to strengthen the EU's anti-money laundering and countering the financing of terrorism (AML/CFT) rules. The legislative package, which is being discussed by the European Parliament and Council, introduces a new EU authority that will transform AML/CFT supervision and that should be operational in 2024. Further, a new directive, the Sixth Directive on AML/CTF (AMLD6), is expected to replace the existing Directive 2015/849/EU.

Investment services regulation

Since July 1, 2019, following a decision by the European Commission not to extend the recognition of the equivalence of the Swiss legal and supervisory framework for trading venues with that of the EU, EU investment firms are, in principle, prohibited from trading in certain equity securities of companies domiciled in Switzerland on Swiss trading venues. Likewise, since July 1, 2019, under measures taken by the Swiss Federal Department of Finance, trading venues domiciled in the EU are effectively prohibited from offering or facilitating trading in certain equity securities of Swiss companies.

UK-EU relationship

On June 23, 2016, voters in the UK voted to leave the EU. Following extensive negotiations with the EU on the terms of its withdrawal, the UK ceased to be a member of the EU on January 31, 2020, and after a transitional period ending on December 31, 2020, EU law, including financial services passporting, no longer applies in the UK. On December 24, 2020, the UK and the EU announced that they had agreed on a Trade and Cooperation Agreement (TCA), which entered into full application in May 2021, following the ratification by the UK and EU, an Agreement between the UK and the European Atomic Energy Community for Cooperation on the Safe and Peaceful Uses of Nuclear Energy and an Agreement concerning Security Procedures for Exchanging and Protecting Classified Information. The TCA generally does not cover financial services. On March 26, 2021, the EU and the UK announced that they had completed negotiations in relation to the "non-binding memorandum of understanding governing the regulatory dialogue" for regulatory cooperation in financial services. The memorandum of understanding has not yet been formally published or signed. Although equivalence may be one of the topics discussed in any regulatory dialogue, the decision to grant equivalence is unilateral and not subject to bilateral negotiation. There can be no assurance that the EU will grant equivalence to the UK financial services regime and (even if equivalence is granted) any such decision may be revoked at any time. Notably, on February 8, 2022 the EU Commission adopted a decision to extend equivalence for UK central counterparties (CCPs) until June 30, 2025 only.

UK

Banking regulation and supervision

The principal statutory regulators of financial services activity in the UK are the PRA, a part of the Bank of England, which is responsible for the micro-prudential regulation of banks and larger investment firms, and the FCA, which regulates markets, the conduct of business of all financial firms, and the prudential regulation of firms not regulated by the PRA. In addition, the Financial Policy Committee of the Bank of England is responsible for macro-prudential regulation.

The body of EU law, as it stood at the end of the transition period, has largely been retained in UK law in the immediate term, the UK Treasury exercising certain statutory powers to adapt retained EU law relating to financial services, through statutory instruments. The statutory instruments did not make policy changes, but rather were intended to reflect the UK's new position outside the EU.

This includes certain parts of CRR (on-shored as UK CRR). In addition, the PRA has implemented rules corresponding to certain parts of CRR II that were not in force before the UK's withdrawal from the EU. These rules became effective on January 1, 2022. Accordingly, at present, the regulatory regime for banks operating in the UK largely conforms to required EU standards, including compliance with capital adequacy standards, customer protection requirements, conduct of business rules and anti-money laundering rules.

The UK intends to continue to adapt its legislative framework in the upcoming years, with significant legislative change, for example as announced in the Wholesale Markets Review and the Edinburgh Reforms. CSI, Credit Suisse (UK) Limited and Credit Suisse AG, London Branch are authorized to take deposits. We also have a number of entities authorized to conduct investment business and asset management activities. In deciding whether to grant authorization, the PRA must first determine whether a firm satisfies the threshold conditions for authorization, which include suitability and the requirement for the firm to be fit and proper. The PRA is also responsible for approval of certain models with respect to regulatory capital requirements of our UK subsidiaries.

Our London Branch is required to comply principally with Swiss home country regulation. However, as a response to the global financial crisis, the PRA made changes to its prudential supervision rules in its rulebook, applying a principle of "self-sufficiency," such that CSI, CSSEL and Credit Suisse (UK) Limited are required to maintain adequate liquidity resources, under the day-to-day supervision of the entity's senior management, held in a custodian account in the name of the entity, unencumbered and attributed to the entity balance sheet. In addition, the PRA requires CSI, CSSEL and Credit Suisse (UK) Limited to maintain a minimum capital ratio and to monitor and report large exposures in accordance with UK CRR and PRA rules.

The UK has a stringent regulatory regime for senior managers and specified risk takers in a bank or PRA authorized investment firm; it also makes reckless misconduct in the management of a bank a criminal offense. These rules impact our UK entities, such as CSI and CSSEL.

Broker-dealer and asset management regulation and supervision

Our London bank and broker-dealer subsidiaries are authorized under the Financial Services and Markets Act 2000 (FSMA) and are subject to regulation by the PRA and FCA. In addition, our asset management companies are authorized under the FSMA and are subject to regulation by the FCA. In deciding whether to authorize an investment firm in the UK, the PRA and FCA will consider the threshold conditions, which include suitability and the general requirement for a firm to be fit and proper. The PRA and FCA are responsible for regulating most aspects of an investment firm's business, including its regulatory capital, sales and trading practices, use and safekeeping of customer funds and securities, record-keeping, margin practices and procedures, registration standards for individuals carrying on certain functions, anti-money laundering systems and periodic reporting and settlement procedures.

Operational resilience

From March 31, 2022, the UK operational resilience framework requires firms to identify their important business services, set impact tolerances for such business services and commence mapping and testing against severe but plausible scenarios. Under the rules of this framework, firms are expected to introduce any required resilience reinforcements to remain within their impact tolerances by March 31, 2025. These rules impact our UK entities, including CSI, CSSEL, Credit Suisse (UK) Limited and Credit Suisse AG, London Branch.

Resolution regime

The UK legislation related to the recovery and resolution of credit institutions such as Credit Suisse consists of the special resolution regime (SRR) and the PRA recovery and resolution framework, which implemented the BRRD in the UK. The UK Banking Act and the related secondary legislation govern the application of the SRR, which grants the UK authorities powers to handle systemically important firms, such as banks, in case of highly likely failure. The UK resolution authority is the Bank of England which is empowered, among other things, to direct firms and their parent undertakings to address or remove barriers to resolvability, to enforce resolution actions and to carry out resolvability assessments of credit institutions. Separately, the PRA has the power to require parent undertakings of firms subject to this regime to take actions such as the preparation and submission of group recovery plans or the facilitation of the use of resolution powers.

The Bank of England set out its approach to resolvability in a statement of policy issued in 2019, which forms part of its "resolvability assessment framework" (RAF). Among other things, the RAF sets out the outcomes firms must, as a minimum, be able to achieve to be considered resolvable. In May 2021, the PRA published amended rules, and an associated supervisory statement, regarding operational continuity in resolution (OCIR), which became effective on January 1, 2023, alongside changes made by the Bank of England to the RAF statement of policy. The amended OCIR requirements, and related changes to the RAF statement of policy, were designed to improve firms' resolvability. Further recent measures introduced by the PRA include its statement of policy on trading activity wind-down that will become effective from March 3, 2025. The statement of policy sets out the PRA's expectation that firms engaged in trading activities that may affect the financial stability of the UK should have capabilities that will allow them to execute a full or partial wind-down of their trading activities in an orderly fashion.

Financial crime

We are also subject, as a result of our operations in the UK, to UK financial crime legislation including the Bribery Act 2010, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and economic sanctions imposed by the Office of Financial Sanctions Implementation of the UK government. In addition, as part of the FCA's responsibility to ensure the integrity of the UK financial markets, it requires all authorized firms in the UK, including CS entities, to have systems and controls in place to mitigate the risk that they might be used to commit financial crime.

Risk factors

Our businesses are exposed to a variety of risks that could adversely affect our results of operations and financial condition, including, among others, those described below, and many of these factors are beyond our control. Any of the risk factors described below, either by itself or together with other risk factors, could materially and adversely affect our businesses, results of operations and financial condition.

Liquidity risk

Liquidity, or ready access to funds, is essential to all our businesses. We seek to maintain available liquidity to meet our obligations in a stressed liquidity environment.

→ Refer to "Liquidity and funding management" in III – Treasury, Risk, Balance sheet and Off-balance sheet for information on our liquidity management.

Our liquidity could be impaired if we were unable to access the capital markets, sell our assets or if our liquidity costs increase

Our ability to borrow on a secured or unsecured basis and the cost of doing so can be affected by increases in interest rates or credit spreads, the availability of credit, regulatory requirements relating to liquidity, or the market perceptions of risk relating to us, certain of our counterparties or the banking sector as a whole, including our perceived or actual creditworthiness. An inability to obtain financing in the unsecured long-term or short-term debt capital markets, or to access the secured lending markets, could have a substantial adverse effect on our liquidity. In challenging credit markets, our funding costs may increase or we may be unable to raise funds to support or expand our businesses, adversely affecting our results of operations.

→ Refer to "Regulatory framework" and "Regulatory developments" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Liquidity and funding management for further information.

If we are unable to raise needed funds in the capital markets (including through offerings of equity, regulatory capital securities and other debt), we may need to liquidate unencumbered assets to meet our liabilities. In a time of reduced liquidity, we may be unable to sell some of our assets, or we may need to sell assets at depressed prices, which in either case could adversely affect our results of operations and financial condition.

Our businesses rely significantly on our deposit base for funding

Our businesses benefit from short-term funding sources, including primarily demand deposits, inter-bank loans, time deposits and cash bonds. Although deposits have been, over time, a stable source of funding, this may not continue, and we may experience, as we did in the fourth quarter of 2022, deposit outflows at levels that substantially exceed rates typically incurred. Deposits could also be negatively affected by clients instead choosing to seek deposits or securities products offering higher yields, clients switching to an alternative financial institution which they perceive to be safer or changes in client spending behavior as a result of inflation or other economic developments resulting in an increased need for cash. In any such case, our liquidity position could be adversely affected, and we might be unable to meet deposit withdrawals on demand or at their contractual maturity, to repay borrowings as they mature or to fund new loans, investments and businesses.

Significant negative consequences of liquidity issues and outflows in assets under management in the fourth quarter of 2022

As previously disclosed, early in the fourth quarter of 2022, Credit Suisse began experiencing significantly higher withdrawals of cash deposits, non-renewal of maturing time deposits and net asset outflows at levels that substantially exceeded the rates incurred in the third quarter of 2022. These outflows stabilized to much lower levels but had not yet reversed as of the date of this report. These outflows led us to partially utilize liquidity buffers at the Group and legal entity level, and we fell below certain legal entity-level regulatory requirements.

These circumstances have exacerbated and may continue to exacerbate the risks described above in this section. In addition, this reduction in assets under management is expected to lead to reduced net interest income and recurring commissions and fees for the Group, which in turn could affect our ability to achieve our capital position objectives. A failure to reverse these outflows and to restore our assets under management and deposits could have a material adverse effect on our results of operations and financial condition.

→ Refer to "Liquidity issues in the fourth quarter of 2022" and "Outflows in assets under management in the fourth quarter of 2022" in II – Operating and financial review – Credit Suisse – Other information for further information.

Changes in our ratings may adversely affect our business

Ratings are assigned by rating agencies and are subject to such agencies' ongoing review in light of various firm-specific factors and factors relating to the financial services industry as a whole. Firm-specific factors that might influence their ratings include our financial strength, performance, operations and strategy, including the implementation of our new strategic direction, as well as the consequences of the significant liquidity issues and asset under management outflows we experienced in the fourth quarter of 2022. Factors relevant to the financial services industry as a whole, which includes factors outside of our control, that might influence their ratings include potential declines in profitability, asset quality deterioration, asset price volatility, risk and governance controls, capital adequacy, the impact from any potential easing or enhancement of regulatory requirements and challenges from increased costs related to compliance and litigation. In May 2022, Standard and Poor's Global Ratings Europe Limited (S&P) lowered its long-term issuer credit ratings, and Fitch Ratings Limited (Fitch) lowered its long-term issuer default ratings of Credit Suisse AG and Credit Suisse Group AG by one notch. In August 2022, Moody's Investors Service (Moody's) lowered its long-term senior unsecured debt and deposit ratings of Credit Suisse AG and its senior unsecured debt ratings of Credit Suisse Group AG by one notch, and Fitch lowered its long-term issuer default ratings of Credit Suisse Group AG and the long- and short-term issuer default ratings of Credit Suisse AG, in each case by one notch. On November 1, 2022, Moody's downgraded the long-term senior unsecured debt and deposit ratings of Credit Suisse AG by one notch, and also downgraded all the short-term ratings by one notch and maintained the "negative" outlook on all ratings. S&P downgraded the long-term issuer credit ratings of Credit Suisse Group AG and the long- and short-term issuer credit ratings of Credit Suisse AG, in each case by one notch on November 1, 2022. The outlook on these ratings was revised from "negative" to "stable." Rating agencies may lower, indicate their intention to lower or withdraw their ratings at any time and there is no assurance that our credit ratings will not be put on "negative" outlook or be downgraded in the future. In addition, any such "negative" outlook or downgrade could occur at times when our ability to respond may be limited due to broader market instability and/or lower general investor confidence.

These downgrades in our ratings increasingly elevated our borrowing costs and limited our ability to renew maturing short-term funding and to access short-term funding markets. The downgrades have increased our cost of capital and adversely affected and may in the future continue to adversely affect the ability of our businesses to sell or market their products, engage in business transactions, particularly financing and derivative transactions, and retain our clients. For example, some of our clients and counterparties could have ratings limitations on their permissible counterparties, which we may or may not be aware of, and certain clients and counterparties may choose to re-assess their business relationships with us and/or limit certain contracts or market instruments in response to any ratings downgrades. If our trading or other agreements are terminated in relation to a credit rating downgrade, we may sustain losses or reductions to our liquidity that require us to seek other financing sources or make significant payments, whether in cash or securities. Additionally, although certain potential impacts stem from our contracts and are therefore quantifiable, other adverse effects of a credit rating downgrade may not currently be known to us and may be dependent on various factors and assumptions, such as the relationship between long- and short-term credit ratings and how clients, investors and counterparties behave. Further downgrades, including any downgrade below investment grade, could therefore negatively impact our operating results and financial position.

→ Refer to "Credit ratings" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Liquidity and funding management – Funding management for further information relating to credit ratings

Archegos and SCFF-related risks

Significant negative consequences of the Archegos and supply chain finance funds matters

As previously reported, Credit Suisse incurred a net charge of CHF 4.8 billion in 2021 in respect of the Archegos matter. Credit Suisse also previously reported that it is reasonably possible that it will incur a loss in respect of the supply chain finance funds (SCFF) matter, though it is not yet possible to estimate the full extent of any loss. However, the ultimate cost of resolving the SCFF matter may be material to our operating results.

A number of regulatory and other inquiries, investigations, enforcement and other actions have been initiated or are being considered in respect of each of these matters. In addition, we have been required by FINMA to take certain capital and related actions, as well as certain remedial measures. Furthermore, we are subject to various litigation claims and criminal complaints in respect of these matters and we may become subject to additional litigation, disputes or other actions.

→ Refer to "Note 40 – Litigation" in VI – Consolidated financial statements – Credit Suisse Group for further information.

On July 29, 2021, we published the report based on the independent external investigation into Archegos, which found, among other things, a failure to effectively manage risk in the Investment Bank's prime services business by both the first and second lines of defense as well as a lack of risk escalation. On February 10, 2022, we announced that the separate report related to the SCFF matter has been completed and that the findings have been made available to the Board of Directors and the report was shared with FINMA.

The combined effect of these two matters, including the material loss incurred in respect of Archegos, may have other material adverse consequences for us, including negative effects on our business and operating results from actions that we have taken and may be required or decide to take in the future in response to these matters. In addition, the Board of Directors has conducted a review of the Group's business strategy and risk appetite. There can be no assurance that these or other measures instituted to manage related risks will be effective in all instances. The changes resulting from the implementation of our strategic initiatives will also entail the incurrence of certain costs and charges, such as the ones we have previously reported.

There can be no assurance that any additional losses, damages, costs and expenses, as well as any further regulatory and other investigations and actions or any further downgrade of our credit ratings, will not be material to us, including from any impact on our business, financial condition, results of operations, prospects, liquidity, capital position or reputation. For example, we have suffered and may continue to suffer reputational harm and reductions in certain areas of our business, such as outflows of assets, attributable, at least in part, to these matters. The ongoing effect of these matters, and this harm and these reductions, can continue to affect our business overall, including our ability to attract and retain customers, clients, investors and employees and to conduct business transactions with our counterparties. Our employee attrition has been higher over the last year, undoubtedly owing at least in part to these matters. While steps we have taken in response to the Archegos and SCFF matters are designed to reduce the Group's risks, some of these changes will constrain certain areas of our business, thereby impacting negatively our results of operations. These challenges are taking place in the context of worsening macroeconomic and market conditions, potentially amplifying some of the negative consequences noted above. The foregoing challenges may also make it more difficult to implement our strategic initiatives announced on October 27, 2022, as well as achievement of the targets and objectives associated with those initiatives.

Market and credit risks

We may incur significant losses on our trading and investment activities due to market fluctuations and volatility

Although we continue to strive to reduce our balance sheet and have made significant progress in implementing our strategy over the past few years, we also continue to maintain large trading and investment positions and hedges in the debt, currency and equity markets, and in private equity, hedge funds, real estate and other assets. These positions could be adversely affected by volatility in financial and other markets, that is, the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. To the extent that we own assets, or have net long positions, in any of those markets, a downturn in those markets could result in losses from a decline in the value of our net long positions. Conversely, to the extent that we have sold assets that we do not own, or have net short positions, in any of those markets, an upturn in those markets could expose us to potentially significant losses as we attempt to cover our net short positions by acquiring assets in a rising market. Market fluctuations, downturns and volatility can adversely affect the fair value of our positions and our results of operations. Adverse market or economic conditions or trends have caused, and in the future may cause, a significant decline in our net revenues and profitability.

Our businesses and organization are subject to the risk of loss from adverse market conditions and unfavorable economic, monetary, political, legal, regulatory and other developments in the countries in which we operate

As a global financial services company, our businesses could be materially adversely affected by unfavorable global and local economic and market conditions, including the risk of global recession, as well as geopolitical events and other developments in Europe, the US, Asia and elsewhere around the world (even in countries in which we do not currently conduct business). For example, the protraction or escalation of the conflict related to Russia's invasion of Ukraine could lead to additional regional and/or global instability, as well as adversely affect commodity and other financial markets or economic conditions. The US, EU, UK, Switzerland and other countries have imposed, and may further impose, financial and economic sanctions and export controls targeting certain Russian entities, individuals, and/or sectors, and we may face additional restrictions on engaging with certain consumer and/or institutional businesses due to any current or impending sanctions and laws (including any Russian countermeasures), which could adversely affect our business. Further, numerous countries have experienced severe economic disruptions particular to that country or region, including extreme currency fluctuations, increased energy costs, high inflation, or low or negative economic growth, among other negative conditions, which could have an adverse effect on our operations and investments. Global equity markets continued their downward trend in 2022, and volatility increased. The economic environment may experience further volatility, increased inflation or other negative economic impacts.

→ Refer to "Regulation and supervision" and "Key risk developments" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management for further information.

In Europe, political uncertainty, including in relation to the UK's withdrawal from the EU, remains elevated and could cause disruptions in market conditions in Europe and around the world and could further have an adverse impact on financial institutions, including us. The economic and political impact of the UK leaving the EU, including on investments and market confidence in the UK and the remainder of the EU, may adversely affect our future results of operations and financial condition.

Following the UK's withdrawal from the EU, our legal entities that are organized or operate in the UK face limitations on providing services or otherwise conducting business in the EU, which require us to implement significant changes to our legal entity structure. In addition, as part of our overarching legal entity simplification program, the Group has developed a comprehensive EU entity strategy and is also defining a strategy to optimize the legal entity structure across regions, including expediting the closure of redundant entities. There are a number of uncertainties that may affect the feasibility, scope and timing of the intended results, including the outcome of the ongoing negotiations between the EU and the UK for a framework for regulatory cooperation on financial services and the operation of their unilateral and autonomous processes for recognizing each other's regulatory framework as equivalent. Finally, future significant legal and regulatory changes, including possible regulatory divergence between the EU and the UK, affecting us and our operations may require us to make further changes to our legal structure. The implementation of these changes has required, and may further require, the investment of significant time and resources and has increased, and may potentially further increase, operational, regulatory, compliance, capital, funding and tax costs as well as our counterparties' credit risk.

→ Refer to "UK-EU relationship" in Regulation and supervision – Regulatory framework – EU and "Corporate Governance framework" in IV – Corporate Governance – Overview for further information.

The environment of political uncertainty in countries and regions in which we conduct business may also affect our business. The increased popularity of nationalist and protectionist sentiments, including implementation of trade barriers and restrictions on market access, may result in significant shifts in national policy and a decelerated path to further European integration. Similar uncertainties exist regarding the impact of supply chain disruptions, labor shortages, wage pressures, rising inflation, the ongoing conflict related to Russia's invasion of Ukraine and the continuing COVID-19 pandemic, any of which may be disruptive to global economic growth and may also negatively affect our business.

In the past, the low interest rate environment has adversely affected our net interest income and the value of our trading and non-trading fixed income portfolios, and resulted in a loss of customer deposits as well as an increase in the liabilities relating to our existing pension plans. Furthermore, while interest rates may remain relatively lower for a longer period of time, major central banks have begun increasing or signaling that they expect to increase interest rates in response to rising inflation concerns. Future changes in interest rates, including increasing interest rates or changes in the current short-term interest rates in our home market, could adversely affect our businesses and results. In addition, movements in equity markets have affected the value of our trading and non-trading equity portfolios, while the historical strength of the Swiss franc has adversely affected our revenues and net income and exposed us to currency exchange rate risk. Further, diverging monetary policies among the major economies in which we operate, in particular among the Fed, ECB and SNB, may adversely affect our results.

Such adverse market or economic conditions may negatively impact our investment banking and wealth management businesses and adversely affect net revenues we receive from commissions and spreads. These conditions may result in lower investment banking client activity, adversely impacting our financial advisory and underwriting fees. Such conditions may also adversely affect the types and volumes of securities trades that we execute for customers. Cautious investor behavior in response to adverse conditions could result in generally decreased client demand for our products, which could negatively impact our results of operations and opportunities for growth. Unfavorable market and economic conditions have affected our businesses in the past, including the low interest rate environment, continued cautious investor behavior and changes in market structure. These negative factors could be reflected, for example, in lower commissions and fees from our client-flow sales and trading and asset management activities, including commissions and fees that are based on the value of our clients' portfolios.

Our response to adverse market or economic conditions may differ from that of our competitors and an investment performance that is below that of competitors or asset management benchmarks could also result in a decline in assets under management and related fees, making it harder to attract new clients. There could be a shift in client demand away from more complex products, which may result in significant client deleveraging, and our results of operations related to wealth management and asset management activities could be adversely affected. Adverse market or economic conditions, including as a result of the COVID-19 pandemic or Russia's invasion of Ukraine could exacerbate such effects.

In addition, several of our businesses engage in transactions with, or trade in obligations of, governmental entities, including supranational, national, state, provincial, municipal and local authorities. These activities can expose us to enhanced sovereign, credit-related, operational and reputational risks, which may also increase as a result of adverse market or economic conditions. Risks related to these transactions include the risks that a governmental entity may default on or restructure its obligations or may claim that actions taken by government officials were beyond the legal authority of those officials, which have in the past and may in the future adversely affect our financial condition and results of operations.

Adverse market or economic conditions could also affect our private equity investments. If a private equity investment substantially declines in value, we may not receive any increased share of the income and gains from such investment (to which we are entitled in certain cases when the return on such investment exceeds certain threshold returns), may be obligated to return to investors previously received excess carried interest payments and may lose our pro rata share of the capital invested. In addition, it could become more difficult to dispose of the investment, as even investments that are performing well may prove difficult to exit.

In addition to the macroeconomic factors discussed above, other political, social and environmental developments beyond our control, including terrorist attacks, cyber attacks, military conflicts, diplomatic tensions, including any escalation of tensions between China and Taiwan, economic or political sanctions, disease pandemics, war, political or civil unrest and widespread demonstrations, climate change, natural disasters, or infrastructure issues, such as transportation or power failures, could have a material adverse effect on economic and market conditions, market volatility and financial activity, with a potential related effect on our businesses and results. In addition, as geopolitical tensions rise, compliance with legal or regulatory obligations in one jurisdiction may be seen as supporting the law or policy objectives of that jurisdiction over another jurisdiction, creating additional risks for our business.

→ Refer to "Non-financial risk" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management – Risk coverage and management for further information.

Uncertainties regarding the discontinuation of benchmark rates may adversely affect our business, financial condition and results of operations and are requiring adjustments to our agreements with clients and other market participants, as well as to our systems and processes

In July 2017, the FCA, which regulates LIBOR, announced that it will no longer compel banks to submit rates for the calculation of the LIBOR benchmark after year-end 2021. Other IBORs may also be permanently discontinued or cease to be representative. As of January 1, 2022, all CHF, EUR, GBP and JPY LIBOR settings and the one-week and two-month USD LIBOR settings are no longer available on a representative basis. The remaining USD LIBOR settings will permanently cease to be provided by any administrator or will no longer be representative immediately after June 30, 2023, providing additional time to address the legacy contracts that reference such USD LIBOR settings. The FCA has also proposed to continue requiring the publication of synthetic USD LIBOR until September 30, 2024, potentially providing more time to remediate legacy contracts, although such proposal is yet to be confirmed. However, there is no certainty that the extended period of time to transition to ARRs is sufficient given how widely USD LIBOR is referenced. A number of initiatives have been developed to support the transition, such as the publication by ISDA of Supplement number 70 to the 2006 ISDA Definitions (IBOR Supplement) and the accompanying IBOR Protocol. Although these measures may help facilitate the derivatives markets' transition away from IBORs, our clients and other market participants may not adhere to the IBOR Protocol or may not be otherwise willing to apply the provisions of the IBOR Supplement to relevant documentation. Furthermore, no similar multilateral mechanism exists to amend legacy loans or bonds, many of which must instead be amended individually, which may require the consent of multiple lenders or bondholders. As a consequence, there can be no assurance that market participants, including Credit Suisse, will be able to successfully modify all outstanding IBOR referencing contracts or otherwise be sufficiently prepared for the uncertainties resulting from cessation, potentially leading to disputes. Legislation has been proposed or enacted in a number of jurisdictions to address affected contracts without robust fallback provisions. For example, the United States has enacted the Adjustable Interest Rate (LIBOR) Act of 2021 (LIBOR Act) providing for the replacement of USD LIBOR-based benchmarks in certain agreements by operation of law. However, the scope of this legislation is limited. In addition, it is uncertain whether, when and how other jurisdictions will enact similar legislation. Furthermore, the terms and scope of existing and future legislative solutions may be inconsistent and potentially overlapping.

Credit Suisse has identified a significant number of its liabilities and assets, including credit instruments such as credit agreements, loans and bonds, linked to IBORs across its businesses that require transition to ARRs. Aside from a small amount of legacy contracts that currently rely on synthetic LIBOR, Credit Suisse's legacy non-USD LIBOR portfolio has been remediated, either by active transition to ARRs, or by adding robust fallback provisions intended to govern the transition to ARRs upon the cessation of LIBORs. While Credit Suisse has a significant level of liabilities and assets linked to USD LIBOR, derivatives make up the majority of the legacy portfolio, and many of our derivative counterparts have already adhered to the IBOR Protocol. Further, under the final rules adopted by the Fed pursuant to the LIBOR Act, the "Fallback Rate (SOFR)" as defined in the IBOR Protocol will apply to derivative contracts governed by US law that reference overnight and one-, three-, six- and 12-month tenors of USD LIBOR and do not have suitable fallback provisions and provide permanent transition out of LIBOR. Non-US law contracts may benefit from the proposed "synthetic" (but time limited) USD LIBOR that the FCA is currently consulting on. The discontinuation of IBORs or future changes in the administration of benchmarks could result in adverse consequences to the return on, value of and market for securities, credit instruments and other instruments whose returns or contractual mechanics are linked to any such benchmark, including those issued and traded by the Group. For example, ARR-linked products may not provide a term structure and may calculate interest payments differently than benchmark-linked products, which could lead to greater uncertainty with respect to corresponding payment obligations. The transition to ARRs also raises concerns of liquidity risk, which may arise due to slow acceptance, take-up and development of liquidity in products that use ARRs, leading to market dislocation or fragmentation. It is also possible that such products will perform differently to IBOR products during times of economic stress, adverse or volatile market conditions and across the credit and economic cycle, which may impact the value, return on and profitability of our ARR-based assets. The transition to ARRs also requires a change in contractual terms of existing products currently linked to IBORs.

Further, the replacement of IBORs with an ARR in existing securities and other contracts, or in internal discounting models, could negatively impact the value of and return on such existing securities, credit instruments and other contracts and result in mispricing and additional legal, financial, tax, operational, market, compliance, reputational, competitive or other risks to us, our clients and other market participants. For example, we may face a risk of litigation, disputes or other actions from clients, counterparties, customers, investors or others regarding the interpretation or enforcement of related contractual provisions or if we fail to appropriately communicate the effect that the transition to ARRs will have on existing and future products. Further, litigation, disputes or other action may occur as a result of the interpretation or application of legislation, in particular, if there is an overlap between legislation introduced in different jurisdictions. In addition, the transition to ARRs requires changes to our documentation, methodologies, processes, controls, systems and operations, which has resulted and may continue to result in increased effort and cost. There may also be related risks that arise in connection with the transition. For example, our hedging strategy may be negatively impacted or market risk may increase in the event of different ARRs applying to our assets compared to our liabilities. In particular, our swaps and similar instruments that reference an IBOR and that are used to manage long-term interest rate risk related to our credit instruments could adopt different ARRs than the related credit instruments, resulting in potential basis risk and potentially making hedging our credit instruments more costly or less effective.

→ Refer to "Replacement of interbank offered rates" in II – Operating and financial review – Credit Suisse – Other information for further information.

We may incur significant losses in the real estate sector

We finance and acquire principal positions in a number of real estate and real estate-related products, primarily for clients, and originate loans secured by commercial and residential properties. As of December 31, 2022, our real estate loans as reported to the SNB totaled approximately CHF 143.7 billion. We also securitize and trade in commercial and residential real estate and real estate-related whole loans, mortgages and other real estate and commercial assets and products, including CMBS and RMBS. Our real estate-related businesses and risk exposures could be adversely affected by any downturn in real estate markets, other sectors and the economy as a whole. Should these conditions persist or deteriorate, they could create additional risk for our commercial real estate-related businesses. In addition, the risk of potential price corrections in the real estate market in certain areas of Switzerland could have a material adverse effect on our real estate-related businesses.

Holding large and concentrated positions can expose us to large losses

Concentrations of risk can expose us to large losses given that we have provided or may in the future provide sizeable loans to, conduct sizeable transactions with and own securities holdings in certain customers, clients, counterparties, industries, countries or any pool of exposures with a common risk characteristic. Decreasing economic growth in any sector in which we make significant commitments, for example, through underwriting, lending or advisory services, could also negatively affect our net revenues. In addition, a significant deterioration in the credit quality of one of our borrowers or counterparties could lead to concerns about the creditworthiness of other borrowers or counterparties in similar, related or dependent industries. This type of interrelationship could exacerbate our credit, liquidity and market risk exposure and potentially cause us to incur losses.

We have significant risk concentration in the financial services industry as a result of the large volume of transactions we routinely conduct with broker-dealers, banks, funds and other financial institutions, and in the ordinary conduct of our business, we can be subject to risk concentration with a particular counterparty. In addition, we, and other financial institutions, may pose systemic risk in a financial or credit crisis, and may be vulnerable to market sentiment and confidence, particularly during periods of severe economic stress. We, like other financial institutions, continue to adapt our practices and operations in consultation with our regulators to better address an evolving understanding of our exposure to, and management of, systemic risk and risk concentration to financial institutions. Regulators continue to focus on these risks, and there are numerous new regulations and government proposals, and significant ongoing regulatory uncertainty, about how best to address them. There can be no assurance that the changes in our industry, operations, practices and regulation will be effective in managing these risks.

→ Refer to "Regulation and supervision" for further information.

Risk concentration can cause us to suffer losses even when economic and market conditions are generally favorable for others in our industry.

Our hedging strategies may not prevent losses

If any of the variety of instruments and strategies we use to hedge our exposure to various types of risk in our businesses is not effective, we can incur losses. We may be unable to purchase hedges or be only partially hedged, or our hedging strategies may not be fully effective in mitigating our risk exposure in all market environments or against all types of risk.

Market risk may increase the other risks that we face

In addition to the potentially adverse effects on our businesses described above, market risk could exacerbate the other risks that we face. For example, if we were to incur substantial trading losses, our need for liquidity could rise sharply while our access to liquidity could be impaired. In conjunction with another market downturn, our customers and counterparties could also incur substantial losses of their own, thereby weakening their financial condition and increasing our credit and counterparty risk exposure to them.

We may suffer significant losses from our credit exposures

Our businesses are subject to the fundamental risk that borrowers and other counterparties will be unable to perform their obligations. Our credit exposures exist across a wide range of transactions that we engage in with a large number of clients and counterparties, including lending relationships, commitments and letters of credit, as well as derivative, currency exchange and other transactions. Our exposure to credit risk can be exacerbated by adverse economic or market trends, as well as increased volatility in relevant markets or instruments. For example, adverse economic effects arising from rising inflation and recession risk, disruptions to economic activity, global supply chain issues and labor shortages, will likely continue to negatively impact the creditworthiness of certain counterparties and result in increased credit losses for our businesses. In addition, disruptions in the liquidity or transparency of the financial markets may result in our inability to sell, syndicate or realize the value of our positions, thereby leading to increased concentrations. Any inability to reduce these positions may not only increase the market and credit risks associated with such positions, but also increase the level of risk-weighted assets on our balance sheet, thereby increasing our capital requirements, all of which could adversely affect our businesses.

→ Refer to "Credit risk" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management – Risk coverage and management for information on management of credit risk.

Our regular review of the creditworthiness of clients and counterparties for credit losses does not depend on the accounting treatment of the asset or commitment. Changes in creditworthiness of loans and loan commitments that are fair valued are reflected in trading revenues.

Our accounting standards generally require management to estimate lifetime current expected credit losses on Credit Suisse's credit exposure held at amortized cost, which may result in volatility in earnings and capital levels. Management's determination of the provision for credit losses and the related estimation and application of forward-looking information requires quantitative analysis and significant expert judgment. The Group's estimation of expected credit losses is based on a discounted probability-weighted estimate that considers macroeconomic scenarios. The scenarios are probability-weighted according to the Group's best estimate of their relative likelihood based on historical frequency, an assessment of the current business and credit cycles as well as the macroeconomic factor trends. Expected credit losses are not solely derived from macroeconomic factor projections. Model overlays based on expert judgment are also applied, considering historical loss experience and industry and counterparty reviews. Such overlays are designed to address circumstances where in management's judgment the CECL model outputs are overly sensitive to the effect of economic inputs that exhibit significant deviation from their long-term historical averages. Overlays may also be used to capture judgment on the economic uncertainty from global or regional developments with severe impacts on economies. We can suffer unexpected losses if the models and assumptions that are used to estimate our allowance for credit losses are not sufficient to address our credit losses.

→ Refer to "Note 1 – Summary of significant accounting policies", "Note 9 – Provision for credit losses", "Note 19 – Loans" and "Note 20 – Financial instruments measured at amortized cost and credit losses" in VI – Consolidated financial statements – Credit Suisse Group for further information.

Under certain circumstances, we may assume long-term credit risk, extend credit against illiquid collateral and price derivative instruments aggressively based on the credit risks that we take. As a result of these risks, our capital and liquidity requirements may continue to increase.

Defaults by one or more large financial institutions could adversely affect financial markets generally and us specifically
Concerns, rumors about or an actual default by one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships between institutions. This risk is typically referred to as systemic risk. Concerns about defaults by and failures of many financial institutions could lead to material losses or defaults by financial institutions and financial intermediaries with which we interact on a daily basis, such as clearing agencies, clearing houses, banks, securities firms and exchanges. Our credit risk exposure will also materially increase if the collateral we hold cannot be realized or can only be liquidated at prices insufficient to cover the full amount of the exposure.

The information that we use to manage our credit risk may be inaccurate or incomplete
Although we regularly review our credit exposure to specific clients and counterparties and to specific industries, countries and regions that we believe may present credit concerns, default risk may arise from events or circumstances that are difficult to foresee or detect, such as fraud. We may also lack correct and complete information with respect to the credit or trading risks of a counterparty or risk associated with specific industries, countries and regions or misinterpret such information that is received or otherwise incorrectly assess a given risk situation. Additionally, there can be no assurance that measures instituted to manage such risk will be effective in all instances.

Strategy risk

We may not achieve some or all of the expected benefits of the strategic initiatives we have announced
On October 27, 2022, we announced a comprehensive new strategic direction for the Group and significant changes to its structure and organization, including establishing a more capital-light Investment Bank, divesting non-core businesses and accelerating cost reduction. We have announced our objective to implement most of these measures by 2025.

Our goals, our strategy for implementing them, and the completion of these measures are based on a number of key assumptions, including in relation to the future economic environment and the economic growth of certain geographic regions, the regulatory landscape, our ability to meet certain financial goals, and the confidence of clients, counterparties, employees and other stakeholders, including regulatory authorities, in this strategy and in our ability to implement it. If any of these assumptions prove inaccurate in whole or in part, we may not be able to achieve some or all of the expected benefits of our strategic initiatives, including generating the intended structural cost savings, strengthening and reallocating our capital, reducing our RWA and leverage exposure in certain divisions, divesting non-core businesses, generating sustainable returns, and achieving our other targets and strategic goals. Furthermore, many of the factors that could affect these assumptions are beyond our control, including but not limited to market and economic conditions, changes in laws, rules or regulations, execution risk related to the implementation of our strategy and other challenges and risk factors discussed in this report, which could limit our ability to achieve some or all of the expected benefits of this strategy. A failure to reverse the outflows and to restore our assets under management and deposits following the developments in the fourth quarter of 2022 also could negatively affect our ability to achieve our strategic objectives, including as to our capital position. Our ability to implement our strategic initiatives also might be limited by restrictions on capital payments from subsidiaries as a result of regulatory, tax or other constraints. Our ability to achieve our objectives in connection with the reduction of RWA could also be dependent upon our obtaining certain relief from our regulators. The breadth of our strategic initiatives and goals also increases the challenges and risks of executing and implementing such initiatives. If we are unable to implement our strategy successfully in whole or in part, or should the strategic initiatives once implemented fail to produce the expected benefits, our financial results and our share price may be materially and adversely affected. Even if we are able to successfully implement our strategy, our proposed goals may increase our exposure to certain risks, including but not limited to credit risks, market risks, liquidity risks, operational risks and regulatory risks, and such risks may evolve in a way that is not under our control or entirely possible to predict.
→ Refer to “Strategy” for further information on our strategic direction.

Our strategy involves a change in focus within certain areas of our business, including exiting certain businesses. For example, we have announced our intention to sell a significant part of the Securitized Products Group (SPG) and other related financing businesses and to carve out CS First Boston as a leading capital markets and advisory business. These changes may have negative effects in these and other areas of our business and may result in an adverse effect on our business as a whole.

Moreover, any reputational harm resulting from prior events or from reactions to our strategic initiatives may make it more difficult to implement those strategic initiatives or achieve the related targets and objectives.
→ Refer to “Significant negative consequences of the Archegos and supply chain finance funds matters” for further information.

We anticipate that revenues and income for the Investment Bank will be materially reduced by the planned disposal of the majority of SPG’s assets, as well as by the targeted reduction in capital for the Investment Bank. Our ability to attract and retain clients also may be adversely affected by these changes. The capital-light Investment Bank may also face increased competition in areas such as leveraged finance and underwriting, particularly from competitors that have access to larger amounts of capital. In addition, the new structure of the Investment Bank may pose challenges for the division to build upon other businesses and relationships of the Group and may limit the division’s ability to deliver cross-selling opportunities to other Group businesses.

Market conditions, the ability to attract potential purchasers, regulatory approvals and consents, and other similar uncertainties may also affect our ability to dispose of assets, achieve favorable prices or terms for these disposals, or complete any announced but not yet completed disposals, which may lead us to dispose of assets at a loss, at a higher than expected loss, hold these assets for a longer period of time than desired or planned, or fail to dispose of assets at all. A significant element of our strategic plans is to transfer a majority of SPG's assets, including the sale of a significant portion of SPG to certain entities and funds managed by affiliates of Apollo Global Management. This transaction involves phased closings through the first half of 2023, subject to regulatory approvals, customer consents and other customary closing conditions. If we are unable to dispose of these assets as proposed or announced, including the contemplated sale of other portfolio assets to third-party investors, we may not be able to reduce our RWAs and leverage exposure according to plan or achieve the capital targets set out in our strategy.

In addition, we anticipate these disposals and changes to the Group may result in further impairments and write-downs, including in relation to goodwill and the revaluation of our deferred tax assets, which may have a material adverse effect on our results of operations and financial condition. These changes may also lead to further impairments of the capital effective component of the values of Credit Suisse AG (Bank parent company)'s participations in certain of its subsidiaries, which would negatively impact its Swiss CET1 ratio.

Our strategy also includes certain financial goals and targets. Our ability to achieve these targets is based on a number of macroeconomic factors and underlying business assumptions, such as a higher interest rate environment and our ability to hold and attract client assets at levels and rates similar to those in the past. For example, a period of stagflation may have negative effects on our ability to achieve our financial goals and targets. Furthermore, we do not expect geopolitical risks to escalate significantly. Deviations from any of these assumptions would impact our ability to achieve our financial goals and targets.

We are also seeking to achieve significant cost savings as part of our plan. We are targeting to reduce our costs based on the assumption that, in addition to specific strategic business exit and curtailment activities that account for a significant proportion of the intended cost savings, more savings can be achieved through efficiency measures. Implementing these measures will entail the incurrence of significant restructuring expenses, including software and real estate impairments, estimated to be approximately CHF 2.9 billion through the end of 2024, although they could exceed this level. These measures include de-scoping of business and internal footprint, organizational effectiveness and simplification, workforce management and third-party cost management. For example, we expect to run the bank with ~43,000 full-time-equivalent employees by the end of 2025 compared to ~52,000 at the end of the third quarter of 2022, reflecting natural attrition and targeted headcount reductions. Furthermore, we have identified short-term actions to set the right trajectory to meet our cost ambitions. These include a 30% reduction in contractor spend and a 50% reduction in consultancy spend in 2023. Our ability to achieve these cost savings is dependent on the execution of these measures on time and to their full extent. There is also a risk that these measures impact the revenue generation capabilities of the business beyond what has been taken into account currently for the strategic business curtailment activities. In addition, our planned exit from certain businesses and disposals of certain assets may entail higher costs or take more time than anticipated, or it may take longer than anticipated to reduce associated costs from activities we have exited, and accordingly this may impact our ability to achieve our targeted cost savings. Furthermore, additional costs could arise from any number of anticipated or unanticipated developments, such as costs relating to compliance with additional regulatory requirements and increased regulatory charges. Across all our businesses, we need to attract and retain highly qualified employees. The anticipated changes in the Group as part of our strategic initiatives may negatively impact our ability to hire and retain highly qualified employees, including due to any changes or reductions in compensation. In addition, our employee attrition has been higher over the last year, as noted above. If we are unable to attract and/or retain highly qualified employees across our businesses, this may have a material adverse effect on our ability to implement our strategy.

In addition, as part of our overarching legal entity simplification program, we are further reviewing our legal entity footprint in light of our strategic changes. The development of a strategy to optimize the legal entity structure across regions, taking into account the comprehensive strategic review, includes expediting the closure of redundant entities. There are a number of uncertainties that may affect the feasibility, scope and timing of the intended results, including macroeconomic factors as well as significant legal and regulatory considerations.

Country and currency exchange risk

Country risks may increase market and credit risks we face

Country, regional and political risks are components of market and credit risk. Financial markets and economic conditions generally have been and may in the future be materially affected by such risks. Economic or political pressures in a country or region, including those arising from local market disruptions, currency crises, monetary controls or other factors such as geopolitical issues, may adversely affect the ability of clients or counterparties located in that country or region to obtain foreign currency or credit and, therefore, to perform their obligations to us, which in turn may have an adverse impact on our results of operations.

We may face significant losses in emerging markets

An element of our strategy is to increase our wealth management businesses in emerging market countries. Our implementation of this strategy will increase our existing exposure to economic instability in those countries. We monitor these risks and seek diversity in the sectors in which we invest. Our efforts at limiting emerging market risk, however, may not always succeed. In addition, various emerging market countries have experienced and may continue to experience severe economic, financial and political disruptions or slower economic growth than in previous years, including significant devaluations of their currencies, defaults or threatened defaults on sovereign debt and capital and currency exchange controls. In addition, sanctions have been imposed on certain individuals and companies in these markets that prohibit or restrict dealings with them and certain related entities or activities and further sanctions are possible. The possible effects of any such disruptions may include an adverse impact on our businesses and increased volatility in financial markets generally.

Currency fluctuations may adversely affect our results of operations

We are exposed to risk from fluctuations in exchange rates for currencies, particularly the US dollar. In particular, a substantial portion of our assets and liabilities are denominated in currencies other than the Swiss franc, which is the primary currency of our financial reporting. Our capital is also stated in Swiss francs, and we do not fully hedge our capital position against changes in currency exchange rates. The Swiss franc remained strong in 2022.

As we incur a significant part of our expenses in Swiss francs while we generate a large proportion of our revenues in other currencies, our earnings are sensitive to changes in the exchange rates between the Swiss franc and other major currencies. Although we have implemented a number of measures designed to offset the impact of exchange rate fluctuations on our results of operations, the appreciation of the Swiss franc in particular and exchange rate volatility in general have had an adverse impact on our results of operations and capital position in recent years and may continue to have an adverse effect in the future.

Operational, risk management and estimation risks

We may suffer operational system failures or disruptions, including due to human or technological error, which could negatively impact our results of operations, financial condition and reputation

Our business is highly dependent on the effectiveness of our operational systems and those of our clients, partners and counterparties. We continue to be exposed to operational risk arising from errors made in the execution, confirmation or settlement of transactions or from transactions not being properly recorded or accounted for, whether by us or by third parties on which we rely. Operational system failures or disruptions can be unpredictable and may arise from different sources, including sources out of our control. In addition, certain errors may not always be immediately identified by our technological processes or by our controls and other procedures, which are meant to detect and prevent such errors. Even if such errors are immediately identified and addressed, they could have an adverse effect on our results of operations, financial condition and reputation.

We are exposed to a wide variety of data breach, cybersecurity and other information technology risks

In recent years and in the wake of the COVID-19 pandemic, we continue to be an increasingly attractive target for cyber threat actors due in large part to the highly valuable critical data processed by financial services institutions, leading to heightened cybersecurity and information technology risks, including risks of cyber attacks and other hacking incidents. As a global financial services company, we rely heavily on our financial, accounting and other data processing systems, which are varied and complex, and we have faced and may continue to face additional technology risks due to the global nature of our operations and reliance on cloud technologies. For example, our business depends on our ability to process a large volume of diverse and complex transactions within a short space of time, including derivatives transactions, which have increased in volume and complexity. In general, although we have incident response and business continuity plans, our businesses continue to face a wide variety of operational risks, including technology risk that stems from dependencies on information technology, third-party suppliers and the telecommunications infrastructure as well as from the interconnectivity of multiple financial institutions with central agents, exchanges and clearing houses. We may rely on automation, robotic processing, machine learning and artificial intelligence (AI) for certain operations, and this reliance may increase in the future with corresponding advancements in technology, which could expose us to additional cybersecurity risks. In addition to such information technology risks and an increased risk of cyber attacks, we may also face heightened risks associated with a lesser degree of data and intellectual property protection in certain foreign jurisdictions in which we operate, even if we take all reasonable precautions, including to the extent required by law. Regulatory requirements in these areas continue to increase and are expected to increase further, including potential regulatory requirements to disclose information about a material cybersecurity incident even prior to a full investigation or resolution of the matter. Evolving regulations may vary and potentially conflict across different jurisdictions.

Information security, data confidentiality and integrity are of critical importance to our businesses, and there has been recent regulatory scrutiny on the ability of companies to safeguard the nonpublic or personal information of individuals in accordance with data protection regulation, including the European General Data Protection Regulation, US data protection laws such as the federal Gramm-Leach-Bliley Act and California Consumer Privacy Act as amended by the California Privacy Rights Act and the Swiss Federal Act on Data Protection. Governmental authorities, including foreign, federal and state data protection agencies, employees, individual customers or business partners may initiate proceedings against us as a result of security breaches affecting the confidentiality or integrity of nonpublic or personal information, as well as the failure, or perceived failure, to comply with data protection regulations. The adequate monitoring of operational risks and adherence to data protection regulations have also come under increased regulatory scrutiny. Any failure by Credit Suisse to adequately ensure the security of data and to address the increased technology-related operational risks could also lead to regulatory sanctions or investigations and a loss of trust in our systems, which may adversely affect our reputation, business and operations.

→ Refer to "Regulatory framework – Switzerland – Cybersecurity", "Regulatory framework – US – Data protection and cybersecurity" and "Regulatory framework – Global initiatives – Data protection regulation" in Regulation and supervision for further information.

Threats to our cybersecurity and data protection systems require us to dedicate significant financial and human resources to protect the confidentiality, integrity and availability of our systems and information. Despite our wide range of security measures, it is not always possible to anticipate the evolving threat landscape and mitigate all risks to our systems and information. These threats may derive from human error, misconduct (including errors in judgment, fraud or malice and/or engaging in violations of applicable laws, rules, policies or procedures), or may result from accidental technological failure. There may also be attempts to fraudulently induce employees, clients, third parties or other users of our systems to disclose sensitive information in order to gain access to our data or that of our clients. Additionally, because we share information with third party vendors and service providers to conduct our business, we could also be affected by risks to the systems and information of such third parties, particularly where such third party fails to implement adequate data-security practices, to comply with our information-sharing terms and policies or otherwise suffers a network or other security breach. In addition, hardware, software or applications we procure from third parties may contain security vulnerabilities, defects in design or manufacture or other problems that could unexpectedly compromise information security. For example, the increasing trend of remote working discussed further below may require our employees to use third party technology, which may not provide the same level of information security as our own information systems. Additionally, risks relating to cyber attacks on our vendors and other third parties have continued to increase due to more frequent and severe supply chain attacks impacting software and information technology service providers, which may be further exacerbated in light of the ongoing conflict related to Russia's invasion of Ukraine. Security breaches may involve substantial remediation costs, affect our ability to carry out our businesses or impair the trust of our clients or potential clients, any of which could have a material adverse effect on our business and financial results. In addition, we may introduce new products or services or change processes, resulting in new operational risks that we may not fully appreciate or identify.

The shift to remote working for our employees increases the vulnerability of our information technology systems and the likelihood of damage as a result of a cybersecurity incident. For example, the use of remote devices to access the firm's networks could impact our ability to quickly detect and mitigate security threats and human errors as they arise. Additionally, it is more challenging to ensure the comprehensive roll-out of system security updates and we also have less visibility over the physical security of our devices and systems. Due to the evolving nature of cybersecurity risks and our reduced visibility and control in light of remote working, our efforts to provide appropriate policies and security measures may prove insufficient to mitigate all cybersecurity and data protection threats.

Cybersecurity risks have also significantly increased in recent years in part due to the growing number and increasingly sophisticated activities of malicious cyber actors, including organized crime groups, state-sponsored actors, terrorist organizations, extremist parties and hackers. Although we have developed reasonable systems and processes designed to protect the nonpublic and/or personal information of our clients and other third parties from data loss or other security breaches or incidents, our security measures have not always fully protected against such matters in the past. We and other financial institutions have suffered and may continue to suffer cyber attacks, ransomware attacks, information or security breaches, personal data breaches, losses or misappropriations and other forms of attacks, incidents and failures, including those involving disgruntled employees, activists and other third parties, such as those engaged in corporate espionage. For example, in March 2021, we became aware that a former employee had improperly exfiltrated from Credit Suisse certain records relating to certain Group employees and suppliers, including HR-related information and bank account numbers used to make payments, while employed by the Group several years ago when he emailed certain of the data to a limited number of recipients that included regulators, media outlets and ex-employees. After lengthy and still ongoing legal proceedings, it was only at the end of 2022 that we learned the full extent of the scope of this improper exfiltration. We have conducted a forensic review and believe that the incident has been contained. Relevant notifications have been made as appropriate to regulators, data protection authorities and individual data subjects.

We expect to continue to be the target of such attacks in the future, and we may experience other forms of cybersecurity or data protection incidents or failures in the future, including with respect to damages from computer viruses, worms, and other malicious software programs or other attacks, covert introduction of malware to computers and networks, unauthorized access, including impersonation of unauthorized users, efforts to discover and exploit any security vulnerabilities or security weaknesses, and other similar disruptions. In the event of a cyber attack, information or security breach, personal data breach or technology failure, we have experienced and may in the future experience operational issues, the infiltration of payment systems or the unauthorized release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information relating to Credit Suisse, our clients, employees, vendors, service providers, counterparties or other third parties. Emerging technologies, including the increasing use of automation, AI and robotics, as well as the broad utilization of third-party financial data aggregators, could further increase our cybersecurity risk and exposure.

Given our global footprint and the high volume of transactions we process, the large number of clients, partners and counterparties with which we do business, our and our clients' growing use of digital, mobile, cloud- and internet-based services and platforms, and the increasing frequency, sophistication and evolving nature of cyber attacks, a cyber attack, information or security breach, personal data breach or technology failure may occur, whether on our systems or that of a third party, without detection for an extended period of time. In addition, we expect that any investigation of a cyber attack, information or security breach, personal data breach or technology failure will be inherently unpredictable and it may take time before any investigation is complete. These factors may inhibit our ability to provide timely, accurate and complete information about the event to our clients, employees, regulators, other stakeholders and the public. During such time, we may not know the extent of the harm or how best to remediate it and certain errors or actions may be repeated or compounded before they are discovered and rectified, all or any of which would further increase the costs and consequences of a cyber attack, information or security breach, personal data breach or technology failure.

If any of our systems, or the systems of third parties on which we rely, do not operate properly or are compromised as a result of cyber attacks, information or security breaches, personal data breaches, technology failures, unauthorized access, loss or destruction of data, unavailability of service, computer viruses or other events that could have an adverse security impact, we could, among other things, be subject to litigation or suffer financial loss not covered by insurance, a disruption of our businesses, liability to our clients, employees, counterparties or other third parties, damage to relationships with our vendors or service providers, regulatory intervention or reputational damage. Any such event could also require us to expend significant additional resources to modify our protective measures or to investigate and remediate vulnerabilities or other exposures. We may also be required to expend resources to comply with new and increasingly expansive regulatory requirements related to cybersecurity.

We may suffer losses due to employee misconduct

Our businesses are exposed to risk from potential non-compliance with policies or regulations, employee misconduct or negligence and fraud, which could result in civil, regulatory or criminal investigations, litigations and charges, regulatory sanctions and serious reputational or financial harm. In recent years, a number of multinational financial institutions have suffered material losses due to, for example, the actions of traders executing unauthorized trades or other employee misconduct. It is not always possible to deter or fully prevent employee misconduct and the precautions we take to prevent and detect this activity have not always been, and may not always be, fully effective.

Our risk management procedures and policies may not be fully effective in mitigating our risk exposures in all market environments or against all types of risk, which can result in unexpected, material losses in the future

We seek to monitor and control our risk exposure through a broad and diversified set of risk management policies and procedures as well as hedging strategies, including the use of models in analyzing and monitoring the various risks we assume in conducting our activities. These risk management strategies, techniques, models, procedures and policies, however, may not be fully effective in mitigating our risk exposure in all economic market environments or against all types of risk, including risks that we fail to identify, anticipate or mitigate, in whole or in part, which may result in unexpected, material losses.

Some of our quantitative tools and metrics for managing risk, including value-at-risk and economic risk capital, are based upon our use of observed historical market behavior. Our risk management tools and metrics may fail to predict important risk exposures. In addition, our quantitative modeling does not take all risks into account and makes numerous assumptions and judgments regarding the overall environment, and therefore cannot anticipate every market development or event or the specifics and timing of such outcomes. As a result, risk exposures could arise from factors we did not anticipate or correctly evaluate in our statistical models. This could limit our ability to manage our risks, and in these and other cases, it can also be difficult to reduce our risk positions due to the activity of other market participants or widespread market dislocations. As a result, our losses may be significantly greater than what the historical measures may indicate.

In addition, inadequacies or lapses in our risk management procedures and policies can expose us to unexpected losses, and our financial condition or results of operations could be materially and adversely affected. For example, in respect of the Archegos matter, the independent report found, among other things, a failure to effectively manage risk in the Investment Bank's prime services business by both the first and second lines of defense as well as a lack of risk escalation. Such inadequacies or lapses can require significant resources and time to remediate, lead to noncompliance with laws, rules and regulations, attract heightened regulatory scrutiny, expose us to regulatory investigations or legal proceedings and subject us to litigation or regulatory fines, penalties or other sanctions, or capital surcharges or add-ons. In addition, such inadequacies or lapses can expose us to reputational damage. If existing or potential customers, clients or counterparties believe our risk management is inadequate, they could take their business elsewhere or seek to limit their transactions with us, which could have a material adverse effect on our results of operations and financial condition.

→ Refer to "Risk management" in III – Treasury, Risk, Balance sheet and Off-balance sheet for information on our risk management.

We have identified material weaknesses in our internal control over financial reporting as of December 31, 2022 and 2021

We are subject to requirements under the Sarbanes-Oxley Act of 2002, as amended, to perform system and process evaluation and testing of our internal control over financial reporting to allow management to assess the effectiveness of our internal controls. Management has identified certain material weaknesses in our internal control over financial reporting as a result of which management has concluded that, as of December 31, 2022, the Group's internal control over financial reporting was not effective, and for the same reasons, management has reassessed and has reached the same conclusion regarding December 31, 2021, as more fully described in this Annual Report. Management has also accordingly concluded that our disclosure controls and procedures were not effective.

The material weaknesses that have been identified relate to the failure to design and maintain an effective risk assessment process to identify and analyze the risk of material misstatements in its financial statements and the failure to design and maintain effective monitoring activities relating to (i) providing sufficient management oversight over the internal control evaluation process to support the Group's internal control objectives; (ii) involving appropriate and sufficient management resources to support the risk assessment and monitoring objectives; and (iii) assessing and communicating the severity of deficiencies in a timely manner to those parties responsible for taking corrective action. These material weaknesses contributed to an additional material weakness, as management did not design and maintain effective controls over the classification and presentation of the consolidated statement of cash flows. This material weakness resulted in the revisions contained in our previously issued consolidated financial statements for the three years ended December 31, 2021 as disclosed in the 2021 Annual Report.

Notwithstanding these material weaknesses, we confirm that our consolidated financial statements as included in this Annual Report fairly present, in all material respects, our consolidated financial condition as of December 31, 2022 and 2021, and our consolidated results of operations and cash flows for the years ended December 31, 2022, 2021 and 2020, in conformity with US GAAP. Management is developing a remediation plan to address the material weaknesses referred to above, including strengthening the risk and control frameworks, and which will build on the significant attention that management has devoted to controls to date. While we are taking steps to address these material weaknesses, which could require us to expend significant resources to correct the material weaknesses or deficiencies, any gaps or deficiencies in our internal control over financing reporting may result in us being unable to provide required financial information in a timely and reliable manner and/or incorrectly reporting financial information, which could reduce confidence in our published information, impact access to capital markets, impact the trading price of our securities or subject us to potential regulatory investigations and sanctions. In addition, there can be no assurance that these measures will remediate the material weaknesses in our internal control over financial reporting or that additional material weaknesses in our internal control over financial reporting will not be identified in the future. Any of the foregoing could materially and adversely affect our business, results of operations and financial condition.

Our actual results may differ from our estimates and valuations

We make estimates and valuations that affect our reported results, including determining the fair value of certain assets and liabilities, establishing provisions for contingencies and losses for loans, litigation and regulatory proceedings, accounting for goodwill and intangible asset impairments, evaluating our ability to realize deferred tax assets, valuing equity-based compensation awards, modeling our risk exposure and calculating expenses and liabilities associated with our pension plans. These estimates are based on judgment and available information, and our actual results may differ materially from these estimates.

→ Refer to "Critical accounting estimates" in II – Operating and financial review and "Note 1 – Summary of significant accounting policies" in VI – Consolidated financial statements – Credit Suisse Group for information on these estimates and valuations.

Our estimates and valuations rely on models and processes to predict economic conditions and market or other events that might affect the ability of counterparties to perform their obligations to us or impact the value of assets. To the extent our models and processes become less predictive due to unforeseen market conditions, illiquidity or volatility, our ability to make accurate estimates and valuations could be adversely affected.

Our accounting treatment of off-balance sheet entities may change

We enter into transactions with special purpose entities (SPEs) in our normal course of business, and certain SPEs with which we transact and conduct business are not consolidated and their assets and liabilities are off-balance sheet. We may have to exercise significant management judgment in applying relevant accounting consolidation standards, either initially or after the occurrence of certain events that may require us to reassess whether consolidation is required. If we are required to consolidate an SPE, its assets and liabilities would be recorded on our consolidated balance sheets and we would recognize related gains and losses in our consolidated statements of operations, and this could have an adverse impact on our results of operations and capital and leverage ratios.

→ Refer to "Off-balance sheet" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Balance sheet and off-balance sheet for information on our transactions with and commitments to SPEs.

We are exposed to Environmental, Social and Governance (ESG) risks, including climate change, which could adversely affect our business operations, reputation, clients and customers, as well as the creditworthiness of our counterparties

We operate in many regions, countries and communities around the world where our businesses, and the activities of our clients, could be impacted by climate change and broader ESG-related issues. These issues pose both short- and long-term risks to us and our clients. Climate change could expose us to financial risk either through its physical (e.g., climate or weather-related events) or transition (e.g., changes in climate policy or in the regulation of financial institutions with respect to climate change risks) effects. Transition risks could be further accelerated by the increasingly frequent occurrence of changes in the physical climate, such as hurricanes, floods, wildfires and extreme temperatures.

Physical and transition climate risks could have a financial impact on us either directly, through our physical assets, costs and operations, or indirectly, through our financial relationships with our clients. These risks are varied and include, but are not limited to, the risk of declines in values and/or liquidity of assets, including in connection with our real estate investments, credit risk associated with loans and other credit exposures to our clients, business risk, including loss of revenues associated with reducing exposure to traditional business with clients that do not have a credible transition plan, decreased assets under management if such clients decide to move assets away, increased defaults and reallocation of capital as a result of changes in global policies, and regulatory risk, including ongoing legislative and regulatory uncertainties and changes regarding climate risk management and best practices. Additionally, the risk of reduced availability of insurance, operational risk related to Credit Suisse-owned buildings and infrastructure, the risk of significant or prolonged interruptions to business operations, as well as the need to make changes in response to those consequences are further examples of climate-related risks.

We have set for ourselves the ambition of reaching net zero emissions by 2050 in line with a 1.5°C trajectory across our lending and investment portfolios, as well as our own operations and supply chain. Based on our commitment to develop interim 2030 science-based goals for key sectors, in 2022 we set goals and outlined initial progress for additional sectors, besides oil, gas & coal. In March 2022, Credit Suisse Asset Management also joined the Net Zero Asset Managers initiative (NZAMi), and in December 2022, Credit Suisse Asset Management and Investment Solutions & Sustainability, or IS&S, within Credit Suisse Wealth Management disclosed their joint Climate Action Plan, setting a 2030 interim goal of a 50% reduction in investment-associated emissions in intensity terms versus 2019. In addition, with respect to our ambition for our supply chain to achieve net zero emissions, while we are actively engaging with our strategic suppliers to align on emissions data collection as well as target plans and opportunities for reduction, there can be no assurance that these suppliers will address climate risks responsibly, including because they may not have a credible transition plan or be able to implement it within the timeframe we have set for our own objectives. In order to reach these ambitions and goals or any other related aspirations we may set from time to time, we will need to incorporate climate considerations into our business strategy, products and services, as well as our financial and non-financial risk management processes, and hire and train employees with the skills and qualifications to help us achieve our ambitions and goals, and we may incur significant cost and effort in doing so. At the same time, data relating to ESG, including climate change, may be limited in availability and variable in quality and consistency, and methodologies and capabilities for modeling and analyzing climate-related risks remain in the development stages, which may limit our ability to perform robust climate-related risk and other sustainability risk analyses and realize our ambitions and goals.

Further, national and international standards, industry and scientific knowledge and practices, regulatory requirements and market expectations regarding ESG initiatives are under continuous development, may rapidly change and are subject to different interpretations. Although we have adopted our ESG strategy based upon what we believe are current criteria, there can be no assurance that such standards, knowledge, practices, regulatory requirements and market expectations will not be interpreted differently than our interpretation when setting our related goals and ambitions, or change in a manner that substantially increases the cost or effort for us to achieve such goals and ambitions, or requires us to adjust our goals and ambitions or that our goals and ambitions may prove to be considerably more difficult or even impossible to achieve. This may be exacerbated if we choose or are required to accelerate our goals and ambitions or change our approach based on national or international regulatory developments, stakeholder expectations or business trends, including as they may change over time. Furthermore, as an individual financial institution, our ability to influence the direction of or approach to ESG issues is limited, and the achievement of our goals and ambitions is highly dependent on the collective effort and actions of governments, other corporations, individuals, nonprofit organizations and other stakeholders. Achievement of ESG-related goals and initiatives is also dependent on technological advancements and other concurrent actions and efforts by external parties and other actors that are outside of our control. Our ability to make progress on our goals and ambitions may be further impacted by external factors outside of our control, including geopolitical matters, energy security issues or considerations such as a just transition to a lower-carbon economy and society.

Given the growing volume of nascent climate and sustainability-related laws, rules and regulations, increasing demand from various stakeholders for environmentally sustainable products and services and regulatory scrutiny, we and other financial institutions may also be subject to increasing litigation, enforcement and contract liability risks in connection with climate change, environmental degradation and other ESG-related issues. For example, the issue of climate risk at financial institutions has received sharpened focus from regulators and other governmental authorities, as evidenced by proposed rules related to disclosure and management of climate-related risks put forth by various regulatory bodies, including in the US, EU, Switzerland and Asia Pacific. In addition, the public holds diverse and often conflicting views on ESG-related issues, and our reputation and client relationships may be damaged by our or our clients' involvement in certain business activities associated with climate change and other ESG-related issues or as a result of negative public sentiment, regulatory scrutiny or reduced investor and stakeholder confidence due to our response to climate change and our climate strategy. For example, the integration of climate risk considerations into our business risk analysis has been subjected to particular scrutiny by external stakeholders in 2022, as we saw polarized views emerging across the globe. While some government agencies may accuse Credit Suisse and other financial institutions of boycotting the energy sector, other stakeholders have been asking us to introduce stricter sector policies and further limit our lending activities in climate sensitive and carbon related sectors. Our results of operations and financial condition may be adversely affected if national, state or local governments take steps to discourage financial institutions from doing business with companies in certain industries or, conversely, penalize them if they do not do business with such companies.

Beyond climate impacts, we may also be impacted by human rights risks, including discrimination, particularly with respect to our employees and our clients, as well as modern slavery in our supply chains and those of our clients. Our employees, business and reputation may be negatively impacted by a failure to adequately manage these risks, which failure may result in challenges related to hiring and retention of employees. Moreover, any existing global tensions with respect to human rights, such as between the US and China, may be exacerbated for Credit Suisse, given our global reach and presence in various markets around the world.

If we fail to appropriately measure and manage the various risks we face as a result of climate change and other ESG-related issues, fail or are perceived by stakeholders to have failed to prioritize the "correct" ESG-related goals, fail to achieve the goals and ambitions we have set (or can only do so at a significant expense to our business), or fail to adapt our strategy and business model to the changing regulatory requirements and market expectations, our reputation, business, results of operations and financial condition could be materially adversely affected, including, with respect to climate-related risks, given the unpredictability of the timing, nature and severity of climate change impacts.

→ Refer to "Climate-related risks" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management – Risk coverage and management for further information on our risk management procedures relating to climate change.

Legal, regulatory and reputational risks

Our exposure to legal liability is significant

We face significant legal risks in our businesses, and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms continue to increase in many of the principal markets in which we operate.

We and our subsidiaries are subject to a number of material legal proceedings, regulatory actions and investigations, and an adverse result in one or more of these proceedings could have a material adverse effect on our operating results for any particular period, depending, in part, on our results for such period.

→ Refer to "Note 40 – Litigation" in VI – Consolidated financial statements – Credit Suisse Group for information relating to these and other legal and regulatory proceedings involving our investment banking and other businesses.

It is inherently difficult to predict the outcome of many of the legal, regulatory and other adversarial proceedings involving our businesses, particularly those cases in which the matters are brought on behalf of various classes of claimants, seek damages of unspecified or indeterminate amounts or involve novel legal claims. Management is required to establish, increase or release reserves for losses that are probable and reasonably estimable in connection with these matters, all of which requires the application of significant judgment and discretion.

→ Refer to "Critical accounting estimates" in II – Operating and financial review and "Note 1 – Summary of significant accounting policies" in VI – Consolidated financial statements – Credit Suisse Group for further information.

Our business is highly regulated, and existing, new or changed laws, rules and regulations may adversely affect our business and ability to execute our strategic plans

In many areas of our business, we are subject to extensive laws, rules and regulations by governments, governmental agencies, supervisory authorities and self-regulatory organizations in Switzerland, the EU, the UK, the US and other jurisdictions in which we operate, including an evolving and complex set of sanctions regimes. We have in the past faced, and expect to continue to face, increasingly extensive and complex laws, rules, regulations and regulatory scrutiny and possible enforcement actions. In recent years, costs related to our compliance with these requirements and the penalties and fines sought and imposed on the financial services industry by regulatory authorities have increased significantly. We expect such increased regulation and enforcement to continue to increase our costs, including, but not limited to, costs related to compliance, systems and operations, and to negatively affect our ability to conduct certain types of business. These increased costs and negative impacts on our business could adversely affect our profitability and competitive position. These laws, rules and regulations often serve to limit our activities, including through the application of increased or enhanced capital, leverage and liquidity requirements, the implementation of additional capital surcharges for risks related to operational, litigation, regulatory and similar matters, customer protection and market conduct regulations, anti-money laundering, anti-corruption and anti-bribery laws, rules and regulations, compliance with evolving ESG standards and requirements and direct or indirect restrictions on the businesses in which we may operate or invest. Such limitations can have a negative effect on our business and our ability to implement strategic initiatives. To the extent we are required to divest certain businesses, we could incur losses, as we may be forced to sell such businesses at a discount, which in certain instances could be substantial, as a result of both the constrained timing of such sales and the possibility that other financial institutions are liquidating similar investments at the same time.

Since 2008, regulators and governments have focused on the reform of the financial services industry, including enhanced capital, leverage and liquidity requirements, changes in compensation practices (including tax levies) and measures to address systemic risk, including ring-fencing certain activities and operations within specific legal entities. These regulations and requirements could require us to reduce assets held in certain subsidiaries or inject capital or other funds into or otherwise change our operations or the structure of our subsidiaries and the Group. Differences in the details and implementation of such regulations may further negatively affect us, as certain requirements are currently not expected to apply equally to all of our competitors or to be implemented uniformly across jurisdictions.

Moreover, as a number of these requirements are currently being finalized and implemented, their regulatory impact may further increase in the future and their ultimate impact cannot be predicted at this time. For example, the Basel III reforms are still being finalized and implemented and/or phased in, as applicable. The additional requirements related to minimum regulatory capital, leverage ratios and liquidity measures imposed by Basel III, as implemented in Switzerland, together with more stringent requirements imposed by the Swiss legislation and their application by FINMA, and the related implementing ordinances and actions by our regulators, have contributed to our decision to reduce risk-weighted assets and the size of our balance sheet, and could potentially affect our business, impact our access to capital markets and increase our funding costs. In addition, various reforms in the US, including the "Volcker Rule" and derivatives regulation, have imposed, and will continue to impose, new regulatory duties on certain of our operations. These requirements have contributed to our decision to exit certain businesses (including a number of our private equity businesses) and may lead us to exit other businesses. Recent CFTC, SEC and Fed rules and proposals have materially increased, or could in the future materially increase, the operating costs, including margin requirements, compliance, information technology and related costs, associated with our derivatives businesses with US persons, while at the same time making it more difficult for us to operate a derivatives business outside the US. Further, in 2014, the Fed adopted a final rule under the Dodd-Frank Act that introduced a new framework for regulation of the US operations of foreign banking organizations such as ours. Implementation is expected to continue to result in us incurring additional costs and to affect the way we conduct our business in the US, including through our US IHC. Further, current and possible future cross-border tax regulation with extraterritorial effect, such as FATCA, the OECD global minimum tax rate levels and rules (Pillar Two) and other bilateral or multilateral tax treaties and agreements on the automatic exchange of information in tax matters, impose detailed reporting obligations and increased compliance and systems-related costs on our businesses, and, as concerns the Pillar Two system of global minimum tax, may affect our tax rate. In addition, the US tax reform enacted on December 22, 2017 introduced substantial changes to the US tax system, including the lowering of the corporate tax rate and the introduction of the US base erosion and anti-abuse tax. The IRA of 2022 made significant changes to US tax law, including the introduction of a corporate alternative minimum tax of 15% on certain domestic corporations and a 1% excise tax on stock repurchases by certain domestic corporations. Additionally, implementation of regulations such as the Capital Requirements Directive V (CRD V) in the EU, FinSA in Switzerland, and other reforms may negatively affect our business activities. Whether or not the FinSA, together with supporting or implementing ordinances and regulations, will be deemed equivalent to MiFID II currently remains uncertain. Swiss banks, including us, may accordingly be limited from participating in certain businesses regulated by MiFID II. Finally, we expect that TLAC requirements, currently in force in Switzerland, the US and in the UK, as well as in the EU, and which are being finalized in many other jurisdictions, as well as new requirements and rules with respect to the internal total loss-absorbing capacity (iTLAC) of G-SIBs and their operating entities, may increase our cost of funding and restrict our ability to deploy capital and liquidity on a global basis as needed once the TLAC and iTLAC requirements are implemented across all relevant jurisdictions.

We are subject to economic sanctions laws and regulatory requirements of various countries. These laws and regulatory requirements generally prohibit or restrict transactions involving certain countries/territories and parties. Our costs of monitoring and complying with frequent, complex and potentially conflicting changes to applicable economic sanctions laws and regulatory requirements have increased and there is an increased risk that we may not identify and stop prohibited or sanctionable activities before they occur or that we may otherwise fail to comply with economic sanctions laws and regulatory requirements. Any conduct targeted by or in violation of a sanctions program could subject us to significant civil and potentially criminal penalties or other adverse consequences.

→ Refer to "Sanctions developments" in Regulation and supervision – Recent regulatory developments and proposals – Global initiatives for further information.

We expect the financial services industry and its members, including us, to continue to be affected by the significant uncertainty over the scope and content of regulatory reform in 2023 and beyond, in particular, uncertainty in relation to the future US regulatory agenda, which includes a variety of proposals to change existing regulations or the approach to regulation of the financial industry as well as potential new tax policy and potential changes in regulation following the UK's withdrawal from the EU and the results of European national elections. In addition, we face regulatory and legislative uncertainty in the US and other jurisdictions with respect to climate change and other ESG-related issues, including with respect to any new or changing disclosure requirements, and with respect to data protection and security, including various new and changing regulations addressing the collection, storing, sharing, use, disclosure, disposal and protection of certain types of data, as well as cybersecurity. Changes in laws, rules or regulations, or in their interpretation or enforcement, or the implementation of new laws, rules or regulations, may adversely affect our results of operations, including in ways that may require us to modify our internal policies and practices and incur substantial compliance-related costs and expenses that are likely to increase over time.

→ Refer to "Regulation and supervision" for further information on related regulations.

Despite our best efforts to comply with applicable laws, rules and regulations, a number of risks remain, including in areas where applicable laws, rules or regulations may be unclear or inconsistent across jurisdictions, where they are enacted with extra-territorial impact or where our global operations mean we are obliged to give effect to local laws and regulations on a wider basis or where governments, regulators or international bodies, organizations or unions revise their previous guidance or courts overturn previous rulings. Additionally, authorities in many jurisdictions have the power to bring administrative or judicial proceedings against us, which could result in, among other things, suspension or revocation of our licenses, cease and desist orders, fines, civil penalties, criminal penalties, deferred prosecution agreements or other disciplinary action. Such matters have in the past and could in the future materially adversely affect our results of operations and seriously harm our reputation.

→ Refer to "Regulation and supervision" for a description of our regulatory regime and a summary of some of the significant regulatory and government reform proposals affecting the financial services industry as well as to "Liquidity and funding management" and "Capital management" in III – Treasury, Risk, Balance sheet and Off-balance sheet for information regarding our current regulatory framework and expected changes to this framework affecting capital and liquidity standards.

Damage to our reputation can significantly harm our businesses, including our competitive position and business prospects
We suffered reputational harm as a result of the Archegos and SCFF matters and may suffer further reputational harm in the future as a result of these matters or other events. We also suffered reputational harm as a result of the significant negative outflows of deposits and assets under management in the fourth quarter of 2022. Our ability to attract and retain customers, clients, investors and employees, and conduct business transactions with our counterparties, can be adversely affected to the extent our reputation is damaged. Harm to our reputation can arise from various sources, including failures or apparent failures in our procedures and controls to prevent employee misconduct, negligence and fraud, to address conflicts of interest and breach of fiduciary obligations, to produce materially accurate and complete financial and other information, to identify credit, liquidity, operational and market risks inherent in our business or to prevent adverse legal or regulatory actions or investigations. Additionally, our reputation can be harmed by actual or alleged compliance failures, information or security breaches, personal data breaches, cyber incidents, technology failures, challenges to the suitability or reasonableness of our particular trading or investment recommendations or strategies and the activities of our customers, clients, counterparties and third parties. Actions by the financial services industry generally or by certain members or individuals in the industry also can adversely affect our reputation. In addition, our reputation may be negatively impacted by our ESG practices and disclosures, including those related to climate change and any actual or perceived overstatement of the ESG-related benefits of our products and services, and how we address ESG concerns in our business activities, or by our clients' involvement in certain business activities associated with climate change. Adverse publicity or negative information in the media, posted on social media, or otherwise, whether or not factually correct, can also have a material adverse impact on our business prospects and financial results, which risk can be magnified by the speed and pervasiveness with which information is disseminated through those channels.

A reputation for financial strength and integrity is critical to our performance in the highly competitive environment arising from globalization and convergence in the financial services industry, and our failure to address, or the appearance of our failing to address, these and other issues gives rise to reputational risk that can harm our business, results of operations and financial condition. Failure to appropriately address any of these issues could also give rise to additional regulatory restrictions and legal risks, which may further lead to reputational harm.

→ Refer to "Reputational risk" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management – Risk coverage and management for further information.

Resolution proceedings and resolution planning requirements may affect our shareholders and creditors
Pursuant to Swiss banking laws, FINMA has broad powers and discretion in the case of resolution proceedings with respect to a Swiss bank, such as Credit Suisse AG or Credit Suisse (Schweiz) AG, and to a Swiss parent company of a financial group, such as Credit Suisse Group AG. These broad powers include the power to initiate restructuring proceedings with respect to Credit Suisse AG, Credit Suisse (Schweiz) AG or Credit Suisse Group AG and, in connection therewith, cancel the outstanding equity of the entity subject to such proceedings, convert such entity's debt instruments and other liabilities into equity and/or cancel such debt instruments and other liabilities, in each case, in whole or in part, and stay (for a maximum of two business days) certain termination and netting rights under contracts to which such entity is a party, as well as the power to order protective measures, including the deferment of payments, and institute liquidation proceedings with respect to Credit Suisse AG, Credit Suisse (Schweiz) AG or Credit Suisse Group AG. The scope of such powers and discretion and the legal mechanisms that would be applied are subject to development and interpretation.

We are currently subject to resolution planning requirements in Switzerland, the US, the EU and the UK and may face similar requirements in other jurisdictions. If a resolution plan is determined by the relevant authority to be inadequate, relevant regulations may allow the authority to place limitations on the scope or size of our business in that jurisdiction, require us to hold higher amounts of capital or liquidity, require us to divest assets or subsidiaries or to change our legal structure or business to remove the relevant impediments to resolution.

→ Refer to "Switzerland – Resolution regime", "US – Resolution regime", "EU – Resolution regime" and "UK – Resolution regime" in Regulation and supervision – Regulatory framework for a description of the current resolution regime under Swiss, US, EU and UK banking laws as they apply to Credit Suisse.

Changes in monetary policy are beyond our control and difficult to predict
We are affected by the monetary policies adopted by the central banks and regulatory authorities of Switzerland, the US and other countries. The actions of the SNB and other central banking authorities directly impact our cost of funds for lending, capital raising and investment activities and may impact the value of financial instruments we hold and the competitive and operating environment for the financial services industry. Many central banks, including the Fed and the ECB, have implemented significant changes to their monetary policy or have experienced significant changes in their management and may implement or experience further changes. We cannot predict whether these changes will have a material adverse effect on us or our operations. In addition, changes in monetary policy may affect the credit quality of our customers. Any changes in monetary policy are beyond our control and difficult to predict.

Legal restrictions on our clients may reduce the demand for our services
We may be materially affected not only by regulations applicable to us as a financial services company, but also by regulations and changes in enforcement practices applicable to our clients. Our business could be affected by, among other things, existing and proposed tax legislation, antitrust and competition policies, corporate governance initiatives and other governmental regulations

and policies, and changes in the interpretation or enforcement of existing laws and rules that affect business and the financial markets. For example, focus on tax compliance and changes in enforcement practices could lead to further asset outflows from our wealth management businesses.

Competition

We face intense competition
We face intense competition in all sectors of the financial services markets and for the products and services we offer. Consolidation through mergers, acquisitions, alliances and cooperation, including as a result of financial distress, has increased competitive pressures. Competition is based on many factors, including the products and services offered, pricing, distribution systems, customer service, brand recognition, perceived financial strength and the willingness to use capital to serve client needs. Consolidation has created a number of firms that, like us, have the ability to offer a wide range of products and services, from loans and deposit taking to brokerage, investment banking and asset management services. Some of these firms may be able to offer a broader range of products than we do, or offer such products at more competitive prices. In addition, current market conditions have had a fundamental impact on client demand for products and services. Some new competitors in the financial technology sector, including nonbank entities, have sought to target existing segments of our businesses that could be susceptible to disruption by innovative or less regulated business models and lead to a loss of market share for traditional banks. Emerging technology, including robo-advising services, digital asset services and other financial products and services, may also result in further competition in the markets in which we operate, for example, by allowing e-commerce firms or other companies to provide products and services similar to ours at a lower price or in a more competitive manner in terms of customer convenience. We may face a competitive disadvantage if these services or our other competitors are subject to different and, in certain cases, less restrictive legal and/or regulatory requirements. We can give no assurance that our results of operations will not be adversely affected.

We must recruit and retain highly skilled employees
Our performance is largely dependent on the talents and efforts of highly skilled individuals. Competition for qualified employees is intense and the hiring market in the financial services and other industries has been and is expected to continue to be extremely competitive. In addition, the impact of COVID-19 on evolving workforce norms, practices and expectations, as well as persistent labor shortages, could adversely affect our ability to recruit and retain employees. Employee performance or our control environment could be impacted by an increase in the usage of hybrid work models, but at the same time, reducing or discontinuing hybrid work models could have an adverse effect on our employee recruitment and retention efforts. We have devoted considerable resources to recruiting, training and compensating employees. Our continued ability to compete effectively in our businesses depends on our ability to attract new employees and to retain and motivate our existing employees. The failure to attract and/or retain highly qualified employees could also have a negative impact on our ability to comply with our legal and compliance obligations. The continued public focus on compensation practices in the financial services industry, and related regulatory changes, may have an adverse impact on our ability to attract and retain highly skilled employees. In particular, limits on the amount and form of executive compensation imposed by existing or future legislation, including the Swiss Code of Obligations and the Capital Requirements Directive V in the EU and the UK, could potentially have an adverse impact on our ability to retain certain of our most highly skilled employees and hire new qualified employees in certain businesses. Additionally, the anticipated changes in the Group as part of our strategic initiatives announced on October 27, 2022, can also negatively impact our ability to hire and retain highly qualified employees, including due to any changes or reductions in compensation. Any matters impacting our financial results or reputation can negatively impact our ability to retain employees and recruit new talent as well as reduce employee morale. Competitors may also seize upon these negative developments to hire some of our employees. For example, we have experienced high attrition, attributable at least in part to the challenges we have been facing in recent years.

If we are unable to attract and/or retain highly qualified employees across our businesses, this may have a material adverse effect on our ability to implement our strategic initiatives and on our results of operations and financial condition. Cost-cutting measures and headcount reductions could contribute to these concerns.

We face competition from new technologies
Our businesses face competitive challenges from new technologies, including new trading technologies and trends towards direct access to automated and electronic markets with low or no fees and commissions, and the move to more automated trading platforms. Such technologies and trends may adversely affect our commission and trading revenues, exclude our businesses from certain transaction flows, reduce our participation in the trading markets and the associated access to market information and lead to the establishment of new and stronger competitors. We have made, and may continue to be required to make, significant additional expenditures to develop and support new trading systems or otherwise invest in technology to maintain our competitive position.

The evolution of internet-based financial solutions has also facilitated growth in new technologies, including distributed ledgers, such as digital assets and blockchain, which may disrupt the financial services industry and require us to commit further resources to adapt our products and services. Wider adoption of such emerging technologies may also increase our costs for complying with evolving laws, rules and regulations, and if we are not timely or successful in adapting to evolving consumer or market preferences, our business and results of operations may be adversely affected. Additionally, as we develop new products and services that involve emerging technologies, we may face new risks if they are not designed and governed adequately.

II – Operating and financial review

Operating environment

Global economic activity slowed in 2022, and inflation has been on the rise. Global equity markets declined substantially. Major government bond yields increased, and the US dollar was generally stronger against other major currencies in 2022.

Economic environment

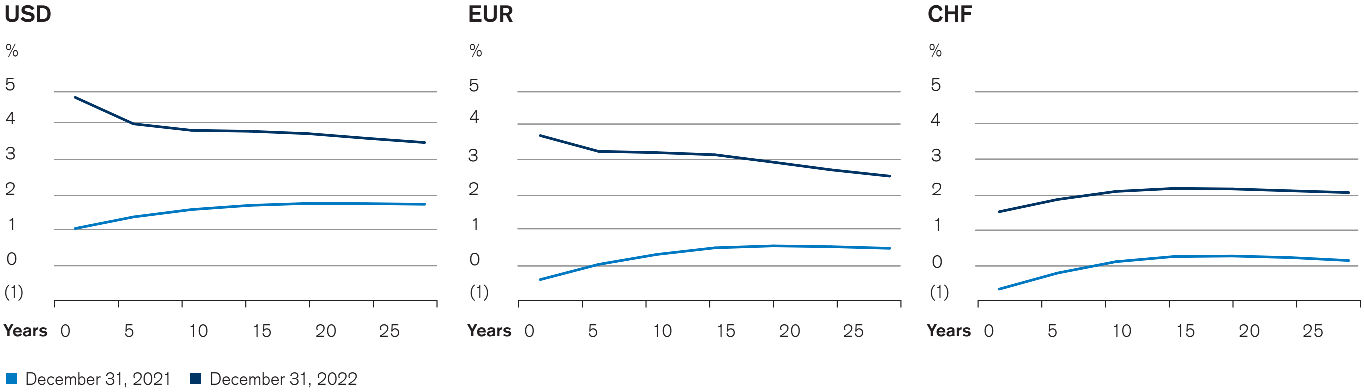
Global economic growth slowed in 2022 as the impetus from post-pandemic reopening and global monetary policy stimulus decreased. Energy disruptions resulting from Russia's invasion of Ukraine, tighter monetary policies and weakening consumer and business confidence weighed on economic growth in developed economies. Inflation in major economies increased as high energy prices, supply shortages and tight labor markets contributed to rising prices. Economic and social activity in China was disrupted by the COVID-19 pandemic as a stringent zero-COVID policy caused intermittent public lockdowns during the year.

Global monetary policies tightened significantly with several major central banks increasing interest rates. The US Federal Reserve (Fed) increased its policy rate from 0-0.25% to 4.25-4.50%. The European Central Bank (ECB) increased the policy rate from -0.5% to 2.0%. Other major central banks also increased rates meaningfully, including the Bank of England and the Swiss National Bank (SNB). The Bank of Japan (BoJ) kept monetary policy accommodative but took the first steps towards tightening by widening the target band for the 10-year yield at the end of December.

Global equities declined by 16% in 2022, the worst annual equity performance since 2008, driven by high inflation, the tightening of global monetary policies and fears of a global recession. Most major developed and emerging equity markets reported negative returns for the year. US equities declined by 19%, Swiss equities by 16% and eurozone equities decreased by 12%. Emerging market equities declined by 15%, with Latin America as the best performing emerging market region in 2022. Emerging market equities in Asia declined by 16%, mainly due to the weak performance in China, South Korea and Taiwan. Energy was the only sector with a positive performance in 2022, increasing by 53%. Technology-related sectors came under pressure as interest rates increased, with information technology, consumer discretionary and communication services declining by 30% or more. World bank stocks declined by 6% but outperformed global equities. European bank stocks increased by 5%. Equity market volatility, as measured by the Chicago Board Options Exchange Market Volatility Index (VIX) ended the year higher (refer to the charts under "Equity markets").

Yield curves

Bond yields increased in 2022 across major currencies.



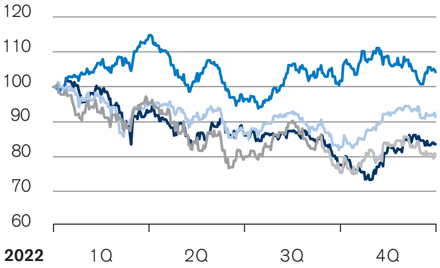
Source: Bloomberg, Credit Suisse

Equity markets

Equity prices generally declined. Bank stocks declined as well but outperformed global equities.

Performance by region

Index (December 31, 2021 = 100)

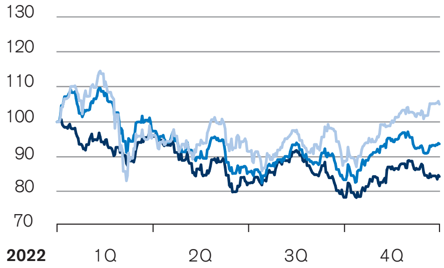


■ Emerging markets Asia ■ Emerging markets Latin America ■ Europe ■ North America

Source: Bloomberg, Credit Suisse

Performance world banks

Index (December 31, 2021 = 100)

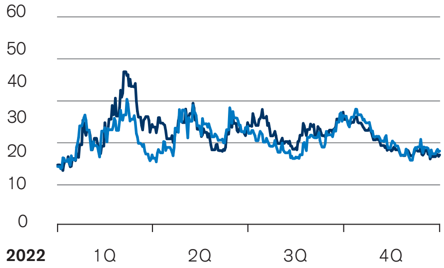


■ World banks ■ World ■ European banks

Source: Bloomberg, Credit Suisse

Volatility

%



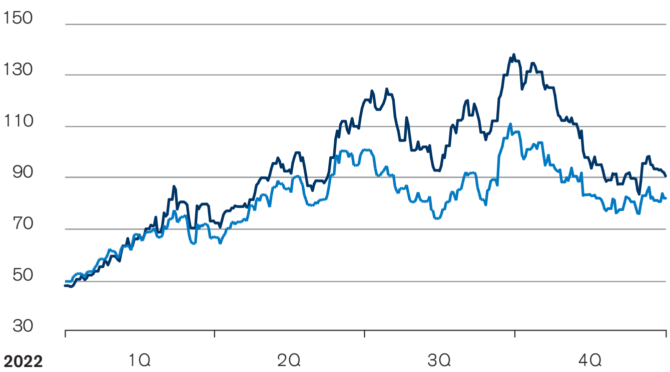
■ VDAX ■ VIX Index

Source: Bloomberg, Credit Suisse

Credit spreads

Credit spreads showed an increase in 2022 but started to tighten in the fourth quarter of 2022.

bp



■ European CDS (iTraxx) ■ North American CDS (CDX) bp: basis points

Source: Bloomberg, Credit Suisse

In fixed income, bonds generally delivered negative returns but stabilized towards the end of 2022, reflecting market expectations of inflation possibly stabilizing and consequently less interest rate increases by central banks. Euro yield curves between the 2-year and 10-year maturities also inverted alongside US yield curves. Meanwhile, the Swiss franc yield curve remained relatively flat (refer to the charts under "Yield curves"). In credit, emerging market sovereign bonds outperformed global high-yield and investment-grade corporate bonds. Credit spreads tightened towards the end of the year (refer to the chart under "Credit spreads").

The US dollar outperformed major currencies in 2022. The US dollar was supported by the federal funds rate increases throughout the year. In addition, economic and geopolitical uncertainties and the respective deterioration in global risk sentiment resulted in increased demand for the US dollar and the Swiss franc, which also performed comparably well against most major currencies. Elsewhere in Europe, the proximity to Russia's invasion of Ukraine affected most other European currencies negatively. The Japanese yen also depreciated substantially given the increasing interest rate differentials as the BoJ maintained its accommodative policy throughout 2022. Most emerging market currencies also underperformed against the US dollar. The Brazilian real was the best performing major emerging market currency, while the Turkish lira and the Argentine peso were the worst performers against the US dollar.

The Credit Suisse Commodity Benchmark increased by 25% in 2022, outperforming other risk assets significantly. Energy markets increased significantly, outperforming the benchmark, despite weaker performance in the second half of 2022. Russia's invasion of Ukraine added further supply constraints on an already tightly supplied energy markets at the start of 2022, but inventory pressures started to ease as the year progressed. Agriculture prices increased in 2022 but underperformed the benchmark. Both industrial metals and precious metals trailed the broader commodities complex. The tightening of global monetary policies placed a relative burden on gold, and the slowdown in global industrial activity weighed on industrial metals.

Credit Suisse

In 2022, we recorded a net loss attributable to shareholders of CHF 7,293 million. Return on equity and return on tangible equity were (16.1)% and (17.4)%, respectively. As of the end of 2022, our CET1 ratio was 14.1%.

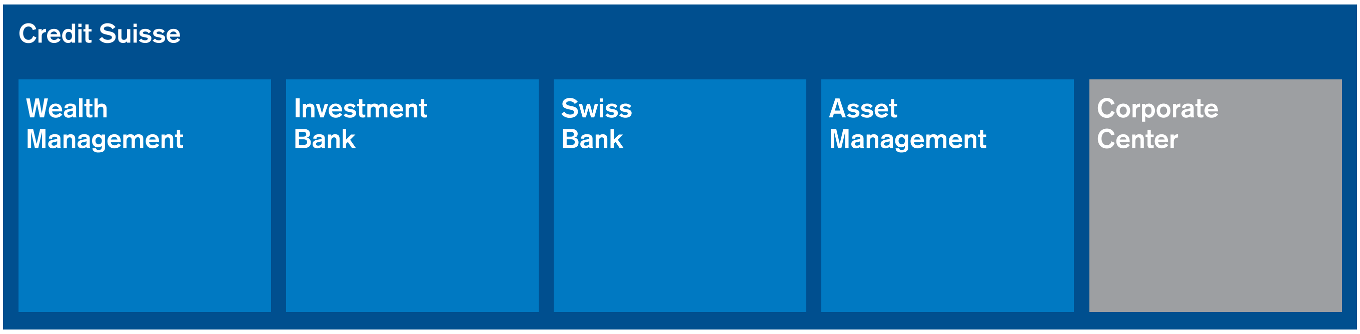
Results

			in / end of		% change
	2022	2021	2020	22 / 21	21 / 20
Statements of operations (CHF million)					
Net interest income	5,341	5,811	5,948	(8)	(2)
Commissions and fees	8,853	13,165	11,853	(33)	11
Trading revenues [1]	(451)	2,431	3,295	–	(26)
Other revenues	1,178	1,289	1,293	(9)	0
Net revenues	**14,921**	**22,696**	**22,389**	(34)	1
Provision for credit losses	**16**	**4,205**	**1,096**	(100)	284
Compensation and benefits	8,813	8,963	9,890	(2)	(9)
General and administrative expenses	7,782	7,159	6,523	9	10
Commission expenses	1,012	1,243	1,256	(19)	(1)
Goodwill impairment	23	1,623	0	(99)	–
Restructuring expenses	533	103	157	417	(34)
Total other operating expenses	9,350	10,128	7,936	(8)	28
Total operating expenses	**18,163**	**19,091**	**17,826**	(5)	7
Income/(loss) before taxes	**(3,258)**	**(600)**	**3,467**	443	–
Income tax expense	4,048	1,026	801	295	28
Net income/(loss)	**(7,306)**	**(1,626)**	**2,666**	349	–
Net income/(loss) attributable to noncontrolling interests	(13)	24	(3)	–	–
Net income/(loss) attributable to shareholders	**(7,293)**	**(1,650)**	**2,669**	342	–
Economic profit (CHF million)	(6,484)	(4,251)	(1,380)	53	370
Statement of operations metrics (%)					
Cost/income ratio	121.7	84.1	79.6	–	–
Effective tax rate	(124.2)	(171.0)	23.1	–	–
Earnings per share (CHF)					
Basic earnings/(loss) per share	(2.55)	(0.63)	1.02	305	–
Diluted earnings/(loss) per share	(2.55)	(0.63)	0.99	305	–
Return on equity (%)					
Return on equity	(16.1)	(3.8)	5.9	–	–
Return on tangible equity	(17.4)	(4.2)	6.6	–	–
Book value per share (CHF)					
Book value per share	11.45	17.10	17.74	(33)	(4)
Tangible book value per share	10.60	15.86	15.80	(33)	
Balance sheet statistics (CHF million)					
Total assets	531,358	755,833	818,965	(30)	(8)
Risk-weighted assets	250,540	267,787	275,084	(6)	(3)
Leverage exposure	650,551	889,137	812,996 [2]	(27)	9
Number of employees (full-time equivalents)					
Number of employees	50,480	50,390	49,190	0	2

1 Represent revenues on a product basis which are not representative of business results within our business segments as segment results utilize financial instruments across various product types.
2 As of the end of 2020, leverage exposure excluded CHF 110,677 million of central bank reserves, after adjusting for the dividend paid in 2020, reflecting the temporary exclusion as permitted by FINMA in response to the COVID-19 pandemic.

Credit Suisse reporting structure

Credit Suisse includes the results of the four reporting segments and the Corporate Center.



Organizational structure

Effective January 1, 2023, reflecting the strategic announcement of October 27, 2022, the Group is organized into five divisions – Wealth Management, Swiss Bank, Asset Management and the Investment Bank, as well as a new Capital Release Unit. Beginning in the first quarter of 2023, our financial reporting will be presented accordingly. Core results include the results of the divisions and the Corporate Center and exclude the results of the Capital Release Unit.

→ Refer to "Strategy" in I – Information on the company for further information.

Results summary

2022 results

In 2022, Credit Suisse reported a net loss attributable to shareholders of CHF 7,293 million, which included a valuation allowance in the third quarter of 2022 of CHF 3,655 million related to a reassessment of deferred tax assets as a result of the comprehensive strategic review, compared to a net loss attributable to shareholders of CHF 1,650 million in 2021. In 2022, Credit Suisse reported a loss before taxes of CHF 3,258 million, compared to a loss before taxes of CHF 600 million in 2021. The 2022 results reflected a 34% decrease in net revenues and a 5% decrease in total operating expenses. Our 2021 results included a goodwill impairment charge of CHF 1,623 million, which was recognized in the Investment Bank, as well as provision for credit losses of CHF 4,205 million, mainly driven by a net charge of CHF 4,307 million in respect of the failure by Archegos Capital Management (Archegos) to meet its margin commitments. Adjusted loss before taxes in 2022 was CHF 1,249 million compared to adjusted income before taxes of CHF 6,599 million in 2021.

Our 2022 results included a net loss of CHF 588 million relating to our equity investment in Allfunds Group, which was recognized in the divisional results of Wealth Management and real estate gains of CHF 368 million recognized primarily in the divisional results of the Swiss Bank, Wealth Management and the Investment Bank.

As of the end of 2022, our Bank for International Settlements (BIS) common equity tier 1 (CET1) ratio was 14.1% and our risk-weighted assets (RWA) were CHF 250.5 billion.

→ Refer to "Capital management" in III – Treasury, Risk, Balance sheet and Off-balance sheet for further information.

As previously disclosed, Credit Suisse experienced deposit and net asset outflows in the fourth quarter of 2022. While these outflows were significant, approximately two-thirds of the outflows in the quarter were concentrated in October and had reduced substantially for the rest of the quarter. In 2023 to date, these outflows have further moderated. While the bank continues to take proactive actions to regain client inflows, lower deposits and assets under management are expected to lead to reduced net interest income and recurring commissions and fees. While this is likely to lead to a loss for Wealth Management in the first quarter of 2023, performance for the remainder of 2023 will depend on our ability to execute our strategy, net asset flows and market conditions. Strategic actions taken to significantly reduce the Group's risk profile are expected to be reflected in our financial results and given the challenging market backdrop, we would expect the Investment Bank to report a loss in the first quarter of 2023. In light of the adverse revenue impact from the previously disclosed exit from non-core businesses and exposures and restructuring charges related to our cost transformation, Credit Suisse would also expect the Group to report a substantial loss before taxes in 2023. The Group's actual results will depend on a number of factors, including the performance of the Investment Bank and Wealth Management divisions, the continued exit of non-core positions, any goodwill impairments, litigation, regulatory actions, credit spreads and related funding costs, the impact of continued employee attrition and the outcome of certain other items, including potential real estate sales.

2021 results

In 2021, Credit Suisse reported a net loss attributable to shareholders of CHF 1,650 million compared to net income attributable to shareholders of CHF 2,669 million in 2020. In 2021, Credit Suisse reported a loss before taxes of CHF 600 million, compared to income before taxes of CHF 3,467 million in 2020. Our 2021 results included a goodwill impairment charge of CHF 1,623 million, which was recognized in the Investment Bank. Adjusted income before taxes in 2021 was CHF 6,599 million compared to CHF 4,375 million in 2020. The 2021 results included provision for credit losses of CHF 4,205 million, mainly driven by a net charge of CHF 4,307 million in respect of the failure by Archegos to meet its margin commitments, which was reflected in the Investment Bank.

The 2021 results included a net gain of CHF 602 million relating to our equity investment in Allfunds Group (as described below), which was recognized in the divisional results of Wealth Management and a loss of CHF 70 million relating to our equity investment in the SIX Swiss Exchange (SIX) Group AG, which was recognized in the divisional results of Swiss Bank and Wealth Management. Results also included an impairment of CHF 113 million relating to York Capital Management (York), which was recognized in Asset Management.

The COVID-19 pandemic continued to affect the economic environment throughout 2021. Equity and credit markets generally performed well during the year on the increased prospect of a strong economic recovery due to significant fiscal supports, accommodative monetary policies, accelerating vaccination programs and the easing of economic and social activity lockdowns. Negative impacts related to the pandemic on a broad and diverse population of supply chains began to affect numerous business sectors in the global economy and toward the end of the year gave rise to inflationary pressures.

2022 results details

Net revenues

Compared to 2021, net revenues of CHF 14,921 million decreased 34%, with lower net revenues in the Investment Bank, Wealth Management, Swiss Bank and Asset Management. The decrease in the Investment Bank was primarily driven by significantly lower capital markets and fixed income and equity sales and trading revenues. The decrease in net revenues in Wealth Management was driven by lower other revenues, lower transaction- and performance-based revenues and lower recurring commissions and fees. The decrease in net revenues in Swiss Bank was mainly due to lower net interest income, lower transaction-based revenues and lower other revenues. The decrease in net revenues in Asset Management was driven by lower performance, transaction and placement revenue and declining management fees, reflecting lower average assets under management and increased investor bias towards passive products, partially offset by higher investment and partnership income.

Provision for credit losses

In 2022, we recorded provision for credit losses of CHF 16 million, primarily reflecting provisions of CHF 90 million in Swiss Bank, partially offset by a release of CHF 84 million in the Investment Bank in respect of the Archegos matter.

Total operating expenses

Total operating expenses of CHF 18,163 million in 2022 decreased 5% compared to 2021, mainly relating to a lower goodwill impairment charge of CHF 23 million compared to prior year of CHF 1,623 million, partially offset by increased general and administrative expenses. General and administrative expenses increased 9%, primarily driven by higher IT, machinery and equipment expenses and by higher professional services fees. Compensation and benefits decreased 2%, mainly due to lower discretionary compensation expenses and lower deferred compensation awards. Total operating expenses in 2022 included restructuring expenses of CHF 533 million.

Income tax expense

In 2022, the Group incurred an income tax expense of CHF 4,048 million on a loss before taxes of CHF 3,258 million, primarily reflecting the valuation allowance of CHF 3,655 million in the third quarter of 2022 relating to the reassessment of deferred tax assets as a result of the strategic review, primarily due to the limited future taxable income against which deferred tax assets could be utilized.

The negative tax rate for the full year was further driven by losses in entities for which no tax accounting benefit could be recognized, as management concluded that there was limited recoverability of net deferred tax assets primarily due to limited future taxable income, as well as the non-deductible funding costs. Additionally, the Group continued to record taxes in entities with taxable profits which cannot be offset against losses of other Group entities. This inability to offset tax losses and profits is due to the fact that the Group entities are tax resident in different jurisdictions or they are tax resident in a jurisdiction where the consolidation of the entities for tax purposes is not possible.

Overall, net deferred tax assets/(liabilities) decreased CHF 4,026 million from CHF 2,953 million to CHF (1,073) million during 2022, primarily driven by the reassessment of the deferred tax assets.

→ Refer to "Note 29 – Tax" in VI – Consolidated financial statements – Credit Suisse Group for further information.

2021 results details

Net revenues

Compared to 2020, net revenues of CHF 22,696 million were stable, as higher net revenues in Asset Management, the Corporate Center and Swiss Bank were offset by lower net revenues in the Investment Bank. The increase in net revenues in Asset Management was driven by higher investment and partnership income, increased performance and placement revenue, and growth in management fees, reflecting higher average assets under management. The increase in net revenues in Swiss Bank was mainly due to higher recurring commissions and fees as well as higher transaction-based revenues, partially offset by lower other revenues. The decrease in net revenues in the Investment Bank, compared to a strong prior year, reflecting lower sales and trading revenues, including a loss of CHF 470 million related to Archegos, partially offset by higher capital markets and advisory activity. Compared to 2020, net revenues in Wealth Management were stable as lower transaction-based revenues and lower net interest income were offset by higher other revenues and higher recurring commissions and fees.

Results overview

in / end of	Wealth Management	Investment Bank	Swiss Bank	Asset Management	Corporate Center	Credit Suisse
2022 (CHF million)						
Net revenues	**4,952**	**4,607**	**4,093**	**1,294**	**(25)**	**14,921**
Provision for credit losses	**9**	**(84)**	**90**	**2**	**(1)**	**16**
Compensation and benefits	2,848	3,835	1,455	596	79	8,813
Total other operating expenses	2,726	3,972	1,003	550	1,099	9,350
of which general and administrative expenses	2,301	3,145	861	436	1,039	7,782
of which goodwill impairment	0	23	0	0	0	23
of which restructuring expenses	109	327	21	16	60	533
Total operating expenses	**5,574**	**7,807**	**2,458**	**1,146**	**1,178**	**18,163**
Income/(loss) before taxes	**(631)**	**(3,116)**	**1,545**	**146**	**(1,202)**	**(3,258)**
Economic profit (CHF million)	(1,186)	(3,810)	367	60	0	(6,484)
Cost/income ratio	112.6	169.5	60.1	88.6	–	121.7
Total assets	150,411	146,846	197,059	3,373	33,669	531,358
Goodwill	1,304	0	488	1,111	0	2,903
Risk-weighted assets	54,549	74,160	69,090	8,333	44,408	250,540
Leverage exposure	179,378	211,601	220,026	2,499	37,047	650,551
2021 (CHF million)						
Net revenues	**7,031**	**9,908**	**4,316**	**1,508**	**(67)**	**22,696**
Provision for credit losses	**0**	**4,209**	**4**	**0**	**(8)**	**4,205**
Compensation and benefits	2,766	3,892	1,438	603	264	8,963
Total other operating expenses	1,958	5,280	956	543	1,391	10,128
of which general and administrative expenses	1,571	3,017	821	426	1,324	7,159
of which goodwill impairment	0	1,623	0	0	0	1,623
of which restructuring expenses	19	71	11	3	(1)	103
Total operating expenses	**4,724**	**9,172**	**2,394**	**1,146**	**1,655**	**19,091**
Income/(loss) before taxes	**2,307**	**(3,473)**	**1,918**	**362**	**(1,714)**	**(600)**
Economic profit (CHF million)	969	(4,347)	629	215	0	(4,251)
Cost/income ratio	67.2	92.6	55.5	76.0	–	84.1
Total assets	201,326	274,112	221,478	3,603	55,314	755,833
Goodwill	1,323	–	487	1,107	0	2,917
Risk-weighted assets	59,974	84,313	68,764	8,446	46,290	267,787
Leverage exposure	233,228	347,774	247,509	2,737	57,889	889,137
2020 (CHF million)						
Net revenues	**7,081**	**10,153**	**4,212**	**1,140**	**(197)**	**22,389**
Provision for credit losses	**231**	**588**	**268**	**0**	**9**	**1,096**
Compensation and benefits	2,976	4,386	1,561	639	328	9,890
Total other operating expenses	1,821	3,269	915	473	1,458	7,936
of which general and administrative expenses	1,426	2,605	748	369	1,375	6,523
of which restructuring expenses	41	48	42	18	8	157
Total operating expenses	**4,797**	**7,655**	**2,476**	**1,112**	**1,786**	**17,826**
Income/(loss) before taxes	**2,053**	**1,910**	**1,468**	**28**	**(1,992)**	**3,467**
Economic profit (CHF million)	795	(448)	290	(40)	0	(1,380)
Cost/income ratio	67.7	75.4	58.8	97.5	–	79.6
Total assets	203,626	333,393	225,385	3,912	52,649	818,965
Goodwill	1,299	1,580	479	1,068	0	4,426
Risk-weighted assets	63,176	92,890	70,577	9,651	38,790	275,084
Leverage exposure	227,880	387,098	248,523	3,199	56,973	812,996 [1]

1 As of the end of 2020, leverage exposure excluded CHF 110,677 million of central bank reserves, after adjusting for the dividend paid in 2020, reflecting the temporary exclusion as permitted by FINMA in response to the COVID-19 pandemic.

Provision for credit losses
In 2021, we recorded provision for credit losses of CHF 4,205 million, primarily reflecting provisions of CHF 4,209 million in the Investment Bank mainly in respect of the Archegos matter. Provision for credit losses reflected CHF 4,400 million of specific provisions, partially offset by a release of CHF 235 million of non-specific provisions for expected credit losses.

Total operating expenses
We reported total operating expenses of CHF 19,091 million in 2021, a 7% increase compared to 2020, mainly relating to a goodwill impairment charge of CHF 1,623 million and increased general and administrative expenses, partially offset by lower compensation and benefits. General and administrative expenses increased 10%, primarily driven by higher professional services fees, higher litigation provisions and higher IT, machinery and equipment expenses. Litigation provisions in 2021 were mainly in connection with legacy litigation matters, including mortgage-related matters and settlements with regard to the Stadtwerke München GmbH (SWM) and the Mozambique matters, as well as provisions in connection with the supply chain finance funds (SCFF) matter. Compensation and benefits decreased 9%, mainly due to lower discretionary compensation expenses and lower deferred compensation awards, including a downward adjustment to performance share awards as a result of the full year divisional loss in the Investment Bank and malus and claw-backs of previously granted compensation awards in connection with the Archegos and the SCFF matters. Total operating expenses in 2021 included restructuring expenses of CHF 103 million.

→ Refer to Note 40 – Litigation in VI – Consolidated financial statements – Credit Suisse Group for further information.

Goodwill
The strategic announcement made on November 4, 2021 required an impairment assessment of the carrying value of our goodwill position in the fourth quarter of 2021. Upon performance of that assessment, we recorded a goodwill impairment charge of CHF 1,623 million in 2021, which was recognized in the Investment Bank, and was mainly related to the acquisition of Donaldson, Lufkin & Jenrette (DLJ) in 2000. The goodwill impairment charge did not impact CET1 capital and leverage ratios.

Income tax expense
In 2021, we recorded income tax expense of CHF 1,026 million, compared to CHF 801 million in 2020. The negative effective tax rate for the full year mainly reflected the impact of the loss related to Archegos, for which only the loss attributable to non-UK operations could be recognized as a partial tax benefit, whereas, for the remainder of the loss, a valuation allowance was required.

Additionally, the tax rate reflected the impact of the non-deductible goodwill impairment, the impact of the geographical mix of results, litigation provisions, including provisions relating to the Mozambique matter, for which only limited tax benefits could be obtained, withholding taxes and non-deductible funding costs. Overall, net deferred tax assets decreased CHF 184 million to CHF 2,953 million during 2021, primarily driven by earnings, partially offset by the impact of the partial tax benefit of the loss related to Archegos, for which the Group recognized a deferred tax asset.

→ Refer to "Note 29 – Tax" in VI – Consolidated financial statements – Credit Suisse Group for further information.

Employees

As of December 31, 2022, we had 50,480 employees worldwide, of which 16,700 were in Switzerland and 33,780 were abroad.

Numer of employees

end of	**2022**	2021
Number of employees		
Switzerland	16,700	16,440
All other regions	33,780	33,950
Total number of employees	**50,480**	**50,390**

Based on full-time equivalents.

Organizational changes

During 2022, significant changes were made to the Board of Directors, which included the appointment of a new Chairman of the Board of Directors and the election of three new Board of Directors members at the 2022 Annual General Meeting (AGM). Also in 2022, the Board of Directors appointed a new CEO and several other new members to the Executive Board.

→ Refer to "Overview" in IV – Corporate Governance for further information.

Reconciliation of adjustment items

Results excluding certain items included in our reported results are non-GAAP financial measures. Following the reorganization implemented at the beginning of 2022, we have amended the presentation of our adjusted results. Management believes that such results provide a useful presentation of our operating results for purposes of assessing our Group and divisional performance consistently over time, on a basis that excludes items that management does not consider representative of our underlying performance. Provided below is a reconciliation of our adjusted results to the most directly comparable US GAAP measures.

in	Wealth Management	Investment Bank	Swiss Bank	Asset Management	Corporate Center	**Credit Suisse**
2022 (CHF million)						
Net revenues	**4,952**	**4,607**	**4,093**	**1,294**	**(25)**	**14,921**
Real estate (gains)/losses	(147)	(53)	(148)	(2)	(18)	(368)
(Gains)/losses on business sales	4	0	0	0	0	4
(Gain)/loss on equity investment in Allfunds Group	586	0	0	0	0	586
(Gain)/loss on equity investment in SIX Group AG	17	0	17	0	0	34
(Gain)/loss on equity investment in Pfandbriefbank	0	0	(6)	0	0	(6)
Impairment on York Capital Management	0	0	0	10	0	10
Archegos	0	(17)	0	0	0	(17)
Adjusted net revenues	**5,412**	**4,537**	**3,956**	**1,302**	**(43)**	**15,164**
Provision for credit losses	**9**	**(84)**	**90**	**2**	**(1)**	**16**
Archegos	0	155	0	0	0	155
Adjusted provision for credit losses	**9**	**71**	**90**	**2**	**(1)**	**171**
Total operating expenses	**5,574**	**7,807**	**2,458**	**1,146**	**1,178**	**18,163**
Goodwill impairment	–	(23)	–	–	–	(23)
Restructuring expenses	(109)	(327)	(21)	(16)	(60)	(533)
Major litigation provisions	(306)	(232)	0	0	(761)	(1,299)
Expenses related to real estate disposals	(3)	(20)	0	(1)	0	(24)
Expenses related to equity investment in Allfunds Group	(2)	0	0	0	0	(2)
Archegos	0	(40)	0	0	0	(40)
Adjusted total operating expenses	**5,154**	**7,165**	**2,437**	**1,129**	**357**	**16,242**
Income/(loss) before taxes	**(631)**	**(3,116)**	**1,545**	**146**	**(1,202)**	**(3,258)**
Adjusted income/(loss) before taxes	**249**	**(2,699)**	**1,429**	**171**	**(399)**	**(1,249)**
Adjusted economic profit	(526)	(3,497)	280	78	–	(5,089)
Adjusted return on tangible equity (%)	–	–	–	–	–	(12.3)

Reconciliation of adjustment items (continued)

in	Wealth Management	Investment Bank	Swiss Bank	Asset Management	Corporate Center	**Credit Suisse**
2021 (CHF million)						
Net revenues	**7,031**	**9,908**	**4,316**	**1,508**	**(67)**	**22,696**
Real estate (gains)/losses	(19)	0	(213)	0	0	(232)
(Gains)/losses on business sales	24	0	0	0	5	29
Major litigation recovery	(49)	0	0	0	0	(49)
Valuation adjustment related to major litigation	0	0	0	0	69	69
(Gain)/loss on equity investment in Allfunds Group	(622)	0	0	0	0	(622)
(Gain)/loss on equity investment in SIX Group AG	35	0	35	0	0	70
Impairment on York Capital Management	0	0	0	113	0	113
Archegos	0	470	0	0	0	470
Adjusted net revenues	**6,400**	**10,378**	**4,138**	**1,621**	**7**	**22,544**
Provision for credit losses	**0**	**4,209**	**4**	**0**	**(8)**	**4,205**
Archegos	0	(4,307)	0	0	0	(4,307)
Adjusted provision for credit losses	**0**	**(98)**	**4**	**0**	**(8)**	**(102)**
Total operating expenses	**4,724**	**9,172**	**2,394**	**1,146**	**1,655**	**19,091**
Goodwill impairment	–	(1,623)	–	–	–	(1,623)
Restructuring expenses	(19)	(71)	(11)	(3)	1	(103)
Major litigation provisions	(62)	(149)	0	0	(1,010)	(1,221)
Expenses related to real estate disposals	(7)	(44)	(4)	(1)	0	(56)
Expenses related to equity investment in Allfunds Group	(20)	0	0	0	0	(20)
Archegos	0	(26)	0	0	5	(21)
Adjusted total operating expenses	**4,616**	**7,259**	**2,379**	**1,142**	**651**	**16,047**
Income/(loss) before taxes	**2,307**	**(3,473)**	**1,918**	**362**	**(1,714)**	**(600)**
Adjusted income/(loss) before taxes	**1,784**	**3,217**	**1,755**	**479**	**(636)**	**6,599**
Adjusted economic profit	578	670	506	304	–	808
Adjusted return on tangible equity (%)	–	–	–	–	–	11.2

in	Wealth Management	Investment Bank	Swiss Bank	Asset Management	Corporate Center	**Credit Suisse**
2020 (CHF million)						
Net revenues	**7,081**	**10,153**	**4,212**	**1,140**	**(197)**	**22,389**
Real estate (gains)/losses	1	0	(16)	0	0	(15)
(Gain)/loss related to InvestLab transfer	(65)	0	0	(203)	0	(268)
(Gain)/loss on equity investment in Allfunds Group	(127)	0	0	0	0	(127)
(Gain)/loss on equity investment in SIX Group AG	(79)	0	(79)	0	0	(158)
(Gain)/loss on equity investment in Pfandbriefbank	0	0	(134)	0	0	(134)
Impairment on York Capital Management	0	0	0	414	0	414
Adjusted net revenues	**6,811**	**10,153**	**3,983**	**1,351**	**(197)**	**22,101**
Provision for credit losses	**231**	**588**	**268**	**0**	**9**	**1,096**
Adjusted provision for credit losses	**231**	**588**	**268**	**0**	**9**	**1,096**
Total operating expenses	**4,797**	**7,655**	**2,476**	**1,112**	**1,786**	**17,826**
Restructuring expenses	(41)	(48)	(42)	(18)	(8)	(157)
Major litigation provisions	(34)	(24)	0	0	(930)	(988)
Expenses related to real estate disposals	(5)	(40)	(4)	(2)	0	(51)
Adjusted total operating expenses	**4,717**	**7,543**	**2,430**	**1,092**	**848**	**16,630**
Income/(loss) before taxes	**2,053**	**1,910**	**1,468**	**28**	**(1,992)**	**3,467**
Adjusted income/(loss) before taxes	**1,863**	**2,022**	**1,285**	**259**	**(1,054)**	**4,375**
Adjusted economic profit	652	(363)	154	133	–	(691)
Adjusted return on tangible equity (%)	–	–	–	–	–	8.1

Other information

Strategic Review

On October 27, 2022, Credit Suisse announced a series of decisive actions following a strategic review conducted by the Board of Directors and Executive Board, focused on a restructuring of the Investment Bank, an accelerated cost transformation, and strengthened and reallocated capital. The transformation is intended to be funded through divestments, exits, capital actions and existing resources. As the Group implements these actions, restructuring costs, including from asset impairments and liability valuations, are expected to arise in connection with business activities the Group plans to exit or transfer and their related infrastructure.

→ Refer to "Strategy" in I – Information on the company for further information and "Risk factors" in I – Information on the company for further information on risks that may arise in relation to these matters.

Capital increase

On November 23, 2022, the Group held an Extraordinary General Meeting, at which shareholders approved two capital increases. The Group completed the first capital increase on November 25, 2022 by way of a share placement of 462,041,884 newly issued shares to qualified investors resulting in gross proceeds of CHF 1.76 billion. The Group completed the second capital increase by way of a rights offering on December 9, 2022. By the end of the rights exercise period, 98.2% of the rights had been exercised for the issuance of 872,989,594 new shares. The remaining 16,378,864 newly issued shares for which rights were not exercised were sold in the market. The rights offering resulted in gross proceeds for the Group of CHF 2.25 billion. The capital increases resulted in 1,351,410,342 newly issued shares and gross proceeds for the Group of CHF 4.0 billion. Credit Suisse Group AG made capital contributions of CHF 3.89 billion to its wholly owned subsidiary Credit Suisse AG.

Liquidity issues in the fourth quarter of 2022

As previously disclosed, during early fourth quarter of 2022, Credit Suisse began experiencing significantly higher withdrawals of cash deposits as well as non-renewal of maturing time deposits. However, as the quarter progressed, these outflows stabilized to much lower levels but had not yet reversed by year-end, and customer deposits declined by CHF 138 billion in the fourth quarter of 2022. As is normal practice, we also limited our access to the capital markets in the period immediately preceding the strategy announcements we made on October 27, 2022. While these outflows led us to partially utilize liquidity buffers at the Group and legal entity level, and we fell below certain legal entity-level regulatory requirements, the core requirements of the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) at the Group level were maintained at all times. The Group's three-month average daily LCR was 144% as of the end of the fourth quarter of 2022, improved from lower levels earlier in the quarter.

Remediation plans were prepared, initiated and implemented to mitigate these outflows, including accessing the public and private markets. We issued over USD 5 billion through three bond sales in November and December 2022, which saw strong investor demand, and an additional CHF 4 billion through our capital increases. Other steps also include certain asset disposals, including the announced sale of a significant portion of SPG and other related financing businesses. We would note that the execution of these actions and other deleveraging measures, including, but not limited to, in the non-core businesses, is also expected to strengthen liquidity ratios and, over time, reduce the funding requirements of the Group. As is common for banks, we also continue to have access to central bank funding sources if required.

These circumstances have exacerbated the risks we described under "Liquidity risk" in I – Information on the company – Risk factors.

Outflows in assets under management in the fourth quarter of 2022

As previously disclosed, Credit Suisse began experiencing deposit and net asset outflows in early fourth quarter of 2022 at levels that substantially exceeded the rates incurred in the third quarter of 2022. At the Group level, net asset outflows in the fourth quarter of 2022 were approximately 8% of assets under management as of the end of the third quarter of 2022, with approximately two-thirds of these net asset outflows in the quarter concentrated in October 2022. In Wealth Management, these outflows in the fourth quarter of 2022 had reduced substantially in the rest of the quarter from the elevated levels of early fourth quarter of 2022, but had not reversed, and represented approximately 15% of assets under management reported as of the end of the third quarter of 2022. In the Swiss Bank, these outflows in fourth quarter of 2022 broadly stabilized after the elevated levels of early fourth quarter of 2022, and represented approximately 2% of assets under management reported as of the end of the third quarter of 2022. In Asset Management, these outflows in the fourth quarter of 2022 represented 3% of assets under management reported as of the end of the third quarter of 2022.

Credit ratings downgrades

During 2022, several rating agencies downgraded our credit ratings for Credit Suisse Group AG and Credit Suisse AG.

→ Refer to "Liquidity risk" in I – Information on the company – Risk factors for further information on risks that may arise in relation to these matters.

→ Refer to "Credit ratings" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Liquidity and funding management – Funding management for further information relating to credit ratings

Public tender offers for debt securities

On October 7, 2022, the Group announced offers by Credit Suisse International to repurchase certain senior debt securities for cash up to approximately CHF 3 billion. The offers entailed a cash tender offer in relation to eight euro or pound sterling denominated senior debt securities for an aggregate consideration of up to EUR 1 billion and a separate cash tender offer in relation to twelve US dollar denominated senior debt securities for an aggregate consideration of up to USD 2 billion. Both offers were subject to various conditions as set out in the respective tender offer memoranda. The offers expired on November 3, 2022 and November 18, 2022, respectively, subject to the terms and conditions set out in the offer documents.

Allfunds Group

In the fourth quarter of 2022, the Group sold its entire participation in Allfunds Group plc (Allfunds Group), which represented approximately 8.6% of the share capital of Allfunds Group, through an accelerated bookbuild offering to institutional investors. Following the completion of this transaction, the Group no longer holds any shares in Allfunds Group.

Goodwill

The review of the Group's five-year financial plan to reflect the announced strategy on October 27, 2022 was finalized in the fourth quarter of 2022. The Group concluded that the estimated fair value for all of the reporting units with goodwill exceeded their related carrying values and no further impairment was necessary as of December 31, 2022.

The fair values of the Asset Management and Wealth Management reporting units both exceeded their related carrying values by less than 10%. During the fourth quarter of 2022, Credit Suisse experienced a significant level of deposit and assets under management outflows. The goodwill allocated to these reporting units became more sensitive to an impairment due to these outflows and subdued client activity. There is a significant risk of a future goodwill impairment for these reporting units if their future performance do not achieve the financial projections contained within the five-year financial plan.

As a result of the announced strategy and organizational changes, the Private Fund Group business in the Asset Management reporting unit was transferred to the Investment Bank reporting unit effective January 1, 2023, resulting in an initial transfer of approximately CHF 30 million of goodwill between the reporting units. The Group expects a full impairment in the first quarter of 2023 of the goodwill transferred to the Investment Bank.

As a result of the previously announced acquisition of The Klein Group LLC that is expected to close in the first half of 2023, the Investment Bank will initially recognize a goodwill balance of approximately CHF 60 million, which it expects to fully impair upon the closing of the acquisition.

Russia's invasion of Ukraine

In response to Russia's invasion of Ukraine, many countries across the world imposed severe sanctions against Russia's financial system and on Russian government officials and business leaders, and these sanctions have been expanded several times. The Group continues to assess the impact of the sanctions already imposed, and potential future escalations, on its exposures and client relationships. As of December 31, 2022, the Group had a net credit exposure to Russia, after specific allowances and provisions for credit losses and valuation adjustments, of CHF 249 million, primarily related to corporates, individuals and the sovereign. The net credit exposure decreased from CHF 848 million as of December 31, 2021. In addition, Russian subsidiaries had a net asset value of approximately CHF 214 million as of December 31, 2022. The Group has further reduced Russia related exposures in the fourth quarter of 2022 as the market and counterparty situation evolved, and remaining exposures continue to be subject to ongoing monitoring and management. The Group notes that these developments may continue to affect its financial performance, including credit loss estimates and potential asset impairments.

→ Refer to "Assets under Management" for further information.

Dividend proposal

Our Board of Directors proposes to the shareholders at the Annual General Meeting on April 4, 2023 a cash distribution of CHF 0.05 per share for the financial year 2022.

Supply chain finance funds

As previously reported, in early March 2021, the boards of the SCFF managed by certain Group subsidiaries decided to suspend redemptions and subscriptions of those funds to protect the interests of the funds' investors, to terminate the SCFF and to proceed to their liquidation. Those decisions were based on concerns that a substantial part of the funds' assets was subject to considerable valuation uncertainty. Credit Suisse Asset Management (Schweiz) AG (CSAM) acts as the portfolio manager of the SCFF. The assets held by the SCFF, largely consisting of notes backed by existing and future receivables, were originated and structured by Greensill Capital (UK) Limited or one of its affiliates (Greensill Capital).

The last published net asset value (NAV) of the SCFF in late February 2021 was approximately USD 10 billion in the aggregate. As of February 7, 2023, together with the cash already distributed to investors and cash remaining in the funds, total cash collected in the SCFF amounts to approximately USD 7.4 billion including the cash position in the funds at the time of suspension. Redemption payments totaling approximately USD 6.8 billion have been made to their investors. The portfolio manager continues to work to liquidate the remaining assets of the SCFF, including by engaging directly with potentially delinquent obligors and other creditors, and to file insurance claims, as appropriate. However, there remains considerable uncertainty regarding the valuation of a significant part of the remaining assets. It therefore can be assumed that the investors of the SCFF will suffer a loss. CSAM intends to take all necessary steps to collect outstanding amounts from debtors and insurers, but can give no assurance as to the final amount that may be recovered for the SCFF under such notes. The amount of loss of the investors therefore is currently unknown.

Based on currently available information, losses for the investors can be expected to occur predominantly in positions that, prior to March 31, 2021, had a NAV of approximately USD 2.3 billion in the aggregate. These positions relate primarily to three groups of companies: "GFG Alliance", Katerra and Bluestone. CSAM continues to invest substantial efforts to maximize and expedite recovery in these positions, including pursuing consensual restructuring in addition to filing insurance claims and seeking legal enforcement of the funds' claims where appropriate. 18 insurance claims have been filed to date.

In October 2021, CSAM reached an agreement with "GFG Alliance" for the repayment in full of the portion of the "GFG Alliance" exposure relating to its Australian operations. Under the terms of this agreement, an upfront payment of AUD 129 million was made and further payments on the remaining principal of AUD 240 million, including interest, are expected through mid-2023. Overall, together with the monthly payments from November 2021 until January 2023, the total cash returned (including principal repayments and interests) is approximately AUD 329 million.

In March 2022, in connection with the 2022 AGM, Credit Suisse received a proposal from Ethos Foundation and other shareholders requesting information and that a special audit be conducted in connection with the SCFF and "Suisse Secrets" matters. The Board of Directors responded to the request for information with answers on both matters, which were made publicly available on the Credit Suisse website. On April 29, 2022, at the AGM, the shareholders of Credit Suisse Group AG rejected the proposal for a special audit.

In June 2022, CSAM reached an agreement with Bluestone Resources (Bluestone) and its shareholders for the payment of cash to noteholders, including the SCFF. This agreement includes, among other things: a two-year standstill period, during which no party may take, commence or initiate any action to exercise or enforce any claim in this context against any other party; recurring payments from Bluestone as well as recurring payments from its owners, Bluestone CEO James C. Justice III's family, of up to USD 320 million to all noteholders; and the sharing by noteholders and the Justice family in the proceeds from any sale of the Bluestone entities, in which noteholders would receive the remaining portion of the USD 320 million not yet paid, plus 50% of the sale proceeds, on an agreed upon basis.

For the Liechtenstein-domiciled Credit Suisse Supply Chain Finance Investment Grade Fund, the final payment of liquidation proceeds totaling approximately USD 31.3 million was made with value date November 11, 2022. This brought the total amount returned to investors to approximately USD 667 million, which amounts to over 99% of the fund's net asset value at the time of its suspension.

For the Credit Suisse Nova (Lux) Supply Chain Finance Investment Grade Fund, the final payment of liquidation proceeds totaling approximately USD 8.1 million was made with value date February 6, 2023. This brought the total amount returned to investors to approximately USD 258 million, which amounts to over 99% of the fund's net asset value at the time of its suspension.

A number of regulatory and other inquiries, investigations, enforcement and other actions have been initiated or are being considered in respect of this matter. Furthermore, civil actions have been filed by fund investors and other parties against Credit Suisse and certain officers and directors in various jurisdictions. Certain investors and other private parties have also filed criminal complaints against Credit Suisse and other parties in connection with this matter. As this matter develops, we may become subject to additional litigation and regulatory inquiries, investigations and actions.

On February 28, 2023, FINMA announced the conclusion of its enforcement proceedings against Credit Suisse in connection with the SCFF matter. In its order, FINMA reported that Credit Suisse had seriously breached applicable Swiss supervisory laws in this context with regard to risk management and appropriate operational structures. We would note that, over the last two years, Credit Suisse has significantly strengthened its overall risk management and controls across the Group, including in Asset Management. While FINMA recognized that Credit Suisse has already taken extensive organizational measures based on its own investigation into the SCFF matter, particularly to strengthen its governance and control processes, and FINMA is supportive of these measures, the regulator has ordered certain additional remedial measures. These include a requirement that the most important (approximately 500) business relationships must be reviewed periodically and holistically at the Executive Board level, in particular for counterparty risks, and that Credit Suisse must set up a document defining the responsibilities of approximately 600 of its highest-ranking managers. FINMA will appoint an audit officer to assess compliance with these supervisory measures. Separate from the enforcement proceeding regarding Credit Suisse, FINMA has opened four enforcement proceedings against former managers of Credit Suisse.

→ Refer to "Note 40 – Litigation" in VI – Consolidated financial statements – Credit Suisse Group for a description of the regulatory and legal developments relating to this matter

We continue to analyze this matter, including with the assistance of external counsel and other experts. The Board of Directors initiated an externally led investigation of this matter, supervised by a special committee of the Board of Directors. The related report was completed, the findings were made available to the Board of Directors and the report was shared with FINMA. Given the reputational impact of the SCFF matter on us, actions have been taken against a number of employees where the Board of Directors deemed it was appropriate. In light of the ongoing recovery process and the legal complexities of the matter, there is no intention by the Board of Directors to publish the report. An internal project has been set up to further enhance governance as well as to strengthen risk management processes. The Group continues to assess the potential for recovery on behalf of the investors in the funds, and further analyze new, pending or threatened proceedings. As previously reported, the resolution of the matter, the timing of which is difficult to predict, could cause the Group to incur material losses.

Redemptions and subscriptions of certain other funds managed by CSAM that invested in part in the SCFFs were also suspended in early March 2021. The illiquid part of these funds' assets was subsequently separated into a separate share class to allow for subscriptions and redemptions of the original share classes, reflecting the liquid part of the funds' assets, to resume as of April 7, 2021. The separate share class reflecting the illiquid assets is in the process of being liquidated, and shareholders receive pro rata payments of the redemption proceeds.

Group subsidiaries also had collateralized bridge lending and other direct and indirect exposures to Greensill Capital, including exposures relating to certain fund-linked products. With respect to the collateralized bridge loan of USD 140 million, in the fourth quarter of 2022, a settlement agreement was reached, resulting in full recovery of the outstanding principal and accrued interest.

As a consequence of the SCFF matter, in 2021, previously granted compensation awards were recovered from certain individuals through malus and clawback, primarily in Asset Management.

Beginning in the fourth quarter of 2021, we introduced a fee waiver program for clients impacted by this matter wherein certain commissions and fees arising from current and future business transactions may be reimbursed on a quarterly basis, provided certain conditions are met. We incurred negative revenues of CHF 88 million in 2022 relating to this fee waiver program, primarily in Wealth Management.

→ Refer to "Risk factors" in I – Information on the company for further information on risks that may arise in relation to these matters

Replacement of interbank offered rates

Following significant international and regulatory pressure to replace certain interbank offered rate (IBOR) benchmarks with alternative reference rates (ARRs), the major structural change in global financial markets is now nearing completion.

Credit Suisse's legacy non-USD LIBOR portfolio has been successfully transitioned to alternative reference rates with minimal reliance on synthetic LIBOR.

With respect to USD LIBOR settings, the Secured Overnight Financing Rate (SOFR), the alternative reference rate recommended by the Alternative Reference Rates Committee (ARRC), has already gained a significant foothold in the markets. With regulatory pressure to move new trading activity away from LIBOR, except in certain limited circumstances, SOFR has become the dominant market rate even ahead of the official cessation date for USD LIBOR.

While Credit Suisse has a significant level of liabilities and assets linked to USD LIBOR, the significant majority of the Group's legacy LIBOR portfolio has a reduced level of transition risk due to the presence of robust fallback provisions. The majority of the portfolio is made up of derivative contracts where most counterparts have already adhered to the ISDA 2020 IBOR Fallbacks Protocol or to the June 2022 Benchmark Module to the ISDA 2021 Fallbacks Protocol, which eliminate contractual uncertainty around the discontinuation of USD LIBOR.

Under the leadership of members of the Executive Board and our business and functional leaders across the entire Group, the IBOR Transition Program remains fully engaged to facilitate the transition away from USD LIBOR by mid-2023. With respect to the remaining USD LIBOR settings, work remains focused on the five key areas identified in 2019:

- Operational readiness and resiliency: at the end of 2022 the Bank is operationally ready to support SOFR products in markets in which it is active. Given the significant number of USD transactions that are expected to rely on fallback provisions, operational planning is complete with tests and rehearsals under way for the transition.
- Legal contract assessment and repapering: for the small residual portfolio without robust fallback provisions contract assessment is complete with resources in place to accommodate contract renegotiations when our clients are ready to engage.
- Product development and industry engagement: Credit Suisse continues to participate in national working groups in all of our main markets and actively supports the initiatives developed in these forums. In industry and client interactions we seek to build consensus with our clients, peers and national regulators to strengthen the integrity and robustness of our core markets through the transition to ARRs. Building on our established USD franchise, we are continuing to pioneer innovative solutions in the SOFR markets.
- Risk management and mitigation: to manage transition risk, the Group implemented a group-wide policy to limit new LIBOR-referencing business and control the wind-down of legacy exposures in advance of the expected cessation (now June 30, 2023). Accordingly, divisional plans were developed to ensure timely compliance with the policy and limits therein. Certain milestones were put in place and are monitored to ensure the transition is progressed in a timely fashion. Modelling and other risk management systems have been revised to accommodate the transition and were successfully tested and implemented as necessary. Pricing models have been reviewed and updated where needed. While most of the remaining legacy LIBOR portfolio has reduced transition risk, we are continuing our client outreach efforts to actively transition or de-risk the residual portfolio and to keep our clients informed during the last phase of the transition.
- Strategic Transition Planning and Communication: aligned with regulatory guidance on the transition, Credit Suisse's businesses have developed and ratified their own transition plans. As practices and conventions converge across the markets, we believe that these plans position us to be prepared and to optimally service our clients during and after the transition. Over forty thousand of our employees have been trained on LIBOR transitions and we continue to inform our clients about the progress of the transition.

→ Refer to "Risk factors" in I – Information on the company for further information on risks that may arise in relation to these matters.

Subsidiary guarantee information

The Group and the Bank have issued full, unconditional and several guarantees of Credit Suisse (USA), Inc.'s outstanding SEC-registered debt securities, which as of December 31, 2022 consisted of a single outstanding issuance with a balance of USD 742 million maturing in July 2032. Credit Suisse (USA), Inc. is an indirect, wholly owned subsidiary of the Group, and the guarantees have been in place since March 2007. In accordance with the guarantees, if Credit Suisse (USA), Inc. fails to make a timely payment under the agreements governing such debt securities, the holders of the debt securities may demand payment from either the Group or the Bank, without first proceeding against Credit Suisse (USA), Inc., but to date there has been no occasion where holders of the debt securities have demanded payment under the guarantees. The guarantee from the Group is subordinated to senior liabilities, and the guarantees from the Group and the Bank are structurally subordinated to liabilities of any of the subsidiaries of the Group or the Bank that do not guarantee the debt securities.

Format of presentation

In managing our business, revenues are evaluated in the aggregate, including an assessment of trading gains and losses and the related interest income and expense from financing and hedging positions. For this reason, specific individual revenue categories in isolation may not be indicative of performance. Certain reclassifications have been made to prior periods to conform to the current presentation.

Performance measures

Credit Suisse measures firm-wide returns against total shareholders' equity and tangible shareholders' equity, a non-GAAP financial measure also known as tangible book value. Tangible shareholders' equity is calculated by deducting goodwill and other intangible assets from total shareholders' equity as presented in our balance sheet. In addition, Credit Suisse also measures the efficiency of the firm and its divisions with regard to the usage of regulatory capital. Regulatory capital is calculated as the average of 13.5% of RWA and 4.25% of leverage exposure and return on regulatory capital, a non-GAAP financial measure, is calculated using income/(loss) after tax and assumes a tax rate of 30% for periods prior to 2020 and 25% from 2020 onward. For the Investment Bank, return on regulatory capital is based on US dollar denominated numbers. Return on regulatory capital excluding certain items included in our reported results is calculated using results excluding such items, applying the same methodology. Adjusted return on regulatory capital excluding certain items included in our reported results is calculated using results excluding such items, applying the same methodology.

The Group's economic profit is a non-GAAP financial measure, calculated using income/(loss) before tax applying a 25% tax rate less a capital charge. The capital charge is calculated based on the sum of (i) a cost of capital applied to the average regulatory capital of each of the four divisions; and (ii) a 10% cost of capital applied to the residual of the Group's average tangible equity less the sum of the regulatory capital of the four divisions. The applied cost of capital for the divisions is 8% for Wealth Management, the Swiss Bank and Asset Management and 12% for the Investment Bank. Adjusted economic profit excluding certain items included in our reported results is calculated using results excluding such items, applying the same methodology.

Management believes that these metrics are meaningful as they are measures used and relied upon by industry analysts and investors to assess valuations and capital adequacy.

Compensation and benefits

Compensation and benefits include fixed components, such as salaries, benefits and the amortization of share-based and other deferred compensation from prior-year awards, and a discretionary variable component. The variable component reflects the performance-based variable compensation for the current year. The portion of the performance-based compensation for the current year deferred through share-based and other awards is expensed in future periods and is subject to vesting and other conditions.

Our shareholders' equity reflects the effect of share-based compensation. Share-based compensation expense (which is generally based on fair value at the time of grant) reduces equity; however, the recognition of the obligation to deliver the shares increases equity by a corresponding amount. Equity is generally unaffected by the granting and vesting of share-based awards and by the settlement of these awards through the issuance of shares from approved conditional capital. The Group may issue shares from conditional capital to meet its obligations to deliver share-based compensation awards. If Credit Suisse purchases shares from the market to meet its obligation to employees, these purchased treasury shares reduce equity by the amount of the purchase price.

→ Refer to "Group compensation" in V – Compensation, "Consolidated statements of changes in equity", "Tax benefits associated with share-based compensation" in Note 29 – Tax and "Note 30 – Employee deferred compensation" in VI – Consolidated financial statements – Credit Suisse Group for further information.

Allocations and funding

Revenue sharing

Responsibility for each product is allocated to a specific segment, which records all related revenues and expenses. Revenue-sharing and service level agreements govern the compensation received by one segment for generating revenue or providing services on behalf of another. These agreements are negotiated periodically by the relevant segments on a product-by-product basis. The aim of revenue-sharing and service level agreements is to reflect the pricing structure of unrelated third-party transactions.

Cost allocation

Corporate services and business support, including in finance, operations, human resources, legal, risk management, compliance and IT, are provided by corporate functions, and the related costs are allocated to the segments and the Corporate Center based on their respective requirements and other relevant measures.

Funding

We centrally manage our funding activities. We primarily focus our issuance strategy on offering long-term debt securities at the Group level for funding and capital purposes.

→ Refer to "Note 4 – Segment information" in VI – Consolidated financial statements – Credit Suisse Group for further information.

Fair valuations

Fair value can be a relevant measurement for financial instruments when it aligns the accounting for these instruments with how we manage our business. The levels of the fair value hierarchy as defined by the relevant accounting guidance are not a measurement of economic risk, but rather an indication of the observability of prices or valuation inputs.

→ Refer to "Note 1 – Summary of significant accounting policies" and "Note 36 – Financial instruments" in VI – Consolidated financial statements – Credit Suisse Group for further information.

The fair value of the majority of the Group's financial instruments is based on quoted prices in active markets (level 1) or observable inputs (level 2). These instruments include government and agency securities, certain short-term borrowings, most investment grade corporate debt, certain high yield debt securities, exchange-traded and certain over-the-counter (OTC) derivative instruments and most listed equity securities.

In addition, the Group holds financial instruments for which no prices are available and which have significant unobservable inputs (level 3). For these instruments, the determination of fair value requires subjective assessment and judgment depending on liquidity, pricing assumptions, the current economic and competitive environment and the risks affecting the specific instrument. In such circumstances, valuation is determined based on management's own judgments about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These instruments include certain OTC derivatives, including interest rate, foreign exchange, equity and credit derivatives, certain corporate equity-linked securities, mortgage-related securities, private equity investments, certain loans and credit products, including leveraged finance, certain syndicated loans and certain high yield bonds.

Models were used to value financial instruments for which no prices are available and which have significant unobservable inputs (level 3). Models are developed internally and are reviewed by functions independent of the front office to ensure they are appropriate for current market conditions. The models require subjective assessment and varying degrees of judgment depending on liquidity, concentration, pricing assumptions and risks affecting the specific instrument. The models consider observable and unobservable parameters in calculating the value of these products, including certain indices relating to these products. Consideration of these indices is more significant in periods of lower market activity.

As of the end of 2022, 25% and 22% of our total assets and total liabilities, respectively, were measured at fair value.

The majority of our level 3 assets are recorded in our investment banking businesses. Total assets at fair value recorded as level 3 instruments decreased CHF 1.3 billion to CHF 9.3 billion as of the end of 2022, primarily reflecting net realized and unrealized losses, mainly in trading assets and other investments, and net settlements, mainly in loans, loans held-for-sale and trading assets.

As of the end of 2022, our level 3 assets comprised 2% of total assets and 7% of total assets measured at fair value, compared to 1% and 5%, respectively, as of the end of 2021.

We believe that the range of any valuation uncertainty, in the aggregate, would not be material to our financial condition; however, it may be material to our operating results for any particular period, depending, in part, upon the operating results for such period.

Group and Bank differences

The business of the Bank is substantially the same as the business of Credit Suisse Group, and substantially all of the Bank's operations in 2022 were conducted through the Wealth Management, Investment Bank, Swiss Bank and Asset Management segments. Certain Corporate Center activities of the Group, such as hedging activities relating to share-based compensation awards, are not applicable to the Bank. Certain other assets, liabilities and results of operations, primarily relating to Credit Suisse Services AG, our Swiss service company, with branches in the UK, Singapore and India, and its subsidiary in Poland, are managed as part of the activities of the Group's segments. However, they are legally owned by the Group and are not part of the Bank's consolidated financial statements.

Comparison of consolidated statements of operations

			Group			Bank
in	**2022**	2021	2020	**2022**	2021	2020
Statements of operations (CHF million)						
Net revenues	14,921	22,696	22,389	15,213	23,042	22,503
Provision for credit losses	16	4,205	1,096	15	4,209	1,092
Total operating expenses	18,163	19,091	17,826	18,529	18,924	18,200
Income/(loss) before taxes	**(3,258)**	**(600)**	**3,467**	**(3,331)**	**(91)**	**3,211**
Income tax expense	4,048	1,026	801	3,973	938	697
Net income/(loss)	**(7,306)**	**(1,626)**	**2,666**	**(7,304)**	**(1,029)**	**2,514**
Net income/(loss) attributable to noncontrolling interests	(13)	24	(3)	(31)	(100)	3
Net income/(loss) attributable to shareholders	**(7,293)**	**(1,650)**	**2,669**	**(7,273)**	**(929)**	**2,511**

Comparison of consolidated balance sheets

		Group		Bank
end of	**2022**	2021	**2022**	2021
Balance sheet statistics (CHF million)				
Total assets	531,358	755,833	530,039	759,214
Total liabilities	486,027	711,603	481,563	711,127

Capitalization and indebtedness

		Group		Bank
end of	**2022**	2021	**2022**	2021
Capitalization and indebtedness (CHF million)				
Due to banks	11,905	18,965	11,905	18,960
Customer deposits	233,235	392,819	234,554	393,841
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	20,280	35,274	20,371	35,368
Long-term debt	157,235	166,896	150,661	160,695
Other liabilities	63,372	97,649	64,072	102,263
Total liabilities	**486,027**	**711,603**	**481,563**	**711,127**
Total equity	45,331	44,230	48,476	48,087
Total capitalization and indebtedness	**531,358**	**755,833**	**530,039**	**759,214**

Dividends from the Bank to the Group

for the financial year	**2022**	2021	2020	2019	2018
Dividends (CHF million)					
Dividends	200 [1]	570	11	10	10

1 The Bank's total share capital is fully paid and consisted of 4,399,680,200 registered shares as of December 31, 2022. Dividends are determined in accordance with Swiss law and the Bank's articles of incorporation. Proposal of the Board of Directors to the annual general meeting of the Bank.

BIS capital metrics

		Group		Bank
end of	**2022**	2021	**2022**	2021
Capital and risk-weighted assets (CHF million)				
CET1 capital	35,290	38,529	40,987	44,185
Tier 1 capital	50,026	54,373	54,843	59,110
Total eligible capital	50,026	54,852 [1]	54,843	59,589 [2]
Risk-weighted assets	250,540	267,787	249,536	266,934
Capital ratios (%)				
CET1 ratio	14.1	14.4	16.4	16.6
Tier 1 ratio	20.0	20.3	22.0	22.1
Total capital ratio	20.0	20.5 [1]	22.0	22.3 [2]

1 Amounts are shown on a look-through basis. Certain tier 2 instruments and their related tier 2 amortization compenents were subject to phase-out and are no longer eligible as of January 1, 2022. As of 2021, total eligible capital was CHF 55,074 million, including CHF 222 million of such instruments and the total capital ratio was 20.6%.

2 Amounts are shown on a look-through basis. Certain tier 2 instruments and their related tier 2 amortization compenents were subject to phase-out through January 1, 2022. As of 2021, total eligible capital was CHF 59,811 million, including CHF 222 million of such instruments and the total capital ratio was 22.4%.

Wealth Management

In 2022, we reported a loss before taxes of CHF 631 million and net revenues of CHF 4,952 million compared to income before taxes of CHF 2,307 million and net revenues of CHF 7,031 million in 2021.

Results summary

2022 results

In 2022, we reported a loss before taxes of CHF 631 million compared to income before taxes of CHF 2,307 million in 2021. Net revenues of CHF 4,952 million decreased 30% compared to 2021, mainly driven by lower other revenues, lower transaction- and performance-based revenues and lower recurring commissions and fees. Other revenues in 2022 included losses on the equity investment in Allfunds Group of CHF 586 million and a loss on the equity investment in SIX Swiss Exchange (SIX) of CHF 17 million, partially offset by gains on the sale of real estate of CHF 142 million. Other revenues in 2021 included gains on the equity investment in Allfunds Group of CHF 622 million, an insurance claim refund of CHF 49 million relating to a major litigation case pertaining to the settled external asset manager matter and a gain on the sale of real estate of CHF 19 million, partially offset by a loss on the equity investment in SIX of CHF 35 million and a loss on the sale of businesses of CHF 24 million. In 2022, we recorded a provision for credit losses of CHF 9 million on a net loan portfolio of CHF 78.0 billion, compared to a provision for credit losses of CHF 0 million on a net loan portfolio of CHF 103.0 billion in 2021. Total operating expenses of CHF 5,574 million increased 18% compared to 2021, primarily driven by higher general and administrative expenses, including higher litigation expenses and an impairment of IT-related assets, and restructuring expenses of CHF 109 million in 2022.

Divisional results

			in / end of		% change
	2022	2021	2020	22 / 21	21 / 20
Statements of operations (CHF million)					
Net revenues	**4,952**	**7,031**	**7,081**	(30)	(1)
Provision for credit losses	**9**	**0**	**231**	–	(100)
Compensation and benefits	2,848	2,766	2,976	3	(7)
General and administrative expenses	2,301	1,571	1,426	46	10
Commission expenses	316	368	354	(14)	4
Restructuring expenses	109	19	41	474	–
Total other operating expenses	2,726	1,958	1,821	39	8
Total operating expenses	**5,574**	**4,724**	**4,797**	18	(2)
Income/(loss) before taxes	**(631)**	**2,307**	**2,053**	–	12
Economic profit (CHF million)	(1,186)	969	795	–	22
Statement of operations metrics					
Return on regulatory capital (%)	(5.4)	18.4	16.6	–	–
Cost/income ratio (%)	112.6	67.2	67.7	–	–
Number of relationship managers					
Number of relationship managers	1,790	1,890	1,870	(5)	1

Divisional results (continued)

			in / end of		% change
	2022	2021	2020	22 / 21	21 / 20
Net revenue detail (CHF million)					
Net interest income	2,103	2,110	2,358	–	(11)
Recurring commissions and fees	1,570	1,813	1,671	(13)	8
Transaction- and performance-based revenues	1,744	2,481	2,779	(30)	(11)
Other revenues	(465)	627	273	–	130
Net revenues	**4,952**	**7,031**	**7,081**	(30)	(1)
Balance sheet statistics (CHF million)					
Total assets	150,411	201,326	203,626	(25)	(1)
Net loans	77,968	102,993	104,636	(24)	(2)
Risk-weighted assets	54,549	59,974	63,176	(9)	(5)
Leverage exposure	179,378	233,228	227,880	(23)	2
Margins on assets under management (bp)					
Gross margin [1]	75	94	104	–	–
Net margin [2]	(10)	31	30	–	–

Net interest income includes a term spread credit on stable deposit funding and a term spread charge on loans. Recurring commissions and fees includes investment product management, discretionary mandate and other asset management-related fees, fees for general banking products and services and revenues from wealth structuring solutions. Transaction- and performance-based revenues arise primarily from brokerage and product issuing fees, fees from foreign exchange client transactions, trading and sales income, equity participations income and other transaction- and performance-based income.

1 Net revenues divided by average assets under management.

2 Income before taxes divided by average assets under management.

2021 results

In 2021, income before taxes of CHF 2,307 million increased 12% compared to 2020. Net revenues of CHF 7,031 million were stable compared to 2020, as lower transaction-based revenues and lower net interest income were offset by higher other revenues and higher recurring commissions and fees. Other revenues in 2021 of CHF 627 million included gains on the equity investment in Allfunds Group of CHF 622 million, an insurance claim refund of CHF 49 million relating to a major litigation case pertaining to a settled external asset manager matter and a gain on the sale of real estate of CHF 19 million, partially offset by a loss on the equity investment in SIX of CHF 35 million and a loss on the sale of businesses of CHF 24 million. Other revenues of CHF 273 million in 2020 included a gain of CHF 127 million on the equity investment in Allfunds Group, a gain on the equity investment in SIX of CHF 79 million and a gain of CHF 65 million related to the completed transfer of the InvestLab fund platform. Provision for credit losses was CHF 0 million on a net loan portfolio of CHF 103.0 billion, compared to a provision for credit losses of CHF 231 million on a net loan portfolio of CHF 104.6 billion in 2020. Total operating expenses of CHF 4,724 million decreased 2% compared to 2020, mainly driven by lower compensation and benefits and lower restructuring costs, partially offset by higher general and administrative expenses.

Capital and leverage metrics

As of the end of 2022, we reported risk-weighted assets of CHF 54.5 billion, a decrease of CHF 5.4 billion compared to the end of 2021, mainly due to movements in risk levels in credit risk, driven by a decrease in lending exposures and a decrease in equity exposures related to the sale of our investment in Allfunds Group. Leverage exposure of CHF 179.4 billion was CHF 53.9 billion lower compared to the end of 2021, mainly driven by a decrease in high-quality liquid assets (HQLA), reflecting a decrease in cash held at central banks as a result of deposit outflows the Group experienced in the fourth quarter of 2022, and lower business usage.

Reconciliation of adjustment items

in	Wealth Management 2022	2021	2020
Adjusted results (CHF million)			
Net revenues	**4,952**	**7,031**	**7,081**
Real estate (gains)/losses	(147) [1]	(19)	1
(Gains)/losses on business sales	4	24	0
Major litigation recovery	0	(49)	0
(Gain)/loss related to InvestLab transfer	0	0	(65)
(Gain)/loss on equity investment in Allfunds Group	586	(622)	(127)
(Gain)/loss on equity investment in SIX Group AG	17	35	(79)
Adjusted net revenues	**5,412**	**6,400**	**6,811**
Provision for credit losses	**9**	**0**	**231**
Total operating expenses	**5,574**	**4,724**	**4,797**
Restructuring expenses	(109)	(19)	(41)
Major litigation provisions	(306)	(62)	(34)
Expenses related to real estate disposals	(3)	(7)	(5)
Expenses related to business sales	0	0	0
Expenses related to equity investment in Allfunds Group	(2)	(20)	0
Adjusted total operating expenses	**5,154**	**4,616**	**4,717**
Income/(loss) before taxes	**(631)**	**2,307**	**2,053**
Adjusted income before taxes	**249**	**1,784**	**1,863**
Adjusted economic profit	(526)	578	652
Adjusted return on regulatory capital (%)	2.1	14.2	15.1

Adjusted results are non-GAAP financial measures. Refer to "Reconciliation of adjustment items" in Credit Suisse for further information.
1 Of which CHF 142 million was reflected in other revenues and CHF 5 million was reflected in transaction- and performance-based revenues.

2022 results details

In 2022, we reported a loss before taxes of CHF 631 million compared to income before taxes of CHF 2,307 in 2021, primarily reflecting lower net revenues and higher operating expenses.

Net revenues

Compared to 2021, net revenues of CHF 4,952 million decreased 30%, driven by lower other revenues, lower transaction- and performance-based revenues and lower recurring commissions and fees, while net interest income was stable. Other revenues in 2022 included losses on the equity investment in Allfunds Group of CHF 586 million and a loss on the equity investment in SIX of CHF 17 million, partially offset by gains on the sale of real estate of CHF 142 million. Other revenues in 2021 included gains on the equity investment in Allfunds Group of CHF 622 million, an insurance claim refund of CHF 49 million relating to a major litigation case pertaining to the settled external asset manager matter and a gain on the sale of real estate of CHF 19 million, partially offset by a loss on the equity investment in SIX of CHF 35 million and a loss on the sale of businesses of CHF 24 million. Transaction- and performance-based revenues of CHF 1,744 million decreased 30%, mainly reflecting lower brokerage and product issuing fees, lower revenues from Global Trading Solutions (GTS) and lower corporate advisory fees. Transaction-based revenues in 2022 included mark-to-market losses of CHF 121 million on the fair valued portfolio related to APAC Financing Group. Recurring commissions and fees of CHF 1,570 million decreased 13%, reflecting lower revenues across all categories and the impact of the lower average assets under management. Net interest income of CHF 2,103 million was stable, mainly reflecting higher deposit margins despite lower average deposit volumes, offset by stable loan margins on lower average loan volumes, higher funding costs, higher costs related to interest rate management and lower funding benefits. These results reflected the impact of higher interest rates in 2022 and the significant deposit outflows in the fourth quarter of 2022.

Provision for credit losses

The loan portfolio is comprised of lombard lending, mortgages, ship finance, export finance, aviation and yacht finance and structured lending.

In 2022, we recorded a provision for credit losses of CHF 9 million compared to CHF 0 million in 2021.

Total operating expenses
Compared to 2021, total operating expenses of CHF 5,574 million increased 18%, driven by higher general and administrative expenses, restructuring expenses of CHF 109 million in 2022 and higher compensation and benefits, partially offset by lower commission expenses. General and administrative expenses of CHF 2,301 million increased 46%, primarily reflecting higher litigation expenses, higher IT expenses, driven mainly by impairments of IT-related assets of CHF 183 million following a review of the Wealth Management technology and platform strategy in 2022, and higher allocated corporate functions costs. Compensation and benefits of CHF 2,848 million increased 3%, mainly reflecting higher allocated corporate functions costs, higher salary expenses and higher deferred compensation expenses from prior-year awards, partially offset by lower discretionary compensation expenses.

Margins
Our **gross margin** was 75 basis points in 2022, 19 basis points lower compared to 2021, driven by lower other revenues, lower transaction- and performance-based revenues and lower recurring commissions and fees, partially offset an 11.3% decrease in average assets under management.
→ Refer to "Assets under management" for further information.

Our **net margin** was negative 10 basis points in 2022, 41 basis points lower compared to 2021, mainly reflecting lower net revenues and higher operating expenses.

2021 results details

Income before taxes of CHF 2,307 million increased 12% compared to 2020, primarily reflecting lower provision for credit losses and lower operating expenses, while net revenues were stable.

Net revenues
Compared to 2020, net revenues of CHF 7,031 million were stable as lower transaction-based revenues and lower net interest income were offset by higher other revenues and higher recurring commissions and fees. Transaction- and performance-based revenues of CHF 2,481 million decreased 11%, mainly reflecting lower revenues from GTS and lower client activity. Transaction-based revenues in 2021 included mark-to-market losses of CHF 18 million on the fair valued portfolio related to APAC Financing Group. Net interest income of CHF 2,110 million decreased 11%, mainly driven by lower deposit margins on higher average deposit volumes and lower loan margins on higher average loan volumes. Other revenues in 2021 of CHF 627 million included gains on the equity investment in Allfunds Group of CHF 622 million, an insurance claim refund of CHF 49 million relating to a major litigation case pertaining to the settled external asset manager matter and a gain on the sale of real estate of CHF 19 million, partially offset by a loss on the equity investment in SIX of CHF 35 million and a loss on the sale of businesses of CHF 24 million. Other revenues of CHF 273 million in 2020 included a gain of CHF 127 million on the equity investment in Allfunds Group, a gain on the equity investment in SIX of CHF 79 million and a gain of CHF 65 million related to the completed transfer of the InvestLab fund platform. Recurring commissions and fees of CHF 1,813 million increased 8%, mainly driven by higher investment product management fees, higher security account and custody services fees, higher discretionary mandate management fees and higher investment advisory fees and reflected the higher average assets under management.

Provision for credit losses
In 2021, we recorded provision for credit losses of CHF 0 million compared to CHF 231 million in 2020.

Total operating expenses
Compared to 2020, total operating expenses of CHF 4,724 million decreased 2%, mainly driven by lower compensation and benefits, largely offset by higher general and administrative expenses. Compensation and benefits of CHF 2,766 million decreased 7%, mainly reflecting lower discretionary compensation and lower allocated corporate function costs. General and administrative expenses of CHF 1,571 million increased 10%, primarily reflecting higher allocated corporate function costs and higher professional services, partially offset by lower expenses related to IT.

Assets under management

As of the end of **2022**, assets under management of CHF 540.5 billion were CHF 202.1 billion lower compared to the end of 2021, mainly driven by significant net asset outflows, unfavorable market movements and structural effects, including reclassifications of CHF 17.6 billion related to the sanctions imposed in connection with Russia's invasion of Ukraine. Net asset outflows of CHF 95.7 billion were driven by outflows across all regions and reflected the significant outflows in the fourth quarter of 2022.
→ Refer to "Outflows in assets under management in the fourth quarter of 2022" in Credit Suisse – Other information for further information.

As of the end of **2021**, assets under management of CHF 742.6 billion were CHF 35.7 billion higher compared to the end of 2020, driven by favorable market movements, net new assets and favorable foreign exchange-related movements, partially offset by structural effects. Net new assets of CHF 10.5 billion mainly reflected inflows from coverage areas Latin America, External Asset Managers and Europe.

Assets under management

			in / end of		% change
	2022	2021	2020	22 / 21	21 / 20
Assets under management (CHF billion)					
Assets under management	540.5	742.6	706.9	(27.2)	5.1
Average assets under management	664.5	749.2	682.3	(11.3)	9.8
Assets under management by currency (CHF billion)					
USD	257.4	366.6	338.9	(29.8)	8.2
EUR	106.7	143.1	145.7	(25.4)	(1.8)
CHF	62.2	78.6	68.3	(20.9)	15.1
Other	114.2	154.3	154.0	(26.0)	0.2
Assets under management	**540.5**	**742.6**	**706.9**	(27.2)	5.1
Movements in assets under management (CHF billion)					
Net new assets/(net asset outflows)	(95.7)	10.5	16.8	–	–
Other effects	(106.4)	25.2	(29.5)	–	–
of which market movements	(80.7)	30.0	24.0	–	–
of which foreign exchange	0.5	6.7	(50.0)	–	–
of which other	(26.2)	(11.5)	(3.5)	–	–
Increase/(decrease) in assets under management	**(202.1)**	**35.7**	**(12.7)**	–	–
Movements in assets under management (%)					
Net new assets/(net asset outflows)	(12.9)	1.5	2.3	–	–
Other effects	(14.3)	3.6	(4.1)	–	–
Increase/(decrease) in assets under management	**(27.2)**	**5.1**	**(1.8)**	–	–

Investment Bank

In 2022, we reported a loss before taxes of CHF 3,116 million, compared to a loss of CHF 3,473 million in 2021. Net revenues of CHF 4,607 million decreased 54% compared to 2021, reflecting declines across most businesses due to continued volatile market conditions and the impact of accelerated deleveraging in light of our strategic actions and in response to the Group's significant deposit outflows in the fourth quarter of 2022.

Results summary

2022 results

In 2022, we reported a loss before taxes of CHF 3,116 million compared to a loss of CHF 3,473 million in 2021. Net revenues of CHF 4,607 million decreased 54% compared to 2021, primarily driven by significantly lower capital markets and fixed income and equity sales and trading revenues. Market conditions, particularly in capital markets, were characterized by geopolitical and macroeconomic uncertainty resulting in higher levels of volatility for equity and interest rates, widened credit spreads and high levels of inflation. In addition, results reflected the impact of accelerated deleveraging in light of our strategic actions and in response to the Group's significant deposit outflows in the fourth quarter of 2022.

Divisional results

			in / end of		% change
	2022	2021	2020	22 / 21	21 / 20
Statements of operations (CHF million)					
Net revenues	**4,607**	**9,908**	**10,153**	(54)	(2)
Provision for credit losses	**(84)**	**4,209**	**588**	–	–
Compensation and benefits	3,835	3,892	4,386	(1)	(11)
General and administrative expenses	3,145	3,017	2,605	4	16
Commission expenses	477	569	616	(16)	(8)
Goodwill impairment	23	1,623	0	(99)	–
Restructuring expenses	327	71	48	361	48
Total other operating expenses	3,972	5,280	3,269	(25)	62
Total operating expenses	**7,807**	**9,172**	**7,655**	(15)	20
Income/(loss) before taxes	**(3,116)**	**(3,473)**	**1,910**	(10)	–
Economic profit (CHF million)	(3,810)	(4,347)	(448)	(12)	–
Statement of operations metrics					
Return on regulatory capital (%)	(18.9)	(17.6)	9.2	–	–
Cost/income ratio (%)	169.5	92.6	75.4	–	–
Balance sheet statistics (CHF million)					
Total assets	146,846	274,112	333,393	(46)	(18)
Net loans	27,324	26,291	24,054	4	9
Risk-weighted assets	74,160	84,313	92,890	(12)	(9)
Risk-weighted assets (USD)	80,179	92,193	105,476	(13)	(13)
Leverage exposure	211,601	347,774	387,098	(39)	(10)
Leverage exposure (USD)	228,776	380,278	439,547	(40)	(13)

Divisional results (continued)

			in		% change
	2022	2021	2020	22 / 21	21 / 20
Net revenue detail (CHF million)					
Fixed income sales and trading	1,968	3,525	4,187	(44)	(16)
Equity sales and trading	1,091	1,792	2,261	(39)	(21)
Capital markets	756	3,589	2,964	(79)	21
Advisory and other fees	781	1,014	744	(23)	36
Other revenues [1]	11	(12)	(3)	–	300
Net revenues	**4,607**	**9,908**	**10,153**	(54)	(2)

1 Other revenues include treasury funding costs and changes in the carrying value of certain investments.

Fixed income sales and trading revenues decreased 44% compared to 2021, reflecting reduced revenues in securitized products, global credit products and emerging markets, partially offset by higher macro revenues. Equity sales and trading revenues decreased 39%, driven by lower equity derivatives revenues compared to a strong 2021 and lower cash trading volumes, particularly in Asia Pacific and EMEA, partially offset by higher prime services revenues, as 2021 included a loss related to Archegos. Capital markets revenues decreased 79% compared to a strong 2021, reflecting lower issuance activity across products due to challenging market conditions and high levels of volatility. Advisory and other fees decreased 23%, reflecting lower revenues from completed mergers and acquisitions (M&A) transactions. In 2022, we recorded a release of provision for credit losses of CHF 84 million compared to provision for credit losses of CHF 4,209 million in 2021, which was driven by a charge of CHF 4,307 million in respect of the failure by Archegos to meet its margin commitments. Total operating expenses of CHF 7,807 million decreased 15% compared to 2021, which included a goodwill impairment charge of CHF 1,623 million. Adjusted total operating expenses were stable compared to 2021.

2021 results

In 2021, we reported a loss before taxes of CHF 3,473 million, driven by a loss of CHF 4,803 million in respect of the failure by Archegos to meet its margin commitments and the goodwill impairment charge of CHF 1,623 million. Adjusted income before taxes of CHF 3,217 million increased significantly compared to CHF 2,022 million in 2020. Net revenues of CHF 9,908 million decreased 2% compared to a strong prior year, reflecting lower sales and trading revenues, including a loss of CHF 470 million related to Archegos, partially offset by higher capital markets and advisory activity. Excluding Archegos, net revenues were stable. The year was characterized by constructive market conditions for many of our businesses, including higher underwriting issuance activity, driven by normalized levels of volatility, tightening of spreads and continued low interest rates. Fixed income sales and trading revenues decreased 16% compared to a strong prior year, which benefited from more favorable market conditions, reflecting reduced trading activity in macro, global credit products and emerging markets, partially offset by significantly higher securitized products revenues.

Equity sales and trading revenues decreased 21%, mainly reflecting the loss related to Archegos in prime services. Excluding this loss, revenues decreased 5% compared to a strong 2020, in light of our strategy to resize the prime services franchise, partially offset by significantly higher equity derivatives revenues. Capital markets revenues increased 21%, reflecting strong client activity across equity and debt capital markets, driven by increased issuance activity. Advisory and other fees increased 36%, reflecting higher revenues from completed M&A transactions. Provision for credit losses was CHF 4,209 million in 2021 compared to CHF 588 million in 2020. The provision for credit losses in 2021 was driven by a charge of CHF 4,307 million related to Archegos. Total operating expenses of CHF 9,172 million increased 20%, mainly due to the goodwill impairment charge of CHF 1,623 million. Adjusted total operating expenses decreased 4% compared to 2020. In 2021, we incurred restructuring expenses of CHF 71 million.

Capital and leverage metrics

As of the end of 2022, risk-weighted assets of USD 80.2 billion decreased USD 12.0 billion compared to the end of 2021, mainly in credit risk, driven by business reductions primarily related to our strategic actions, including the impact of the substantially completed exit of the prime services franchise, and deleveraging resulting from the significant deposit outflows the Group experienced in the fourth quarter of 2022. As of the end of 2022, leverage exposure of USD 228.8 billion decreased USD 151.5 billion compared to the end of 2021, due to lower HQLA reflecting reductions in cash held at central banks and reductions in non-cash HQLA relating to the significant deposit outflows, mainly in the fourth quarter of 2022, and business reductions, including prime services.

Reconciliation of adjustment items

in	2022	2021	2020
	Investment Bank		
Adjusted results (CHF million)			
Net revenues	**4,607**	**9,908**	**10,153**
Real estate (gains)/losses	(53)	0	0
Archegos	(17)	470	0
Adjusted net revenues	**4,537**	**10,378**	**10,153**
Provision for credit losses	**(84)**	**4,209**	**588**
Archegos	155	(4,307)	0
Adjusted provision for credit losses	**71**	**(98)**	**588**
Total operating expenses	**7,807**	**9,172**	**7,655**
Goodwill impairment	(23)	(1,623)	0
Restructuring expenses	(327)	(71)	(48)
Major litigation provisions	(232)	(149)	(24)
Expenses related to real estate disposals	(20)	(44)	(40)
Archegos	(40)	(26)	0
Adjusted total operating expenses	**7,165**	**7,259**	**7,543**
Income/(loss) before taxes	**(3,116)**	**(3,473)**	**1,910**
Adjusted income/(loss) before taxes	**(2,699)**	**3,217**	**2,022**
Adjusted economic profit	(3,497)	670	(363)
Adjusted return on regulatory capital (%)	(16.4)	16.9	9.8

Adjusted results are non-GAAP financial measures. Refer to "Reconciliation of adjustment items" in Credit Suisse for further information.

2022 results details

Fixed income sales and trading
Fixed income sales and trading revenues of CHF 1,968 million decreased 44% compared to 2021, reflecting reduced revenues in securitized products, global credit products and emerging markets, partially offset by higher macro revenues. Securitized products revenues declined compared to a strong prior year and reflected lower revenues across products as we reduced inventory and announced the sale of a significant portion of the overall portfolio. Global credit products revenues decreased significantly, reflecting lower investment grade and leveraged finance trading revenues as we reduced inventory in light of our strategic actions, partially offset by increased financing revenues. In addition, emerging markets revenues decreased, driven by lower trading and financing revenues across regions. These declines were partially offset by increased macro revenues, reflecting significantly higher revenues in our rates business.

Equity sales and trading
Equity sales and trading revenues of CHF 1,091 million decreased 39% compared to 2021, reflecting lower equity derivatives and cash equities results. Equity derivatives revenues declined, reflecting lower structured and corporate equity derivatives trading activity due to reduced client activity and also as a result of the Group's credit rating downgrades. In addition, cash equities revenues decreased due to lower secondary trading revenues, particularly in Asia Pacific and the US. This was partially offset by higher prime services revenues compared to a loss of CHF 470 million related to Archegos in prime services in 2021.

Capital markets
Capital markets revenues of CHF 756 million decreased 79% compared to a strong 2021, reflecting lower issuance activity across debt and equity capital markets. Debt capital markets revenues decreased significantly, primarily reflecting reduced street-wide leveraged finance issuance activity. Equity capital markets revenues decreased significantly, driven by lower initial public offerings (IPO) and follow-on issuance activity.

Advisory and other fees
Revenues from advisory and other fees of CHF 781 million decreased 23% compared to 2021, driven by lower revenues from completed M&A transactions.

Provision for credit losses
The Investment Bank recorded a release of provision for credit losses of CHF 84 million in 2022 compared to provision for credit losses of CHF 4,209 million in 2021, which included a charge of CHF 4,307 million related to Archegos. The release of provision for credit losses in 2022 included a release of CHF 155 million pertaining to an assessment of the future recoverability of receivables related to Archegos.

Total operating expenses
Total operating expenses of CHF 7,807 million decreased 15% compared to 2021, mainly due to the goodwill impairment charge in 2021. Adjusted total operating expenses were stable compared to 2021. Compensation and benefits of CHF 3,835 million decreased slightly, due to decreased discretionary compensation expenses and deferred compensation expenses from prior year awards, including a downward adjustment on outstanding

performance share awards reflecting the full year divisional loss and forfeitures relating to staff departures, partially offset by increased salary expenses. General and administrative expenses of CHF 3,145 million increased 4%, primarily due to increased litigation expenses, allocated corporate functions costs and professional services fees. In 2022, we incurred restructuring expenses of CHF 327 million.

2021 results details

Fixed income sales and trading

Fixed income sales and trading revenues of CHF 3,525 million decreased 16% compared to 2020, which benefited from more favorable market conditions, reflecting reduced trading activity in macro, global credit products and emerging markets, partially offset by higher securitized products revenues. Macro products revenues decreased significantly, driven by lower revenues in our rates and foreign exchange businesses due to significantly reduced volumes and volatility. In addition, global credit products revenues decreased, mainly reflecting lower investment grade and leverage finance trading activity compared to a strong prior year, which benefited from significantly higher trading volumes and client activity. In addition, emerging markets revenues decreased, driven by reduced structured credit, trading and financing activity across regions. These decreases were partially offset by higher securitized products revenues compared to a strong prior year, reflecting higher non-agency trading activity and increased asset finance revenues, partially offset by lower agency trading activity.

Equity sales and trading

Equity sales and trading revenues of CHF 1,792 million decreased 21% compared to 2020, mainly reflecting the loss of CHF 470 million related to Archegos in prime services. Excluding this loss, revenues were stable compared to a strong 2020, in light of our strategy to resize the prime services franchise, partially offset by significantly higher equity derivatives revenues. Prime services revenues significantly decreased, primarily due to the loss related to Archegos and reduced capital usage as we significantly de-risked and resized the business. Cash equities revenues decreased, reflecting lower trading activity in the US, partially offset by higher trading activity in Asia Pacific, driven by increased client activity. These declines were partially offset by significantly higher equity derivatives revenues, reflecting increased structured trading activity.

Capital markets

Capital markets revenues of CHF 3,589 million increased 21% compared to 2020, reflecting strong client activity across equity and debt capital markets, driven by increased issuance activity. Equity capital markets revenues increased, driven by higher IPO and follow-on issuance activity. Debt capital markets revenues increased, reflecting significantly higher leveraged finance issuance activity.

Advisory and other fees

Revenues from advisory and other fees of CHF 1,014 million increased 36% compared to 2020, driven by higher revenues from completed M&A transactions.

Provision for credit losses

The Investment Bank recorded provision for credit losses of CHF 4,209 million in 2021 compared to CHF 588 million in 2020. The provision for credit losses in 2021 was driven by a charge of CHF 4,307 million related to Archegos.

Total operating expenses

Total operating expenses of CHF 9,172 million increased 20% compared to 2020, mainly due to the goodwill impairment charge. Adjusted total operating expenses decreased 4% compared to 2020. Compensation and benefits of CHF 3,892 million decreased 11%, primarily due to decreased discretionary compensation expenses and deferred compensation expenses from prior year awards, including a downward adjustment on outstanding performance share awards reflecting the full year divisional loss and malus and clawbacks of previously granted compensation awards, primarily in connection with Archegos. General and administrative expenses of CHF 3,017 million increased 16%, primarily due to increased litigation provisions, allocated corporate functions costs and professional services fees. In 2021, we incurred costs related to Archegos of CHF 26 million and restructuring expenses of CHF 71 million.

Investment banking & capital markets fees

In order to reflect the performance and capabilities of the capital markets and advisory business and for enhanced comparability versus peers, the table below shows advisory, debt capital markets and equity capital markets fees in US dollar terms. Fees are defined as gross revenues generated from advisory and capital markets activity as well as derivatives in connection with such activity, before allocated funding costs, and exclude mark-to-market movements in debt underwriting, including leveraged finance.

			in		% change
	2022	2021	2020	22 / 21	21 / 20
Investment banking & capital markets fees (USD million)					
Advisory	849	1,168	815	(27)	43
Debt capital markets [1]	851	1,979	1,687	(57)	17
Equity capital markets	379	1,921	1,547	(80)	24
Investment banking & capital markets fees	**2,079**	**5,068**	**4,049**	(59)	25

1 Excludes mark-to-market movements of USD (417) million in 2022, USD 34 million in 2021 and USD (53) million in 2020.

Swiss Bank

In 2022, we reported income before taxes of CHF 1,545 million and net revenues of CHF 4,093 million. Income before taxes decreased 19% compared to 2021, mainly reflecting lower net revenues and higher provision for credit losses.

Results summary

2022 results

In 2022, income before taxes of CHF 1,545 million decreased 19% compared to 2021. Net revenues of CHF 4,093 million decreased 5% compared to 2021, mainly due to lower net interest income, lower transaction-based revenues and lower other revenues. Other revenues in 2022 included gains on the sale of real estate of CHF 148 million, partially offset by a loss on the equity investment in SIX of CHF 17 million. Other revenues in 2021 included gains on the sale of real estate of CHF 213 million, partially offset by a loss on the equity investment in SIX of CHF 35 million. Provision for credit losses was CHF 90 million in 2022 on a net loan portfolio of CHF 157.9 billion, compared to CHF 4 million provision for credit losses on a net loan portfolio of CHF 161.2 billion in 2021. Total operating expenses of CHF 2,458 million increased 3%, mainly reflecting higher general and administrative expenses with stable compensation and benefits.

2021 results

In 2021, income before taxes of CHF 1,918 million increased 31% compared to 2020. Net revenues of CHF 4,316 million increased 2% compared to 2020, mainly reflecting higher recurring commissions and fees as well as higher transaction-based revenues, partially offset by lower other revenues. Other revenues in 2021 included the gains on the sale of real estate, partially offset by the loss on the equity investment in SIX. Other revenues in 2020 included a gain on the equity investment in Pfandbriefbank of CHF 134 million, a gain on the equity investment in SIX of CHF 79 million and gains on the sale of real estate of CHF 16 million. Provision for credit losses was CHF 4 million in 2021 on a net loan portfolio of CHF 161.2 billion, compared to CHF 268 million provision for credit losses on a net loan portfolio of CHF 161.8 billion in 2020. Provision for credit losses in 2021 included a release of non-specific provisions for expected credit losses of CHF 67 million. Total operating expenses of CHF 2,394 million decreased 3%, reflecting lower compensation and benefits as well as lower restructuring expenses, partially offset by higher general and administrative expenses.

Capital and leverage metrics

As of the end of 2022, we reported risk-weighted assets of CHF 69.1 billion, stable compared to the end of 2021, mainly reflecting movements in risk levels in credit risk, primarily related to advanced credit valuation adjustment, offset by internal model and parameter updates in credit risk, mainly reflecting regulatory buffers relating to commodity trade finance. Leverage exposure of CHF 220.0 billion was CHF 27.5 billion lower compared to the end of 2021, mainly driven by lower HQLA, reflecting a decrease in cash held at central banks as a result of deposit outflows the Group experienced in the fourth quarter of 2022, and lower business usage.

Divisional results

			in / end of		% change
	2022	2021	2020	22 / 21	21 / 20
Statements of operations (CHF million)					
Net revenues	**4,093**	**4,316**	**4,212**	(5)	2
Provision for credit losses	**90**	**4**	**268**	–	(99)
Compensation and benefits	1,455	1,438	1,561	1	(8)
General and administrative expenses	861	821	748	5	10
Commission expenses	121	124	125	(2)	(1)
Restructuring expenses	21	11	42	91	(74)
Total other operating expenses	1,003	956	915	5	4
Total operating expenses	**2,458**	**2,394**	**2,476**	3	(3)
Income before taxes	**1,545**	**1,918**	**1,468**	(19)	31
Economic profit (CHF million)	367	629	290	(42)	117
Statement of operations metrics					
Return on regulatory capital (%)	11.8	14.2	10.9	–	–
Cost/income ratio (%)	60.1	55.5	58.8	–	–

Divisional results (continued)

			in / end of		% change
	2022	2021	2020	22 / 21	21 / 20
Net revenue detail (CHF million)					
Net interest income	2,219	2,345	2,336	(5)	0
Recurring commissions and fees	1,293	1,302	1,190	(1)	9
Transaction-based revenues	508	561	512	(9)	10
Other revenues	73	108	174	(32)	(38)
Net revenues	**4,093**	**4,316**	**4,212**	(5)	2
Balance sheet statistics (CHF million)					
Total assets	197,059	221,478	225,385	(11)	(2)
Net loans	157,906	161,229	161,793	(2)	0
Risk-weighted assets	69,090	68,764	70,577	0	(3)
Leverage exposure	220,026	247,509	248,523	(11)	0
Margins on assets under management (bp)					
Gross margin [1]	73	74	81	–	–
Net margin [2]	28	33	28	–	–
Number of relationship managers					
Number of relationship managers	1,670	1,630	1,690	2	(4)

Net interest income includes a term spread credit on stable deposit funding and a term spread charge on loans. Recurring commissions and fees includes investment product management, discretionary mandate and other asset management-related fees, fees for general banking products and services and revenues from wealth structuring solutions. Transaction-based revenues arise primarily from brokerage fees, fees from foreign exchange client transactions, trading and sales income, equity participations income and other transaction-based income. Other revenues include fair value gains/(losses) on synthetic securitized loan portfolios and other gains and losses.

1 Net revenues divided by average assets under management.

2 Income before taxes divided by average assets under management.

Reconciliation of adjustment items

			Swiss Bank
in	**2022**	2021	2020
Results (CHF million)			
Net revenues	**4,093**	**4,316**	**4,212**
Real estate (gains)/losses	(148)	(213)	(16)
(Gain)/loss on equity investment in SIX Group AG	17	35	(79)
(Gain)/loss on equity investment in Pfandbriefbank	(6)	0	(134)
Adjusted net revenues	**3,956**	**4,138**	**3,983**
Provision for credit losses	**90**	**4**	**268**
Total operating expenses	**2,458**	**2,394**	**2,476**
Restructuring expenses	(21)	(11)	(42)
Expenses related to real estate disposals	0	(4)	(4)
Adjusted total operating expenses	**2,437**	**2,379**	**2,430**
Income before taxes	**1,545**	**1,918**	**1,468**
Adjusted income before taxes	**1,429**	**1,755**	**1,285**
Adjusted economic profit	280	506	154
Adjusted return on regulatory capital (%)	10.9	13.0	9.5

Adjusted results are non-GAAP financial measures. Refer to "Reconciliation of adjustment items" in Credit Suisse for further information.

2022 results details

Income before taxes of CHF 1,545 million decreased 19% compared to 2021, mainly reflecting lower net revenues and higher provision for credit losses.

Net revenues
In 2022, net revenues of CHF 4,093 million decreased 5%, mainly due to lower net interest income, lower transaction-based revenues and lower other revenues. Net interest income of CHF 2,219 million decreased 5%, primarily driven by lower treasury revenues, mainly reflecting lower SNB threshold benefits from the SNB increase of interest rates, and lower loan margins on stable average loan volumes, partially offset by higher deposit margins on lower average deposit volumes. Transaction-based revenues of CHF 508 million decreased 9%, primarily driven by lower brokerage and product issuing fees as well as losses on equity investments in 2022, partially offset by higher fees from foreign exchange client business. 2021 included valuation gains on derivatives in connection with the transition from IBOR to alternative reference rates as well as a gain on the sale of an equity investment. Other revenues in 2022 included gains on the sale of real estate of CHF 148 million, partially offset by a loss on the equity investment in SIX of CHF 17 million. Other revenues in 2021 included gains on the sale of real estate of CHF 213 million, partially offset by a loss on the equity investment in SIX of CHF 35 million. Recurring commissions and fees of CHF 1,293 million were stable, with lower investment product management fees, lower security account and custody services fees as well as lower investment advisory fees, offset by higher fees from lending activities as well as higher revenues from our investment in Swisscard.

Provision for credit losses
The loan portfolio is substantially comprised of residential mortgages in Switzerland, loans secured by real estate, securities and other financial collateral as well as unsecured loans to commercial clients and, to a lesser extent, consumer finance loans.

In 2022, we recorded provision for credit losses of CHF 90 million compared to CHF 4 million in 2021. The provisions in 2022 included specific provisions reflecting several individual cases across various industries and specific provisions related to our consumer finance business.

Total operating expenses
Compared to 2021, total operating expenses of CHF 2,458 million increased 3%, mainly reflecting higher general and administrative expenses with stable compensation and benefits. General and administrative expenses of CHF 861 million increased 5%, primarily reflecting higher allocated Group-wide risk, compliance and technology costs, higher occupancy expenses as well as higher advertising and marketing expenses, partially offset by lower professional services fees. Compensation and benefits of CHF 1,455 million were stable, with higher deferred compensation expenses from prior-year awards and higher pension expenses, offset by lower discretionary compensation expenses and lower social security expenses.

Margins
Our **gross margin** was 73 basis points in 2022, one basis point lower compared to 2021, mainly reflecting lower net interest income, lower transaction-based revenues and lower other revenues, partially offset by a 3.8% decrease in average assets under management.

→ Refer to "Assets under management" for further information.

Our **net margin** was 28 basis points in 2022, five basis points lower compared to 2021, reflecting lower net revenues, higher provision for credit losses and higher total operating expenses, partially offset by the lower average assets under management.

2021 results details

Income before taxes of CHF 1,918 million increased 31% compared to 2020, driven by lower provision for credit losses, higher net revenues and lower total operating expenses.

Net revenues
In 2021, net revenues of CHF 4,316 million increased 2%, mainly reflecting higher recurring commissions and fees as well as higher transaction-based revenues, partially offset by lower other revenues. Recurring commissions and fees of CHF 1,302 million increased 9%, primarily reflecting higher discretionary mandate management fees, higher security account and custody services fees, increased investment product management fees as well as higher revenues from our investment in Swisscard. Transaction-based revenues of CHF 561 million increased 10%, primarily driven by higher fees from foreign exchange client business, valuation gains on derivatives in connection with the transition from IBOR to alternative reference rates and a gain on the sale of an equity investment. Net interest income of CHF 2,345 million was stable, with lower loan margins on higher average loan volumes and higher treasury revenues, partially offset by lower deposit margins on higher average deposit volumes. Other revenues in 2021 included the gains on the sale of real estate of CHF 213 million, partially offset by the loss on the equity investment in SIX of CHF 35 million. Other revenues in 2020 included the gain on the equity investment in Pfandbriefbank of CHF 134 million, the gain on the equity investment in SIX of CHF 79 million and the gains on the sale of real estate of CHF 16 million.

Provision for credit losses
In 2021, we recorded provision for credit losses of CHF 4 million compared to CHF 268 million in 2020. Provision for credit losses in 2021 included specific provisions reflecting several individual cases across various industries and specific provisions related to our consumer finance business, largely offset by a release of non-specific provisions for expected credit losses of CHF 67 million.

Total operating expenses
Compared to 2020, total operating expenses of CHF 2,394 million decreased 3%, reflecting lower compensation and benefits as well as lower restructuring expenses, partially offset by higher general and administrative expenses. Compensation and benefits of CHF 1,438 million decreased 8%, primarily driven by lower discretionary compensation expenses and lower allocated corporate function costs. General and administrative expenses of CHF 821 million increased 10%, primarily reflecting higher allocated corporate function costs as well as higher advertising and marketing expenses.

Assets under management

As of the end of **2022**, assets under management of CHF 525.8 billion were CHF 72.1 billion lower compared to the end of 2021, mainly driven by unfavorable market movements and net asset outflows. Net asset outflows of CHF 5.4 billion reflected outflows in our private clients business, partially offset by inflows in our institutional clients business.

→ Refer to "Outflows in assets under management in the fourth quarter of 2022" in Credit Suisse – Other information for further information.

As of the end of **2021**, assets under management of CHF 597.9 billion were CHF 46.9 billion higher compared to the end of 2020, mainly due to favorable market movements and net new assets. Net new assets of CHF 5.9 billion reflected inflows across all client segments.

Assets under management

			in / end of		% change
	2022	2021	2020	22 / 21	21 / 20
Assets under management (CHF billion)					
Assets under management	525.8	597.9	551.0	(12.1)	8.5
Average assets under management	558.6	580.7	520.8	(3.8)	11.5
Assets under management by currency (CHF billion)					
USD	53.5	62.0	59.5	(13.7)	4.2
EUR	22.0	27.0	23.8	(18.5)	13.4
CHF	443.1	499.9	454.9	(11.4)	9.9
Other	7.2	9.0	12.8	(20.0)	(29.7)
Assets under management	**525.8**	**597.9**	**551.0**	(12.1)	8.5
Movements in assets under management (CHF billion)					
Net new assets/(net asset outflows)	(5.4)	5.9	16.3	–	–
Other effects	(66.7)	41.0	10.3	–	–
of which market movements	(67.3)	39.3	17.7	–	–
of which foreign exchange	(0.6)	1.0	(5.8)	–	–
of which other	1.2	0.7	(1.6)	–	–
Increase/(decrease) in assets under management	**(72.1)**	**46.9**	**26.6**	–	–
Movements in assets under management (%)					
Net new assets/(net asset outflows)	(0.9)	1.1	3.1	–	–
Other effects	(11.2)	7.4	2.0	–	–
Increase/(decrease) in assets under management	**(12.1)**	**8.5**	**5.1**	–	–

Asset Management

In 2022, we reported income before taxes of CHF 146 million and net revenues of CHF 1,294 million. Income before taxes decreased 60% compared to 2021, driven by lower net revenues.

Results summary

2022 results

In 2022, income before taxes of CHF 146 million decreased 60% compared to 2021, reflecting lower net revenues. Net revenues of CHF 1,294 million decreased 14% compared to 2021, driven by lower performance, transaction and placement revenues and declining management fees, reflecting lower average assets under management and increased investor bias towards passive products, partially offset by higher investment and partnership income. In 2021, investment and partnership income included an impairment of CHF 113 million related to our non-controlling interest in York Capital Management (York). Total operating expenses of CHF 1,146 million were stable compared to 2021, with higher restructuring expenses and increased general and administrative expenses offset by reduced commission expenses and lower compensation and benefits.

2021 results

In 2021, we reported income before taxes of CHF 362 million, which increased significantly compared to 2020, mainly due to higher net revenues. Net revenues of CHF 1,508 million increased 32% compared to 2020, driven by higher investment and partnership income, increased performance, transaction and placement revenues and growth in management fees, reflecting higher average assets under management. Investment and partnership income in 2021 included the impairment of CHF 113 million related to York, while 2020 included an impairment of CHF 414 million related to York, partially offset by a gain of CHF 203 million related to the completed transfer of the InvestLab fund platform. Total operating expenses of CHF 1,146 million increased 3% compared to 2020, mainly due to higher general and administrative expenses and commission expenses, partially offset by lower compensation and benefits and restructuring expenses incurred in 2020.

Capital and leverage metrics

As of the end of 2022, RWA of CHF 8.3 billion were stable compared to the end of 2021. Leverage exposure of CHF 2.5 billion decreased CHF 0.2 billion compared to the end of 2021.

Divisional results

		in / end of			% change
	2022	2021	2020	22 / 21	21 / 20
Statements of operations (CHF million)					
Net revenues	**1,294**	**1,508**	**1,140**	(14)	32
Provision for credit losses	**2**	**0**	**0**	–	–
Compensation and benefits	596	603	639	(1)	(6)
General and administrative expenses	436	426	369	2	15
Commission expenses	98	114	86	(14)	33
Restructuring expenses	16	3	18	433	–
Total other operating expenses	550	543	473	1	15
Total operating expenses	**1,146**	**1,146**	**1,112**	0	3
Income before taxes	**146**	**362**	**28**	(60)	–
Economic profit (CHF million)	60	215	(40)	(72)	–
Statement of operations metrics					
Return on regulatory capital (%)	17.5	39.2	2.8	–	–
Cost/income ratio (%)	88.6	76.0	97.5	–	–

Divisional results (continued)

			in / end of		% change
	2022	2021	2020	22 / 21	21 / 20
Net revenue detail (CHF million)					
Management fees	1,011	1,137	1,052	(11)	8
Performance, transaction and placement revenues	114	340	219	(66)	55
Investment and partnership income	169	31	(131)	445	–
Net revenues	**1,294**	**1,508**	**1,140**	(14)	32
of which recurring commissions and fees	1,012	1,139	1,057	(11)	8
of which transaction- and performance-based revenues	280	470	377	(40)	25
of which other revenues	2	(101)	(294)	–	(66)
Balance sheet statistics (CHF million)					
Total assets	3,373	3,603	3,912	(6)	(8)
Risk-weighted assets	8,333	8,446	9,651	(1)	(12)
Leverage exposure	2,499	2,737	3,199	(9)	(14)

Management fees include fees on assets under management and asset administration revenues. Performance revenues relate to the performance or return of the funds being managed and includes investment-related gains and losses from proprietary funds. Transaction fees relate to the acquisition and disposal of investments in the funds being managed. Placement revenues arise from our third-party private equity fundraising activities and secondary private equity market advisory services. Investment and partnership income includes equity participation income from seed capital returns and from minority investments in third-party asset managers, income from strategic partnerships and distribution agreements and other revenues.

Reconciliation of adjustment items

		Asset Management	
in	**2022**	2021	2020
Adjusted results (CHF million)			
Net revenues	**1,294**	**1,508**	**1,140**
Real estate (gains)/losses	(2)	0	0
(Gain)/loss related to InvestLab transfer	0	0	(203)
Impairment on York Capital Management	10	113	414
Adjusted net revenues	**1,302**	**1,621**	**1,351**
Provision for credit losses	**2**	**0**	**0**
Total operating expenses	**1,146**	**1,146**	**1,112**
Restructuring expenses	(16)	(3)	(18)
Expenses related to real estate disposals	(1)	(1)	(2)
Adjusted total operating expenses	**1,129**	**1,142**	**1,092**
Income before taxes	**146**	**362**	**28**
Adjusted income before taxes	**171**	**479**	**259**
Adjusted economic profit	78	304	133
Adjusted return on regulatory capital (%)	20.5	52.0	25.5

Adjusted results are non-GAAP financial measures. Refer to "Reconciliation of adjustment items" in Credit Suisse for further information.

2022 results details

In 2022, we reported income before taxes of CHF 146 million compared to income before taxes of CHF 362 million in 2021. The decrease reflected lower net revenues.

Net revenues

Compared to 2021, net revenues of CHF 1,294 million decreased 14%, driven by lower performance, transaction and placement revenues and declining management fees, partially offset by higher investment and partnership income. Performance, transaction and placement revenues of CHF 114 million decreased 66%, primarily due to investment related losses relative to gains in the previous year, lower placement fees and decreasing performance fees. Management fees of CHF 1,011 million decreased 11%, mainly reflecting lower average assets under management and increased investor bias towards passive products. Investment and partnership income of CHF 169 million increased significantly, mainly due to the impairment of CHF 113 million related to York in 2021.

Total operating expenses

Total operating expenses of CHF 1,146 million were stable compared to 2021, with higher restructuring expenses and increased general and administrative expenses, offset by reduced commission expenses and lower compensation and benefits. General and administrative expenses of CHF 436 million increased 2%, mainly reflecting increased allocated corporate function costs partially offset by lower professional services fees, including those relating to the wind-down and administration of our supply chain finance funds. Compensation and benefits of CHF 596 million were stable, primarily driven by lower salary expenses and discretionary compensation expenses offset by higher deferred compensation from prior year awards. 2022 included restructuring expenses of CHF 16 million.

2021 results details

In 2021, we reported income before taxes of CHF 362 million compared to CHF 28 million in 2020. The increase mainly reflected higher net revenues.

Net revenues

Compared to 2020, net revenues of CHF 1,508 million increased 32%. Investment and partnership income of CHF 31 million increased significantly, mainly due to the reduced York impairment. Investment and partnership income in 2021 included the impairment of CHF 113 million to the valuation of our non-controlling interest in York, while 2020 included the impairment of CHF 414 million related to York, partially offset by a gain of CHF 203 million related to the completed transfer of the InvestLab fund platform. Management fees of CHF 1,137 million increased 8%, mainly reflecting higher average assets under management. Performance, transaction and placement revenues of CHF 340 million increased 55%, related to gains on seed money investments in 2021 compared to losses in 2020 and higher placement fees.

Total operating expenses

Total operating expenses of CHF 1,146 million increased 3% compared to 2020, mainly due to higher general and administrative and commission expenses, partially offset by lower compensation and benefits and higher restructuring expenses incurred in 2020. General and administrative expenses of CHF 426 million increased 15%, mainly reflecting increased professional services fees, including those relating to the wind-down and administration of our supply chain finance funds. Compensation and benefits of CHF 603 million decreased 6%, primarily driven by lower discretionary compensation expenses. 2020 included restructuring expenses of CHF 18 million.

Assets under management

As of the end of **2022**, assets under management of CHF 402.4 billion were CHF 74.4 billion lower compared to the end of 2021, mainly reflecting unfavorable market movements and net asset outflows. Net asset outflows of CHF 22.6 billion were driven by outflows from traditional investments, primarily related to outflows in fixed income and equities, and from alternative investments, primarily related to outflows in credit, partially offset by inflows from investments and partnerships, primarily related to an emerging markets joint venture.

→ Refer to “Outflows in assets under management in the fourth quarter of 2022” in Credit Suisse – Other information for further information.

As of the end of **2021**, assets under management of CHF 476.8 billion were CHF 36.5 billion higher compared to the end of 2020, driven by favorable market movements and net new assets of CHF 14.6 billion, partially offset by structural effects of CHF 10.5 billion, mainly related to the wind-down of our supply chain finance funds. Net new assets were mainly driven by inflows from investments and partnerships, primarily related to an emerging markets joint venture, and traditional investments, primarily related to index solutions.

Assets under management

			in / end of		% change
	2022	2021	2020	22 / 21	21 / 20
Assets under management (CHF billion)					
Traditional investments	244.4	306.6	285.8	(20.3)	7.3
Alternative investments	110.2	116.3	109.5	(5.2)	6.2
Investments and partnerships	47.8	53.9	45.0	(11.3)	19.8
Assets under management	**402.4**	**476.8**	**440.3**	(15.6)	8.3
Average assets under management	440.2	463.9	428.7	(5.1)	8.2
Assets under management by currency (CHF billion)					
USD	94.8	120.8	120.8	(21.5)	–
EUR	41.4	57.4	57.5	(27.9)	(0.2)
CHF	212.0	238.7	213.5	(11.2)	11.8
Other	54.2	59.9	48.5	(9.5)	23.5
Assets under management	**402.4**	**476.8**	**440.3**	(15.6)	8.3
Movements in assets under management (CHF billion)					
Net new assets/(net asset outflows) [1]	(22.6)	14.6	15.5	–	–
Other effects	(51.8)	21.9	(13.1)	–	–
of which market movements	(45.8)	28.0	18.4	–	–
of which foreign exchange	(4.1)	4.4	(14.2)	–	–
of which other	(1.9)	(10.5) [2]	(17.3)	–	–
Increase/(decrease) in assets under management	**(74.4)**	**36.5**	**2.4**	–	–
Movements in assets under management (%)					
Net new assets/(net asset outflows)	(4.7)	3.3	3.5	–	–
Other effects	(10.9)	5.0	(3.0)	–	–
Increase/(decrease) in assets under management	**(15.6)**	**8.3**	**0.5**	–	–

1 Includes outflows for private equity assets reflecting realizations at cost and unfunded commitments on which a fee is no longer earned.
2 Included CHF 7.9 billion relating to the exit of our supply chain finance funds business.

Corporate Center

In 2022, we reported a loss before taxes of CHF 1,202 million compared to a loss of CHF 1,714 million in 2021.

Corporate Center composition

Corporate Center includes parent company operations such as Group financing, expenses for projects sponsored by the Group, including costs associated with the evolution of our legal entity structure to meet developing and future regulatory requirements, and certain other expenses and revenues that have not been allocated to the segments. Corporate Center further includes consolidation and elimination adjustments required to eliminate intercompany revenues and expenses.

Treasury results include the impact of volatility in the valuations of certain central funding transactions such as structured notes issuances and swap transactions. Treasury results also include additional interest charges from transfer pricing to align funding costs to assets held in the Corporate Center and legacy funding costs. The Asset Resolution Unit is separately presented within our Corporate Center disclosures, including related asset funding costs. Certain activities not linked to the underlying portfolio, such as legacy funding costs, legacy litigation expenses, a specific client compliance function and noncontrolling interests without significant economic interest are recorded in the Corporate Center and are not reflected in the Asset Resolution Unit. Other revenues primarily include required elimination adjustments associated with trading in own shares, treasury commissions charged to divisions, the cost of certain hedging transactions executed in connection with the Group's RWA and valuation hedging impacts from long-dated legacy deferred compensation and retirement programs mainly relating to former employees.

Compensation and benefits include fair value adjustments on certain deferred compensation plans not allocated to the segments and fair value adjustments on certain other long-dated legacy deferred compensation and retirement programs mainly relating to former employees.

Results summary

2022 results

In 2022, we reported a loss before taxes of CHF 1,202 million compared to a loss of CHF 1,714 million in 2021. We reported negative net revenues of CHF 25 million in 2022, primarily driven by negative treasury results. Total operating expenses of CHF 1,178 million decreased 29% compared to 2021, mainly reflecting lower general and administrative expenses and lower compensation and benefits. General and administrative expenses included litigation expenses of CHF 836 million.

Corporate Center results

		in / end of		% change	
	2022	2021	2020	22 / 21	21 / 20
Statements of operations (CHF million)					
Treasury results	(204)	(174)	(235)	17	(26)
Asset Resolution Unit	55	(93)	(178)	–	(48)
Other	124	200	216	(38)	(7)
Net revenues	**(25)**	**(67)**	**(197)**	(63)	(66)
Provision for credit losses	**(1)**	**(8)**	**9**	(88)	–
Compensation and benefits	79	264	328	(70)	(20)
General and administrative expenses	1,039	1,324	1,375	(22)	(4)
Commission expenses	0	68	75	(100)	(9)
Restructuring expenses	60	(1)	8	–	–
Total other operating expenses	1,099	1,391	1,458	(21)	(5)
Total operating expenses	**1,178**	**1,655**	**1,786**	(29)	(7)
Income/(loss) before taxes	**(1,202)**	**(1,714)**	**(1,992)**	(30)	(14)
of which Asset Resolution Unit	**(56)**	**(230)**	**(337)**	(76)	(32)
Balance sheet statistics (CHF million)					
Total assets	33,669	55,314	52,649	(39)	5
Risk-weighted assets	44,408	46,290	38,790	(4)	19
Leverage exposure	37,047	57,889	56,973 [1]	(36)	2

1 As of the end of 2020, leverage exposure did not exclude CHF 110,677 million of central bank reserves, after adjusting for the dividend paid in 2020 in connection with the temporary exclusion as permitted by FINMA in response to the COVID-19 pandemic.

Reconciliation of adjustment items

in	Corporate Center 2022	2021	2020
Adjusted results (CHF million)			
Net revenues	**(25)**	**(67)**	**(197)**
Real estate (gains)/losses	(18)	0	0
(Gains)/losses on business sales	0	5	0
Valuation adjustment related to major litigation	0	69	0
Adjusted net revenues	**(43)**	**7**	**(197)**
Provision for credit losses	**(1)**	**(8)**	**9**
Total operating expenses	**1,178**	**1,655**	**1,786**
Restructuring expenses	(60)	1	(8)
Major litigation provisions	(761)	(1,010)	(930)
Archegos	0	5	0
Adjusted total operating expenses	**357**	**651**	**848**
Income/(loss) before taxes	**(1,202)**	**(1,714)**	**(1,992)**
Adjusted income/(loss) before taxes	**(399)**	**(636)**	**(1,054)**

Adjusted results are non-GAAP financial measures. Refer to "Reconciliation of adjustment items" in Credit Suisse for further information.

2021 results

In 2021, we reported a loss before taxes of CHF 1,714 million compared to a loss of CHF 1,992 million in 2020. We reported negative net revenues of CHF 67 million in 2021, primarily driven by negative treasury results and the Asset Resolution Unit. Total operating expenses of CHF 1,655 million decreased 7% compared to 2020, mainly reflecting lower compensation and benefits and lower general and administrative expenses. General and administrative expenses included litigation expenses of CHF 1,148 million.

Capital and leverage metrics

As of the end of 2022, we reported RWA of CHF 44.4 billion, a decrease of CHF 1.9 billion compared to the end of 2021, primarily driven by movements in risk levels in credit risk, mainly due to the impact of the valuation allowance relating to the reassessment of deferred tax assets as a result of the comprehensive strategic review, partially offset by an increase in internal model and parameter updates in operational risk, mainly related to updates to our advanced measurement approach model to reflect increased litigation provisions. Leverage exposure was CHF 37.0 billion as of the end of 2022, a decrease of CHF 20.8 billion compared to the end of 2021, mainly reflecting a change in the presentation of securities lending and borrowing transactions as a single unit of account, decreased reverse repurchase transactions and reductions in treasury exposures.

2022 Results details

Net revenues

In 2022, we reported negative net revenues of CHF 25 million compared to CHF 67 million in 2021.

Negative treasury results of CHF 204 million in 2022 primarily reflected net losses of CHF 123 million from fair value option volatility on own debt and volatility arising from hedging of that debt, losses of CHF 54 million relating to fair-valued money market instruments and losses of CHF 42 million with respect to structured notes volatility.

In the Asset Resolution Unit, we reported net revenues of CHF 55 million in 2022 compared to negative net revenues of CHF 93 million in 2021. The movement was primarily driven by lower asset funding costs and higher revenues from portfolio assets.

Other revenues of CHF 124 million decreased CHF 76 million compared to 2021, primarily reflecting a negative valuation impact from long-dated legacy deferred compensation and retirement programs, partially offset by the elimination of gains from trading in own shares and lower valuation adjustments on legacy exposures.

Provision for credit losses

In 2022, we recorded a release of provision for credit losses of CHF 1 million compared to a release of CHF 8 million in 2021.

Total operating expenses

Total operating expenses of CHF 1,178 million decreased 29% compared to 2021, primarily reflecting decreases in general and administrative expenses and compensation and benefits. General and administrative expenses of CHF 1,039 million decreased 22%, primarily reflecting lower litigation expenses. 2022 included litigation expenses of CHF 836 million, mainly in connection with legacy legal matters, including mortgage-related matters and the settlement for the French matter regarding cross-border private banking. Compensation and benefits of CHF 79 million decreased 70%, mainly reflecting decreases in deferred compensation expenses from prior-year awards and expenses for long-dated legacy deferred compensation and retirement programs. We incurred restructuring expenses of CHF 60 million in 2022.

2021 Results details

Net revenues
In 2021, we reported negative net revenues of CHF 67 million compared to CHF 197 million in 2020.

Negative treasury results of CHF 174 million in 2021 reflected net losses of CHF 133 million from fair value option volatility on own debt and volatility arising from hedging of that debt and negative revenues of CHF 51 million relating to funding activities, excluding Asset Resolution Unit-related asset funding costs. Negative revenues and losses were partially offset by gains of CHF 20 million on fair-valued money market instruments.

In the Asset Resolution Unit, we reported negative net revenues of CHF 93 million in 2021 compared to CHF 178 million in 2020. The movement was primarily driven by higher revenues from portfolio assets and lower asset funding costs.

Other revenues of CHF 200 million decreased CHF 16 million compared to 2020. 2021 included negative revenues of CHF 69 million in connection with a valuation adjustment on a legacy exposure related to the Mozambique matter.

Provision for credit losses
In 2021, we recorded a release of provision for credit losses of CHF 8 million compared to provision for credit losses of CHF 9 million in 2020.

Total operating expenses
Total operating expenses of CHF 1,655 million decreased 7% compared to 2020, primarily reflecting lower compensation and benefits and lower general and administrative expenses. Compensation and benefits of CHF 264 million decreased 20%, mainly reflecting decreases in discretionary compensation expenses, compensation and benefits related to the Asset Resolution Unit and deferred compensation expenses from prior-year awards, partially offset by the impact of corporate function allocations. General and administrative expenses of CHF 1,324 million decreased 4%, primarily reflecting lower corporate function allocations partially offset by higher litigation expenses. 2021 included litigation expenses of CHF 1,148 million, mainly in connection with legacy litigation matters, including mortgage-related matters and settlements with regard to the Stadtwerke München GmbH (SWM) and the Mozambique matters, as well as provisions in connection with the SCFF matter.

Asset Resolution Unit

		in / end of		% change	
	2022	2021	2020	22 / 21	21 / 20
Statements of operations (CHF million)					
Revenues from portfolio assets	143	90	39	59	131
Asset funding costs	(88)	(183)	(217)	(52)	(16)
Net revenues	**55**	**(93)**	**(178)**	–	(48)
Provision for credit losses	**(1)**	**1**	**(4)**	–	–
Compensation and benefits	58	72	90	(19)	(20)
General and administrative expenses	49	59	68	(17)	(13)
Commission expenses	5	5	5	0	0
Total other operating expenses	54	64	73	(16)	(12)
Total operating expenses	**112**	**136**	**163**	(18)	(17)
Income/(loss) before taxes	**(56)**	**(230)**	**(337)**	(76)	(32)
Balance sheet statistics (CHF million)					
Total assets	8,360	11,833	13,962	(29)	(15)
Risk-weighted assets (USD) [1]	5,476	7,539	10,257	(27)	(26)
Leverage exposure (USD)	13,019	18,362	22,543	(29)	(19)

1 Risk-weighted assets excluding operational risk were USD 4,972 million, USD 6,585 million and USD 8,963 million as of the end of 2022, 2021 and 2020, respectively.

Assets under management

As of the end of 2022, assets under management were CHF 1,293.6 billion, 19.9% lower compared to the end of 2021, with net asset outflows of CHF 123.2 billion.

Assets under management

Assets under management comprise assets that are placed with us for investment purposes and include discretionary and advisory counterparty assets. Discretionary assets are assets for which the client fully transfers the discretionary power to a Credit Suisse entity with a management mandate. Discretionary assets are reported in the business in which the advice is provided as well as in the business in which the investment decisions take place. Assets managed by the Asset Management division for other businesses are reported in each applicable business and eliminated at the Group level. Advisory assets include assets placed with us where the client is provided access to investment advice but retains discretion over investment decisions.

Assets under management and net new assets include assets managed by consolidated entities, joint ventures and strategic participations. Assets from joint ventures and participations are counted in proportion to our share in the respective entity.

Net new assets

Net new assets include individual cash payments, delivery of securities and cash flows resulting from loan increases or repayments.

Interest and dividend income credited to clients and commissions, interest and fees charged for banking services as well as changes in assets under management due to currency and market volatility are not taken into account when calculating net new assets. Any such changes are not directly related to the Group's success in acquiring assets under management. Similarly structural effects mainly relate to asset inflows and outflows due to acquisition or divestiture, exit from businesses or markets or exits due to new regulatory requirements and are not taken into account when calculating net new assets. The Group reviews relevant policies regarding client assets on a regular basis.

→ Refer to "Note 39 – Assets under management" in VI – Consolidated financial statements – Credit Suisse Group for further information.

Assets under management and client assets

			end of		% change
	2022	2021	2020	22 / 21	21 / 20
Assets under management (CHF billion)					
Wealth Management	540.5	742.6	706.9	(27.2)	5.1
Swiss Bank	525.8	597.9	551.0	(12.1)	8.5
Asset Management	402.4	476.8	440.3	(15.6)	8.3
Assets managed across businesses [1]	(175.1)	(203.3)	(186.3)	(13.9)	9.1
Assets under management	**1,293.6**	**1,614.0**	**1,511.9**	(19.9)	6.8
of which discretionary assets	440.8	526.6	483.0	(16.3)	9.0
of which advisory assets	852.8	1,087.4	1,028.9	(21.6)	5.7
Client assets (CHF billion) [2]					
Wealth Management	723.4	995.7	940.0	(27.3)	5.9
Swiss Bank	626.8	728.7	665.6	(14.0)	9.5
Asset Management	402.4	476.8	440.3	(15.6)	8.3
Assets managed across businesses [1]	(175.1)	(203.3)	(186.3)	(13.9)	9.1
Client assets	**1,577.5**	**1,997.9**	**1,859.6**	(21.0)	7.4

1 Represents assets managed by Asset Management for the other businesses.
2 Client assets is a broader measure than assets under management as it includes transactional accounts and assets under custody (assets held solely for transaction-related or safekeeping/custody purposes) and assets of corporate clients and public institutions used primarily for cash management or transaction-related purposes.

Results summary

As previously disclosed, Credit Suisse began experiencing deposit and net asset outflows in early fourth quarter of 2022 at levels that substantially exceeded the rates incurred in the third quarter of 2022.

→ Refer to "Outflows in assets under management in the fourth quarter of 2022" in Credit Suisse – Other information for further information.

→ Refer to "Wealth Management", "Swiss Bank" and "Asset Management" for further information.

2022 results

As of the end of 2022, assets under management of CHF 1,293.6 billion decreased CHF 320.4 billion compared to the end of 2021. The decrease was mainly driven by unfavorable market movements of CHF 165.9 billion, net asset outflows of CHF 123.2 billion and structural effects. Structural effects included certain de-risking measures, outflows and reclassifications of CHF 17.6 billion related to the sanctions imposed in connection with Russia's invasion of Ukraine.

Net asset outflows of CHF 123.2 billion in 2022 mainly reflected outflows across the following businesses. Net asset outflows of CHF 95.7 billion in Wealth Management were driven by outflows across all regions and reflected the significant outflows in the fourth quarter of 2022. Net asset outflows of CHF 22.6 billion in Asset Management were driven by outflows from traditional investments, primarily related to outflows in fixed income and equities, and from alternative investments, primarily related to outflows in credit, partially offset by inflows from investments and partnerships, primarily related to an emerging markets joint venture. Net asset outflows of CHF 5.4 billion in Swiss Bank reflected outflows in the private clients business, partially offset by inflows in the institutional clients business.

2021 results

As of the end of 2021, assets under management were CHF 1,614.0 billion, an increase of CHF 102.1 billion compared to the end of 2020. The increase was driven by favorable market movements, net new assets of CHF 30.9 billion and favorable foreign exchange-related movements, partially offset by structural effects. Structural effects included CHF 11.2 billion related to the SCFF matter, of which CHF 7.9 billion related to the wind-down of our supply chain finance funds, reflected in Asset Management, and CHF 3.3 billion related to the reclassification to assets under custody for our clients' assets that were impacted by the suspension and ongoing liquidation of these funds, reflected in our wealth management businesses. Structural effects also reflected the strategic decision to exit substantially all of our prime services businesses.

Net new assets of CHF 30.9 billion in 2021 mainly reflected inflows across the following businesses. Net new assets of CHF 14.6 billion in Asset Management were mainly driven by inflows from investments and partnerships, primarily related to an emerging markets joint venture, and traditional investments, primarily related to index solutions. Net new assets of CHF 10.5 billion in Wealth Management mainly reflected inflows from coverage areas Latin America, External Asset Managers and Europe. Net new assets of CHF 5.9 billion in Swiss Bank reflected inflows across all client segments.

Movements in assets under management

in	2022	2021	2020
Net new assets (CHF billion)			
Wealth Management	(95.7)	10.5	16.8
Swiss Bank	(5.4)	5.9	16.3
Asset Management [1]	(22.6)	14.6	15.5
Assets managed across businesses [2]	0.5	(0.1)	(6.6)
Net new assets/(net asset outflows)	**(123.2)**	**30.9**	**42.0**
Other effects (CHF billion)			
Wealth Management	(106.4)	25.2	(29.5)
Swiss Bank	(66.7)	41.0	10.3
Asset Management	(51.8)	21.9	(13.1) [3]
Assets managed across businesses [2]	27.7	(16.9)	(5.0)
Other effects	**(197.2)**	**71.2**	**(37.3)**
of which market movements	(165.9)	80.8	53.4
of which foreign exchange	(4.1)	11.8	(68.1)
of which other	(27.2) [4]	(21.4) [5]	(22.6) [3]
Growth in assets under management (CHF billion)			
Wealth Management	(202.1)	35.7	(12.7)
Swiss Bank	(72.1)	46.9	26.6
Asset Management [1]	(74.4)	36.5	2.4
Assets managed across businesses [2]	28.2	(17.0)	(11.6)
Increase/(decrease) in assets under management	**(320.4)**	**102.1**	**4.7**
Net new assets (annualized) (%)			
Wealth Management	(12.9)	1.5	2.3
Swiss Bank	(0.9)	1.1	3.1
Asset Management [1]	(4.7)	3.3	3.5
Assets managed across businesses [2]	(0.2)	0.1	3.8
Net new assets/(net asset outflows)	**(7.6)**	**2.0**	**2.8**
Other effects (annualized) (%)			
Wealth Management	(14.3)	3.6	(4.1)
Swiss Bank	(11.2)	7.4	2.0
Asset Management	(10.9)	5.0	(3.0)
Assets managed across businesses [2]	(13.7)	9.0	2.8
Other effects	**(12.3)**	**4.8**	**(2.5)**
Movements in assets under management (annualized) (%)			
Wealth Management	(27.2)	5.1	(1.8)
Swiss Bank	(12.1)	8.5	5.1
Asset Management [1]	(15.6)	8.3	0.5
Assets managed across businesses [2]	(13.9)	9.1	6.6
Increase/(decrease) in assets under management	**(19.9)**	**6.8**	**0.3**

1 Includes outflows for private equity assets reflecting realizations at cost and unfunded commitments on which a fee is no longer earned.
2 Represents assets managed by Asset Management for the other businesses.
3 Included CHF 14.8 billion relating to the sale of Wincasa AG in 2012 following the conclusion in 2020 of a transition period regarding the related assets under management.
4 Included structural effects of CHF 17.6 billion related to the sanctions imposed in connection with Russia's invasion of Ukraine.
5 Included structural effects of CHF 11.2 billion related to the SCFF matter, of which CHF 7.9 billion related to the wind-down of our supply chain finance funds, reflected in Asset Management, and CHF 3.3 billion related to the reclassification to assets under custody for our clients' assets that were impacted by the suspension and ongoing liquidation of these funds, reflected in our wealth management businesses. It also included structural effects reflecting the strategic decision to exit substantially all of our prime services businesses.

Critical accounting estimates

In order to prepare the consolidated financial statements in accordance with US GAAP, management is required to make certain accounting estimates to ascertain the value of assets and liabilities. These estimates are based upon judgment and the information available at the time, and actual results may differ materially from these estimates. Management believes that the estimates and assumptions used in the preparation of the consolidated financial statements are reasonable and consistently applied.

We believe that the critical accounting estimates discussed below involve the most complex judgments and assessments.

→ Refer to “Note 1 – Summary of significant accounting policies” and “Note 2 – Recently issued accounting standards” in VI – Consolidated financial statements – Credit Suisse Group for further information on significant accounting policies and new accounting pronouncements. For financial information relating to the Bank, refer to the corresponding notes in the consolidated financial statements of the Bank.

Fair value

A significant portion of our financial instruments is carried at fair value. The fair value of the majority of these financial instruments is based on quoted prices in active markets or observable inputs.

In addition, we hold financial instruments for which no prices are available and which have significant unobservable inputs. For these instruments, the determination of fair value requires subjective assessment and judgment, depending on liquidity, pricing assumptions, the current economic and competitive environment and the risks affecting the specific instrument. In such circumstances, valuation is determined based on management’s own judgments about the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. These instruments include certain OTC derivatives including interest rate, foreign exchange, equity and credit derivatives, certain corporate equity-linked securities, mortgage-related securities, private equity investments and certain loans and credit products, including leveraged finance, certain syndicated loans, certain high yield bonds and life finance instruments.

Control processes are applied to ensure that the fair values of the financial instruments reported in the consolidated financial statements, including those derived from pricing models, are appropriate and determined on a reasonable basis.

→ Refer to “Note 36 – Financial instruments” in VI – Consolidated financial statements – Credit Suisse Group for further information.

Variable interest entities

As a normal part of our business, we engage in various transactions, which include entities that are considered variable interest entities (VIEs). VIEs are special purpose entities that typically either lack sufficient equity to finance their activities without additional subordinated financial support or are structured such that the holders of the voting rights do not substantively participate in the gains and losses of the entity. Such entities are required to be assessed for consolidation, compelling the primary beneficiary to consolidate the VIE. The primary beneficiary is the party that has the power to direct the activities that most significantly affect the economics of the VIE and has the right to receive benefits or the obligation to absorb losses of the entity that could be potentially significant to the VIE. We consolidate all VIEs for which we are the primary beneficiary. Application of the requirements for consolidation of VIEs may require the exercise of significant judgment.

→ Refer to “Note 1 – Summary of significant accounting policies” and “Note 35 – Transfers of financial assets and variable interest entities” in VI – Consolidated financial statements – Credit Suisse Group for further information on VIEs.

Contingencies and loss provisions

A contingency is an existing condition that involves a degree of uncertainty that will ultimately be resolved upon the occurrence or non-occurrence of future events.

Litigation contingencies

We are involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of our businesses. Some of these proceedings have been brought on behalf of various classes of claimants and seek damages of material and/or indeterminate amounts. We accrue loss contingency litigation provisions and take a charge to income in connection with certain proceedings when losses, additional losses or ranges of loss are probable and reasonably estimable. We also accrue litigation provisions for the estimated fees and expenses of external lawyers and other service providers in relation to such proceedings, including in cases for which we have not accrued a loss contingency provision. We accrue these fee and expense litigation provisions and take a charge to income in connection therewith when such fees and expenses are probable and reasonably estimable. We review our legal proceedings each quarter to determine the adequacy of our litigation provisions and may increase or release provisions based on management’s judgment and the advice of counsel. This review includes consideration of management’s strategy for resolution of matters through settlement or trial, as well as changes in such strategy. The establishment of additional provisions or releases of litigation provisions may be necessary in the future as developments in such proceedings warrant.

It is inherently difficult to determine whether a loss is probable or even reasonably possible or to estimate the amount of any loss or loss range for many of our legal proceedings. Estimates, by their nature, are based on judgment and currently available information and involve a variety of factors, including, but not limited to, the type and nature of the proceeding, the progress of the matter, the advice of counsel, our defenses and our experience in similar matters, as well as our assessment of matters, including settlements, involving other defendants in similar or related cases or proceedings. Factual and legal determinations, many of which are complex, must be made before a loss, additional losses or ranges of loss can be reasonably estimated for any proceeding. We do not believe that we can estimate an aggregate range of reasonably possible losses for certain of our proceedings because of their complexity, the novelty of some of the claims, the early stage of the proceedings, the limited amount of discovery that has occurred and/or other factors. Most matters pending against us seek damages of an indeterminate amount. While certain matters specify the damages claimed, such claimed amount may not represent our reasonably possible losses.

→ Refer to "Note 40 – Litigation" in VI – Consolidated financial statements – Credit Suisse Group for further information on legal proceedings.

Allowance and provision for credit losses

US GAAP requires the measurement of current expected credit losses (CECL) for financial assets held at amortized cost as of the reporting date over the remaining contractual life (considering the effect of prepayments) based on historical experience, current conditions and reasonable and supportable forward-looking information, including macroeconomic scenarios. Expected credit losses are not solely derived from macroeconomic factors (MEFs) projections. Model overlays based on expert judgment are also applied, considering historical loss experience and industry and counterparty reviews, and primarily impacting certain corporate and institutional loans portfolios. Such overlays are designed to address circumstances where in management's judgment the CECL model outputs are overly sensitive to the effect of economic inputs that exhibit significant deviation from their long-term historical averages. Overlays may also be used to capture judgment on the economic uncertainty from global or regional developments with severe impacts on economies.

→ Refer to "Note 1 – Summary of significant accounting policies" and "Note 20 – Financial instruments measured at amortized cost and credit losses" in VI – Consolidated financial statements – Credit Suisse Group for further information.

Current expected credit loss

The determination of expected credit losses across all categories of financial assets held at amortized cost requires judgment, the estimation of the amount, timing of future cash flows and collateral. The Group's CECL calculations are outputs of complex statistical models and expert judgment overlays with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

For non-impaired credit exposures, the model parameters are based on internally and externally compiled data comprising both quantitative and qualitative factors and are tailored to various categories and exposures. The CECL measurement has three main inputs: probability of default (PD), loss given default and exposure at default.

→ Refer to "Note 20 – Financial instruments measured at amortized cost and credit losses" in VI – Consolidated financial statements – Credit Suisse Group for details on the most significant of these inputs, the probability of default input.

The estimation of these parameters include the expected macroeconomic environment, the contractual maturities of exposures, historical data considering portfolio-specific factors, differences in product structure, collateral types, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.

There is significant judgment involved in the estimation and application of forward-looking information, including macroeconomic scenarios. The Group's estimation of expected credit losses is based on a discounted estimate that considers future macroeconomic scenarios that are probability-weighted according to the best estimate of their relative likelihood. This estimate is based on historical frequency, current trends and conditions and MEFs such as regional gross domestic product, unemployment rates and interest rates.

→ Refer to "Note 20 – Financial instruments measured at amortized cost and credit losses" in VI – Consolidated financial statements – Credit Suisse Group for details on macroeconomic factor inputs and the reasonable and supportable forecast period for these macroeconomic factors.

The expected credit loss is sensitive to the changing of scenario weights. As shown in the table below, the expected credit loss would have been CHF 493 million instead of CHF 690 million if determined solely on the baseline scenario. The effects of weighting each of the three scenarios 100% are shown in the table below. There is a high degree of estimation uncertainty in numbers representing more extreme risk scenarios when assigned a 100% weighting. The reported expected credit loss amount of CHF 690 million includes certain portfolios which are not derived via the consideration of multiple weighted scenarios.

Scenario weight sensitivity

end of	Reported expected credit losses	100% upside	100% baseline	100% downside
2022 (CHF million)				
Credit Suisse	690	423	493	933

Expected credit losses relate to non-impaired credit portfolios and include both on-balance sheet and off-balance sheet credit exposures.

Our expected credit loss models for non-impaired positions, which are based upon supportable statistical information from past experiences regarding interdependencies of MEFs and their implications for credit risk portfolios, may not comprehensively reflect extraordinary events, such as a pandemic or a fundamental change in the world political order. Model output is reviewed monthly on a model-by-model basis to determine whether the applied overlays are appropriate and necessary. Different overlay methodologies are adopted depending upon the type of model but typically deploy either a scaling of PD output to a more stressed historical period or alternatively adjusting the reserve to a more appropriate stressed level, taking into account forward looking as well as historical information in all instances. Group management applies a significant quantum of model overlays. These adjustments amounted to 22% of the Group's non-impaired expected credit losses as of December 31, 2022. On an individual divisional basis, the proportion of adjustments can range from as little as (3)% to as much as 53%. Post-model overlayed PDs are backtested quarterly against the trailing twelve-month default rate to confirm appropriateness. These overlays may be considered for removal when the underlying models have displayed a level of stability based upon pre-established thresholds over a three-month period.

→ Refer to "Note 20 – Financial instruments measured at amortized cost and credit losses" in VI – Consolidated financial statements – Credit Suisse Group for details on how macroeconomic factors are considered in overlay calibration.

For credit-impaired financial assets, the expected credit losses are measured using the present value of estimated future cash flows (unless a practical expedient for collateral-dependent financial assets is applied), and the impaired credit exposures and related allowances are revalued to reflect the passage of time.

Expected credit losses for individually impaired credit exposures are measured by performing an in-depth review and analysis, considering factors such as recovery and exit options as well as collateral and the risk profile of the borrower. The individual measurement of expected credit losses for impaired financial assets also considers reasonable and supportable forward-looking information that is relevant to the individual counterparty (idiosyncratic information) and reflective of the macroeconomic environment that the borrower is exposed to, apart from any historical loss information and current conditions. If there are different scenarios relevant for the individual expected credit loss measurement, they are considered on a probability-weighted basis.

→ Refer to "Risk Management" in III – Treasury, Risk, Balance sheet and Off-balance sheet and "Note 20 – Financial instruments measured at amortized cost and credit losses" in VI – Consolidated financial statements – Credit Suisse Group for loan portfolio disclosures, valuation adjustment disclosures and certain other information relevant to the evaluation of credit risk and credit risk management.

Goodwill impairment

Under US GAAP, goodwill is not amortized, but is reviewed for potential impairment on an annual basis as of December 31 and at any other time when events or circumstances indicate that the carrying value of goodwill may not be recoverable.

For the purpose of testing goodwill for impairment, each reporting unit is assessed individually. A reporting unit is an operating segment or one level below an operating segment, also referred to as a component. A component of an operating segment is deemed to be a reporting unit if the component constitutes a business for which discrete financial information is available and management regularly reviews the operating results of that component.

Effective January 1, 2022, the Group was organized into four reporting units – Wealth Management, Investment Bank, Swiss Bank and Asset Management.

Subsequent to the creation of the new segment structure, effective January 1, 2022, a portion of the Wealth Management business was transferred to the Investment Bank in the second quarter of 2022. Goodwill is reallocated between reporting units on a relative fair value basis. The Group concluded that the goodwill transferred to the Investment Bank reporting unit of CHF 23 million was fully impaired.

On October 27, 2022, the Group announced an updated strategy. This announcement required a reassessment of the segment structure and an assessment to determine whether goodwill balances from the previous reporting units should be reallocated to the new reporting units on a relative fair value basis. It was concluded in the third quarter of 2022 that no material goodwill reallocation was required.

Effective January 1, 2023, the Group is organized into five reporting units – Wealth Management, Swiss Bank, Asset Management, Investment Bank and the Capital Release Unit.

Under US GAAP, a qualitative assessment is permitted to evaluate whether a reporting unit's fair value is less than its carrying value. If on the basis of the qualitative assessment it is more likely than not that the reporting unit's fair value is higher than its carrying value, no quantitative goodwill impairment test is required. If on the basis of the qualitative assessment it is more likely than not that the reporting unit's fair value is lower than its carrying value, a quantitative goodwill impairment test must be performed to identify the existence and the amount of an impairment loss, if any. The qualitative assessment is intended to be a simplification of the annual impairment test and can be bypassed for any reporting unit and any period to proceed directly to performing the quantitative goodwill impairment test. When bypassing the qualitative assessment in any period, the preparation of a qualitative assessment can be resumed in any subsequent period. It is the Group's current practice to bypass the qualitative assessment.

In addition to the annual goodwill impairment test, interim assessments are performed by the Group to identify possible triggering events – that is, the occurrence of events and changes in circumstances that would more likely than not reduce the fair value of the reporting unit below its carrying amount. Such triggering events include, but are not limited to: (i) macroeconomic conditions such as a deterioration in general economic conditions or other developments in equity and credit markets; (ii) industry and market considerations such as a deterioration in the environment in which the entity operates, an increased competitive environment, a decline in market-dependent multiples or metrics (considered in both absolute terms and relative to peers), and regulatory or political developments; (iii) other relevant entity-specific events such as changes in management, key personnel or strategy; (iv) a more-likely-than-not expectation of selling or disposing of all, or a portion, of a reporting unit; (v) results of testing for recoverability of a significant asset group within a reporting unit; (vi) recognition of a goodwill impairment in the financial statements of a subsidiary that is a component of a reporting unit; and (vii) a sustained decrease in share price (considered in both absolute terms and relative to peers).

In accordance with the current practice of the Group, or if deemed necessary based on the Group's qualitative assessment, or upon identification of a triggering event, a quantitative impairment test is performed by calculating the fair value of the reporting unit and comparing that amount to its carrying value. If the fair value of a reporting unit exceeds its carrying value, there is no goodwill impairment. If the carrying value exceeds the fair value, there is a goodwill impairment. The goodwill impairment is calculated as the difference between the carrying value and the fair value of the reporting unit up to a maximum of the goodwill amount recorded in that reporting unit.

The carrying value of each reporting unit for the purpose of the goodwill impairment test is determined by considering the reporting units' risk-weighted assets usage, leverage ratio exposure, deferred tax assets, goodwill, intangible assets and other CET1 capital relevant adjustments. The residual value between the total of these elements and the Group's shareholders' equity is allocated to the carrying value of the reporting units on a pro-rata basis. As of December 31, 2022, this residual value was a credit of CHF 2,423 million.

In estimating the fair value of its reporting units, the Group applied a combination of the market approach and the income approach. Under the market approach, consideration was given to price to projected earnings multiples and price to book value multiples for similarly traded companies and prices paid in recent transactions that have occurred in its industry or in related industries. Under the income approach, a discount rate was applied that reflects the risk and uncertainty related to the reporting unit's projected cash flows, which were determined from the Group's financial plan.

In determining the estimated fair value, the Group relied upon its latest five-year financial plan, which included significant management assumptions and estimates based on its view of current and future economic conditions and regulatory changes.

Estimates of the Group's future earnings potential, and that of the reporting units, involve considerable judgment, including management's view on future changes in market cycles, the regulatory environment and the anticipated result of the implementation of business strategies, competitive factors and assumptions concerning the retention of key employees.

In the first quarter of 2022, the Group determined that the adverse market and economic conditions arising from Russia's invasion of Ukraine constituted a triggering event for the first quarter of 2022 impacting all reporting units of the Group. Based on its goodwill impairment analysis performed, the Group concluded that the estimated fair value for all of the reporting units with goodwill exceeded their related carrying values and no impairments were necessary as of March 31, 2022.

Besides the transfer of a portion of the Wealth Management business to the Investment Bank, there were no other events in the second quarter of 2022 that constituted a triggering event.

The announcement on October 27, 2022 of the strategy and organizational changes as well as adverse market and economic conditions represent triggering events for the third quarter of 2022 for goodwill impairment testing purposes, and under US GAAP, goodwill has to be tested for impairment both before and immediately after a reorganization of reporting units. Based on its goodwill impairment analysis performed, the Group concluded that the estimated fair value for all of the reporting units with goodwill exceeded their related carrying values and no impairments were necessary as of September 30, 2022. The fair value of the Asset Management reporting unit exceeded its related carrying value by only 12%. The goodwill for the Asset Management reporting unit became more sensitive to an impairment due to the higher cost of equity in the third quarter of 2022.

The review of the Group's five-year financial plan to reflect the announced strategy was finalized in the fourth quarter of 2022.

The Group concluded that the estimated fair value for all of the reporting units with goodwill exceeded their related carrying values and no further impairment was necessary as of December 31, 2022.

The fair values of the Asset Management and Wealth Management reporting units both exceeded their related carrying values by less than 10%. During the fourth quarter of 2022, Credit Suisse experienced a significant level of deposit and assets under management outflows. The goodwill allocated to these reporting units became more sensitive to an impairment due to these outflows and subdued client activity. There is a significant risk of a future goodwill impairment for these reporting units if their future performances do not achieve the financial projections contained within the five-year financial plan.

As a result of the announced strategy and organizational changes, the Private Fund Group business in the Asset Management reporting unit was transferred to the Investment Bank reporting unit effective January 1, 2023, resulting in an initial transfer of approximately CHF 30 million of goodwill between the reporting units. The Group expects a full impairment in the first quarter of 2023 of the goodwill transferred to the Investment Bank.

As a result of the previously announced acquisition of The Klein Group LLC that is expected to close in the first half of 2023, the Investment Bank will initially recognize a goodwill balance of approximately CHF 60 million, which it expects to fully impair upon the closing of the acquisition.

The results of the impairment evaluation of each reporting unit's goodwill would be significantly impacted by adverse changes in the underlying parameters used in the valuation process. If actual outcomes or the future outlook adversely differ from management's best estimates of the key economic assumptions and associated cash flows applied in the valuation of the reporting unit, the Group could potentially incur material impairment charges in the future.

→ Refer to "Note 21 – Goodwill" in VI – Consolidated financial statements – Credit Suisse Group for further information on goodwill.

Taxes

Uncertainty of income tax positions

We follow the income tax guidance under US GAAP, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain income tax positions.

Significant judgment is required in determining whether it is more likely than not that an income tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Further judgment is required to determine the amount of benefit eligible for recognition in the consolidated financial statements.

→ Refer to "Note 29 – Tax" in VI – Consolidated financial statements – Credit Suisse Group for further information on income tax positions.

Deferred tax valuation allowances

Deferred tax assets and liabilities are recognized for the estimated future tax effects of net operating loss (NOL) carry-forwards and temporary differences between the carrying values of existing assets and liabilities and their respective tax bases at the dates of the consolidated balance sheets.

The realization of deferred tax assets on temporary differences is dependent upon the generation of taxable income during the periods in which those temporary differences become deductible. The realization of deferred tax assets on NOLs is dependent upon the generation of taxable income during the periods prior to their expiration, if applicable. Management regularly evaluates whether deferred tax assets will be realized. If management considers it more likely than not that all or a portion of a deferred tax asset will not be realized, a corresponding valuation allowance is established. In evaluating whether deferred tax assets will be realized, management considers both positive and negative evidence, including projected future taxable income, the reversal of deferred tax liabilities, which can be scheduled, and tax planning strategies.

This evaluation requires significant management judgment, primarily with respect to projected taxable income. Future taxable income can never be predicted with certainty. It is derived from budgets and strategic business plans but is dependent on numerous factors, some of which are beyond management's control. Substantial variance of actual results from estimated future taxable profits, or changes in our estimate of future taxable profits and potential restructurings, could lead to changes in deferred tax assets being realizable, or considered realizable, and would require a corresponding adjustment to the valuation allowance.

As part of its normal practice, management has conducted a detailed evaluation of its expected future results and has also considered stress scenarios. This evaluation has indicated the expected future results that are likely to be earned in jurisdictions where the Group has significant gross deferred tax assets, such as the US, Switzerland and the UK. Management then compared those expected future results with the applicable law governing utilization of deferred tax assets. Based on the expected future results in the Bank parent company and given that the Swiss tax law allows for a seven-year carry-forward period for NOLs, a valuation allowance is still required on the deferred tax assets of this entity. UK tax law allows for an unlimited carry-forward period for NOLs, while US tax law allows for a 20-year carry-forward period for NOLs arising prior to 2017, federal NOLs generated in the tax years 2018, 2019 or 2020 to be carried back for five years and no expiry limitations for NOLs that arose in 2018 and subsequent years. However, unlimited and long expiry limitations for NOLs are not expected to have a material impact on the recoverability of the net deferred tax assets as management concluded that there was limited recoverability of the net deferred tax assets in the US and the UK as a result of the comprehensive strategic review announced on October 27, 2022, primarily due to limited future taxable income against which deferred tax assets could be utilized.

→ Refer to "Note 29 – Tax" in VI – Consolidated financial statements – Credit Suisse Group for further information on deferred tax assets.

Pension plans

The Group

The Group covers pension requirements, in both Swiss and non-Swiss locations, through various defined benefit pension plans and defined contribution pension plans.

Our funding policy with respect to these pension plans is consistent with local government and tax requirements.

The Group accounts for the Group plan as a single-employer defined benefit pension plan and uses the projected unit credit actuarial method to determine the net periodic benefit costs, projected benefit obligation (PBO), accumulated benefit obligation (ABO) and the related amounts recognized in the consolidated balance sheets. The calculation of the expense and liability associated with the defined benefit pension plans requires an extensive use of assumptions, which include the discount rate, expected return on plan assets and rate of future compensation increases. Management determines these assumptions based upon currently available market and industry data and historical experience of the plans. Management also consults with an independent actuarial firm to assist in selecting appropriate assumptions and valuing its related liabilities. Management regularly reviews the actuarial assumptions used to value and measure the defined benefit obligation on a periodic basis as required by US GAAP. The actuarial assumptions that we use may differ materially from actual results due to changing market and economic conditions and specific experience of the plans (such as investment management over or underperformance, higher or lower withdrawal rates and longer or shorter life spans of the participants). Any such differences could have a significant impact on the amount of pension expense recorded in future years.

The funded status of our defined benefit pension and other post-retirement defined benefit plans is recorded in the consolidated balance sheets. The impacts from re-measuring the funded status (reflected in actuarial gains or losses) and from amending the plan (reflected in prior service cost or credits) are recognized in equity as a component of accumulated other comprehensive income/(loss) (AOCI).

The PBO of our total defined benefit pension plans included CHF 272 million and CHF 811 million related to our assumption for future salary increases as of December 31, 2022 and 2021. The ABO is defined as the PBO less the amount related to estimated future salary increases. The difference between the fair value of plan assets and the ABO was an overfunding of CHF 4,237 million for 2022, compared to CHF 4,822 million for 2021.

We are required to estimate the expected long-term rate of return on plan assets, which is then used to compute benefit costs recorded in the consolidated statements of operations. Estimating future returns on plan assets is particularly subjective, as the estimate requires an assessment of possible future market returns based on the plan asset mix. In calculating pension expense and in determining the expected long-term rate of return, we use the market-related value of assets. The assumptions used to determine the benefit obligation as of the measurement date are also used to calculate the net periodic benefit costs for the 12-month period following this date.

The expected weighted-average long-term rate of return used to determine the expected return on plan assets as a component of the net periodic benefit costs in 2022 and 2021 was 2.50% for the Swiss plan and 2.01% and 1.79%, respectively, for the international plans. In 2022, if the expected long-term rate of return had been increased/decreased one percentage point, net pension expense for the Swiss plan would have decreased/increased CHF 176 million and net pension expense for the international plans would have decreased/increased CHF 34 million.

The discount rates used in determining the benefit obligation and the pension expense are based on yield curves, constructed from high-quality corporate bonds currently available and observable in the market and are expected to be available during the period to maturity of the pension benefits. In countries where there is no deep market in high-quality corporate bonds with longer durations, the best available market information is used to construct the yield curve. Credit Suisse uses the spot rate approach for determining the benefit obligation and for service and interest cost components of the pension expense for future years. Under the spot rate approach, individual spot rates along the yield curve are applied to each expected future benefit payment.

For the Swiss plan, the weighted average discount rate for the PBO increased 1.58 percentage points, from 0.56% as of December 31, 2021 to 2.14% as of December 31, 2022, mainly due to an increase in Swiss bond market rates. The average discount rate for the PBO for the international plans increased 2.62 percentage points, from 2.15% as of December 31, 2021 to 4.77% as of December 31, 2022, mainly due to an increase in bond market rates. For the year ended December 31, 2022, a one percentage point decline in the discount rates for the Swiss plan would have resulted in an increase in the PBO of CHF 1,717 million and an increase in pension expense of CHF 135 million, and a one percentage point increase in discount rates would have resulted in a decrease in the PBO of CHF 1,388 million and a decrease in the pension expense of CHF 118 million. A one percentage point decline in discount rates for the international plans as of December 31, 2022 would have resulted in an increase in the PBO of CHF 297 million and a decrease in pension expense of CHF 4 million, and a one percentage point increase in discount rates would have resulted in a decrease in the PBO of CHF 239 million and an increase in the pension expense of CHF 8 million.

Actuarial gains and losses recognized in AOCI are amortized over the average remaining service period of active employees expected to receive benefits under the plan, which, as of December 31, 2022, was approximately 8 years for the Swiss plan and 3 to 20 years for the international plans. For plans where there are very few active members, actuarial gains and losses are amortized over the average remaining life expectancy of the inactive participants. Prior service cost recognized in AOCI are amortized over the remaining service period of the employees affected by the plan amendment. The pre-tax expense associated with the amortization of net actuarial losses and prior service cost for defined benefit pension plans for the years ended December 31, 2022, 2021 and 2020 was CHF 202 million, CHF 249 million and CHF 181 million, respectively. The impact from deviations between our actuarial assumptions and the actual developments of such parameters observed for our pension plans further impacts the amount of net actuarial losses or gains recognized in equity, resulting in a higher or lower amount of amortization expense in periods after 2023.

→ Refer to "Note 32 – Pension and other post-retirement benefits" in VI – Consolidated financial statements – Credit Suisse Group for further information.

The Bank

The Bank covers pension requirements for its employees in Switzerland through participation in a defined benefit pension plan sponsored by the Group (Group plan). Various legal entities within the Group participate in the Group plan, which is set up as an independent trust domiciled in Zurich. The Group accounts for the Group plan as a single-employer defined benefit pension plan and uses the projected unit credit actuarial method to determine the net periodic pension expense, PBO, ABO and the related amounts recognized in the consolidated balance sheets. The funded status of the Group plan is recorded in the consolidated balance sheets. The actuarial gains and losses and prior service costs or credits are recognized in equity as a component of AOCI.

The Bank accounts for the Group plan on a defined contribution basis whereby it only recognizes the amounts required to be contributed to the Group plan during the period as net periodic pension expense and only recognizes a liability for any contributions due and unpaid. No other expense or balance sheet amounts related to the Group plan are recognized by the Bank.

The Bank covers pension requirements for its employees in international locations through participation in various pension plans, which are accounted for as single-employer defined benefit pension plans or defined contribution pension plans.

In 2022 and 2021, the weighted-average expected long-term rate of return used to calculate the expected return on plan assets as a component of the net periodic benefit costs for the international single-employer defined benefit pension plans was 2.01% and 1.79%, respectively. In 2022, if the expected long-term rate of return had been increased/decreased one percentage point, net pension expense would have decreased/increased CHF 34 million.

The discount rate used in determining the benefit obligation is based on high-quality corporate bond rates. The average discount rate for the PBO for the international plans increased 2.62 percentage points, from 2.13% as of December 31, 2021 to 4.75% as of December 31, 2022. A one percentage point decline in the discount rate for the international single-employer plans as of December 31, 2022 would have resulted in an increase in PBO of CHF 296 million and a decrease in pension expense of CHF 4 million, and a one percentage point increase in discount rates would have resulted in a decrease in PBO of CHF 238 million and an increase in pension expense of CHF 8 million.

Actuarial gains and losses recognized in AOCI are amortized over the average remaining service period of active employees expected to receive benefits under the plan. For plans where there are very few active members, actuarial gains and losses are amortized over the average remaining life expectancy of the inactive participants. Prior service cost recognized in AOCI are amortized over the remaining service period of the employees affected by the plan amendment. The pre-tax expense associated with the amortization of recognized net actuarial losses and prior service cost for the years ended December 31, 2022, 2021 and 2020 was CHF 10 million, CHF 15 million and CHF 14 million, respectively.

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III – Treasury, Risk, Balance sheet and Off-balance sheet

Liquidity and funding management

Our liquidity and funding is driven by business activity levels and the overall operating environment.

Liquidity management

We primarily focus our issuance strategy on offering long-term debt securities at the Group level for funding and capital purposes. We also issue short and medium-term debt securities at the Bank level for funding diversification. Our primary source of liquidity is funding through consolidated entities. Proceeds from issuances are lent to operating subsidiaries and affiliates on both a senior and subordinated basis, as needed; the latter typically to meet going and gone concern capital requirements and the former as desired by management to support business initiatives and liquidity needs.

Our liquidity and funding strategy is approved by the Group's Capital Allocation and Liability Management Committee (Group CALMC) and overseen by the Board of Directors. The implementation and execution of the liquidity and funding strategy is managed by Treasury. The global liquidity group within Treasury centralizes control of liability and collateral management with the aim of optimizing our liquidity sourcing, funding costs and high-quality liquid assets (HQLA) portfolio. Treasury ensures adherence to our funding policy and the global liquidity group is focused on the efficient coordination of the short-term unsecured and secured funding desks. This approach enhances our ability to manage potential liquidity and funding risks and to promptly adjust our liquidity and funding levels to meet stress situations. Our liquidity and funding profile is regularly reported to Group CALMC and the Board of Directors, who define our risk tolerance, including liquidity risk, and set parameters for the balance sheet and funding usage of our businesses. The Board of Directors is responsible for defining our overall risk tolerance in the form of a risk appetite statement.

Our liquidity and funding profile reflects our strategy and risk appetite and is driven by business activity levels and the overall operating environment. We continuously adapt our liquidity and funding profile to reflect changes in our business strategy and regulatory developments. We have been an active participant in regulatory and industry forums to promote best practice standards on quantitative and qualitative liquidity management. Our internal liquidity risk management framework is subject to review and monitoring by the Swiss Financial Market Supervisory Authority FINMA (FINMA), other regulators and rating agencies.

Regulatory framework

BIS liquidity framework
The Basel Committee on Banking Supervision (BCBS) established the Basel framework for liquidity risk measurement, standards and monitoring. The Basel framework includes a liquidity coverage ratio (LCR) and a net stable funding ratio (NSFR). Credit Suisse is subject to the Basel framework, as implemented in Switzerland, as well as Swiss legislation and regulations for systemically important banks.

The LCR addresses liquidity risk over a 30-day period. The LCR aims to ensure that banks have unencumbered HQLA available to meet short-term liquidity needs under a severe stress scenario. The LCR is comprised of two components, the value of HQLA in stressed conditions and the total net cash outflows calculated according to specified scenario parameters. Under the BCBS framework, the minimum required ratio of liquid assets over net cash outflows is 100%.

The NSFR establishes criteria for a minimum amount of stable funding based on the liquidity of a bank's on- and off-balance sheet activities over a one-year horizon. The NSFR is a complementary measure to the LCR and is structured to ensure that illiquid assets are funded with an appropriate amount of stable long-term funds. The NSFR is defined as the ratio of available stable funding over the amount of required stable funding and should always be at least 100%.

Swiss liquidity requirements
The Swiss Federal Council adopted a liquidity ordinance (Liquidity Ordinance) that implements Basel liquidity requirements into Swiss law. Under the Liquidity Ordinance, banks are subject to a minimum LCR requirement of 100% at all times and the associated disclosure requirements.

Since July 1, 2021, under the Liquidity Ordinance, banks are subject to a minimum NSFR requirement of 100% at all times and the associated disclosure requirements. Based on the Liquidity Ordinance, Credit Suisse AG (Bank parent company) is allowed to fulfill the minimum NSFR of 100% by taking into consideration any excess funding of Credit Suisse (Schweiz) AG on a stand-alone basis, and the Bank parent company has an NSFR requirement of at least 80% without taking into consideration any such excess funding. Credit Suisse (Schweiz) AG must always fulfill the NSFR of at least 100% on a stand-alone basis.
→ Refer to credit-suisse.com/regulatorydisclosures for additional information.

Our liquidity principles and our liquidity risk management framework as agreed with FINMA are in line with the Basel liquidity framework.

Regulatory developments

On June 3, 2022, the Swiss Federal Council adopted amendments to the Liquidity Ordinance which are expected to enhance the current liquidity requirements for systemically important banks in Switzerland, such as Credit Suisse. The revision is intended to ensure that systemically important banks in Switzerland hold sufficient liquidity to absorb liquidity shocks and cover their liquidity requirements in the event of restructuring or liquidation. It includes additional liquidity requirements, which consider liquidity risks over a 90-day time horizon that are not covered or not sufficiently covered by the 30-day stress scenario of the LCR. The additional liquidity requirements shall be covered by eligible assets, which include, but are not limited to, available HQLA over and above the LCR requirements and a certain portion of mortgage receivables that are eligible collateral under the SNB emergency liquidity assistance. The amended Liquidity Ordinance came into force on July 1, 2022 and will be applicable on January 1, 2024. The revised Liquidity Ordinance will not require any external disclosure of the revised special liquidity requirements for systemically important banks.

In November 2022, the Swiss Federal Council enacted the revised Federal Act on Banks and Savings Institutions (Bank Law) and the revised Federal Ordinance on Banks and Savings Institutions (Banking Ordinance), as well as certain other ordinances, effective as of January 1, 2023, subject to certain transitional arrangements. The amendments relate to the resolvability and resolution provisions for banks and allow FINMA to impose a specific surcharge to liquidity requirements if FINMA identifies obstacles to estimating the required liquidity for the resolvability and resolution of a Swiss systemically important bank operating internationally and if a bank does not remediate such obstacles within a reasonable timeframe as determined by FINMA. Among other changes, the revised Bank Law aims to strengthen the Swiss deposit insurance program by specifying the requirements to ensure that in the event of insolvency, insured deposits are paid out to the depositors within seven business days, with the requirement subject to implementation no later than January 1, 2028. Under the revised program, among other changes, the jointly guaranteed amount is now determined as 1.6% of all protected deposits. The amendments also require systemically important banks to deposit collateral equal to 50% of the Bank's deposit insurance contribution amount in the form of HQLA securities or Swiss francs with a secure third-party custodian. Banks will need to comply with this collateralization requirement by the end of November 2023. The reduction in HQLA securities or Swiss francs provided as collateral under the Swiss deposit insurance program due to this new requirement will be partially compensated by a reduced outflow factor applied to the Bank's deposit insurance contribution amount.

→ Refer to "Capital management" for additional information on changes related to capital requirements.

Liquidity risk management

Our approach to liquidity risk management

Our liquidity and funding policy is designed to ensure that funding is available to meet all obligations in times of stress, whether caused by market events or issues specific to Credit Suisse. To address short-term liquidity stress, we maintain a liquidity pool, as described below, that covers unexpected outflows in the event of severe market and idiosyncratic stress. Our liquidity risk parameters reflect various liquidity stress assumptions. We manage our liquidity profile at a sufficient level such that, in the event we are unable to access unsecured funding, we expect to have sufficient liquidity to sustain operations for a period of time in excess of our minimum limit. This includes potential currency mismatches, which are not deemed to be a major risk but are monitored and subject to limits, particularly in the significant currencies of euro, Japanese yen, pound sterling, Swiss franc and US dollar.

We use the LCR, the NSFR and the internal liquidity barometer to monitor our liquidity position and plan funding. Our internal liquidity barometer is used to manage liquidity to internal targets and as a basis to model both Credit Suisse-specific and market-wide stress scenarios and their impact on liquidity and funding, but also to quantify our internal buffer above regulatory liquidity metrics such as those related to the LCR. Our internal barometer framework supports the management of our funding structure. It allows us to manage the time horizon over which the stressed market value of unencumbered assets (including cash) exceeds the aggregate value of contractual outflows of unsecured liabilities plus a conservative forecast of anticipated contingent commitments. This internal barometer framework enables us to manage liquidity to a desired profile under a Credit Suisse-specific or market-wide stress that permits us to continue business activities for a period of time (also known as a liquidity horizon) without changing business plans. Under this framework, we also have short-term targets based on additional stress scenarios to ensure uninterrupted liquidity for short time frames.

We allocate the majority of the balance sheet usage related to our Treasury-managed HQLA portfolio to the business divisions to allow for a more efficient management of their business activities from an overall Group perspective with respect to LCR and Swiss leverage requirements.

Our overall liquidity management framework allows us to run stress analyses on our balance sheet and off-balance sheet positions, which include, but are not limited to, the following:

- A multiple-notch downgrade in the Bank's long-term debt credit ratings, which would require additional funding as a result of certain contingent off-balance sheet obligations;
- Significant withdrawals from private banking client deposits;
- Potential cash outflows associated with the prime brokerage business;
- Over-collateralization of available secured funding;

- Limited availability of capital markets, certificates of deposit and commercial paper;
- Other money market access will be significantly reduced;
- A reduction in funding value of unencumbered assets;
- The inaccessibility of assets held by subsidiaries due to regulatory, operational and other constraints;
- The possibility of providing non-contractual liquidity support in times of market stress, including purchasing our unsecured debt;
- Monitoring the concentration in sources of wholesale funding and thus encourage funding diversification;
- Monitoring the composition and analysis of the unencumbered assets;
- Restricted availability of foreign currency swap markets; and
- Other scenarios as deemed necessary from time to time.

Governance

Funding, liquidity, capital and our foreign exchange exposures are managed centrally by Treasury. Oversight of these activities is provided by Group CALMC, a committee that includes the chief executive officers (CEOs) of the Group and the divisions, the Chief Financial Officer (CFO), the Chief Risk Officer (CRO) and the Treasurer.

It is Group CALMC's responsibility to review the capital position, balance sheet development, current and prospective funding, interest rate risk and foreign exchange exposure and to define and monitor adherence to internal risk limits. Group CALMC regularly reviews the methodology and assumptions of our liquidity risk management framework and determines the liquidity horizon to be maintained.

All liquidity stress tests are coordinated and overseen by the CRO to ensure a consistent and coordinated approach across all risk disciplines.

Contingency funding planning

In the event of a liquidity crisis, our Contingency Funding Plan provides for specific actions to be taken depending on the nature of the crisis. Our plan is designed to address ever-increasing liquidity and funding stresses and has pre-defined escalation levels aimed at maximizing the likelihood that we can take certain measures to address liquidity or funding shortfalls. In order to identify a deteriorating liquidity situation, we monitor a set of regulatory and economic liquidity metrics while also seeking the views of our subject matter experts as well as Group and entity senior management, who retain at all times the authority to take remedial actions promptly. In all cases, the plan's primary objectives are to strengthen liquidity (immediate), reduce funding needs (medium term) and assess recovery options (longer term).

Liquidity metrics

Liquidity issues in the fourth quarter of 2022

As previously disclosed, during early fourth quarter of 2022, Credit Suisse began experiencing significantly higher withdrawals of cash deposits as well as non-renewal of maturing time deposits. However, as the quarter progressed, these outflows stabilized to much lower levels but had not yet reversed by year end. While these outflows led us to partially utilize liquidity buffers at the Group and legal entity level, and we fell below certain legal entity-level regulatory requirements, the core requirements of the LCR and the NSFR at the Group level were maintained at all times.

→ Refer to "Liquidity issues in the fourth quarter of 2022" in II – Operating and financial review – Credit Suisse – Other Information for further information.

Liquidity pool

Treasury manages a sizeable portfolio of HQLA comprised of cash held at central banks and securities. A portion of the liquidity pool is generated through reverse repurchase agreements with top-rated counterparties. We are mindful of potential credit risk and therefore focus our liquidity holdings strategy on cash held at central banks and highly rated government bonds and on short-term reverse repurchase agreements. These government bonds are eligible as collateral for liquidity facilities with various central banks including the Swiss National Bank (SNB), the US Federal Reserve (Fed), the European Central Bank (ECB) and the Bank of England. Our direct exposure on these bonds is limited to highly liquid, top-rated sovereign entities or fully guaranteed agencies of sovereign entities. The liquidity pool may be used to meet the liquidity requirements of our operating companies. All securities, including those obtained from reverse repurchase agreements, are subject to a stress level haircut in our barometer to reflect the risk that emergency funding may not be available at market value in a stress scenario.

We centrally manage this liquidity pool and hold it at our main operating entities. Holding securities in these entities ensures that we can make liquidity and funding available to local entities in need without delay.

As of December 31, 2022, our liquidity pool managed by Treasury and the global liquidity group had an average HQLA value of CHF 118.5 billion, compared to CHF 229.9 billion as of the end of 2021, reflecting the significant decrease in cash deposits and non-renewal of maturing time deposits during early fourth quarter of 2022. The liquidity pool consisted of CHF 62.3 billion of cash held at major central banks, primarily the SNB, the Fed and the ECB, and CHF 56.2 billion market value of securities issued by governments and government agencies, primarily from the US and the UK.

In addition to the above-mentioned liquidity pool, there is also a portfolio of unencumbered liquid assets managed by the businesses, primarily in the Investment Bank division, in cooperation with the global liquidity group. These assets generally include bonds and liquid equity securities that form part of major indices. In coordination with the businesses and the global liquidity group, Treasury can access these assets to generate liquidity. As of December 31, 2022, this portfolio of assets had a market value of CHF 8.0 billion, consisting of CHF 5.6 billion of bonds and CHF 2.4 billion of liquid equity securities. Under our internal model, an average stress-level haircut of 7% is applied to these assets. The haircuts applied to this portfolio reflect our assessment of overall market risk at the time of measurement, potential monetization capacity taking into account increased haircuts, market volatility and the quality of the relevant securities. This portfolio decreased 70% from CHF 26.3 billion, as of the end of 2021, mainly reflecting changes in light of our strategy to resize our prime services franchise.

Liquidity pool – Group

					2022	2021
end of	Swiss franc	US dollar	Euro	Other currencies	**Total**	Total
Liquid assets (CHF million)						
Cash held at central banks	27,917	22,591	8,770	2,986	62,264	143,936
Securities	8,843	30,638	5,473	11,267	56,221	85,975
Liquid assets [1]	**36,760**	**53,229**	**14,243**	**14,253**	**118,485**	**229,911**

1 Reflects a pre-cancellation view.

Liquidity Coverage Ratio

Our calculation methodology for the LCR is prescribed by the Liquidity Ordinance and the FINMA 2015/2 Circular "Liquidity risks – banks," as amended (Liquidity Circular), and uses a three-month average that is measured using daily calculations during the quarter. The FINMA calculation of HQLA takes into account a cancellation mechanism (post-cancellation view) and is therefore not directly comparable to the assets presented in the financial statements that could potentially be monetized under a severe stress scenario. The cancellation mechanism effectively excludes the impact of certain secured financing transactions from available HQLA and simultaneously adjusts the level of net cash outflows calculated. Application of the cancellation mechanism adjusts both the numerator and denominator of the LCR calculation, meaning that the impact is mostly neutral on the LCR itself.

Our HQLA measurement methodology excludes potentially eligible HQLA available for use by entities of the Group in certain jurisdictions that may not be readily accessible for use by the Group as a whole. These HQLA eligible amounts may be restricted for reasons such as local regulatory requirements, including large exposure requirements, or other binding constraints that could limit the transferability to other Group entities in other jurisdictions.

On this basis, the level of our three-month daily average LCR was 144% as of the end of 2022, a decrease from 203% as of the end of 2021, representing an average HQLA of CHF 120.0 billion and average net cash outflows of CHF 83.2 billion.

The decrease in the LCR compared to 2021 reflected a significantly lower level of average HQLA, which was partially offset by a reduction in net cash outflows. The lower level of HQLA reflected a decrease in the amount of cash held with central banks and a decrease in the amount of securities held during the period. The decrease in net cash outflows mainly resulted from a decrease in cash outflows from unsecured wholesale funding, primarily driven by decreases in non-operational deposits and unsecured debt, as well as a decrease in net cash outflows from retail deposits. These decreases in net cash outflows were partially offset by lower net cash inflows associated with secured wholesale funding and secured lending activities, as well as a decrease in cash inflows from fully performing exposures.

→ Refer to "Liquidity issues in the fourth quarter of 2022" in II – Operating and financial review – Credit Suisse – Other Information for further information.

Liquidity coverage ratio – Group

end of	2022 Unweighted value [1]	2022 Weighted value [2]	2021 Weighted value [2]
High-quality liquid assets (CHF million)			
High-quality liquid assets [3]	**–**	**119,954**	**227,193**
Cash outflows			
Retail deposits and deposits from small business customers	118,506	13,444	19,555
Unsecured wholesale funding	153,546	58,000	95,093
Secured wholesale funding	50,915	9,692	29,344
Additional requirements	153,272	33,328	35,640
Other contractual funding obligations	43,945	43,945	85,492
Other contingent funding obligations	194,227	2,303	3,663
Total cash outflows	**–**	**160,712**	**268,787**
Cash inflows			
Secured lending	32,744	12,104	40,049
Inflows from fully performing exposures	48,350	22,101	28,270
Other cash inflows	43,305	43,305	88,312
Total cash inflows	**124,399**	**77,510**	**156,631**
Liquidity coverage ratio			
High-quality liquid assets (CHF million)	–	119,954	227,193
Net cash outflows (CHF million)	–	83,202	112,156
Liquidity coverage ratio (%)	**–**	**144**	**203**

Calculated using a three-month average, which is calculated on a daily basis.
1 Calculated as outstanding balances maturing or callable within 30 days.
2 Calculated after the application of haircuts for high-quality liquid assets or inflow and outflow rates.
3 Consists of cash and eligible securities as prescribed by FINMA and reflects a post-cancellation view.

Net Stable Funding Ratio

Our calculation methodology for the NSFR is prescribed by the Liquidity Ordinance and the Liquidity Circular, including associated disclosure requirements. As of the end of 2022, the level of our NSFR was 117%, a decrease from 127% as of the end of 2021, representing available stable funding (ASF) of CHF 343.2 billion and required stable funding (RSF) of CHF 292.5 billion.

The decrease in the NSFR compared to the end of 2021 reflects a decrease in ASF, partially offset by a decrease in RSF. The decrease in the ASF was mainly attributed to a decrease in our deposits, primarily attributable to significantly higher withdrawals of cash deposits as well as non-renewal of maturing time deposits during early fourth quarter of 2022. The decrease in RSF was mainly attributable to a decrease in our trading inventory (non-HQLA securities), our loans held to maturity portfolio, our derivatives portfolio due to decreases in our net derivatives receivables and our reverse repurchase transactions backed by HQLA and non-HQLA assets, partially offset by increases in our loans held for sale portfolio.

Net stable funding ratio – Group

end of	2022	2021
Net stable funding ratio		
Available stable funding (CHF million)	343,158	436,856
Required stable funding (CHF million)	292,524	342,870
Net stable funding ratio (%)	**117**	127

Funding management

Treasury is responsible for the development, execution and regular updating of our funding plan. The plan reflects projected business growth, development of the balance sheet, future funding needs and maturity profiles as well as the effects of changing market and regulatory conditions.

The approach to term funding best reflects the sensitivity of both our liabilities and our assets to changes in interest rates. Interest expense on long-term floating-rate debt is monitored and managed relative to certain indices, which historically included interbank offered rate (IBOR) benchmarks and is being transitioned to alternative reference rates (ARRs) in place of IBORs. Aligned with regulatory expectations and the USD LIBOR cessation timeline, the Group's IBOR transition program works to coordinate preparations on a firm-wide basis, including Treasury and outstanding debt instruments with a LIBOR-link.

We continually manage the impact of funding spreads through careful management of our liability mix and opportunistic issuance of debt. The effect of funding spreads on interest expense depends on many factors, including market conditions, product type and the absolute level of the indices on which our funding is based.

We diversify our long-term funding sources by issuing structured notes, which are debt securities on which the return is linked to commodities, stocks, indices or currencies or other assets. We generally hedge structured notes with positions in the underlying assets or derivatives.

We also use other collateralized financings, including repurchase agreements and securities lending agreements. The level of our repurchase agreements fluctuates, reflecting market opportunities, client needs for highly liquid collateral, such as US treasuries and agency securities, and the impact of balance sheet and risk-weighted asset limits. In addition, matched book trades, under which securities are purchased under agreements to resell and are simultaneously sold under agreements to repurchase with comparable maturities, earn spreads, are relatively risk free and are generally related to client activity.

Funding sources

We fund our balance sheet primarily through core customer deposits, long-term debt, including structured notes, and shareholders' equity. We monitor the funding sources, including their concentrations against certain limits, according to their counterparty, currency, tenor, geography and maturity, and whether they are secured or unsecured.

Our balance sheet funding structure diagram is aligned with the NSFR framework. Loans, which comprise the largest component of our illiquid assets, are primarily funded by our core customer deposits. We also fund illiquid assets, including real estate, private equity and other long-term investments as well as the haircut for the illiquid portion of securities, with long-term debt and equity, in which we try to maintain a substantial funding buffer.

Our core customer deposits totaled CHF 234 billion as of the end of 2022, a decrease compared to CHF 391 billion as of the end of 2021, primarily attributable to significantly higher withdrawals of cash deposits as well as non-renewal of maturing time deposits during the fourth quarter of 2022. Core customer deposits are from clients with whom we have a broad and long-standing relationship. Core customer deposits exclude certificates of deposits.

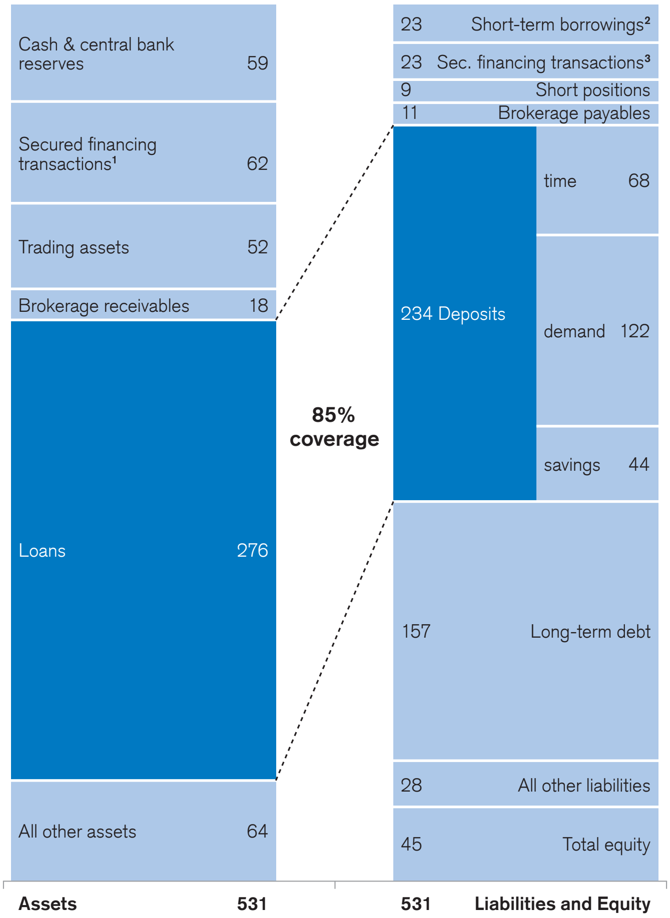
Our core customer deposit funding is supplemented by the issuance of long-term debt.

→ Refer to the chart "Balance sheet funding structure" and "Balance sheet" in Balance sheet and off-balance sheet for further information.

→ Refer to "Liquidity issues in the fourth quarter of 2022" in II – Operating and financial review – Credit Suisse – Other Information for further information.

Balance sheet funding structure

as of December 31, 2022 (CHF billion)



Our balance sheet funding structure diagram was aligned with the NSFR framework.
1 Reverse repurchase agreements including securities received as collateral.
2 Included certificates of deposit (CD), commercial paper (CP) and structured notes up to 1 year.
3 Repurchase agreements including obligation to return securities received as collateral.

Funds transfer pricing

We maintain an internal funds transfer pricing system based on market rates. Our funds transfer pricing system is designed to allocate to our businesses all funding costs in a way that incentivizes their efficient use of funding. Our funds transfer pricing system is an essential tool that allocates to the businesses the short-term and long-term costs of funding their balance sheet usages and off-balance sheet contingencies. The funds transfer pricing framework ensures full funding costs allocation under normal business conditions, but it is of even greater importance in a stressed capital markets environment where raising funds is more challenging and expensive. Under this framework, our businesses are also credited to the extent they provide long-term stable funding.

Contractual maturity of assets and liabilities

The following table provides contractual maturities of the assets and liabilities specified as of the end of 2022. The contractual maturities are an important source of information for liquidity risk management. However, liquidity risk is also managed based on an expected maturity that considers counterparty behavior and in addition takes into account certain off-balance sheet items such as derivatives. Liquidity risk management performs extensive analyses of counterparty behavioral assumptions under various stress scenarios.

→ Refer to "Contractual obligations and other commercial commitments" in Balance sheet and off-balance sheet and "Note 34 – Guarantees and commitments" in VI – Consolidated financial statements – Credit Suisse Group for further information on contractual maturities of guarantees and commitments.

Contractual maturity of assets and liabilities

end of 2022	On demand	Less than 1 month	Between 1 to 3 months	Between 3 to 12 months	Between 1 to 5 years	Greater than 5 years	Total
Assets (CHF million)							
Cash and due from banks	67,521	585	348	24	0	0	68,478
Interest-bearing deposits with banks	0	144	140	165	0	6	455
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	14,510	24,812	6,774	9,620	3,081	0	58,797
Securities received as collateral, at fair value	2,978	0	0	0	0	0	2,978
Trading assets, at fair value	65,461	0	0	0	0	0	65,461
Investment securities	0	5	10	5	1,131	568	1,719
Other investments	0	0	0	0	0	5,518	5,518
Net loans	6,947	34,609	30,959	47,749	96,224	47,677	264,165
Goodwill	0	0	0	0	0	2,903	2,903
Other intangible assets	0	0	0	0	0	458	458
Brokerage receivables	13,818	0	0	0	0	0	13,818
Other assets	18,907	1,822	800	4,029	11,516	9,534	46,608
Total assets	**190,142**	**61,977**	**39,031**	**61,592**	**111,952**	**66,664**	**531,358**
Liabilities							
Due to banks	9,194	993	759	959	0	0	11,905
Customer deposits	167,165	22,522	25,207	15,502	2,620	219	233,235
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	4,530	4,586	4,718	5,784	663	0	20,281
Obligation to return securities received as collateral, at fair value	2,979	0	0	0	0	0	2,979
Trading liabilities, at fair value	18,338	0	0	0	0	0	18,338
Short-term borrowings	0	1,274	3,394	7,746	0	0	12,414
Long-term debt	0	656	2,502	24,996	76,684	52,397	157,235
Brokerage payables	11,442	0	0	0	0	0	11,442
Other liabilities	12,798	1,402	297	487	1,656	1,558	18,198
Total liabilities	**226,446**	**31,433**	**36,877**	**55,474**	**81,623**	**54,174**	**486,027**

Structural interest rate management

Structural interest rate risk management optimizes the preservation of earnings stability and net present value across various interest rate scenarios. Exposure to interest rate risk in the banking book arises mainly from loans and deposits (including replicated non-maturing deposits) related to our wealth management businesses. This inherent interest rate risk is aggregated in centrally managed banking books, allowing for the netting of interest rate risk exposures, but leaving the originating business with the responsibility for margin management. The remaining interest rate risk is hedged with interest rate swaps. Interest rate risk exposures from debt funding are usually hedged with interest rate swaps. Furthermore, Treasury manages the interest rate risk of the Group's net shareholders' equity according to the strategy approved by senior management.

Debt issuances and redemptions

Our long-term debt includes senior, senior bail-in and subordinated debt issued in US-registered offerings and medium-term note programs, euro medium-term note programs, stand-alone offerings, structured note programs, covered bond programs, Australian dollar domestic medium-term note programs and a Samurai shelf registration statement in Japan. As a global bank, we have access to multiple markets worldwide and our major funding centers are New York, London, Zurich and Tokyo.

We use a wide range of products and currencies to ensure that our funding is efficient and well diversified across markets and investor types. Substantially all of our unsecured senior debt is issued without financial covenants, such as adverse changes in our credit ratings, cash flows, results of operations or financial ratios, which could trigger an increase in our cost of financing or accelerate the maturity of the debt. Our covered bond funding is in the form of mortgage-backed loans funded by domestic covered bonds issued through Pfandbriefbank Schweizerischer Hypothekarinstitute, one of two institutions established by a 1930 act of the Swiss Parliament to centralize the issuance of covered bonds, or from our own Swiss covered bond program established in June 2019. Historically, issuances of covered bonds were also made through our own international covered bond program.

The following table provides information on long-term debt issuances, maturities and redemptions in 2022, excluding structured notes.

Debt issuances and redemptions

in 2022	Senior	Senior bail-in	Sub-ordinated	Long-term debt
Long-term debt (CHF billion, notional value)				
Issuances	**9.4**	**15.7**	**1.5**	**26.6**
of which unsecured	6.4	15.7	1.5	23.6
of which secured	3.0	0.0	0.0	3.0
Maturities / Redemptions	**(8.7)**	**(8.4)**	**(1.4)**	**(18.5)**
of which unsecured	(7.9)	(8.4)	(1.4)	(17.7)
of which secured	(0.8)	0.0	0.0	(0.8)

Excludes structured notes.

As of the end of 2022, we had outstanding long-term debt of CHF 157.2 billion, which included senior and subordinated instruments. We had CHF 38.9 billion and CHF 17.6 billion of structured notes and covered bonds outstanding, respectively, as of the end of 2022, compared to CHF 43.1 billion and CHF 15.4 billion, respectively, as of the end of 2021.

→ Refer to "Issuances and redemptions" in Capital management – Capital instruments for further information on capital issuances, including buffer and progressive capital instruments.

Short-term borrowings as shown in the balance sheet funding structure diagram decreased 43% to CHF 23.2 billion as of the end of 2022 from CHF 39.8 billion as of the end of 2021, mainly related to maturities of certificates of deposit and structured notes.

We expect the Group's overall funding needs to reduce over time as a result of strategic transformation in line with balance sheet reduction.

→ Refer to "Issuances and redemptions" in Capital management – Capital instruments for further information on capital issuances, including low-trigger and high-trigger capital instruments.

Credit ratings

Our access to the debt capital markets and our borrowing costs depend significantly on our credit ratings. Rating agencies take many factors into consideration in determining a company's rating, including, among others, earnings performance, business mix, market position, ownership, financial strategy, level of capital, risk management policies and practices, management team and the broader outlook for the financial services industry more generally. The rating agencies may raise, lower or withdraw their ratings, or publicly announce an intention to raise or lower their ratings, at any time.

Although retail and private bank deposits are also sensitive to changes in a bank's credit ratings, the cost and availability of other sources of unsecured external funding is generally a direct function of credit ratings. Credit ratings are especially important to us when competing in certain markets and when seeking to engage in longer-term transactions, including over-the-counter (OTC) derivative instruments.

Credit ratings downgrades in 2022

In May 2022, Standard and Poor's Global Ratings downgraded the long-term issuer credit ratings of Credit Suisse Group AG and Credit Suisse AG, and Fitch Ratings downgraded the long-term issuer default ratings of Credit Suisse Group AG and Credit Suisse AG, in each case by one notch. The outlook on these ratings was revised from "negative" to "stable". Also in May 2022, Moody's Investors Service affirmed the senior unsecured debt ratings of Credit Suisse Group AG and the long-term senior unsecured debt and deposit ratings of Credit Suisse AG, but the outlook on these ratings was revised from "stable" to "negative".

In August 2022, Moody's Investors Service downgraded the senior unsecured debt ratings of Credit Suisse Group AG and the long-term senior unsecured debt and deposit ratings of Credit Suisse AG, both by one notch. The "negative" outlook on these ratings was maintained. Standard and Poor's Global Ratings affirmed the long-term issuer credit ratings of Credit Suisse Group AG and Credit Suisse AG, but the outlook on these ratings was revised from "stable" to "negative". Fitch Ratings downgraded the long-term issuer default ratings of Credit Suisse Group AG and the long- and short-term issuer default ratings of Credit Suisse AG, in each case by one notch. The outlook on these ratings was revised from "stable" to "negative".

On November 1, 2022, Moody's Investors Service affirmed the senior unsecured debt ratings of Credit Suisse Group AG and downgraded the long-term senior unsecured debt and deposit ratings of Credit Suisse AG by one notch. Moody's also downgraded all the short-term ratings by one notch and maintained the "negative" outlook on all ratings. Following the affirmation of all ratings and outlooks on October 6, 2022, Standard and Poor's Global Ratings downgraded the long-term issuer credit ratings of Credit Suisse Group AG and the long- and short-term issuer credit ratings of Credit Suisse AG, in each case by one notch on November 1, 2022. The outlook on these ratings was revised from "negative" to "stable".

These downgrades in our ratings increasingly elevated our borrowing costs and limited our ability to renew maturing short-term funding and to access short-term funding markets. The downgrades have increased our cost of capital and adversely affected and may in the future continue to adversely affect the ability of our businesses to sell or market their products, engage in business transactions, particularly financing and derivative transactions, and retain our clients.

Further downgrades could amplify these challenges, require us to post additional collateral or allow counterparties to terminate transactions under certain of our financing and derivative contracts, and this in turn, could reduce our liquidity and negatively impact our operating results and financial position.

Collateral requirements

Our internal liquidity barometer takes into consideration contingent events associated with a three-notch downgrade in our credit ratings. According to the specific downgrade risks considered in our internal liquidity barometer and LCR calculations, the maximum impact of a simultaneous one, two or three-notch downgrade by all three major rating agencies in the Bank's long-term debt ratings would result in additional collateral requirements or assumed termination payments under certain derivative instruments of CHF 0.6 billion, CHF 0.8 billion and CHF 0.9 billion, respectively, as of the end of 2022. If the downgrade does not involve all three rating agencies, the impact may be smaller.

Potential cash outflows on these derivative contracts associated with a downgrade of our long-term debt credit ratings, such as the requirement to post additional collateral to the counterparty, the loss of re-hypothecation rights on any collateral received and impacts arising from additional termination events, are monitored and taken into account in the calculation of our liquidity requirements. There are additional derivative related risks that do not relate to the downgrade of our long-term debt credit ratings and which may impact our liquidity position, including risks relating to holdings of derivatives collateral or potential movements in the valuation of derivatives positions. The potential outflows resulting across all derivative product types are monitored as part of the LCR scenario parameters and the internal liquidity reporting.

→ Refer to "Investor information" in the Appendix for further information on Group and Bank credit ratings.

Cash flows from operating, investing and financing activities

As a global financial institution, our cash flows are complex and interrelated and bear little relation to our net earnings and net assets. Consequently, we believe that traditional cash flow analysis is less meaningful in evaluating our liquidity position than the liquidity and funding policies described above. Cash flow analysis may, however, be helpful in highlighting certain macro trends in our business.

For the year ended December 31, 2022, net cash provided by **operating activities** of continuing operations was CHF 13.8 billion, primarily reflecting an increase in net trading assets and liabilities, partially offset by valuation adjustments relating to long-term debt and a decrease in other liabilities. Our operating assets and liabilities vary significantly in the normal course of business due to the amount and timing of cash flows. Management believes cash flows from operations, available cash balances and short-term and long-term borrowings will be sufficient to fund our operating liquidity needs.

Our **investing activities** primarily include originating loans to be held to maturity, other receivables and the investment securities portfolio. For the year ended December 31, 2022, net cash provided by investing activities from continuing operations was CHF 55.5 billion, primarily impacted by a decrease in central bank funds sold, by a decrease in loans and by the proceeds from sales of loans.

Our **financing activities** primarily include the issuance of debt and receipt of customer deposits. We pay annual dividends on our common shares. In 2022, net cash used in financing activities of continuing operations was CHF 163.9 billion, mainly reflecting the decrease in due to banks and customer deposits and the repayment of long-term debt, partially offset by the issuance of long-term debt and the issuance of common shares.

Capital management

As of the end of 2022, our BIS CET1 ratio was 14.1%, our BIS CET1 leverage ratio was 5.4% and our BIS tier 1 leverage ratio was 7.7%.

Capital strategy

Credit Suisse considers a strong and efficient capital position to be a priority. Through our capital strategy, our goal is to strengthen our capital position and optimize the use of risk-weighted assets (RWA), particularly in light of emerging regulatory capital requirements.

The overall capital needs of Credit Suisse reflect management's regulatory and credit rating objectives as well as our underlying risks. Our framework considers the capital needed to absorb losses, both realized and unrealized, while remaining a strongly capitalized institution. Multi-year projections and capital plans are prepared for the Group and its major subsidiaries and reviewed throughout the year with their regulators. These plans are subject to various stress tests, reflecting both macroeconomic and specific risk scenarios. Capital contingency plans are developed in connection with these stress tests to ensure that possible mitigating actions are consistent with both the amount of capital at risk and the market conditions for accessing additional capital.

Regulatory framework

Credit Suisse is subject to the Basel framework, as implemented in Switzerland, as well as Swiss legislation and regulations for systemically important banks, which include capital, liquidity, leverage and large exposure requirements and rules for emergency plans designed to maintain systemically relevant functions in the event of threatened insolvency.

The Basel framework describes a range of options for determining capital requirements in order to provide banks and supervisors the ability to select approaches that are most appropriate for their operations and their financial market infrastructure. In general, Credit Suisse has adopted the most advanced approaches, which align with the way that risk is internally managed and provide the greatest risk sensitivity.

Our capital metrics fluctuate during any reporting period in the ordinary course of business.

BIS requirements

The BCBS, the standard setting committee within the Bank for International Settlements (BIS), issued the Basel framework, with minimum capital requirements and conservation and countercyclical buffers, risk-based capital measures, a leverage ratio and liquidity standards. The framework was designed to strengthen the resilience of the banking sector and requires banks to hold adequate capital, mainly in the form of common equity.

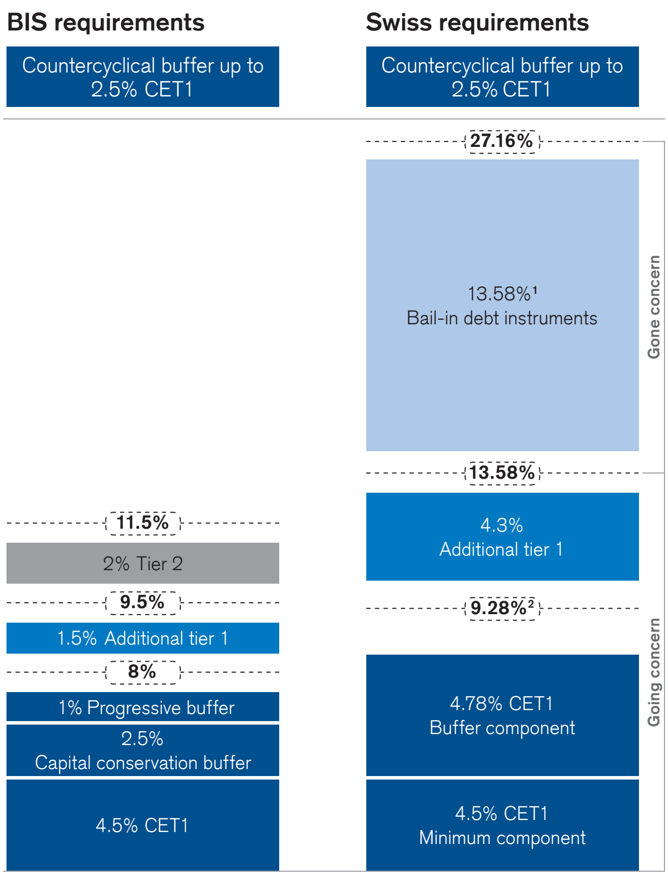
Under the Basel framework, the minimum common equity tier 1 (CET1) requirement is 4.5% of RWA. In addition, a 2.5% CET1 capital conservation buffer is required to absorb losses in periods of financial and economic stress.

A progressive buffer between 1% and 2.5% (with a possible additional 1% surcharge) of CET1, depending on a bank's systemic importance, is an additional capital requirement for global systemically important banks (G-SIBs). The Financial Stability Board (FSB) identified Credit Suisse as a G-SIB. A progressive buffer of 1% applied to Credit Suisse in 2022 and will remain unchanged for 2023.

CET1 capital is subject to certain regulatory deductions and other adjustments to common equity, including the deduction of deferred tax assets for tax-loss carry-forwards, goodwill and other intangible assets.

In addition to the CET1 requirements, there is also a requirement for 1.5% of additional tier 1 capital and 2% of tier 2 capital. These requirements may also be met with CET1 capital. To qualify as additional tier 1 under the Basel framework, capital instruments must provide for principal loss absorption through a conversion into common equity or a write-down of principal feature. The trigger for such conversion or write-down must include a CET1 ratio of at least 5.125% as well as a trigger at the point of non-viability.

Capital frameworks for Credit Suisse



Reflects the updated capital and leverage requirements, effective September 30, 2022, resulting from the assessment of surcharges.

1 Does not include any rebates for resolvability.

2 Does not include the FINMA Pillar 2 capital add-on relating to the supply chain finance funds matter.

The Basel framework further provides for a countercyclical buffer that could require banks to hold up to 2.5% of CET1. This requirement is imposed by national regulators where credit growth is deemed to be excessive and leading to the build-up of system-wide risk.

Banks are required to maintain a tier 1 leverage ratio of 3%.

Swiss requirements

The legislation implementing the Basel framework in Switzerland in respect of capital requirements for systemically important banks, including Credit Suisse, goes beyond the Basel minimum standards for systemically important banks.

Under the Capital Adequacy Ordinance, Swiss banks classified as systemically important banks operating internationally, such as Credit Suisse, are subject to two different minimum requirements for loss-absorbing capacity: such banks must hold sufficient capital that absorbs losses to ensure continuity of service (going concern requirement), and they must issue sufficient debt instruments to fund an orderly resolution without recourse to public resources (gone concern requirement).

Going concern capital and gone concern capital together form our total loss-absorbing capacity (TLAC). The going concern and gone concern requirements are generally aligned with the FSB's total loss-absorbing capacity standard.

Under the Capital Adequacy Ordinance's grandfathering provisions, additional tier 1 capital instruments with a low trigger qualify as going concern capital until their first call date.

Additionally, there are FINMA decrees that apply to Credit Suisse, as a systemically important bank operating internationally, including capital adequacy requirements as well as liquidity and risk diversification requirements.

Banks that do not maintain the minimum requirements may be limited in their ability to pay dividends and make discretionary bonus payments and other earnings distributions.

Going concern requirements

The going concern requirement for a G-SIB consists of (i) base requirements of 12.86% of RWA and 4.5% of leverage exposure; and (ii) add-ons for market share in the domestic lending and deposit business and for the size of the bank as measured by total exposures (surcharges), which reflect the G-SIB's systemic importance. Currently, for Credit Suisse, the going concern surcharge is 0.72% for the RWA ratio and 0.25% for the leverage ratio. For Credit Suisse, this translates into a going concern requirement before any countercyclical buffers of 13.58% of RWA and 4.75% of leverage exposure. The going concern requirement for Credit Suisse shall be met with minimum CET1 capital of 9.28% for the RWA ratio and 3.25% for the leverage ratio, with the remainder to be met with a maximum of 4.3% additional tier 1 capital for the RWA ratio and 1.5% for the leverage ratio. The additional tier 1 capital includes high-trigger capital instruments that would be converted into common equity or written down if the CET1 ratio falls below 7%. Additionally, the going concern requirement may include countercyclical capital buffers, which are applicable to all banks.

Gone concern requirements

In 2022, the gone concern requirement of a G-SIB was equal to its total going concern requirement. The gone concern requirement does not include any countercyclical buffers. As of December 31, 2022, Credit Suisse was subject to a gone concern requirement of 13.58% of RWA and a 4.75% of leverage exposure, less any capital rebates for resolvability.

→ Refer to "Regulatory developments" for additional information.

The gone concern requirement should primarily be fulfilled with bail-in instruments that are designed to absorb losses after the write-down or conversion into equity of regulatory capital of a G-SIB in a restructuring scenario, but before the write-down or conversion into equity of other senior obligations of the G-SIB. Bail-in instruments do not feature capital triggers that may lead to a write-down and/or a conversion into equity outside of restructuring, but only begin to bear losses once the G-SIB is formally in restructuring proceedings and FINMA orders capital measures (i.e., a write-down and/or a conversion into equity) in the restructuring plan.

Bail-in instruments must fulfill certain criteria in order to qualify under the gone concern requirement, including FINMA approval. In addition to bail-in instruments, the gone concern requirement may further be fulfilled with other capital instruments, including CET1, additional tier 1 capital instruments or tier 2 capital instruments.

FINMA decrees

The SNB designated Credit Suisse as a financial group of systemic importance under applicable Swiss law. FINMA requires the Group to fully comply with the special requirements for systemically important banks operating internationally, which include capital adequacy requirements and also specify liquidity and risk diversification requirements.

In December 2013, FINMA issued a decree (2013 FINMA Decree), specifying capital adequacy requirements for the Bank on a stand-alone basis (Bank parent company), and for the Bank and the Group, each on a consolidated basis, as systemically important banks.

In October 2017, FINMA issued an additional decree with respect to the regulatory capital requirements of the Bank parent company (2017 FINMA Decree), specifying the treatment of investments in subsidiaries for capital adequacy purposes. This decree partially replaced certain aspects of the 2013 FINMA Decree, but all other aspects of that decree remain in force. The changes aim to create a capital adequacy framework for the Bank parent company that is more comparable to relevant international frameworks and does not rely on exemptions from, or corrections of, the basic framework applicable to all Swiss banks. The changes only apply to the going concern capital requirements for the Bank parent company.

The 2017 FINMA Decree requires the Bank parent company to risk-weight both direct and indirect investments in subsidiaries, with the initial risk-weight set at 200%. Beginning in 2019, the risk-weights began to increase over a 10-year period for direct and indirect investments in Swiss subsidiaries by 5% per year and for direct and indirect investments in foreign subsidiaries by 20% per year, up to 250% and 400%, respectively, by 2028. In 2022, investments in Swiss-domiciled subsidiaries were risk-weighted at 220% and investments in foreign-domiciled subsidiaries were risk-weighted at 280%.

The 2017 FINMA Decree also applies an adjustment (referred to as a regulatory filter) to an impact on CET1 capital arising from the accounting change under applicable Swiss banking rules for the Bank parent company's participations in subsidiaries from the portfolio valuation method to the individual valuation method. In contrast to the accounting treatment, the regulatory filter allows Credit Suisse to measure the regulatory capital position as if the Bank parent company had maintained the portfolio valuation method.

The valuation of the Bank parent company's participations in subsidiaries is reviewed for potential impairment on at least an annual basis as of December 31 and at any other time that events or circumstances indicate that the participations' value may be impaired. There were several triggering events during 2022, including the comprehensive strategic review announced on October 27, 2022, adverse market and economic conditions, a decline in the Group's share price and significant outflows of deposits and assets under management in the fourth quarter of 2022. Additionally, the review of the Credit Suisse legal entities' five-year financial plans was conducted in the fourth quarter of 2022. Based on the reviews performed during the year, which included the support of an independent valuation specialist appointed by Credit Suisse to advise on the valuation of certain participations, the Bank parent company recorded a net participation impairment for regulatory purposes of CHF 7.4 billion in 2022.

The Bank parent company's Swiss CET1 ratio increased to 12.2% as of December 31, 2022 from 11.7% as of December 31, 2021, primarily reflecting significantly reduced RWA levels. The Swiss CET1 ratio was also impacted by net losses and significant participation impairments, partially offset by capital contributions from Credit Suisse Group AG relating to the capital increases executed in the fourth quarter of 2022.

→ Refer to *credit-suisse.com/regulatorydisclosures* for the Bank parent company's regulatory disclosures.

Swiss capital and leverage requirements for Credit Suisse

As of the end of 2022	Capital ratio	Leverage ratio
Capital components (%)		
CET1 – minimum	4.5	1.5
Additional tier 1 – maximum	3.5	1.5
Minimum component	**8.0**	**3.0**
CET1 – minimum	4.78	1.75
Additional tier 1 – maximum	0.8	0.0
Buffer component	**5.58**	**1.75**
Going concern	**13.58**	**4.75**
of which base requirement	12.86	4.5
of which surcharge	0.72	0.25
Gone concern	**13.58**	**4.75**
of which base requirement	12.86	4.5
of which surcharge	0.72	0.25
Total loss-absorbing capacity	**27.16**	**9.5**

Reflects the updated capital and leverage requirements resulting from the assessment of surcharges.
Does not include the FINMA Pillar 2 capital add-on of CHF 1.9 billion relating to the supply chain finance funds matter, the effects of the countercyclical buffers and any rebate for resolvability.
As of the end of 2022, for the Group and the Bank, the rebate for resolvability for the capital ratios was 3.113%. For the Group and the Bank, the rebate for resolvability for leverage ratios was 1.0%. Net of these rebates, the gone concern ratios for capital and leverage for the Group and the Bank were 10.468% and 3.75%, respectively.

Other requirements

Requirements in Switzerland include an extended countercyclical buffer, which is based on the BIS countercyclical buffer that could require banks to hold up to 2.5% of RWA in the form of CET1 capital. The extended countercyclical buffer relates to a requirement that can be imposed by national regulators when credit growth is deemed to be excessive and leading to the build-up of system-wide risk. The Swiss Federal Council has not activated the BIS extended countercyclical buffer for Switzerland.

However, the Swiss Federal Council may from time to time require banks to hold additional CET1 capital for certain credit exposures (Swiss countercyclical capital buffer). Currently, banks, such as Credit Suisse, are required to hold additional CET1 capital amounting to 2.5% of RWA pertaining to mortgage loans that are directly or indirectly secured by residential real estate in Switzerland (Swiss sectoral countercyclical capital buffer).

→ Refer to “Regulatory developments” for additional information.

FINMA requirements include capital charges for mortgages that finance owner-occupied residential property in Switzerland (mortgage multiplier). The mortgage multiplier applies for purposes of both BIS and FINMA requirements.

Other regulatory disclosures

In connection with the Basel framework, certain regulatory disclosures for the Group and certain of its subsidiaries are required. The Group's Pillar 3 disclosure, regulatory disclosures, additional information on capital instruments, including the main features and terms and conditions of regulatory capital instruments and total loss-absorbing capacity-eligible instruments that form part of the eligible capital base and total loss-absorbing capacity resources, G-SIB financial indicators, reconciliation requirements, leverage ratios and certain liquidity disclosures as well as regulatory disclosures for subsidiaries can be found on our website.

→ Refer to *credit-suisse.com/regulatorydisclosures* for additional information.

Regulatory developments

In January 2022 and at the request of the Swiss National Bank, the Swiss Federal Council reactivated the Swiss sectoral countercyclical capital buffer, in light of the recent developments in the Swiss real estate and mortgage markets. Effective September 30, 2022, banks, such as Credit Suisse, are required to hold additional CET1 capital amounting to 2.5% of RWA pertaining to mortgage loans that are directly or indirectly secured by residential real estate in Switzerland. The Swiss sectoral countercyclical capital buffer serves to strengthen the banking sector's resilience in the event of increased vulnerabilities in the Swiss mortgage and residential real estate markets.

In March 2022, FINMA published the results of its annual assessment of the recovery and resolution planning of the Swiss systemically important financial institutions. In accordance with this assessment, effective July 1, 2022, the Group was eligible for the maximum potential rebates for resolvability relating to the gone concern requirement.

In July 2022, FINMA communicated the results of its annual assessment of surcharges for the Group's market share in Switzerland. In accordance with this assessment, effective June 30, 2022, the Group's surcharge relating to the RWA ratio decreased from 0.72% to 0.36% and the surcharge relating to the leverage ratio decreased from 0.25% to 0.125%.

In October 2022, FINMA communicated the results of its reassessment of the Group's surcharges requirement based on leverage exposure. In accordance with this reassessment, effective September 30, 2022, the Group's surcharge relating to the RWA ratio decreased from 0.72% to 0.36% and the surcharge relating to the leverage ratio decreased from 0.25% to 0.125%. The changes in surcharge requirements for the Group's market share and leverage exposure resulted in a revised going concern (before any countercyclical buffer) and gone concern requirement of 13.58%, in each case, for the RWA ratio and 4.75%, in each case, for the leverage ratio, excluding rebates for resolvability under the gone concern requirement.

In November 2022, the Swiss Federal Council enacted the revised Bank Law and the revised Banking Ordinance, as well as certain other revised ordinances, effective as of January 1, 2023. Among other things, the revision includes certain amendments to the Banking Ordinance and the Capital Adequacy Ordinance under which the current rebate system on certain capital requirements is replaced by an incentive system. As of January 1, 2023, in accordance with the revised Capital Adequacy Ordinance, the former rebates for resolvability are not applicable and the gone concern capital requirements for the Group and the Bank are reduced from 100% to 75% of the going concern capital requirements, including applicable surcharge requirements for the Group's market share and leverage exposure, subject to a floor of 10% for the RWA ratio and 3.75% for the leverage ratio. This results in a gone concern requirement of 10.185% for the RWA ratio and 3.75% for the leverage ratio. Going forward, FINMA will have the ability to impose additional requirements if resolvability criteria are not met. Systemically important banks operating internationally must submit the documentation on the measures prepared or implemented to meet the resolvability criteria for the first time by the end of June 2024. Accordingly, higher gone concern requirements could be imposed by FINMA after such submission.

Capital instruments

Capital increase

On November 23, 2022, the Group held an Extraordinary General Meeting, at which shareholders approved two capital increases. The Group completed the first capital increase on November 25, 2022 by way of a share placement of 462,041,884 newly issued shares to qualified investors resulting in gross proceeds of CHF 1.76 billion. The Group completed the second capital increase by way of a rights offering on December 9, 2022. By the end of the rights exercise period, 98.2% of the rights had been exercised for the issuance of 872,989,594 new shares. The remaining 16,378,864 newly issued shares for which rights were not exercised were sold in the market. The rights offering resulted in gross proceeds for the Group of CHF 2.25 billion. The capital increases resulted in 1,351,410,342 newly issued shares and gross proceeds for the Group of CHF 4.0 billion. Credit Suisse Group AG made capital contributions of CHF 3.89 billion to its wholly owned subsidiary Credit Suisse AG.

Contingent capital instruments

We have issued high-trigger and low-trigger capital instruments to meet our capital requirements. The principal amount of these trigger instruments is written down to zero upon the occurrence of certain specified triggering events. These events include our CET1 ratio falling below 7% (or any lower applicable minimum threshold), or a determination by FINMA that write-down is necessary, or that we require public sector capital support, to prevent us from becoming insolvent, bankrupt or unable to pay a material amount of our debts, or other similar circumstances. Write-down can only be prevented if FINMA, at our request, is satisfied that certain conditions exist and write-down is not required. High-trigger instruments are designed to absorb losses before our other capital instruments, including the low-trigger capital instruments. The features of low-trigger capital instruments are described below.

Higher Trigger Capital Amount

The capital ratio write-down triggers for certain of our outstanding capital instruments take into account the fact that other outstanding capital instruments that contain relatively higher capital ratios as part of their trigger feature are expected to convert into equity or be written down prior to the write-down of such capital instruments. The amount of additional capital that is expected to be contributed by such conversion into equity or write-down is referred to as the Higher Trigger Capital Amount.

The following tier 1 capital notes (collectively, Tier 1 Capital Notes), which have a trigger amount of 5.125% and qualify as low trigger capital instruments, were outstanding as of December 31, 2022:

- USD 2.5 billion 6.25% tier 1 capital notes; and
- USD 2.25 billion 7.5% tier 1 capital notes.

The following tier 2 capital notes (collectively, Tier 2 Capital Notes), which have a trigger amount of 5% and qualify as low trigger capital instruments, were outstanding as of December 31, 2022:

- USD 2.5 billion 6.5% tier 2 capital notes.

Each of the series of Tier 1 Capital Notes and Tier 2 Capital Notes qualify as low-trigger capital instruments and have a write-down feature, which means that the full principal amount of the notes will be permanently written down to zero upon the occurrence of specified triggering events. These events occur when the amount of our CET1 ratio, together with an additional ratio described below that takes into account other outstanding capital instruments, falls below 5.125% for the Tier 1 Capital Notes and 5% for the Tier 2 Capital Notes. The write-down can only be prevented if FINMA, at our request, is satisfied that certain conditions exist and determines a write-down is not required. The capital notes will also be written down upon a non-viability event, which occurs when FINMA determines that a write-down is necessary, or that we require extraordinary public sector capital support, to prevent us from becoming insolvent, bankrupt or unable to pay a material amount of our debts, or other similar circumstances.

With respect to the capital instruments that specify a trigger event if the CET1 ratio were to fall below 5.125%, the Higher Trigger Capital Amount was CHF 10.5 billion and the Higher Trigger Capital Ratio (i.e., the ratio of the Higher Trigger Capital Amount to the aggregate of all RWA of the Group) was 4.2%, both as of the end of 2022.

With respect to the capital instruments that specify a trigger event if the CET1 ratio were to fall below 5%, the Higher Trigger Capital Amount was CHF 14.7 billion and the Higher Trigger Capital Ratio was 5.9%, both as of the end of 2022.

→ Refer to the table "BIS capital metrics – Group" for further information on the BIS metrics used to calculate such measures.

Issuances and redemptions

	Currency	Par value at issuance (million)	Coupon rate (%)	Description	Year of maturity
Issuances – bail-in instruments					
First quarter of 2022	EUR	1,500	2.875	Senior notes	2032
	EUR	2,000	2.125	Senior notes	2026
Second quarter of 2022	JPY	5,000	1.1	Senior notes	2028
Third quarter of 2022	USD	1,500	6.373	Senior notes	2026
	USD	1,750	6.442	Senior notes	2028
	USD	3,000	6.537	Senior notes	2033
	GBP	750	7.0	Senior notes	2027
	GBP	750	7.375	Senior notes	2033
Fourth quarter of 2022	EUR	3,000	7.75	Senior notes	2029
	USD	2,000	9.016	Senior notes	2033
Issuances – capital instruments					
Second quarter of 2022	USD	1,650	9.75	Perpetual contingent capital notes	–
Redemptions – bail-in instruments					
First quarter of 2022	USD	1,750	3.574	Senior notes	2023
	AUD	176	5.0 [1]	Senior notes	2038
Second quarter of 2022	USD	100	floating rate	Senior notes	2023
	EUR	2,250	1.25	Senior notes	2022
	GBP	600	3.0	Senior notes	2022
Third quarter of 2022	USD	2,000	3.8	Senior notes	2022
Fourth quarter of 2022	JPY	38,700	0.553	Senior notes	2023
	USD	500	floating rate	Senior notes	2023
	USD	1,000	2.997	Senior notes	2023
	EUR	180	floating rate	Senior notes	2022
January 2023 to date	AUD	125	3.5	Senior notes	2024 [2]
	AUD	175	floating rate	Senior notes	2024 [2]
	USD	1,050	floating rate	Senior notes	2024 [3]
Redemptions – capital instruments					
Third quarter of 2022	USD	1,500	7.125	Perpetual contingent capital notes	–

1 The interest rate of these zero coupon annual accreting senior callable notes reflected the yield rate of the note.
2 On February 13, 2023, the Group elected to call the notes on the optional call date, March 8, 2023.
3 On January 9, 2023, the Group elected to call the notes on the optional call date, March 8, 2023.

BIS capital metrics

BIS capital metrics – Group

end of	2022	2021	% change
Capital and risk-weighted assets (CHF million)			
CET1 capital	35,290	38,529	(8)
Tier 1 capital	50,026	54,373	(8)
Total eligible capital	50,026	54,852	(9)
Risk-weighted assets	250,540	267,787	(6)
Capital ratios (%)			
CET1 ratio	14.1	14.4	–
Tier 1 ratio	20.0	20.3	–
Total capital ratio	20.0	20.5	–

Eligible capital – Group

end of	2022	2021	% change
Eligible capital (CHF million)			
Total shareholders' equity	**45,129**	**43,954**	3
Adjustments			
Regulatory adjustments [1]	(56)	157	–
Goodwill [2]	(2,871)	(2,893)	(1)
Other intangible assets [2]	(53)	(50)	6
Deferred tax assets that rely on future profitability	(141)	(881)	(84)
Shortfall of provisions to expected losses	(120)	(220)	(45)
Gains/(losses) due to changes in own credit on fair-valued liabilities	(4,056)	2,144	–
Defined benefit pension assets [2]	(3,289)	(3,280)	0
Investments in own shares	(409)	(477)	(14)
Other adjustments [3]	1,156	75	–
Total adjustments	**(9,839)**	**(5,425)**	81
CET1 capital	**35,290**	**38,529**	(8)
High-trigger capital instruments (7% trigger)	10,495	11,399	(8)
Low-trigger capital instruments (5.125% trigger)	4,241	4,445	(5)
Additional tier 1 capital	**14,736**	**15,844**	(7)
Tier 1 capital	**50,026**	**54,373**	(8)
Tier 2 low-trigger capital instruments (5% trigger)	0	479	(100)
Tier 2 capital	**0**	**479** [4]	(100)
Total eligible capital	**50,026**	**54,852** [4]	(9)

1 Includes certain adjustments, such as a cumulative dividend accrual.
2 Net of deferred tax liability.
3 Includes reversals of cash flow hedge reserves.
4 Amounts are shown on a look-through basis. Certain tier 2 instruments were subject to phase out and are no longer eligible as of January 1, 2022. As of 2021, total eligible capital was CHF 55,074 million, including CHF 222 million of such instruments, and the total capital ratio was 20.6%.

Capital movement – Group

	2022	2021
CET1 capital (CHF million)		
Balance at beginning of period	**38,529**	**35,361**
Net income/(loss) attributable to shareholders	(7,293)	(1,650)
Foreign exchange impact [1]	(106)	691
Issuance of common shares	3,886	0
Regulatory adjustment of deferred tax assets relating to net operating losses	802	225
of which valuation allowance [2]	1,700	–
of which reclassification of deferred tax assets [3]	(441)	–
of which other regulatory adjustments	(457)	–
Regulatory adjustment of goodwill and intangible assets, net of deferred tax liability	29	1,616
Issuance of Mandatory Convertible Notes	0	1,652 [4]
Impact from the reduction of the investment in Allfunds Group	(71)	862 [5]
Reversal of unrealized gains on certain equity investments not eligible for CET1 recognition	(87)	432
Dividends	(211)	227
Repurchase of shares under the share buyback program	0	(305)
Other [6]	(188)	(582)
Balance at end of period	**35,290**	**38,529**
Additional tier 1 capital (CHF million)		
Balance at beginning of period	**15,844**	**15,841**
Foreign exchange impact	204	543
Issuances	1,602	0
Redemptions	(1,439)	0
Other [7]	(1,475)	(540)
Balance at end of period	**14,736**	**15,844**
Tier 2 capital (CHF million)		
Balance at beginning of period	**479**	**961**
Foreign exchange impact	33	36
Other [8]	(512)	(518)
Balance at end of period	**0**	**479**
Eligible capital (CHF million)		
Balance at end of period	**50,026**	**54,852**

1 Includes US GAAP cumulative translation adjustments and the foreign exchange impact on regulatory CET1 adjustments.
2 Reflects the partial reversal of the valuation allowance relating to the reassessment of the deferred tax asset as a result of the comprehensive strategic review.
3 Reflects the reclassification of deferred tax assets related to the Group's tax election to accelerate the tax loss recognition of a previously recognized deferred tax asset on timing differences in 2021.
4 Reflects the regulatory capital impact of the issuance of Mandatory Convertible Notes, net of fees and expenses.
5 Reflects regulatory adjustments relating to the initial public offering of Allfunds Group and the subsequent reduction of our equity investment to below 10%.
6 Includes the net effect of share-based compensation and a regulatory adjustment of defined benefit pension plan assets.
7 Primarily reflects valuation impacts.
8 Includes the impact of the prescribed amortization requirement as instruments move closer to their maturity date.

Our CET1 ratio was 14.1% as of the end of 2022 compared to 14.4% as of the end of 2021. Our tier 1 ratio was 20.0% as of the end of 2022 compared to 20.3% as of the end of 2021. Our total capital ratio was 20.0% as of the end of 2022 compared to 20.5% as of the end of 2021.

CET1 capital of CHF 35.3 billion as of the end of 2022 decreased 8% compared to CHF 38.5 billion as of the end of 2021. The decrease in CET1 capital was mainly due to the net loss attributable to shareholders, which included a valuation allowance of CHF 3,655 million relating to the reassessment of deferred tax assets as a result of the comprehensive strategic review. This decrease was partially offset by the issuance of common shares relating to the capital increases and a regulatory adjustment of deferred tax assets relating to net operating losses of CHF 802 million, which included CHF 1,700 million for the partial reversal of the valuation allowance relating to the reassessment of deferred tax assets as a result of the comprehensive strategy review and a deferred tax assets reclassification of CHF (441) million related to the Group's tax election to accelerate the tax loss recognition of a previously recognized deferred tax asset on timing differences in 2021.

Additional tier 1 capital of CHF 14.7 billion as of the end of 2022 decreased 7% compared to CHF 15.8 billion as of the end of 2021, mainly due to redemptions of high-trigger capital instruments and valuation impacts, partially offset by issuances of high-trigger capital instruments.

Tier 2 capital of CHF 0.0 billion as of the end of 2022 decreased 100% compared to CHF 0.5 billion as of the end of 2021, mainly due to the impact of the prescribed amortization requirement as instruments moved closer to their maturity date.

Total eligible capital of CHF 50.0 billion as of the end of 2022 decreased 9% compared to CHF 54.9 billion as of the end of 2021, mainly reflecting the decreases in CET1 capital and additional tier 1 capital.

Risk-weighted assets

Our balance sheet positions and off-balance sheet exposures translate into RWA, which are categorized as credit, market and operational RWA. When assessing RWA, it is not the nominal size, but rather the nature (including risk mitigation such as collateral or hedges) of the balance sheet positions or off-balance sheet exposures that determines the RWA.

Credit risk RWA reflect the capital requirements for the possibility of a loss being incurred as the result of a borrower or counterparty failing to meet its financial obligations or as a result of a deterioration in the credit quality of the borrower or counterparty. Under the Basel framework, certain regulatory capital adjustments are dependent on the level of CET1 capital (thresholds). The amount above the threshold is deducted from CET1 capital and the amount below the threshold is risk weighted. RWA subject to such threshold adjustments are included in credit risk RWA. For measuring the capital requirements related to credit risk, we use the advanced internal ratings-based (A-IRB) approach. Under the A-IRB approach for measuring credit risk, risk weights are determined by using internal risk parameters for probability of default (PD), loss given default (LGD) and effective maturity. The exposure at default (EAD) is either derived from balance sheet values or by using models. For the capital requirements for counterparty credit risk, we use the internal models method (IMM) for the majority of the derivatives and the value-at-risk (VaR) model for securities financing transactions (SFT). We have also implemented the credit valuation adjustment (CVA), which covers the risk of mark-to-market losses on the expected counterparty risk arising from changes in a counterparty's credit spreads.

Market risk RWA reflect the capital requirements of potential changes in the fair values of financial instruments in response to market movements inherent in both balance sheet and off-balance sheet items. For calculating the capital requirements related to market risk, the internal models and standardized approaches are used. Within the Basel framework for FINMA regulatory capital purposes, we implemented risk measurement models, including an incremental risk charge (IRC), stressed value-at-risk (VaR) and risks not in VaR (RNIV).

The IRC is a regulatory capital charge for default and migration risk on positions in the trading books and is intended to complement additional standards being applied to the VaR modeling framework, including stressed VaR. Stressed VaR replicates a VaR calculation on the Group's current portfolio, taking into account a one-year observation period relating to significant financial stress and helps reduce the pro-cyclicality of the minimum capital requirements for market risk. RNIV and stressed RNIV are risks that are not currently implemented within the Group's VaR model, such as certain basis risks, higher order risks and cross risks.

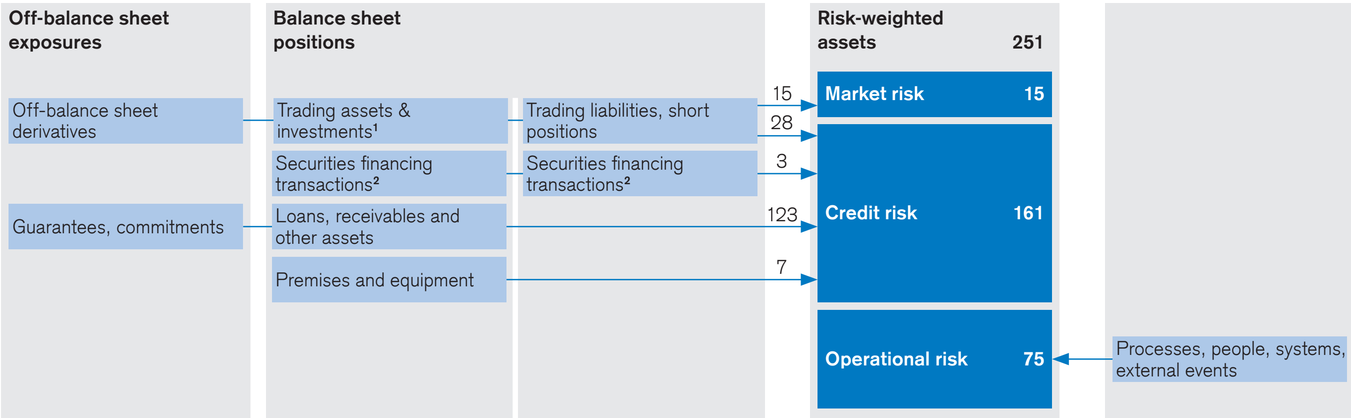
For capital purposes, FINMA, in line with BIS requirements, uses a multiplier to impose an increase in market risk capital for every regulatory VaR backtesting exception above four in the prior rolling 12-month period. In 2022, our market risk capital multiplier remained at FINMA and BIS minimum levels and we did not experience an increase in market risk capital.

→ Refer to "Market risk" in Risk management for further information.

Operational risk RWA reflect the capital requirements for the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. We use the advanced measurement approach (AMA) to calculate the operational risk regulatory capital requirements. The AMA model covers our identified operational risk types and applies a loss distribution approach to calculate the forward-looking potential total annual operational loss.

Risk-weighted assets – Group

as of December 31, 2022 (CHF billion)



1 Includes primarily trading assets, investment securities and other investments.
2 Includes central bank funds sold, securities purchased under resale agreements and central bank funds purchased, securities sold under repurchase agreements and securities lending transactions.

Risk-weighted assets – Group

end of	Wealth Management	Investment Bank	Swiss Bank	Asset Management	Corporate Center	**Group**
2022 (CHF million)						
Credit risk	35,423	47,005	61,866	6,279	10,442	**161,015**
Market risk	2,881	10,053	82	52	1,957	**15,025**
Operational risk	16,245	17,102	7,142	2,002	32,009	**74,500**
Risk-weighted assets	**54,549**	**74,160**	**69,090**	**8,333**	**44,408**	**250,540**
2021 (CHF million)						
Credit risk	41,061	56,389	61,917	6,395	18,043	**183,805**
Market risk	2,899	11,524	88	69	1,775	**16,355**
Operational risk	16,014	16,400	6,759	1,982	26,472	**67,627**
Risk-weighted assets	**59,974**	**84,313**	**68,764**	**8,446**	**46,290**	**267,787**

Risk-weighted assets movements

RWA decreased 6% to CHF 250.5 billion as of the end of 2022 from CHF 267.8 billion as of the end of 2021, mainly driven by movements in risk levels in credit risk. This decrease was partially offset by increases in internal model and parameter updates in operational and credit risk.

Excluding the foreign exchange impact, the decrease in **credit risk** was primarily driven by movements in risk levels attributable to book size, mainly due to decreases in lending exposures in Wealth Management and the Investment Bank, and the impact of the valuation allowance relating to the reassessment of deferred tax assets as a result of the comprehensive strategic review reflected in the Corporate Center. The movement also included a decrease in derivative exposures and secured financing exposures, mainly in the Investment Bank, including the impact of the substantially completed exit of the prime services franchise and deleveraging resulting from the significant deposit outflows the Group experiences in the fourth quarter of 2022, and a decrease in our equity exposures relating to the sale of our investment in Allfunds Group reflected in Wealth Management.

Excluding the foreign exchange impact, the decrease in **market risk** was primarily driven by internal model and parameter updates in the Investment Bank, mainly reflecting time series updates as COVID-19 volatility rolled out of the two-year VaR window.

Excluding the foreign exchange impact, the increase in **operational risk** was mainly driven by internal model and parameter updates based on changes made in the AMA model to reflect increased litigation provisions, in addition to the annual recalibration of the model. Allocation to divisions has also changed year-on-year due to annual recalibration of allocation keys performed in the fourth quarter of 2022.

Risk-weighted asset movement by risk type – Group

2022	Wealth Management	Investment Bank	Swiss Bank	Asset Management	Corporate Center	Total
Credit risk (CHF million)						
Balance at beginning of period	**41,061**	**56,389**	**61,917**	**6,395**	**18,043**	**183,805**
Foreign exchange impact	(439)	82	(124)	119	372	10
Movements in risk levels	(6,758)	(9,974)	(2,433)	(235)	(7,778)	(27,178)
of which credit risk – book size [1]	(7,488)	(9,367)	(1,757)	(6)	(8,702)	(27,320)
of which credit risk – book quality [2]	730	(607)	(676)	(229)	924	142
Model and parameter updates – internal [3]	127	148	1,984	0	(195)	2,064
Model and parameter updates – external [4]	1,432	360	522	0	0	2,314
Balance at end of period	**35,423**	**47,005**	**61,866**	**6,279**	**10,442**	**161,015**
Market risk (CHF million)						
Balance at beginning of period	**2,899**	**11,524**	**88**	**69**	**1,775**	**16,355**
Foreign exchange impact	47	251	(1)	(12)	29	314
Movements in risk levels	117	(441)	74	(27)	(27)	(304)
Model and parameter updates – internal [3]	(182)	(1,281)	(79)	22	180	(1,340)
Balance at end of period	**2,881**	**10,053**	**82**	**52**	**1,957**	**15,025**
Operational risk (CHF million)						
Balance at beginning of period	**16,014**	**16,400**	**6,759**	**1,982**	**26,472**	**67,627**
Foreign exchange impact	204	154	58	25	86	527
Movements in risk levels	174	(174)	0	0	0	0
Model and parameter updates – internal [3]	(147)	722	325	(5)	5,451	6,346
Balance at end of period	**16,245**	**17,102**	**7,142**	**2,002**	**32,009**	**74,500**
Total (CHF million)						
Balance at beginning of period	**59,974**	**84,313**	**68,764**	**8,446**	**46,290**	**267,787**
Foreign exchange impact	(188)	487	(67)	132	487	851
Movements in risk levels	(6,467)	(10,589)	(2,359)	(262)	(7,805)	(27,482)
Model and parameter updates – internal [3]	(202)	(411)	2,230	17	5,436	7,070
Model and parameter updates – external [4]	1,432	360	522	0	0	2,314
Balance at end of period	**54,549**	**74,160**	**69,090**	**8,333**	**44,408**	**250,540**

1 Represents changes in portfolio size.
2 Represents changes in average risk weighting across credit risk classes.
3 Represents movements arising from internally driven updates to models and recalibrations of model parameters specific only to Credit Suisse.
4 Represents movements arising from externally mandated updates to models and recalibrations of model parameters specific only to Credit Suisse.

Leverage metrics

Credit Suisse has adopted the BIS leverage ratio framework, as issued by the BCBS and implemented in Switzerland by FINMA. Under the BIS framework, the leverage ratio measures tier 1 capital against the end-of-period exposure. As used herein, leverage exposure consists of period-end balance sheet assets and prescribed regulatory adjustments, such as derivative financial instruments, securities financing transactions and off-balance sheet exposures.

Leverage exposure – Group

end of	2022	2021
Leverage exposure (CHF million)		
Wealth Management	179,378	233,228
Investment Bank	211,601	347,774
Swiss Bank	220,026	247,509
Asset Management	2,499	2,737
Corporate Center	37,047	57,889
Leverage exposure	**650,551**	**889,137**

The leverage exposure of CHF 650.6 billion as of the end of 2022 decreased 27% compared to CHF 889.1 billion as of the end of 2021. The movement was mainly due to a decrease in the consolidated balance sheet. The balance sheet decrease was primarily due to lower HQLA, mainly in the Investment Bank and Wealth Management, reflecting a significant reduction in cash held at central banks and reductions in non-HQLA, both as a result of the deposit outflows the Group experiences in the fourth quarter of 2022. The decrease also reflected certain other business reductions.

→ Refer to "Balance sheet and off-balance sheet" for further information on the movement in the Group's consolidated balance sheet.

Leverage exposure components – Group

end of	2022	2021	% change
Leverage exposure (CHF million)			
Total assets	**531,358**	**755,833**	(30)
Adjustments			
Difference in scope of consolidation and tier 1 capital deductions 1	(8,518)	(9,386)	(9)
Derivative financial instruments	43,642	55,901	(22)
Securities financing transactions	2,402	(8,546)	–
Off-balance sheet exposures	78,811	93,286	(16)
Other	2,856	2,049	39
Total adjustments	**119,193**	**133,304**	(11)
Leverage exposure	**650,551**	**889,137**	(27)

1 Includes adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation and tier 1 capital deductions related to balance sheet assets.

BIS leverage metrics – Group

end of	2022	2021	% change
Capital and leverage exposure (CHF million)			
CET1 capital	35,290	38,529	(8)
Tier 1 capital	50,026	54,373	(8)
Leverage exposure	650,551	889,137	(27)
Leverage ratios (%)			
CET1 leverage ratio	5.4	4.3	–
Tier 1 leverage ratio	7.7	6.1	–

BIS leverage ratios – Group

The CET1 leverage ratio was 5.4% as of the end of 2022, compared to 4.3% as of the end of 2021, reflecting significantly lower leverage exposure and higher CET1 capital. The tier 1 leverage ratio was 7.7% as of the end of 2022, compared to 6.1% as of the end of 2021, mainly reflecting significantly lower leverage exposure.

Swiss metrics

Swiss capital metrics

As of the end of 2022, our Swiss CET1 capital was CHF 35.3 billion and our Swiss CET1 ratio was 14.1%. Our going concern capital was CHF 50.0 billion and our going concern capital ratio was 19.9%. Our gone concern capital was CHF 49.1 billion and our gone concern capital ratio was 19.6%. Our total loss-absorbing capacity was CHF 99.1 billion and our TLAC ratio was 39.5%.

Swiss capital metrics – Group

end of	2022	2021	% change
Swiss capital and risk-weighted assets (CHF million)			
Swiss CET1 capital	35,290	38,529	(8)
Going concern capital	50,026	54,372	(8)
Gone concern capital	49,117	46,648	5
Total loss-absorbing capacity	99,143	101,020	(2)
Swiss risk-weighted assets	250,963	268,418	(7)
Swiss capital ratios (%)			
Swiss CET1 ratio	14.1	14.4	–
Going concern capital ratio	19.9	20.3	–
Gone concern capital ratio	19.6	17.4	–
TLAC ratio	39.5	37.6	–

Rounding differences may occur.

Swiss capital and risk-weighted assets – Group

end of	2022	2021	% change
Swiss capital (CHF million)			
CET1 capital – BIS	35,290	38,529	(8)
Swiss CET1 capital	**35,290**	**38,529**	(8)
Additional tier 1 high-trigger capital instruments	10,495	11,398	(8)
Grandfathered additional tier 1 low-trigger capital instruments	4,241	4,445	(5)
Swiss additional tier 1 capital	**14,736**	**15,843**	(7)
Going concern capital	**50,026**	**54,372**	(8)
Bail-in debt instruments	49,117	44,251	11
Tier 2 low-trigger capital instruments	0	479	(100)
Tier 2 amortization component	0	1,918	(100)
Gone concern capital	**49,117**	**46,648** [1]	5
Total loss-absorbing capacity	**99,143**	**101,020**	(2)
Risk-weighted assets (CHF million)			
Risk-weighted assets – BIS	250,540	267,787	(6)
Swiss regulatory adjustments [2]	423	631	(33)
Swiss risk-weighted assets	**250,963**	**268,418**	(7)

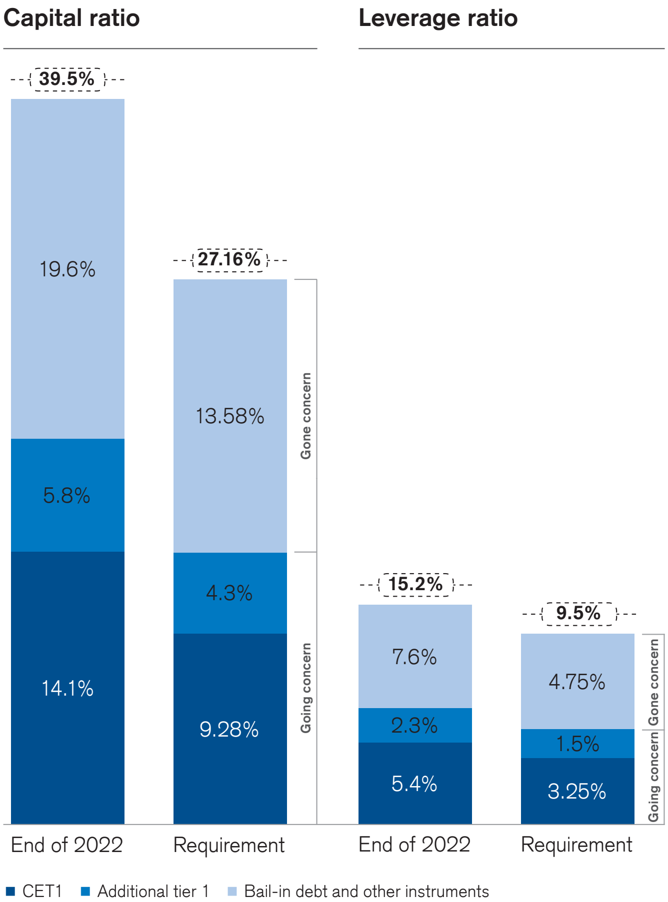
1 Amounts are shown on a look-through basis. Certain tier 2 instruments and their related tier 2 amortization components were subject to phase out and are no longer eligible as of January 1, 2022. As of 2021, gone concern capital was CHF 46,897 million, including CHF 249 million of such instruments.
2 Primarily includes differences in the credit risk multiplier.

Swiss leverage metrics – Group

end of	2022	2021	% change
Swiss capital and leverage exposure (CHF million)			
Swiss CET1 capital	35,290	38,529	(8)
Going concern capital	50,026	54,372	(8)
Gone concern capital	49,117	46,648	5
Total loss-absorbing capacity	99,143	101,020	(2)
Leverage exposure	650,551	889,137	(27)
Swiss leverage ratios (%)			
Swiss CET1 leverage ratio	5.4	4.3	–
Going concern leverage ratio	7.7	6.1	–
Gone concern leverage ratio	7.6	5.2	–
TLAC leverage ratio	15.2	11.4	–

Rounding differences may occur.

Swiss capital and leverage ratios for Credit Suisse



Rounding differences may occur. Does not include the FINMA Pillar 2 capital add-on relating to the supply chain finance funds matter, the effects of the countercyclical buffers and any rebates for resolvability.

Swiss leverage metrics

The leverage exposure used in the Swiss leverage ratios is measured on the same period-end basis as the leverage exposure for the BIS leverage ratio. As of the end of 2022, our Swiss CET1 leverage ratio was 5.4%, our going concern leverage ratio was 7.7%, our gone concern leverage ratio was 7.6% and our TLAC leverage ratio was 15.2%.

Bank regulatory disclosures

The following capital, RWA and leverage disclosures apply to the Bank. The business of the Bank is substantially the same as that of the Group, including business drivers and trends relating to capital, RWA and leverage metrics.

→ Refer to "BIS capital metrics", "Risk-weighted assets", "Leverage metrics" and "Swiss metrics" for further information.

BIS capital metrics – Bank

end of	**2022**	2021	% change
Capital and risk-weighted assets (CHF million)			
CET1 capital	40,987	44,185	(7)
Tier 1 capital	54,843	59,110	(7)
Total eligible capital	54,843	59,589	(8)
Risk-weighted assets	249,536	266,934	(7)
Capital ratios (%)			
CET1 ratio	16.4	16.6	–
Tier 1 ratio	22.0	22.1	–
Total capital ratio	22.0	22.3	–

The Bank's CET1 ratio was 16.4% as of the end of 2022 compared to 16.6% as of the end of 2021. The Bank's tier 1 ratio was 22.0% as of the end of 2022 compared to 22.1% as of the end of 2021. The Bank's total capital ratio was 22.0% as of the end of 2022 compared to 22.3% as of the end of 2021.

CET1 capital of CHF 41.0 billion as of the end of 2022 decreased 7% compared to CHF 44.2 billion as of the end of 2021. The decrease in CET1 capital was mainly due to the net loss attributable to shareholders, which included a valuation allowance of CHF 3,655 million relating to the reassessment of deferred tax assets as a result of the comprehensive strategic review. These decreases were partially offset by a capital contribution from the Group following the Group's issuance of common shares.

Additional tier 1 capital of CHF 13.9 billion as of the end of 2022 decreased 7% compared to CHF 14.9 billion as of the end of 2021, mainly due to redemptions of high-trigger capital instruments and valuation impacts, partially offset by issuances of high-trigger capital instruments.

Eligible capital and risk-weighted assets – Bank

end of	**2022**	2021	% change
Eligible capital (CHF million)			
Total shareholders' equity	**47,871**	**47,390**	1
Regulatory adjustments [1]	(483)	(670)	(28)
Other adjustments [2]	(6,401)	(2,535)	153
CET1 capital	**40,987**	**44,185**	(7)
Additional tier 1 instruments	13,856 [3]	14,925	(7)
Additional tier 1 capital	**13,856**	**14,925**	(7)
Tier 1 capital	**54,843**	**59,110**	(7)
Tier 2 low-trigger capital instruments (5% trigger)	0	479	(100)
Tier 2 capital	**0**	**479** [4]	(100)
Total eligible capital	**54,843**	**59,589** [4]	(8)
Risk-weighted assets by risk type (CHF million)			
Credit risk	160,011	182,952	(13)
Market risk	15,025	16,355	(8)
Operational risk	74,500	67,627	10
Risk-weighted assets	**249,536**	**266,934**	(7)

1 Includes certain adjustments, such as a cumulative dividend accrual.
2 Includes certain deductions, such as goodwill, other intangible assets and certain deferred tax assets.
3 Consists of high-trigger and low-trigger capital instruments. Of this amount, CHF 10.5 billion consists of capital instruments with a capital ratio write-down trigger of 7% and CHF 3.4 billion consists of capital instruments with a capital ratio write-down trigger of 5.125%.
4 Amounts are shown on a look-through basis. Certain tier 2 instruments were subject to phase out and are no longer eligible as of January 1, 2022. As of 2021, total eligible capital was CHF 59,811 million, including CHF 222 million of such instruments, and the total capital ratio was 22.4%.

Tier 2 capital of CHF 0.0 billion as of the end of 2022 decreased 100% compared to CHF 0.5 billion as of the end of 2021, mainly due to the impact of the prescribed amortization requirement as instruments moved closer to their maturity date.

The Bank's total eligible capital of CHF 54.8 billion decreased 8% as of the end of 2022 compared to CHF 59.6 billion as of the end of 2021, mainly reflecting the decreases in CET1 capital and additional tier 1 capital.

RWA decreased CHF 17.4 billion to CHF 249.5 billion as of the end of 2022 compared to CHF 266.9 billion as of the end of 2021.

Leverage exposure components – Bank

end of	2022	2021	% change
Leverage exposure (CHF million)			
Total assets	**530,039**	**759,214**	(30)
Adjustments			
Difference in scope of consolidation and tier 1 capital deductions [1]	(5,199)	(6,251)	(17)
Derivative financial instruments	44,611	56,058	(20)
Securities financing transactions	2,402	(8,546)	–
Off-balance sheet exposures	78,842	93,286	(15)
Other	2,856	2,049	39
Total adjustments	**123,512**	**136,596**	(10)
Leverage exposure	**653,551**	**895,810**	(27)

1 Includes adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation and tier 1 capital deductions related to balance sheet assets.

BIS leverage metrics – Bank

end of	2022	2021	% change
Capital and leverage exposure (CHF million)			
CET1 capital	40,987	44,185	(7)
Tier 1 capital	54,843	59,110	(7)
Leverage exposure	653,551	895,810	(27)
Leverage ratios (%)			
CET1 leverage ratio	6.3	4.9	–
Tier 1 leverage ratio	8.4	6.6	–

Swiss capital metrics – Bank

end of	2022	2021	% change
Swiss capital and risk-weighted assets (CHF million)			
Swiss CET1 capital	40,987	44,185	(7)
Going concern capital	54,843	59,110	(7)
Gone concern capital	42,930	41,316	4
Total loss-absorbing capacity	97,773	100,426	(3)
Swiss risk-weighted assets	249,953	267,558	(7)
Swiss capital ratios (%)			
Swiss CET1 ratio	16.4	16.5	–
Going concern capital ratio	21.9	22.1	–
Gone concern capital ratio	17.2	15.4	–
TLAC ratio	39.1	37.5	–

Rounding differences may occur.

Swiss capital and risk-weighted assets – Bank

end of	2022	2021	% change
Swiss capital (CHF million)			
CET1 capital – BIS	40,987	44,185	(7)
Swiss CET1 capital	**40,987**	**44,185**	(7)
Additional tier 1 high-trigger capital instruments	10,495	11,382	(8)
Grandfathered additional tier 1 low-trigger capital instruments	3,361	3,543	(5)
Swiss additional tier 1 capital	**13,856**	**14,925**	(7)
Going concern capital	**54,843**	**59,110**	(7)
Bail-in debt instruments	42,930	38,920	10
Tier 2 low-trigger capital instruments	0	479	(100)
Tier 2 amortization component	0	1,917	(100)
Gone concern capital	**42,930**	**41,316** [1]	4
Total loss-absorbing capacity	**97,773**	**100,426**	(3)
Risk-weighted assets (CHF million)			
Risk-weighted assets – BIS	249,536	266,934	(7)
Swiss regulatory adjustments [2]	417	624	(33)
Swiss risk-weighted assets	**249,953**	**267,558**	(7)

1 Amounts are shown on a look-through basis. Certain tier 2 instruments and their related tier 2 amortization components were subject to phase out and are no longer eligible as of January 1, 2022. As of 2021, gone concern capital was CHF 41,565 million, including CHF 249 million of such instruments.
2 Primarily includes differences in the credit risk multiplier.

Swiss leverage metrics – Bank

end of	2022	2021	% change
Swiss capital and leverage exposure (CHF million)			
Swiss CET1 capital	40,987	44,185	(7)
Going concern capital	54,843	59,110	(7)
Gone concern capital	42,930	41,316	4
Total loss-absorbing capacity	97,773	100,426	(3)
Leverage exposure	653,551	895,810	(27)
Swiss leverage ratios (%)			
Swiss CET1 leverage ratio	6.3	4.9	–
Going concern leverage ratio	8.4	6.6	–
Gone concern leverage ratio	6.6	4.6	–
TLAC leverage ratio	15.0	11.2	–

Rounding differences may occur.

Shareholders’ equity

Group

The Group’s total shareholders’ equity was CHF 45.1 billion as of the end of 2022 compared to CHF 44.0 billion as of the end of 2021. Total shareholders’ equity was positively impacted by gains on fair value elected liabilities relating to credit risk and the CHF 4.0 billion issuance of common shares in connection with the capital increases, offset by the net loss attributable to shareholders and losses on cash flow hedges.

→ Refer to the “Consolidated statements of changes in equity” in VI – Consolidated financial statements – Credit Suisse Group for further information on the Group’s total shareholders’ equity.

Bank

The Bank’s total shareholders’ equity was CHF 47.9 billion as of the end of 2022 compared to CHF 47.4 billion as of the end of 2021. Total shareholders’ equity was positively impacted by gains on fair value elected liabilities and a capital contribution from the Group following the issuance of common shares, offset by a net loss attributable to shareholders and losses on cash flow hedges.

→ Refer to the “Consolidated statements of changes in equity” in VIII – Consolidated financial statements – Credit Suisse (Bank) for further information on the Bank’s total shareholders’ equity.

Shareholders’ equity and share metrics

			Group			Bank
end of	**2022**	2021	% change	**2022**	2021	% change
Shareholders’ equity (CHF million)						
Common shares	160	106	51	4,400	4,400	0
Additional paid-in capital	38,615	34,938	11	50,879	47,417	7
Retained earnings	23,632	31,064	(24)	7,659	14,932	(49)
Treasury shares, at cost	(428)	(828)	(48)	–	–	–
Accumulated other comprehensive income/(loss)	(16,850)	(21,326)	(21)	(15,067)	(19,359)	(22)
Total shareholders’ equity	**45,129**	**43,954**	3	**47,871**	**47,390**	1
Goodwill	(2,903)	(2,917)	0	(2,868)	(2,881)	0
Other intangible assets	(458)	(276)	66	(452)	(276)	64
Tangible shareholders’ equity [1]	**41,768**	**40,761**	2	**44,551**	**44,233**	1
Shares outstanding (million)						
Common shares issued	4,002.2	2,650.7	51	4,399.7	4,399.7	0
Treasury shares	(60.9)	(81.0)	(25)	–	–	–
Shares outstanding	**3,941.3**	**2,569.7**	53	**4,399.7**	**4,399.7**	0
Par value (CHF)						
Par value	**0.04**	**0.04**	0	**1.00**	**1.00**	0
Book value per share (CHF)						
Total book value per share	**11.45**	**17.10**	(33)	**10.88**	**10.77**	1
Goodwill per share	(0.74)	(1.14)	(35)	(0.65)	(0.65)	0
Other intangible assets per share	(0.11)	(0.10)	10	(0.10)	(0.07)	43
Tangible book value per share [1]	**10.60**	**15.86**	(33)	**10.13**	**10.05**	1

1 Management believes that tangible shareholders’ equity and tangible book value per share, both non-GAAP financial measures, are meaningful as they are measures used and relied upon by industry analysts and investors to assess valuations and capital adequacy.

Foreign exchange exposure

Foreign exchange risk associated with investments in branches, subsidiaries and affiliates is managed within defined parameters that create a balance between the interests of stability of capital adequacy ratios and the preservation of Swiss franc shareholders' equity. Foreign exchange risk associated with the nonfunctional currency net assets of branches and subsidiaries is managed through a combination of forward-looking and concurrent backward-looking hedging activity, which is aimed at reducing the foreign exchange rate induced volatility of reported earnings.

Share purchases

The Swiss Code of Obligations limits a corporation's ability to hold or repurchase its own shares. We may only repurchase shares if we have sufficient free reserves to pay the purchase price, and if the aggregate nominal value of the repurchased shares does not exceed 10% of our nominal share capital. Furthermore, we must create a special reserve in our parent company's financial statements in the amount of the purchase price of the acquired shares. In our consolidated financial statements, own shares are recorded at cost and reported as treasury shares, resulting in a reduction in total shareholders' equity. Shares repurchased by us do not carry any voting rights at shareholders' meetings.

For 2022, there was no publicly announced share repurchase program in place. We purchased 1,388.1 million treasury shares and sold or re-issued 1,347.7 million treasury shares. The treasury shares were purchased through open market transactions, predominantly for market-making purposes and facilitating customer orders and to meet the Group's delivery obligations with respect to share-based compensation. As of December 31, 2022, the Group held 60.9 million treasury shares.

→ Refer to "Note 27 – Accumulated other comprehensive income and additional share information" in VI – Consolidated financial statements – Credit Suisse Group for information on movement in treasury shares.

Issuer purchases of equity securities

in	Total number of shares purchased (million) [1]	Average price paid per share purchased (CHF)
2022		
January	105.3	8.84
February	122.2	8.33
March	142.0	7.18
April	92.3	6.95
May	111.8	6.63
June	140.2	6.15
July	110.2	5.35
August	97.4	5.22
September	144.5	4.68
October	112.1	4.20
November	88.9	3.59
December	121.2	2.87
Total share purchases	**1,388.1**	**–**

1 We purchased 1,388.1 million shares in 2022 through open market transactions, predominantly for market-making purposes and facilitating customer orders as well as to meet the Group's delivery obligations with respect to share-based compensation.

Dividends and dividend policy

Under the Swiss Code of Obligations, dividends may be paid out only if and to the extent the corporation has distributable voluntary retained earnings or distributable legal reserves. In addition, for holding companies, legal reserves may be distributed if they exceed, after deduction of any accumulated losses and reserves for own shares held by subsidiaries, 20% of the share capital specified in the commercial register. Furthermore, dividends may be paid out only after shareholder approval. The Board of Directors may propose that a dividend be paid out, but cannot itself set the dividend. In Switzerland, the auditors are required to confirm whether the appropriation of retained earnings is in accordance with Swiss law and the company's articles of incorporation. In practice, the shareholders usually approve the dividend proposal of the Board of Directors. Dividends are usually due and payable after the shareholders' resolution relating to the allocation of profits has been passed. Under the Swiss Code of Obligations, the statute of limitations in respect of claiming the payment of dividends that have been declared is five years.

The dividend payment made in 2022 for the financial year 2021 consisted of a cash distribution of CHF 0.10 per share. 50% of the distribution was paid out of capital contribution reserves, free of Swiss withholding tax and not subject to income tax for Swiss resident individuals holding the shares as a private investment, and 50% was paid out of retained earnings, net of 35% Swiss withholding tax.

Our dividend payment policy seeks to provide investors with an efficient form of capital distribution relative to earnings. Our dividend payment policy is to pay a cash dividend per share, subject to performance and the decision of the Board of Directors and approval of our shareholders in due course.

Our Board of Directors proposes to the shareholders at the Annual General Meeting on April 4, 2023 a cash distribution of CHF 0.05 per share for the financial year 2022, subject to Annual General Meeting approval.

Reflecting our holding company structure, the Group is not an operating company and holds investments in subsidiaries. It is therefore reliant on the dividends of its subsidiaries to pay shareholder dividends and service its long-term debt. The subsidiaries of the Group are generally subject to legal restrictions on the amount of dividends they can pay. The amount of dividends paid by operating subsidiaries is determined after consideration of the expectations for future results and growth of the operating businesses.

→ Refer to "Proposed distribution out of capital contribution reserves" in VII – Parent company financial statements – Credit Suisse Group – Proposed appropriation of accumulated losses and capital distribution for further information on dividends.

Dividend per ordinary share

	USD [1]	CHF
Dividend per ordinary share for the financial year		
2021	0.10	0.093266
2020	0.101659	0.10
2019	0.2761	0.2776
2018	0.257126	0.2625
2017	0.249	0.25

1 Represents the distribution on each American Depositary Share. For further information, refer to credit-suisse.com/dividend.

Risk management

As of the end of 2022, the Group had a gross loan portfolio of CHF 265.6 billion, gross impaired loans of CHF 3.4 billion and, in 2022, an average risk management VaR of USD 49 million.

In 2022, we continued to strengthen our risk management capabilities. These improvements supported the navigation of the macroeconomic/geopolitical turmoil, notably Russia's invasion of Ukraine. We initiated risk appetite adjustments to support the strategic changes of the Group, while continuing to drive our culture transformation.

Our discussion of risk management includes the following main sections:

- **Key risk developments** provides an overview of topics with an actual or potential impact on risk management that have been important for the Group.
- **Risk oversight and governance** provides an overview on oversight, culture and key management bodies and committees covering risk management matters.
- **Risk appetite framework** provides an overview on key aspects and our process of risk appetite setting as well as the types of risk constraints we apply.
- **Risk coverage and management** provides an overview of our main risk types. For each of the risk types presented, we provide our definition of this risk type, sources of this risk, our approach to evaluation and management of this risk and related governance.
- **Risk portfolio analysis** provides quantitative information and discussion of our risk exposure, primarily in relation to credit and market risk.

Key risk developments

We are closely monitoring the following key risk and global economic developments as well as the potential effects on our operations and businesses, including through the reassessment of financial plans and the development of stress scenarios that take into account potential additional negative impacts.

Liquidity risk management

As previously disclosed, during early fourth quarter of 2022, Credit Suisse began experiencing significantly higher withdrawals of cash deposits as well as non-renewal of maturing time deposits. However, as the quarter progressed, these outflows stabilized to much lower levels but had not yet reversed by year end. While these outflows led the bank to partially utilize liquidity buffers at the Group and legal entity level, and we fell below certain legal entity level requirements, at the Group level we always maintained the core regulatory requirements of the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR). Remediation plans were prepared, initiated and implemented to mitigate these outflows, including accessing the public and private markets.

Russia's invasion of Ukraine

In response to Russia's invasion of Ukraine in late February 2022, the US, EU, UK, Switzerland and other countries across the world imposed severe sanctions against Russia's financial system and on Russian government officials and Russian business leaders. We are continuously assessing the impact of sanctions already imposed, Russian government countermeasures and potential future escalations on our exposures and client relationships.

→ Refer to "Other information" in II – Operating and financial review – Credit Suisse for further information.

Inflation concerns and recession risk

In the major economies, annual inflation rates stayed far above central bank target levels for most of 2022 but started to decrease at the end of 2022. In early 2023, energy prices eased and the improved functioning of supply chains reduced the upward pressure on prices of goods. However, price pressures have transitioned to the services sector while low unemployment rates have pushed wages up. The Fed and other major central banks have slowed the pace of monetary policy tightening in late 2022 and early 2023 but have continued to stress that policy interest rates may be further increased. Further significant increases in interest rates carry the risk of triggering a recession. We periodically assess the resilience and potential vulnerabilities in our exposures, should the global economy deteriorate into recession.

Energy supply disruptions

Russia, which is the major source of European energy imports, has significantly reduced or even halted gas flows through various pipelines to Western Europe. High energy costs are expected to squeeze consumer spending for other goods and services and increase costs across global supply chains. Furthermore, gas-intensive European industries such as chemicals and metals face the challenge of having to adjust to permanently higher energy prices. We assessed the potential portfolio implications on eurozone countries and energy-intensive industries. Also, as part of managing operational resilience and business continuity risks, we are assessing a range of energy supply shortage scenarios and have implemented mitigation measures addressing potential operational disruptions that may occur in European countries where Credit Suisse operates.

Emerging markets
The challenges facing emerging market countries increased during 2022 and are expected to persist in 2023. In Türkiye and in some Latin American countries such as Brazil and Peru, downside risks driven by elevated debt levels and political and social instability were further exacerbated by high inflation and US dollar appreciation. China's economic activity was also adversely impacted, mainly driven by its zero COVID-19 policy, the real estate sector's troubles and weaker global demand. However, the recently announced relaxation of China's COVID-19 restrictions is expected to stimulate the country's economic recovery and support global economic growth. We continue to closely monitor and conduct frequent reviews into our emerging markets country exposures.

Cyber risk
The financial industry continues to be increasingly reliant on technology, faces dynamic cyber threats from a variety of actors and new technology vulnerabilities are being discovered. We continue to invest in our information and cybersecurity programs in order to strengthen our ability to anticipate, detect, defend against and recover from cyber attacks. We regularly assess the effectiveness of our key controls and conduct ongoing employee training and awareness activities, including for key management personnel, in order to seek to strengthen resilience of our systems and promote a strong cyber risk culture.

Swiss property market
Property prices remained on an upward trend in 2022 as a result of continued contained supply despite sharp increases in Swiss mortgage rates. As previously reported, the Swiss Federal Council at the request of the SNB reactivated the Swiss countercyclical capital buffer from September 2022. Since September 30, 2022, banks, such as Credit Suisse, are required to hold additional CET1 capital amounting to 2.5% of RWA pertaining to mortgage loans that are directly or indirectly secured by residential real estate in Switzerland. We regularly monitor risks in our Swiss residential mortgage loan portfolio.

Strategy execution
On October 27, 2022, Credit Suisse announced a series of decisive actions following a strategic review conducted by the Board of Directors (Board) and Executive Board, focused on a restructuring of the Investment Bank, an accelerated cost transformation, and strengthened and reallocated capital. The strategic transformation entails significant execution risks that could adversely affect the bank. We strengthened our leadership of Credit Suisse through changes in the Board and enhanced our Executive Board with a team bringing relevant experience and a track record of execution. We are regularly monitoring market conditions as well as our operating processes and controls for heightened risk exposures and applying mitigating actions to minimize disruption to our businesses, clients, employees and operational readiness for the execution of our strategic transformation.

Risk management oversight

Prudent risk-taking in line with the Group's strategic priorities is fundamental to our business and success. The primary objectives of risk management are to protect our financial strength and reputation, while ensuring that capital is well deployed to support business activities in line with the Group strategy. The Group's risk management framework is based on transparency, management accountability and independent oversight.

Risk management is an integral part of the business planning process with strong senior management and Board involvement. We continuously work to strengthen risk management across the Group in an effort to meet the challenges resulting from a volatile market environment and increasing complexity driven by the changing regulatory landscape. Utilizing comprehensive risk management processes and sophisticated control systems, we continuously work to minimize the negative impact that may arise from risk concentrations.

The Group's business operations are designed to facilitate a commitment to conscious and disciplined risk-taking. We believe that independent risk management, compliance and audit processes with proper management accountability are critical to the interests and concerns of stakeholders. The Group's approach to risk management is supported by the following principles:
- Establish a clear risk appetite that sets out the types and levels of risk we are prepared to take;
- Have in place risk management and compliance policies that set out authorities and responsibilities for taking and managing risks;
- Seek to establish resilient risk constraints that promote multiple perspectives on risk and reduce the reliance on single risk measures;
- Actively monitor risks and take mitigating actions where they fall outside accepted levels; and
- Breaches of risk limits, flags or tolerances are identified, analyzed and escalated, and large, repeated or unauthorized exceptions may lead to terminations, adverse adjustments to compensation or other disciplinary action.

Culture

Our culture encompasses a shared set of values across the Group that fosters the importance, understanding and control of risk.

We seek to promote a strong risk culture where employees are empowered to take accountability for identifying and escalating risks and for challenging inappropriate actions. Expectations on risk culture are regularly communicated by senior management, reinforced through policies and training, and considered in the performance assessment and compensation processes and, with respect to employee conduct, assessed by formal disciplinary review committees. The Group's Code of Conduct is based on our shared corporate values and sets forth the behavioral expectations of our employees and members of the Board, in order to maintain and strengthen our reputation for integrity, fair dealing and measured risk-taking.

In 2022, we strengthened our approach to risk culture with the development of a risk culture framework that is made up of expected organizational "behaviors" and "foundations". The purpose of our risk culture framework is to help us understand in more detail what a strong risk culture is and to foster it across Credit Suisse. We also started to measure our progress with a risk culture dashboard and developed a comprehensive action plan to increase awareness. As started in 2021, we have continued embedding risk culture into our performance and compensation processes. Additional activities in 2022 focused on addressing the findings from our employee survey to strengthen our culture and to further embed our organizational purpose and values.

→ Refer to "Purpose & Strategy" in our Sustainability Report, available on credit-suisse.com/sustainabilityreport, for further information on our approach to culture.

Governance

Effective governance sets a solid foundation for comprehensive risk management discipline. The Group's risk governance framework is based on a "three lines of defense" governance model, where each line has a specific role with defined responsibilities and works in close collaboration to identify, assess and mitigate risks.

The first line of defense represents the business area or function that allows the risk to enter the Group from clients, employees or other third parties or events and is responsible for identifying, measuring, managing and reporting risks on a front-to-back basis in line with the Board's risk appetite. The first line of defense is fully accountable for managing risks inherent in its activities.

The second line of defense consists of independent risk management, compliance and control functions which are responsible for establishing risk management framework and associated control standards, and providing independent challenge to the activities, processes and controls carried out by the first line of defense. In this context, the Risk function (Risk), for example, is responsible for articulating and designing the risk appetite framework across the Group. The second line of defense can perform and complement the responsibility of identification, measurement, management and reporting of risks, while the first line of defense retains the overall accountability for risk management related to its activities. Independent risk management in the second line of defense is not limited to the Risk and Compliance functions.

The third line of defense is the Internal Audit function, which monitors the effectiveness of controls across various functions and operations, including risk management, compliance and governance practices.

The Group's operations are regulated by authorities in each of the jurisdictions in which we conduct business. Central banks and other bank regulators, financial services agencies, securities agencies and exchanges and self-regulatory organizations are among the regulatory authorities that oversee our businesses. FINMA is our primary regulator.

→ Refer to "Regulation and supervision" in I – Information on the company for further information.

The Group's governance includes a committee structure and a comprehensive set of corporate policies which are developed, reviewed and approved by the Board, the Executive Board, their respective committees, the Chief Risk Officer of the Group (CRO) and the board of directors of significant subsidiaries, in accordance with their respective responsibilities and levels of authority.

→ Refer to "Board of Directors" and "Executive Board" in IV – Corporate Governance for further information.

Board of Directors

The Board is responsible for our overall strategic direction, supervision and control, and for defining our overall tolerance for risk. In particular, the Board approves the risk management framework and sets overall risk appetite for the Group in consultation with its Risk Committee (Risk Committee), among other responsibilities and authorities defined in the Organizational Guidelines and Regulations (OGR).

The Board has six standing committees: the Governance and Nominations Committee, the Audit Committee, the Compensation Committee, the Conduct and Financial Crime Control Committee, the Risk Committee and the Digital Transformation and Technology Committee. In addition, the Board has one advisory committee, the Sustainability Advisory Committee. These committees assist the Board in fulfilling its oversight responsibilities, including risk management.

→ Refer to "Board of Directors" in IV – Corporate Governance for further information.

Executive Board

The Executive Board is responsible for establishing our strategic business plans, subject to approval by the Board, and implementing such plans. It further reviews and coordinates significant initiatives and approves Group-wide policies. The CRO and the Chief Compliance Officer of the Group (CCO) represent the Risk and Compliance functions, respectively, and provide regular information and reports to the Executive Board and the Board.

The Executive Board currently has five standing committees: the Executive Board Risk Management Committee (ExB RMC), the Group Capital Allocation and Liability Management Committee, the Credit Suisse AG Parent Capital Allocation, Liability and Risk Management Committee, Valuation Risk Management Committee and the Group Conduct Board.

→ Refer to "Executive Board" in IV – Corporate Governance for further information.

Risk function

Risk, headed by the CRO, is an independent global function responsible for providing risk management oversight and establishing a holistic risk and control framework. Risk engages with the business divisions and aims to provide effective challenge, to enable sustainable and balanced risk taking and support the Group's long-term value creation. As part of this role, the function promotes accountability and risk ownership across the Group, defines, monitors and manages its risk appetite and implements and monitors risk relevant policies and procedures.

The organizational structure of Risk is aligned to oversee the key risk types across the business divisions and legal entities.

Compliance function

Compliance, headed by the CCO, is an independent global function that works with the businesses to manage risks arising from the potential failure to comply with applicable laws, regulations, rules or market standards. As a second line of defense function, responsibilities include independently assessing compliance risk, executing, monitoring and testing activities and reporting on adherence to our compliance risk appetite and other significant matters to the Board and senior management. Compliance creates, implements and monitors compliance policies and procedures designed to prevent or detect compliance breaches of employees and clients. Compliance is mandated to ensure that regulatory and compliance risks are overseen and managed in the organization and is also responsible for the identification and appropriate remediation of significant breaches of the Group's compliance processes and controls. Compliance runs global risk oversight programs, for example anti-fraud, conflict of interest, cross border and financial crime compliance, and establishes and monitors policies, guidelines, procedures and controls related to potential risks such as money laundering, bribery and corruption and sanctions.

The organizational structure of Compliance is aligned to oversee our divisions as well as our regions and significant legal entities and covers global key compliance topics.

Risk appetite framework

Overview

We maintain a comprehensive Group-wide risk appetite framework, which is governed by a global policy and provides a robust foundation for risk appetite setting and management across the Group. A key element of the framework is a detailed statement of the Board-approved risk appetite which is aligned to our financial and capital plans. The framework also encompasses the processes and systems for assessing the appropriate level of risk appetite required to constrain our overall risk profile.

Risk capacity is the maximum level of risk that we can assume, given our current level of resources before breaching any constraints determined by liquidity and capital requirements, the operational environment and our responsibilities to depositors, shareholders, investors and other stakeholders. Risk appetite expresses the aggregate level and types of risk we are willing to assume within our risk capacity to achieve our strategic objectives and business plan. Risk profile is a point-in-time assessment of our net risk exposures aggregated within and across each relevant risk category and is expressed in a variety of different quantitative risk metrics and qualitative risk observations. The size of our risk profile is restricted to the planned level of our risk appetite through the use of risk constraints, such as limits, flags and tolerances. In response to the Archegos matter and related regulatory observations, in 2022, Credit Suisse launched a proposal to streamline and enhance the suite of quantitative risk constraints. The enhanced risk constraints framework reduces the available constraints from five types to three: limits, flags and tolerances (the latter only for non-financial risk and model risk).

Key aspects and process

The Group risk appetite framework is governed by an overarching global policy that encompasses the suite of specific policies, processes and systems with which the risk constraints are calibrated and the risk profile is managed. Strategic risk objectives (SROs) are effectively embedded across our organization at the Group, business division and legal entity level through a suite of different types of risk measures (quantitative and qualitative) as part of our efforts to ensure we operate within the thresholds defined by the Board. The SROs are regularly assessed as part of our continuing enhancements to our risk management processes. In February 2023, the Board approved an enhanced set of SROs to support the Group's strategic objectives which consists of:

- promoting stability of earnings to support performance in line with financial objectives;
- ensuring sound management of funding and liquidity in normal and stressed conditions;
- maintaining capital adequacy under both normal and stressed conditions;
- maintaining the integrity of our business and operations;
- controlling concentrations within position risk or revenues which may pose a material risk to the Group; and
- managing environmental, social and governance risks as well as impacts related to the provision of financial services in line with our sustainability principles and commitments.

Group-wide risk appetite is reviewed in partnership with the financial and capital planning process at least annually, based on bottom-up forecasts, risk-reward and divisional objectives that reflect planned risk usage by the businesses and top-down, in alignment with Board-driven strategic risk objectives and risk appetite. Scenario-based stress testing of financial and capital plans is an essential element in the risk appetite calibration process, through which our strategic risk objectives, financial resources and business plans are aligned. The capital plans are also analyzed using our economic capital coverage ratio, which provides a further means of assessing bottom-up risk plans with respect to available capital resources. The Group-wide risk appetite is approved through a number of internal governance forums, including the ExB RMC, the Risk Committee and, subsequently, by the Board. Ad hoc risk appetite reviews may be triggered by material market events, material loss events, material revisions to the financial and capital plans, the internal capital adequacy assessment process (ICAAP) results as well as following breaches of Board-level risk constraints.

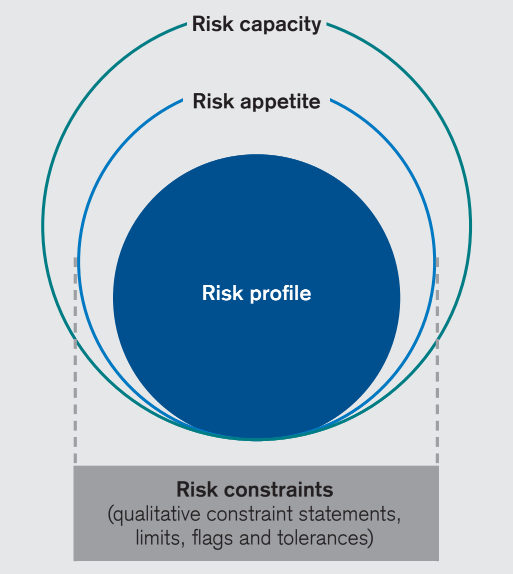
The risk appetite statement is the formal plan, approved by the Board, for our Group-wide risk appetite. Legal entity risk appetites are set by the local legal entity board of directors within the limits established by the Group. The top-down and bottom-up risk appetite calibration process includes the following key steps:

Top-down:
- Group-level strategic risk objectives are agreed by the Board in line with our financial and capital objectives.
- Top-down risk capacities and risk appetites are determined with reference to available resources and key thresholds, such as minimum regulatory requirements.
- A risk appetite statement is determined and approved annually by the Board, and is based on the strategic risk objectives, the comprehensive scenario stress testing of our forecasted financial results and capital requirements, and our economic capital framework. The risk appetite statement comprises quantitative and qualitative risk measures necessary for adequate control of the risk appetite across the organization. A review of the top-down and bottom-up risk appetite levels and their allocation between divisions and legal entities is performed.
- Separate legal entity risk appetite frameworks aligned to local regulatory requirements are in place for material subsidiaries. An integrated annual planning process is designed to ensure that individual legal entity risk appetites are consistent with Group levels.
- Divisional risk committees are responsible for allocating risk appetite within the respective divisions based on individual business line reviews and requirements.

Bottom-up:
- Planned risk levels and related risk appetite requests are provided by divisional business experts in conjunction with financial and capital plans in order to promote consistency with the business strategy. Risk plans are reviewed by the relevant risk management committees.
- Bottom-up risk forecasts are aggregated across businesses to assess divisional and Group-wide risk plans and to support management decisions on variations to existing risk appetite levels or the possible implementation of new risk appetite measures.
- The effectiveness of risk appetite in support of business strategy execution and delivery against financial objectives is assessed via a risk appetite effectiveness framework. This framework assists senior management and the Board in ensuring that appropriate levels of risk appetite are set and that the subsequent risk constraints are appropriately calibrated.
- Risk, financial and capital plans are jointly reviewed and approved by the Executive Board and the Board.

The Group-wide risk appetite framework encompasses multiple quantitative and qualitative aspects. The quantitative risk appetite aspects are measured using various metrics, including stress scenario metrics related to capital, earnings and liquidity, RWA and economic risk capital. The qualitative risk appetite aspects are used to monitor adherence to international and local laws and regulations, industry guidelines and internal policies, and are designed to manage and mitigate the Group's conduct and reputational risk.

Risk appetite framework – key definitions



Risk capacity Maximum level of risk that we can assume given our current level of resources before breaching any constraints determined by capital and liquidity requirements, the operational environment and our responsibilities to depositors, shareholders, investors and other stakeholders.

Risk appetite Aggregate level and types of risk we are willing to assume within our risk capacity to achieve our strategic objectives and business plan.

Risk profile Point-in-time assessment of our net risk exposures aggregated within and across each relevant risk category and expressed in a variety of different quantitative risk metrics and qualitative risk observations.

Risk constraints Quantitative and qualitative measures based on forward-looking assumptions that allocate our aggregate risk appetite to businesses, legal entities, risk categories, concentrations and, as appropriate, other levels.

Risk constraints

A core aspect of our risk appetite framework is a sound system of integrated risk constraints. These allow us to maintain our risk profile within our overall risk appetite, and encourage meaningful discussion between the relevant businesses, Risk functions and members of senior management around the evolution of our risk profile and risk appetite. Considerations include changing external factors (such as market developments, geopolitical conditions and client demand) as well as internal factors (such as financial resources, business needs and strategic views). Our risk appetite framework utilizes a suite of different types of risk constraints to reflect the aggregate risk appetite of the Group and to further cascade risk appetite across our organization, including among business divisions and legal entities. The risk constraints restrict our maximum balance sheet and off-balance sheet exposure given the market environment, business strategy and financial resources available to absorb losses. Different levels of seniority are mapped to each type of risk constraint, which require specific permanent or temporary modification, enforcement and breach response protocols. Risk constraints are monitored on a regular basis as part of our efforts to ensure they continue to fulfill their purposes.

We define the following risk constraint categories:
- **Qualitative constraints** represent constraints that are used to manage identified but unquantifiable or subjective risks, with adherence assessed by the appropriate level of constraint authority.
- **Quantitative constraints** represent constraints that are used to manage identified quantifiable risks and exist in the form of limits, flags and tolerances.

Constraint authority for the risk constraints is determined by the relevant approving body and constraints are currently in effect for all key risk governance bodies and committees including the Board, its Risk Committee and the ExB RMC. The appropriateness of the constraint types for the various risk classes within our risk appetite, including market, credit, non-financial and liquidity risk, is determined considering the respective characteristics of the various risk constraint types.

In general, risk constraints will be set in different ways depending on their respective functions and objectives. For example, certain risk constraints will reflect a maximum risk appetite, whereas others will be set closer to the current usage in order to ensure timely escalation and feedback among the relevant businesses, Risk functions and members of senior management. These considerations also influence the extent to which certain risk constraints may be introduced, modified or retired in response to changing external and internal factors.

We define the following types of risk constraints:
- **Qualitative constraint statements** are required for all qualitative constraints. Qualitative constraint statements need to be specific and to clearly define the respective risk to ensure that the risk profile for unquantifiable or subjective risks is readily assessable.
- **Limits** are specific threshold levels for a given risk metric. Limits are hard or binding thresholds that require discussion to avoid a breach and trigger immediate remediating action if a breach occurs.
- **Flags** are early warning indicators of potentially high utilizations of the Group's actual risk profile compared to its approved risk appetite, which serve primarily as a soft threshold intended to steer risk exposures. Flags can be set to calibrate or test future limits.
- **Tolerances** are designed as management constraints for non-financial risk and model risk management to initiate discussion. Breach of a tolerance level triggers review by the relevant constraint authority.

With respect to limits, flags and tolerances, established criteria are applied in the selection of the appropriate risk constraint, including the assessment of (i) the materiality of the respective risk metric with regard to its contribution to the overall Group risk appetite; (ii) the importance of the risk constraint to the organization from a qualitative perspective; (iii) the characteristic of the respective risk, e.g., risk concentrations or high priority risk for the Group; and (iv) the availability of mitigating actions to manage the risk profile of the Group in relation to the respective risk.

We have established a constraint structure which manages the Group's risk profile using multiple metrics, including VaR, scenario analysis, economic risk capital and various exposure limits at the Group level. The overall risk limits for the Group are set by the Board in consultation with its Risk Committee and are binding. In the fourth quarter of 2022, following significant deposit and net asset outflows as previously disclosed, we observed breaches of our internal Board level liquidity constraints. However, at the Group level, we maintained at all times the core regulatory requirements of the LCR and the NSFR. Additionally, following Russia's invasion of Ukraine, we breached the Russia country risk limit at the Board level, driven by counterparty ratings downgrades. We subsequently reduced the risk exposure, which remediated the breach.

Dedicated constraints are also in place to cover the specific risk profiles of individual businesses and legal entities. In the context of the overall risk appetite of the Group, as defined by the limits set by the Board in consultation with its Risk Committee, the ExB RMC is responsible for allocating key limits to divisions as deemed necessary to manage risk within individual lines of business. The divisional risk management committees and the divisional and legal entity chief risk officers are responsible for allocating risk appetite further within the organization. For this purpose, they use a detailed framework of individual risk limits designed to control risk-taking at a granular level by individual businesses and in the aggregate. The risk constraints are intended to:
- limit overall risk-taking to the Group's risk appetite;

- trigger senior management discussions with the businesses involved, risk management and governance committees in case of substantial change in the overall risk profile;
- promote consistent risk measurement across businesses;
- provide a common framework for the allocation of resources to businesses; and
- provide a basis for protecting the Group's capital base and meeting strategic risk objectives.

The limit owners are responsible for reviewing warning thresholds for risk limits. They may set warning thresholds for potential limit excesses at any level lower than the approved limits as deemed appropriate after taking into account the nature of the underlying business. A comprehensive risk appetite constraint framework is in place which defines roles and responsibilities, including risk constraint setting and escalation authorities. Risk limit breaches that are not remediated within strictly defined remediation timelines across all risk limits must be escalated to the CRO and the corresponding divisional Executive Board member.

Risk coverage and management

We use a wide range of risk management practices to address the variety of risks that arise from our business activities. Policies, processes, standards, risk assessment and measurement methodologies, risk appetite constraints, and risk monitoring and reporting are key components of our risk management practices. Our risk management practices complement each other in our analysis of potential loss, support the identification of interdependencies and interactions of risks across the organization and provide a comprehensive view of our exposures. We regularly review and update our risk management practices to promote consistency with our business activities and relevance to our business and financial strategies. Our main risk types include the following:
- Capital risk
- Credit risk
- Market risk
- Non-financial risk
- Model risk
- Reputational risk
- Climate-related risks
- Business risk
- Fiduciary risk
- Pension risk
- Funding liquidity risk

Funding liquidity risk is the risk that the Group, although solvent, either does not have sufficient financial resources to enable it to meet its obligations as they fall due, or can secure such resources only at excessive cost. Management of funding liquidity risk is described in the "Liquidity and funding management" section of this report.

→ Refer to "Liquidity and funding management" for further information on funding liquidity risk.

Capital risk

Definition

Capital risk is the risk that we do not have adequate capital to support our activities and maintain the minimum capital requirements. We maintain a robust and comprehensive framework for assessing capital adequacy, defining internal capital targets and ensuring that these capital targets are consistent with our overall risk profile and the current operating environment.

Sources of capital risk

Capital risk results from the Group's risk exposures, available capital resources, regulatory requirements and accounting standards.

Evaluation and management of capital risk

The stress testing framework and economic risk capital are tools used by the Group to evaluate and manage capital risk. Our capital management framework is designed to ensure that we meet all regulatory capital requirements for the Group and its regulated subsidiaries.

→ Refer to "Capital strategy" and "Regulatory framework" in Capital management for further information on the management of capital and RWA and regulatory capital requirements.

Overview of stress testing framework

Stress testing (or scenario analysis) represents a risk management approach that formulates hypothetical questions, including what would happen to our portfolio if, for example, historic or adverse forward-looking events were to occur. A well-developed stress testing framework provides a powerful tool for senior management to identify these risks and also take corrective actions to protect the earnings and capital from undesired impacts.

Stress testing is a fundamental element of our Group-wide risk appetite framework included in overall risk management to ensure that our financial position and risk profile provide sufficient resilience to withstand the impact of severe economic conditions. Stress testing results are monitored against limits, and are used in risk appetite discussions and strategic business planning and to support our ICAAP. The ICAAP aims to identify and accurately assess the significance of material risks faced by the Group. As part of the Group-wide ICAAP process, the bank assesses its present financial position and expected changes to the current business profile, the environment in which it expects to operate, its projected business plans, projected financial position and future planned sources of capital. Within the risk appetite framework, the ExB RMC sets Group-wide and divisional stressed position loss limits to correspond to minimum post-stress capital ratios. Currently, limits are set on the basis of BIS CET1 capital ratios. Stress tests also form an integral part of the Group's capital planning and the recovery and resolution plan (RRP) process. Within the RRP, stress tests provide the indicative scenario severity required to reach recovery and resolution capital levels.

Stress testing provides key inputs for managing the following objectives of the risk appetite framework:

- Ensuring Group-wide capital adequacy on both a regulatory basis and under stressed conditions: We run a suite of scenarios on forecasted financial metrics such as net revenues, total operating expenses, income before taxes and RWA. The post-stress capital ratios are assessed against the risk appetite of the Group.
- Maintaining stable earnings: We mainly use stress testing to quantitatively assess earnings stability risk. Earnings appetites are established and monitored as part of our efforts to contain excessive risk-taking which could compromise our earnings stability.

We also conduct externally defined stress tests that meet the specific requirements of regulators. For example, as part of various regular stress tests and analyses, FINMA requires a semi-annual loss potential analysis that includes two stress tests. For 2022, the FINMA stress tests included an extreme scenario that sees the world economy experience a severe recession, mainly as a result of the worsening of a European debt crisis, and an alternative scenario with similar severity but opposite evolution of interest rates and inflation (deflation in the former scenario versus supply-driven inflation pressures and rising interest rates in the latter scenario). In 2022, Credit Suisse developed a new persistent stagflation internal scenario to stress capital adequacy as part of its ICAAP. The persistent stagflation scenario envisages continued increases in inflation due to higher commodity prices, supply chain disruptions and overheated labor markets. Aggressive central bank interest rate hikes are envisaged to cause further tightening of financial conditions.

Methodology and scope of Group-wide stress testing

Stress tests are carried out to determine stressed position losses, earnings volatility and stressed capital ratios using historical, forward-looking and reverse stress testing scenarios. Stress tests also include the scenario impact on RWA through changes to market, credit and operational components. Scenarios are reviewed and updated regularly as markets and business strategies evolve.

We use historical stress testing scenarios to consider the impact of market shocks from relevant periods of extreme market disturbance. The calibration of internal scenarios is influenced by the identification of the most severe moves that have occurred in recent history. Severe flight to quality (SFTQ) is one of the key scenarios used for Group-wide stress testing and risk appetite setting. It is a combination of market shocks and defaults that reflects conditions similar to what followed the 2008/2009 financial crisis. The SFTQ scenario assumes a severe crash across financial markets, along with stressed default rates.

We use forward-looking stress testing scenarios to complement historical scenarios. The forward-looking scenarios are centered on potential macroeconomic, geopolitical or policy threats. We discuss the backdrop to several forward-looking scenarios, review a wide range of scenarios and select those that are most relevant to the analysis of key macroeconomic shocks. Some examples of forward-looking scenarios include global recessionary trends due to the world moving into US- and China-led economic blocks, a so-called emerging markets economic "hard landing" and the impact of monetary policy changes by central banks.

We also use a flight to quality lite scenario (FTQ Lite), which is a one-in-three years likelihood scenario with a lower severity of impact than SFTQ but with a higher likelihood of occurrence. FTQ Lite is used to test the earnings robustness of the Group.

We use reverse stress testing scenarios to complement traditional stress testing and enhance our understanding of business model vulnerabilities. Reverse stress testing leverages the stress results and outcome as evidenced under severe internal capital scenarios. In addition to the modeled impact generated by the scenario, management will assume further idiosyncratic impacts (e.g., non-financial risk incidents, large counterparty defaults, credit rating downgrades, reputational risk and loss of clients) that would lead to business model failure.

Overview of economic risk capital

Economic risk capital measures risks in terms of economic realities rather than regulatory or accounting rules and estimates the amount of capital needed to remain solvent and in business under extreme market, business and operating conditions over the period of one year. This framework allows us to assess, monitor and manage capital adequacy and solvency risk in both "going concern" and "gone concern" scenarios. In a "going concern" scenario, we hold sufficient capital to absorb losses to ensure continuity of service. In a "gone concern" scenario, we hold sufficient capital to absorb unexpected losses at a confidence level of 99.97% and fund an orderly resolution without recourse to public resources. Economic risk capital supplements the Group's RRP process.

At the level of the Group, economic risk capital is used primarily as a tool for capital management in a "gone concern" scenario, measuring the combined impact from quantifiable risks such as market, credit, operational, pension and expense risk. Additionally, economic risk capital is also used for risk management purposes for specific businesses within the Group.

→ Refer to "Capital strategy" and "Regulatory framework" in Capital management for further information on our capital management framework.

Position risk categories

	Risks captured
Credit risk	■ Risk of counterparty defaults relating to credit exposures directly held in the form of lending products (including loans and credit guarantees) or derivatives and shorter-term exposures such as underwriting commitments and trading book inventory, as well as credit exposures relating to issuers of collateral in lombard and share-backed loans, derivatives, reverse repurchase and securities lending transactions; settlement risk is not captured in the economic risk capital framework ■ Potential changes in creditworthiness relating to private banking corporate and retail credit exposures
Non-traded credit spread risk	■ Potential changes in creditworthiness relating to investment banking credit exposures as well as to the credit, debit and funding valuation adjustments
Securitized products	■ Commercial and residential real estate activities, including mortgage-backed securities, mortgage loans and real estate acquired at auction, and other securitized products, including asset-backed securities ■ Benefits from certain market risk hedges
Traded risk	■ Interest rates, credit spreads, foreign exchange rates, equity and commodity prices and volatilities, equity risk arbitrage, life finance and litigation activities, and illiquid hedge fund exposures ■ Risks currently not implemented in our economic risk capital models for traded risks, primarily for fixed income and equity trading, such as certain basis risks, higher order risks and cross risks between asset classes
Equity investments	■ Private equity and other illiquid equity investment exposures

Methodology and scope of economic risk capital

Our economic risk capital model is a set of methodologies used for measuring quantifiable risks associated with our business activities on a consistent basis. It is calculated separately for position risk (reflecting our exposure to market and credit risks), operational risk and other risks, using appropriate methodologies for each risk category. Economic risk capital is calculated by aggregating position, operational and other risks.

Position risk is the level of unexpected loss from our portfolio of balance sheet and off-balance sheet positions over a one-year holding period and includes market and credit risks. It is calculated at a 99% confidence level for risk management purposes reflecting a "going concern" scenario and at a 99.97% confidence level for capital management purposes reflecting a "gone concern" resolution scenario. Our position risks categories are described in the table "Position risk categories". To determine our overall position risk, we consider the diversification benefit across risk types. When analyzing position risk for risk management purposes, we look at individual risk types before and after the diversification benefit.

Operational risk is the risk of an adverse impact arising from inadequate or failed internal processes, people or systems, or from external events. We use an internal model to calculate the economic capital requirement for operational risk at a 99.97% confidence level and a one-year holding period.

Other risks covered include expense risk, pension risk, owned real estate risk, foreign exchange risk between available economic capital and economic risk capital, and the benefit from deferred share-based compensation awards.

Available economic capital is our internal view of the capital available to absorb losses based on the reported BIS CET1 capital under the Basel framework, with economic adjustments applied to provide consistency with our economic risk capital.

The economic risk capital coverage ratio operates with a number of distinct bands that serve as key controls for monitoring and managing our operational solvency.

Governance of capital risk

For capital risk, we have a Group-wide scenario calibration and analysis process, which includes the design of scenarios and the assessment and approval of scenario results. Stress tests are conducted on a regular basis and the results, trend information and supporting analysis are reported to the Board, senior management and regulators. We have a comprehensive set of stress testing models and an established governance for approving new and changed models and methodologies.

Credit risk

Definition

Credit risk is the risk of financial loss arising as a result of a borrower or counterparty failing to meet its financial obligations or as a result of deterioration in the credit quality of the borrower or counterparty. In the event of a default, a bank generally incurs a loss equal to the amount owed by the debtor, less any recoveries from foreclosure, liquidation of collateral, the restructuring of the debtor company or other recovery proceeds from the debtor. A change in the credit quality of a counterparty has an impact on the valuation of assets measured at fair value, with valuation changes recorded in the consolidated statements of operations.

Main sources of credit risk by division

Wealth Management	Lending against financial collateral and real assets (e.g., real estate, ships, yachts and aircraft) and corporate lending including export finance
Investment Bank	Loan underwriting and lending commitments to corporate clients, markets and trading activities including securities financing and derivatives products with global institutional clients, including banks, insurance companies, asset managers and hedge funds; warehouse facilities for the financing of mortgages and other asset types
Swiss Bank	Real estate financing, lending to corporate clients, lending against financial collateral and retail and consumer lending
Corporate Center	Money market exposure through balance sheet management, credit exposure with central counterparties and legacy positions

The divisions represent Credit Suisse's organizational structure effective from January 1, 2022 to December 31, 2022. As a result of the announced strategy effective from January 1, 2023 and the new organizational structure, a significant portion of exposures will be transferred from the Investment Bank to the Non-Core Unit which will comprise existing legacy positions and those arising from the new strategy. As a result, the Corporate Centre will also be restructured.

Sources of credit risk

Credit risk can arise from the execution of our business strategy in the divisions and includes risk positions such as exposures directly held in the form of lending products (including loans, money market deposits and credit guarantees) or traded products (derivatives, securities financing), shorter-term exposures such as underwriting commitments pending distribution, and settlement risk related to the exchange of cash or securities outside of typical delivery versus payment structures. The main sources of credit risk are presented in the table "Main sources of credit risk by division" and comprise existing portfolios of credit exposure in ongoing business, as well as select portfolios of legacy positions which are considered non-core and do not form part of continuing business.

Evaluation and management of credit risk

We use a credit risk management framework which provides for the consistent evaluation, measurement and management of credit risk across the Group. Assessments of credit risk exposures for internal risk estimates and RWA are calculated based on PD, LGD and EAD models. The credit risk framework incorporates the following core elements:

- counterparty and transaction assessments: application of internal credit ratings (PD), assignment of LGD and EAD values in relation to counterparties and transactions;
- credit limits: establishment of credit limits, including limits based on notional exposure, potential future exposure and stress exposure, subject to approval by delegated authority holders, to serve as primary risk controls on exposures and to prevent undue risk concentrations;
- credit monitoring, impairments and provisions: processes to support the ongoing monitoring and management of credit exposures, supporting the early identification of deterioration and any subsequent impact; and
- risk mitigation: active management of credit exposures through the use of cash sales, participations, collateral, guarantees, insurance or hedging instruments.

In addition to traditional credit exposure measurement, monitoring and management using current and potential future exposure metrics, we perform counterparty and portfolio credit risk assessments of the impact of various internal stress test scenarios. We assess the impact to credit risk exposures arising from market movements in accordance with the scenario narrative, which can further support the identification of concentration or tail risks. Our scenario suite includes historical scenarios as well as forward-looking scenarios which are used across the Risk function.

Counterparty and transaction assessments

Credit Risk evaluates and assesses counterparties and clients to whom the Group has credit exposures. For the majority of counterparties and clients, Credit Risk uses internally developed statistical rating models to determine internal credit ratings which are intended to reflect the PD of each counterparty. These rating models are backtested against internal experience, validated by a function independent of model development and approved by our main regulators for application in the regulatory capital calculation under the A-IRB approach of the Basel framework. Findings from backtesting serve as a key input for any future rating model developments.

Internal statistical rating models are based on a combination of quantitative factors (e.g., financial fundamentals and market data) and qualitative factors (e.g., credit history and economic trends).

For the remaining counterparties where statistical rating models are not used, internal credit ratings are assigned on the basis of a structured expert approach using a variety of inputs such as peer analyses, industry comparisons, external ratings and research as well as the judgment of expert credit officers.

Credit Suisse counterparty ratings

Ratings	PD bands (%)	Definition	S&P	Fitch	Moody's	Details
AAA	0.000–0.021	Substantially risk free	AAA	AAA	Aaa	Extremely low risk, very high long-term stability, still solvent under extreme conditions
AA+ AA AA-	0.021–0.027 0.027–0.034 0.034–0.044	Minimal risk	AA+ AA AA-	AA+ AA AA-	Aa1 Aa2 Aa3	Very low risk, long-term stability, repayment sources sufficient under lasting adverse conditions, extremely high medium-term stability
A+ A A-	0.044–0.056 0.056–0.068 0.068–0.097	Modest risk	A+ A A-	A+ A A-	A1 A2 A3	Low risk, short- and medium-term stability, small adverse developments can be absorbed long term, short- and medium-term solvency preserved in the event of serious difficulties
BBB+ BBB BBB-	0.097–0.167 0.167–0.285 0.285–0.487	Average risk	BBB+ BBB BBB-	BBB+ BBB BBB-	Baa1 Baa2 Baa3	Medium to low risk, high short-term stability, adequate substance for medium-term survival, very stable short term
BB+ BB BB-	0.487–0.839 0.839–1.442 1.442–2.478	Acceptable risk	BB+ BB BB-	BB+ BB BB-	Ba1 Ba2 Ba3	Medium risk, only short-term stability, only capable of absorbing minor adverse developments in the medium term, stable in the short term, no increased credit risks expected within the year
B+ B B-	2.478–4.259 4.259–7.311 7.311–12.550	High risk	B+ B B-	B+ B B-	B1 B2 B3	Increasing risk, limited capability to absorb further unexpected negative developments
CCC+ CCC CCC- CC	12.550–21.543 21.543–100.00 21.543–100.00 21.543–100.00	Very high risk	CCC+ CCC CCC- CC	CCC+ CCC CCC- CC	Caa1 Caa2 Caa3 Ca	High risk, very limited capability to absorb further unexpected negative developments
C D1 D2	100 Risk of default has materialized	Imminent or actual loss	C D	C D	C	Substantial credit risk has materialized, i.e., counterparty is distressed and/or non-performing. Adequate specific provisions must be made as further adverse developments will result directly in credit losses.

Transactions rated C are potential problem loans; those rated D1 are non-performing assets and those rated D2 are non-interest earning.

In addition to counterparty ratings, Credit Risk also assesses the risk profile of individual transactions and assigns transaction ratings which reflect specific contractual terms such as seniority, security and collateral.

Internal credit ratings may differ from external credit ratings, where available, and are subject to periodic review. Our internal ratings are mapped to a PD band associated with each rating which is calibrated to historical default experience using internal data and external data sources. Our internal masterscale for credit ratings is shown in the table "Credit Suisse counterparty ratings".

LGD estimates the size of loss that may arise on a credit exposure in the event of a default. We assign LGD on credit exposures based on the structure of the transaction and credit mitigation such as collateral or guarantees. The LGD values are calibrated to reflect a downturn macroeconomic environment and include recovery costs.

EAD represents the expected amount of credit exposure in the event of a default and reflects the current drawn exposure and an expectation regarding the future evolution of the credit exposure. For loan exposures, a credit conversion factor is applied to project the additional drawn amount between current utilization and the approved facility amount. The credit exposure related to traded products such as derivatives is based on a simulation using statistical models.

We use internal rating methodologies consistently for the purposes of approval, establishment and monitoring of credit limits, credit portfolio management, credit policy, management reporting, risk-adjusted performance measurement, economic risk capital measurement and allocation, and financial accounting.

Credit limits

Our credit exposures are managed at the counterparty and ultimate parent level in accordance with credit limits which apply in relation to notional exposure, potential future exposure and stress exposure where appropriate. Credit limits are established to constrain the lending business where exposure is typically related to committed loan amounts, and similarly in relation to the trading business where exposure is typically subject to model-based estimation of future exposure amounts. Credit limits to counterparties and groups of connected companies are subject to formal approval under delegated authority, and where significant in terms of size or risk profile, are subject to further escalation to the Group chief credit officer or the CRO. In addition to credit limits based on current or potential credit exposure, divisions may also apply additional limits to constrain risk based on other risk metrics including stress scenario results.

In addition to counterparty and ultimate parent exposures, credit limits and flags are also applied at the portfolio level to monitor and manage risk concentrations such as to specific industries, countries or products. In addition, credit risk concentration is regularly supervised by credit and risk management committees. Breaches of credit limits and other risk constraints, including stress scenario impacts, are monitored on an ongoing basis with formal escalation procedures in place. Limit breaches require escalation to the relevant limit setting authority.

Credit monitoring, impairments and provisions

A credit quality monitoring process is performed to provide for early identification of possible changes in the creditworthiness of clients, and includes regular asset and collateral quality reviews, business and financial statement analysis, and relevant economic and industry studies. Credit Risk maintains regularly updated watch lists and holds review meetings to re-assess counterparties that could be subject to adverse changes in creditworthiness. The review of the credit quality of clients and counterparties does not depend on the accounting treatment of the asset or commitment.

In the event that a deterioration in creditworthiness is likely to result in a default, credit exposures are transferred to the regional recovery management functions within Credit Risk. The determination of any allowance for credit losses in relation to such exposures is based on an assessment of the exposure profile and expectations for recovery. The recoverability of loans in recovery management is regularly reviewed. The frequency of the review depends on the individual risk profile of the respective positions.

We have an impairment process for loans valued at amortized cost which are specifically classified as potential problem loans, non-performing loans, non-interest-earning loans or restructured loans. The Group maintains specific allowances for credit losses, which we consider to be a reasonable estimate of losses identified in the existing credit portfolio, and provides for credit losses based on a regular and detailed analysis of all counterparties, taking collateral value into consideration, where applicable. If uncertainty exists as to the repayment of either principal or interest, a specific allowance for credit losses is either created or adjusted accordingly. The specific allowance for credit losses is revalued regularly by the recovery management function depending on the risk profile of the borrower or credit-relevant events. We regularly review the appropriateness of allowances for credit losses.

A general allowance for credit losses is estimated for all loans and other financial assets held at amortized cost and related off-balance sheet credit exposures not specifically identified as impaired. The methodology for the calculation of provisions and allowances for credit losses is a forward-looking expected loss approach which meets the requirements of the current expected credit losses (CECL) approach under US GAAP. The method for determining the inherent credit loss in certain lending portfolios is derived from calculating the expected lifetime credit loss via bespoke models and requires significant management judgment by means of a qualitative overlay process. The forward-looking component of the models is reflected through forecasts of portfolio- and region-specific macroeconomic factors. In addition to these factors for systematic risk, the models contain idiosyncratic risk drivers. Qualitative adjustments reflect remaining idiosyncratic and portfolio-specific risks, which are not captured in the models. The calibration of these models is based on internal and/or external data. PD estimates contain a time-dependent, forward-looking component. LGD estimates can contain loan-specific attributes. In addition, selected LGD models contain a forward-looking component. Similar to LGD models, EAD models can contain loan-specific and/or forward-looking information. Model outputs are subject to a monthly review process, and the related expected credit loss assessments require approval. We have established governance for approving the Group's provision and allowance for expected credit losses on non-impaired credit exposures and also the scenario weighting probabilities and baseline macroeconomic factors.

→ Refer to "Note 20 – Financial instruments held at amortized cost and credit losses" in VI – Consolidated financial statements – Credit Suisse Group for further information on our CECL methodology.

Changes in the credit quality of loans held at fair value are reflected in valuation changes recorded directly in revenues, and therefore are not part of the impaired loans balance which only includes loans valued on an amortized cost basis.

Risk mitigation

Drawn and undrawn credit exposures are managed by taking financial and non-financial collateral supported by enforceable legal documentation, as well as by utilizing credit hedging techniques. Financial collateral in the form of cash, marketable securities (e.g., equities, bonds or funds) and guarantees serves to mitigate the inherent risk of credit loss and to improve recoveries in the event of a default. Financial collateral received in the form of securities is subject to controls on eligibility and is supported by frequent market valuation depending on the asset class and are monitored to determine whether any margin calls are required to ensure exposures remain adequately collateralized. Depending on the quality of the collateral, appropriate haircuts are applied for risk management purposes. Collateral monitoring, management and margining are applied to credit exposures resulting from both on balance sheet financing of securities and synthetic financing of positions for clients through derivative contracts.

Non-financial collateral such as residential and commercial real estate, tangible assets (e.g., ships or aircraft), inventories and commodities are valued at the time of credit approval and periodically thereafter depending on the type of credit exposure and collateral coverage ratio.

In addition to collateral, we also utilize credit hedging in the form of protection provided by single-name and index credit default swaps as well as structured hedging and insurance products. Credit hedging is used to mitigate risks arising from the loan portfolio, loan underwriting exposures and counterparty credit risk. Hedging is intended to reduce the risk of loss from a specific counterparty default or broader downturn in markets that impact the overall credit risk portfolio. Credit hedging contracts are typically bilateral or centrally cleared derivative transactions and are subject to collateralized trading arrangements. Hedging risk mitigation is evaluated so that basis or tenor risk can be appropriately identified and managed.

In addition to collateral and hedging strategies, we also actively manage our loan portfolio and may sell or sub-participate positions in the loan portfolio as a further form of risk mitigation.

Country risk

As part of our overall risk management process, we manage our credit risk exposures to countries under a comprehensive country risk framework. Under the country risk framework, individual stressed loss limits and potential exposure flags are set on an individual country basis, and exposures are managed on an ongoing basis by a dedicated country risk team. Defined stress scenario analyses are performed on a regular basis. We monitor the concentration of collateral underpinning our OTC derivative and reverse repurchase agreement exposures through monthly reporting, and also monitor the impact of sovereign rating downgrades on collateral eligibility.

Governance of credit risk

Credit risk is managed and controlled by the Credit Risk function and governed by a comprehensive framework of policies and committees. Key processes are reviewed through supervisory checks on a regular basis by Credit Risk, including the Group chief credit officer. Overall, credit risk is managed through a combination of divisional and legal entity risk controls, including by risk management committees and sub-committees, complemented by aggregate views of credit exposure at the Group level.

Credit Risk Review

Governance and supervisory checks within Credit Risk are supplemented by the Credit Risk Review function. The Credit Risk Review function is independent from Credit Risk with a direct functional reporting line to the Risk Committee Chair, administratively reporting to the CRO. Credit Risk Review assesses the Group's credit exposures and practices related to management of credit risk.

Market risk

Definition

Market risk is the risk of financial loss arising from movements in market risk factors. The movements in market risk factors that generate financial losses are considered to be adverse changes in interest rates, credit spreads, foreign exchange rates, equity and commodity prices and other factors, such as market volatility and the correlation of market prices across asset classes. A typical transaction or position in financial instruments may be exposed to a number of different market risk factors. Market risks arise from both our trading and non-trading activities.

Traded market risk

Sources of traded market risk

Market risks mainly arise from our trading activities, primarily in the Investment Bank. Our trading activities typically include fair-valued positions and risks arising from our involvement in primary and secondary market activities, for client facilitation and market-making purposes, including derivatives markets.

The Group is active globally in the principal trading markets, using a wide range of trading and hedging products, including derivatives and structured products. Structured products are customized transactions often using combinations of financial instruments and are executed to meet specific client or internal needs. As a result of our broad participation in products and markets, the Group's trading strategies are correspondingly diverse and exposures are generally spread across a range of risks and locations.

The market risks associated with the portfolio, including the embedded derivative elements of our structured products, are actively monitored and managed as part of our overall risk management framework and are reflected in our VaR measures.

Evaluation and management of traded market risk

We use market risk measurement and management methods capable of calculating comparable exposures across our many activities and employ focused tools that can model specific characteristics of certain instruments or portfolios. The tools are used for internal market risk management, internal market risk reporting and external disclosure purposes. Our principal market risk measures for traded market risk are VaR, scenario analysis, as included in our stress testing framework, position risk, as included in our economic risk capital, and sensitivity analysis. These measures complement each other in our market risk assessment and are used to measure traded market risk at the Group level. In addition, a counterparty market risk function is designed to support the management of counterparty risk, leveraging product-related market risk knowledge to complement the credit risk approach. Our risk management practices are regularly reviewed to ensure they remain appropriate and fit for purpose.

Measurement of traded market risk using value-at-risk

VaR is a risk measure that quantifies the potential loss on a given portfolio of financial instruments over a certain holding period that is expected not to be exceeded at a certain confidence level. Positions are aggregated by risk factors rather than by product. For example, interest rate risk VaR captures potential losses driven by fluctuations of interest rates affecting a wide variety of interest rate products (such as interest rate swaps and swaptions) as well as other products (such as foreign exchange derivatives and equity derivatives) for which interest rate risk is not the primary market risk driver. The use of VaR allows the comparison of risk across different businesses. It also provides a means of aggregating and netting a variety of positions within a portfolio to reflect historical correlations between different assets, allowing for a portfolio diversification benefit. Our VaR model is designed to take into account a comprehensive set of risk factors across all asset classes, and includes certain foreign exchange risk and commodity risk within the banking book.

VaR is an important tool in risk management and is used for measuring quantifiable risks from our activities exposed to market risk on a daily basis. In addition, VaR is one of the main risk measures for limit monitoring, financial reporting, calculation of regulatory capital and regulatory backtesting.

Our VaR model is based on historical data moves that derive plausible future trading losses. The model is responsive to changes in market conditions through the use of exponential weighting that applies a greater weight to more recent events, and the use of expected shortfall measures to ensure extreme adverse events are considered in the model. We use the same VaR model for risk management (including limit monitoring and financial reporting), regulatory capital calculation and regulatory backtesting purposes, although confidence level, holding period, historical look-back period and the scope of financial instruments considered can be different.

Our risk management VaR uses a rolling two-year historical dataset, a one-day holding period and a 98% confidence level. This means that we would expect daily mark-to-market trading losses to exceed the reported VaR not more than twice on average in 100 trading days over a multi-year observation period. The 98% confidence level VaR is calculated using an equivalent expected shortfall approach. The expected shortfall metric represents the average of the estimated worst losses beyond the confidence level. Risk management VaR is closely aligned to the model we use to measure regulatory VaR for capital purposes. Compared to regulatory VaR, however, it has a wider scope that includes trading book securitizations and banking book positions held at fair value. The scope of our risk management VaR is periodically reviewed to ensure it remains aligned with the internal risk framework and control processes.

For regulatory capital purposes, we operate under the Basel market risk framework which includes the following components for the calculation of regulatory capital: regulatory VaR, stressed VaR, IRC, RNIV, stressed RNIV and a regulatory-prescribed standardized approach for securitizations. The regulatory VaR for capital purposes uses a two-year historical dataset, a ten-day holding period and a 99% confidence level calculated using an expected shortfall approach. This measure is designed to capture risks in the trading book and foreign exchange and commodity risks in the banking book and excludes securitization positions, as these are treated under the securitization approach for regulatory purposes. Stressed VaR replicates the regulatory VaR calculation on the Group's current portfolio over a continuous one-year observation period that reflects a period of significant financial stress for the Group, selected from a longer historical dataset spanning from 2006 to the present. The historical dataset allows for the capturing of a longer history of potential loss events and helps reduce the pro-cyclicality of the minimum capital requirements for market risk. IRC is a regulatory capital charge for default and migration risk on positions in the trading books that may not be captured adequately by the ten-day holding period assumption of regulatory VaR. RNIV captures a variety of risks, such as certain basis risks, higher order risks and cross risks between asset classes, not adequately captured by the VaR model for example due to lack of sufficient historical market data.

Backtesting VaR uses a two-year historical dataset, a one-day holding period and a 99% confidence level calculated using an expected shortfall approach. This measure captures risks in the trading book and includes securitization positions. Backtesting VaR is not a component used for the calculation of regulatory capital but may have an impact through the regulatory capital multiplier if the number of backtesting exceptions exceeds regulatory thresholds.

Assumptions used in our market risk measurement methods for regulatory capital purposes are compliant with the standards published by the BCBS and other international standards for market risk management. We have approval from FINMA, as well as from other regulators for our subsidiaries, to use our regulatory VaR model in the calculation of market risk capital requirements. Ongoing enhancements to our VaR methodology are subject to regulatory approval or notification depending on their materiality. The model is subject to regular reviews by regulators and the Group's independent Model Risk Management function.

Information required under Pillar 3 of the Basel framework related to market risk is available on our website.

→ Refer to "credit-suisse.com/regulatorydisclosures" for further information.

→ Refer to "Risk-weighted assets" in Capital management for further information on the use of our regulatory VaR model in the calculation of market risk capital requirements.

VaR assumptions and limitations

The VaR model uses assumptions and estimates that we believe are reasonable, but VaR only quantifies the potential loss on a portfolio based on historical market conditions. The main assumptions and limitations of VaR as a risk measure are:

- VaR relies on historical data to estimate future changes in market conditions. Historical scenarios may not capture all potential future outcomes, particularly where there are significant changes in market conditions, such as increases in volatilities and changes in the correlation of market prices across asset classes;
- VaR provides an estimate of losses at a specified confidence level; the use of an expected shortfall equivalent measure allows all extreme adverse events to be considered in the model;
- VaR is based on either a one-day (for internal risk management, backtesting and disclosure purposes) or a ten-day (for regulatory capital purposes) holding period. This assumes that risks can be either sold or hedged over the holding period, which may not be possible for all types of exposure, particularly during periods of market illiquidity or turbulence; it also assumes that risks will remain in existence over the entire holding period; and
- VaR is calculated using positions held at the end of each business day and does not include intra-day changes in exposures.

To mitigate some of the VaR limitations and estimate losses associated with market movements that are unusually severe or not reflected in the historical observation period, we use other metrics designed for risk management purposes and described above, including stressed VaR, scenario analysis, as included in our stress testing framework, position risk, as included in our economic risk capital, and sensitivity analysis.

For some risk types there can be insufficient historical data for a calculation within the Group's VaR model. This often happens because underlying instruments may have traded only for a limited time. Where we do not have sufficient market data, the VaR calculation relies on market data proxies or extreme parameter moves. Market data proxies are selected to be as close to the underlying instrument as possible. Where neither a suitable market dataset nor a close proxy is available, extreme market moves are used.

We use a risk factor identification process to identify risks for capture. There are two parts to this process. First, the market data dependency approach systematically determines the risk requirements based on data inputs used by front-office pricing models and compares this with the risk types that are captured by the Group's VaR model and the RNIV framework. Second, the product-based approach is a qualitative analysis of product types undertaken in order to identify the risk types that those product types would be exposed to. A comparison is again made with the risk types that are captured in the VaR and RNIV frameworks. This process identifies risks that are not yet captured in the VaR model or the RNIV framework. A plan for including these risks in either framework can then be devised. RNIV is captured in both our regulatory capital and economic risk capital framework.

VaR backtesting

Backtesting is one of the techniques used to assess the accuracy and performance of our VaR model used by the Group for risk management and regulatory capital purposes and serves to highlight areas of potential enhancements. Backtesting is used by regulators to assess the adequacy of the internal model approach-based regulatory capital held by the Group, the calculation of which includes regulatory VaR and stressed VaR.

Backtesting involves comparing the results produced by the VaR model with the hypothetical trading revenues on the trading book. Hypothetical trading revenues are defined in compliance with regulatory requirements and aligned with the VaR model output by excluding (i) non-market elements (such as fees, commissions, cancellations and terminations, net cost of funding and credit-related valuation adjustments) and (ii) gains and losses from intraday trading. A backtesting exception occurs when a hypothetical trading loss exceeds the daily VaR estimate.

For capital purposes and in line with BIS requirements, FINMA increases the capital multiplier for every regulatory VaR backtesting exception above four in the prior rolling 12-month period, resulting in an incremental market risk capital requirement for the Group. VaR models with less than five backtesting exceptions are considered by regulators to be classified in a defined "green zone". The "green zone" corresponds to backtesting results that do not themselves suggest a problem with the quality or accuracy of a bank's model.

Scenario analysis

Market risk stress testing and scenarios quantify portfolio impacts under stressed market conditions, expressed as a potential loss number, which can be used in conjunction with other metrics such as market risk sensitivities and VaR to manage the Group's exposure to traded market risk. The analysis performed by the market risk scenarios team supports the daily risk management of specific businesses, as well as their understanding of the impact of scenarios run across the Group, either for internal assessments or for regulatory requests. Stress testing is essential for understanding the impact of large market moves and is particularly important for portfolios that hold complex and exotic instruments, where the risk profile is non-linear or where the value of the positions may be contingent on several factors (known as cross-risks), or on less liquid risk factors such as correlation.

Market risk stress testing is also used to model potential outcomes and capture vulnerabilities of the trading portfolios around specific macroeconomic or geopolitical events. These outcomes are used to guide business activities and develop risk management strategies during such events and are often supported with risk constraints, which limit potential loss given the likelihood of the event, in line with the Group's risk appetite.

Credit, debit and funding valuation adjustments

Credit valuation adjustments (CVA) are modifications to the measurement of the value of derivative assets used to reflect the credit risk of counterparties.

Debit valuation adjustments (DVA) are modifications to the measurement of the value of derivative liabilities used to reflect an entity's own credit risk.

Funding valuation adjustments (FVA) reflect the fair value costs and benefits of funding associated with (i) any under-collateralized portions of a derivative and (ii) the funding of equivalent transferable collateral where the proceeds of any derivative collateralization cannot be sold or repledged.

These adjustments and their impact on revenues are not captured by the VaR framework.

Traded market risk constraints

Our market risk constraints framework encompasses specific constraints on various market risk measures, including VaR and results of scenario analysis and sensitivity analysis at the Group, Bank, divisional, legal entity, branch and business levels. For example, we have controls over consolidated traded market risk exposures as well as concentrations in the portfolio. Risk constraints are cascaded to lower organizational levels within the businesses. Risk limits are binding and any significant increase in risk exposures is escalated in a timely manner. Market risk limit breaches are subject to a formal escalation procedure and the incremental risk associated with the breach must be approved by the responsible risk manager within the Market Risk function, with escalation to senior management if certain thresholds are exceeded. The majority of the market risk limits are monitored on a daily basis. Limits for which the inherent calculation time is longer or for which the risk profile changes less often are monitored less frequently depending on the nature of the limit (weekly or monthly). The business is mandated to remediate market risk limit breaches within three business days upon notification. Remediation actions that take longer than three days are subject to an out-of-policy remediation process with senior management escalation.

Mitigation of traded market risk

Once a transaction has been executed, it is captured as part of our risk monitoring processes and subject to the market risk constraints framework. Specific policies are in place that are intended to ensure that for any new material and/or unusual transactions, the Market Risk function has been engaged and appropriate approvals are sought. These transactions are reviewed and approved by the Market Risk function so that the risk profile of the portfolio is in line with the risk appetite after execution.

Traded market risk is mitigated using financial securities, derivatives, insurance contracts or other appropriate means.

Governance of traded market risk

Traded market risk is managed and controlled by the Market Risk function, which includes legal entity and divisional chief risk officers, and governed by a comprehensive framework of policies and committees.

Oversight of the Market Risk function is provided by various committees and supervisory reviews at the Group, legal entity and divisional level, covering the related framework, risk appetite, quantitative approaches, evolving risk profile, material new trades and new business activity. The committees are comprised of senior Market Risk personnel. Relevant topics are escalated to senior management.

The governance framework is designed to ensure appropriate oversight of the Group's traded market risk exposures.

Like other models, our VaR model is subject to internal governance including validation by a team of modeling experts that are independent from the model developers. Validation includes identifying and testing the model's assumptions and limitations, investigating its performance through historical and potential future stress events, and testing that the live implementation of the model behaves as intended. We employ a range of different control processes to help ensure that the models used for traded market risk remain appropriate over time. We have established governance to regularly review model performance and approve any new or amended models.

Non-traded market risk

Sources of non-traded market risk

Non-traded market risk primarily relates to asset and liability mismatch exposures in our banking book. Our businesses and Treasury have non-traded portfolios that carry market risks, mainly related to changes in interest rates but also to changes in foreign exchange rates.

We assume interest rate risks through lending and deposit-taking, money market and funding activities, and the deployment of our consolidated equity as well as other activities at the divisional level. Non-maturing products, such as savings accounts, have no contractual maturity date or direct market-linked interest rate and are risk-managed on a pooled basis using replication portfolios on behalf of the business divisions. Replication portfolios transform non-maturing products into a series of fixed-term products that approximate the re-pricing and volume behavior of the pooled client transactions.

Information required under Pillar 3 of the Basel framework related to interest rate risk in the banking book (IRRBB) is available on our website.

→ Refer to "credit-suisse.com/regulatorydisclosures" for further information.

The majority of non-traded foreign exchange risk is associated with our investments in foreign branches, subsidiaries and affiliates denominated in currencies other than the reporting currency of the Group (i.e., Swiss francs) and includes related hedges. This is referred to as "structural foreign exchange risk". The remaining non-traded foreign exchange risk relates to our banking book positions other than from our investments in foreign operations and is managed under the risk appetite framework for traded market risk.

Evaluation and management of non-traded market risk

We monitor IRRBB through established systems, processes and controls. Risk measures are provided to estimate the impact of changes in interest rates both in terms of risk to earnings as well as risk to the economic value of the Group's asset and liability position. For the purpose of this disclosure, IRRBB is measured using sensitivity analysis, which measures the potential change in economic value resulting from specified hypothetical shocks to interest rates. It is not a measure of the potential impact on reported earnings in the current period, since it takes into account accrual accounted positions as well as certain positions that are carried at fair value.

While structural foreign exchange risk is specified and measured in terms of sensitivity to hypothetical foreign currency shocks, it is excluded from regulatory market risk measurement. The sensitivity to hypothetical foreign currency shocks is also used to define our risk appetite constraints. Along with the management of the Group's CET1 ratio sensitivity to moves in foreign exchange rates, we measure and monitor sensitivities for several other key metrics, such as leverage ratios.

Non-traded market risk constraints

Non-traded market risk leverages the market risk constraints framework that encompasses specific constraints on various market risk measures, including VaR and results of scenario analysis and sensitivity analysis at the Group, Bank, divisional, legal entity and business levels, as described above for traded market risk constraints. These are supplemented by additional risk controls for structural foreign exchange risk and IRRBB.

Mitigation of non-traded market risk

The Group's risk appetite level for IRRBB is primarily driven by the available capital and is allocated to the Group's material legal entities. The Group does not have a regulatory requirement to hold capital against IRRBB. The economic impacts of adverse shifts in interest rates from FINMA-defined scenarios are significantly below 15% of tier 1 capital, which is the threshold used by FINMA to identify banks that potentially run excessive levels of interest rate risk at group and legal entity levels.

The Group aims to keep a limited risk profile for the economic value of the Group's asset and liability position while maintaining high earnings stability. This is addressed mainly by systematic hedging of issued debt and interest rate risk arising from loans and deposit maturity mismatches in the private banking business. The main instruments used for hedging are interest rate swaps.

Structural foreign exchange risk is actively managed by Treasury through the execution of currency hedges with the aim of neutralizing the sensitivity of the Group's CET1 ratio to adverse movements in foreign exchange rates within parameters set out in the risk appetite framework.

Governance of non-traded market risk

Non-traded market risk is integrated into the Group's risk appetite framework, including risk constraints under the authority of the Board and the Executive Board. Risk management committees are responsible for the oversight and approval of related risk models, global policies, manuals, guidelines and procedures. Divisional and legal entity risk management committees review non-traded market risk-related matters specific to their local entities and jurisdictions.

Non-financial risk

Definition and sources of non-financial risk

Non-financial risk is the risk of an adverse direct or indirect impact originating from sources outside the financial markets. Non-financial risk is inherent in most aspects of our business, including the systems and processes that support our activities. It comprises a large number of disparate risks that can manifest in a variety of ways. Examples include the risk of damage to physical assets, business disruption, failures relating to data integrity and trade processing, cyber attacks, internal or external fraudulent or unauthorized transactions, inappropriate cross-border activities, money laundering, improper handling of confidential information, conflicts of interest, improper gifts and entertainment and failure in duties to clients.

Non-financial risk can arise from a wide variety of internal and external forces, including human error, inappropriate conduct, failures in systems, processes and controls, pandemic, deliberate attack or natural and man-made disasters. Outsourcing and external third parties may also create risks around maintaining business processes, system stability, data loss, data management, reputation and regulatory compliance. Certain of the present main categories and sources of non-financial risk are described below.

Operational risk

Operational risk is the risk of an adverse impact arising from inadequate or failed internal processes, people or systems, or from external events. Operational risk does not include business and reputational risks; however, some operational risks can lead to reputational issues and as such these risks may be closely linked. Operational risk includes but is not limited to technology risk, cyber risk, legal risk, compliance risk, regulatory risk and conduct risk. In addition, management concluded that our internal control over financial reporting was not effective as of December 31, 2022.

→ Refer to "Controls and procedures" in VI – Consolidated financial statements – Credit Suisse Group for further information.

Technology risk

Technology risk deserves particular attention given the complex technological landscape that covers our business model. Ensuring that confidentiality, integrity and availability of information assets are protected is critical to our operations. Technology risk is the risk that system-related failures, such as service outages or information security incidents, may disrupt business. Technology risk is inherent not only in our IT assets, but also in the people and processes that interact with them including through dependency on third-party suppliers and the worldwide telecommunications infrastructure. We seek to ensure that the data used to support key business processes and reporting is secure, complete, accurate, available, timely and meets appropriate quality and integrity standards. We require our critical IT systems to be identified, secure, resilient and available to support our ongoing operations, decision-making, communications and reporting. Our systems must also have the capabilities, capacity, scalability and adaptability to meet current and future business objectives, the needs of our customers and regulatory and legal expectations. Failure to meet these standards and requirements may result in adverse events that could subject us to reputational damage, fines, litigation, regulatory sanctions, financial losses or loss of market share. Technology risks are managed through our technology risk management program, business continuity management and operational resiliency plans. Technology risks are included as part of our overall non-financial risk assessments based upon a forward-looking approach focusing on the most significant risks in terms of potential impact and likelihood.

Cyber risk

Cyber risk, which can be driven by people, process and/or technology, is the risk that the Group will be compromised as a result of cyber attacks, security breaches, unauthorized access, loss or destruction of data, unavailability of service, computer viruses, employee misconduct or other events that could have an adverse security or resilience impact. Any such event could subject us to litigation or cause us to suffer a financial loss, a disruption of our businesses, liability to our clients, regulatory intervention or reputational damage. We could also be required to expend significant additional resources to investigate and remediate vulnerabilities or other exposures.

We recognize that cyber risk represents a rapidly evolving external risk landscape. The financial industry continues to face cyber threats from a variety of actors who are driven by monetary, political and other motivations. We actively monitor external and internal incidents and threats and assess and respond accordingly, including modifying our protective measures, to any potential vulnerabilities that this may reveal. We are also an active participant in industry forums and information exchange initiatives and engage in regulatory consultation on this subject.

We have an enterprise-wide cybersecurity strategy to provide strategic guidance as part of our efforts to achieve an optimized end-to-end security and risk competence to enable a secure and innovative business environment, aligned with the Group's risk appetite. A technology security team leverages a wide array of leading technology solutions and industry best practices to support our efforts to manage and maintain a secure information infrastructure, perform vulnerability assessments and detect and respond to information security threats.

We regularly assess the effectiveness of key controls and conduct ongoing employee training and awareness activities, including for key management personnel, in order to embed a strong cyber risk culture. As part of the non-financial risk framework (NFRF), risk management committees are given updates on the broader technology risk exposure.

Significant incidents are escalated to the Risk Committee together with key findings and mitigating actions. Related business continuity and response plans are tested.

Legal risk

Legal risk is the risk of loss or imposition of damages, fines, penalties or other liability or any other material adverse impact arising from circumstances including the failure to comply with legal obligations, whether contractual, statutory or otherwise, changes in enforcement practices, the making of a legal challenge or claim against us, our inability to enforce legal rights or the failure to take measures to protect our rights.

Compliance risk

Compliance risk is the risk of legal or regulatory sanctions or financial loss that may result from the failure to comply with applicable laws, regulations, rules or market standards.

Regulatory risk

Regulatory risk is the risk that changes in laws, regulations, rules or market standards may limit our activities and have a negative effect on our business or our ability to implement strategic initiatives, or can result in an increase in operating costs for the business or make our products and services more expensive for clients.

Conduct risk

The Group considers conduct risk to be the risk that improper behavior or judgment by our employees may result in a negative financial, non-financial or reputational impact to our clients, employees or the Group, or negatively impact the integrity of the financial markets. Conduct risk may arise from a wide variety of activities and types of behaviors. A Group-wide definition of conduct risk supports the efforts of our employees to have a common understanding of and consistently manage and mitigate our conduct risk. Further, it promotes standards of responsible conduct and ethics in our employees. Managing conduct risk includes consideration of the risks generated by each business and the strength of the associated mitigating controls. Periodic monitoring of conduct risk metrics is based on thresholds set by severity level, with material trends identified and escalated as appropriate to senior management. Conduct risk is also assessed by reviewing and learning from past incidents within the Group and at other firms in the financial services sector.

The ongoing focus and investment in a strong risk culture is fundamental to the management of conduct risk. The Group's Code of Conduct provides a clear statement on the behavioral expectations, supported by our cultural values.

→ Refer to "Culture" in Risk management oversight and to "Corporate governance framework" in IV – Corporate Governance – Overview for further information on our Code of Conduct.

Evaluation and management of non-financial risks

We aim to maintain the integrity of our business, operations and reputation as a core principle guiding the management and oversight of non-financial risks by ensuring that our day-to-day operations are sustainable and resilient, do not expose us to significant losses and enable our employees to make decisions and conduct business in line with our values and desired reputation as a firm.

Each business area and function is responsible for its risks and the provision of adequate resources and procedures for the management of those risks. They are supported by the designated second line of defense functions responsible for independent risk and compliance oversight, methodologies, tools and reporting within their areas as well as working with management on non-financial risk issues that arise. Businesses and relevant control functions meet regularly to discuss risk issues and identify required actions to mitigate risks.

The Non-Financial Risk function oversees the Group's established NFRF, providing a consistent and unified approach to evaluating and monitoring the Group's non-financial risks. Non-financial risk appetites are established and monitored under the Group-wide risk appetite framework, aligned with the NFRF, which sets common minimum standards across the Group for non-financial risk and control processes and review and challenge activities. Risk and control assessments are in place across all divisions and functions, consisting of the risk and control self-assessments and compliance risk assessments. Key non-financial risks are identified annually and represent the most significant risks requiring senior management attention. Where appropriate, remediation plans are put in place with ownership and ongoing oversight by senior management. In the event of significant internal or external events, risk identification processes are adjusted to assess additional or emerging risk concentrations and related mitigating actions that may be required.

Non-financial risk capital management

Our activities to manage non-financial risk capital include scenario analysis and operational risk regulatory capital measurement, as further described below. In addition, we transfer the risk of potential losses from non-financial risks to third-party insurance companies in certain instances.

Non-financial risk scenario analysis
Non-financial risk scenario analysis is a forward-looking tool that is used to identify and measure exposure to a range of potential adverse events, such as unauthorized trading, transaction processing errors and compliance issues. These scenarios help businesses and functions assess the suitability of controls in light of existing risks and estimate hypothetical but plausible risk exposures. Scenarios are developed to support stressed loss projections and capital calculations in response to requirements set by regulatory agencies in the jurisdictions in which we operate.

Non-financial risk stress loss projections
Operational losses may increase in frequency and magnitude during periods of economic stress and/or market volatility. We estimate the potential operational losses that may be experienced under a range of adverse economic conditions by quantifying historically observed relationships between operational losses and the economy, and through expert consideration of impacts on key non-financial risks. These estimates inform Group-wide stress tests measuring the bank's resilience across a range of economic scenarios.

Non-financial risk regulatory capital measurement
We use internally validated and approved models to calculate our regulatory capital requirements for non-financial risk (also referred to as "operational risk capital") across the Group and for major legal entities. For Group regulatory capital requirements, we apply the advanced measurement approach (AMA), an internal models-based approach to statistically estimate an operational loss distribution using internal and external loss data. Business experts and senior management review and challenge model parameters in light of changes of business environment and internal control factors to ensure that the capital projection reflects a forward-looking view of risk. Deductions are applied to the regulatory capital requirements to account for the mitigating values of insurance policies held by the bank. The regulatory capital requirement represents the 99.9th percentile of the estimated distribution of total operational losses for the Group over a one-year time horizon. A risk-sensitive approach is applied to allocate capital to the businesses.

Governance of non-financial risks
Effective governance processes establish clear roles and responsibilities for managing non-financial risks and define appropriate escalation processes for outcomes that are outside expected levels. We utilize a comprehensive set of policies and procedures that set out how employees are expected to conduct their activities, including clearly defined roles and accountability for each of the three lines of defense to achieve appropriate segregation of duties.

The Non-Financial Risk function is responsible for setting minimum standards for managing non-financial risks at the Group level. This includes ensuring the cohesiveness of policies and procedures, tools and practices throughout the Group, particularly with regard to the identification, evaluation, mitigation, monitoring and reporting of these risks. Other second line of defense oversight functions are responsible for setting supplemental policies and procedures where applicable. The Non-Financial Risk function also oversees the global read-across framework, under which the Group performs comprehensive reviews of risk events and/or emerging risks to identify underlying root causes, and considers their applicability across other divisions, significant legal entities or corporate functions with the goal of minimizing re-occurrence in a sustainable manner through enhancements of processes and/or key controls to support reduction of relevant residual risks.

Non-financial risk exposures, metrics, issues and remediation efforts are discussed in various risk management committees across the organization. Key, significant and trending non-financial risk themes are discussed in governance forums where appropriate, including risk themes that may emerge due to significant internal or external events and any corresponding tactical or strategic control enhancements that may be required in order to maintain adequate internal controls in response to such events.

Model risk

In line with peer banks, we rely on advanced quantitative models and qualitative estimation approaches across business lines and legal entities to support a broad range of applications, including estimating various forms of financial risk, valuation of securities, stress testing activities, capital adequacy assessments, providing wealth management services to clients and to meet various reporting requirements.

Definition and sources of model risk
Model risk is the risk of adverse consequences from decisions made based on model results that may be incorrect, misinterpreted or used inappropriately. All models and qualitative estimation approaches are imperfect approximations and assumptions that are subject to varying degrees of uncertainty in their output depending on, among other factors, the model's complexity and its intended application. As a result, modeling and estimation errors may result in inappropriate business decisions, financial loss, regulatory and reputational risk and incorrect or inadequate capital reporting. Model errors, intrinsic uncertainty and inappropriate use are the primary contributors to aggregate Group-wide model risk.

Evaluation and management of model risk
Through our global model risk management and governance framework we seek to identify, measure and mitigate significant risks arising from the use of models embedded within our global model ecosystem. Model risks can be managed through a well-designed and robust model risk management framework, encompassing model governance policies and procedures, model validation best practices and actionable model risk reporting.

Robust model risk management is crucial to ensuring that the Group's model risk is assessed and managed leveraging a central inventory that includes all models used by the Group in order to remain within a defined model risk appetite by focusing on identification, measurement and resolution of model limitations. Under the Group's model governance policies, the Model Risk Management function validates and approves models, including new models and material changes to existing models, in compliance with standards established by regulators. Developers, owners and model supervisors are responsible for identifying, developing, implementing and testing their models. Model supervisors are responsible for ensuring that models are submitted to the Model Risk Management function to be entered into the Group's model inventory and subsequently validated and approved. The Model Risk Management function is structured to be independent from model users, developers and supervisors.

A rigorous validation practice should ensure that models are conceptually sound, appropriately implemented by model owners and developers and functioning as intended. To accomplish this, model risk management deploys a validation team comprising objective, well-informed subject matter experts with the necessary skills and knowledge to apply effective challenge across model types to mitigate model risk.

In line with the Group model governance policies, all models are risk-tiered based on an internal scoring method which combines model complexity, materiality and reliance to assign models into one of four risk tiers. These inherent risk ratings, or tiers, are used to prioritize models, including resource allocations for validations, periodic reviews and ongoing monitoring as well as to inform the depth of validation activities.

Governance of model risk
Governance is an important aspect of model risk management. Model risk reports are presented and discussed at various model review committees to ensure appropriate oversight of model risk issues, observe progress in corresponding remediation actions and initiate any required escalations.

The Model Risk Management function reviews models, reports model limitations to key stakeholders, tracks remediation plans for validation findings and reports on model risk tolerance and metrics to senior management. The Model Risk Management function oversees controls to facilitate a complete and accurate Group-wide model inventory and coordinates semi-annual attestations by the first line of defense with the aim of achieving completeness and accuracy of its model inventory.

Reputational risk

Definition and sources of reputational risk
Reputational risk is the risk that negative perception by our stakeholders, including clients, counterparties, employees, shareholders, regulators and the general public, may adversely impact client acquisition and damage our business relationships with clients and counterparties, affecting staff morale and reducing access to funding sources.

Reputational risk may arise from a variety of sources, including, but not limited to, the nature or purpose of a proposed transaction or service, the identity or activity of a potential client, the regulatory or political climate in which the business will be transacted, significant public attention surrounding the transaction itself or the potential sustainability risks of a transaction. Sustainability risks have potentially adverse impacts on the environment, on people or society, which may be caused by, contributed to or directly linked to financial service providers, usually through the activities of their clients. These may manifest themselves as reputational risks, but potentially also other risk types such as credit or non-financial risks. Reputational risk may also arise from reputational damage in the aftermath of a non-financial risk incident, such as cyber crime or the failure by employees to meet expected conduct and ethical standards.

Evaluation and management of reputational risk
Reputational risk is included in the Group's risk appetite framework to ensure that risk-taking is aligned with the approved risk appetite. We highly value our reputation and are fully committed to protecting it through a prudent approach to risk-taking and a responsible approach to business. This is achieved through a culture of risk awareness as well as dedicated processes, resources and policies focused on identifying, evaluating, managing and reporting potential reputational risks. This is also achieved by applying the highest standards of personal accountability and ethical conduct as set out in the Group's Code of Conduct and the Group's approach to cultural values and behaviors. Reputational risk potentially arising from proposed business transactions, client activity or joining initiatives or affiliations (including joining third-party groups, providing support to causes, speaking engagements, charitable donations, political donations directly or through sponsorships) is assessed in the reputational risk review process. The Group's global policy on reputational risk requires employees to be conservative when assessing potential reputational impact and, where certain indicators give rise to potential reputational risk, the relevant business proposal or service must be submitted through the reputational risk review process. This involves a submission by an originator (any employee), approval by a business area head or designee, and its subsequent referral for evaluation by a reputational risk approver or by the respective divisional client risk committee. Reputational risk approvers are experienced and high-ranking senior managers, independent of the business divisions with the authority to approve, reject or impose conditions (also in relation to environmental or social matters) on a transaction or the establishment of a client relationship. In cases of particularly complex or cross-divisional transactions, the decision may be escalated to relevant client risk committees.

For transactions with potential sustainability risks, the internal specialist unit Sustainability Risk evaluates the nature of the transaction and Credit Suisse's role, the identity and activities of the client and the regulatory context of its operations, and assesses the environmental and social aspects of the client's operations, products or services. The team determines whether the client's activities are consistent with the relevant industry standards and whether the potential transaction is compatible with Credit Suisse's policies and guidelines for sensitive sectors. The outcome of this analysis is submitted to the responsible business unit and/or entered into the reputational risk review process for evaluation by a reputational risk approver.

Governance of reputational risk
The ExB RMC and client risk committees are the governing bodies responsible for the oversight and active discussion of client, transaction and affiliation risks. At the Board level, the Risk Committee assists the Board in fulfilling its reputational risk oversight responsibilities by reviewing and approving the Group's risk appetite framework as well as assessing the adequacy of the management of reputational and sustainability risks.

In order to inform our stakeholders about how we manage some of the sustainability risks inherent to the banking business, we publish our Sustainability Report, in which we also describe our efforts to conduct our operations in a manner that is environmentally and socially responsible and broadly contributes to society.
→ Refer to "credit-suisse.com/sustainabilityreport" for our Sustainability Report.

Climate-related risks

Definition of climate-related risks
Climate-related risks are the potentially adverse direct and indirect impacts on the Group's financial metrics, operations or reputation due to transition or physical effects of climate change.

Climate-related risks are a core element of sustainability risks. Sustainability risks have potentially adverse impacts on the environment, on people or society, which may be caused by, contributed to or directly linked to financial service providers, usually through the activities of their clients. These may manifest themselves as reputational risks, but potentially also other risk types such as credit or non-financial risks.

Sources of climate-related risks
Physical risks can arise from climate and weather-related events (e.g., heatwaves, droughts, floods, storms and sea-level rise) and can potentially result in material financial losses, impairing asset values and the creditworthiness of borrowers. Physical climate-related risks can affect us as an organization either directly, through our physical assets, costs and operations, or indirectly, through our financial relationships with our clients. Direct physical risks of climate change are assessed through the business continuity management program alongside other direct physical risks such as natural disasters. With regard to indirect physical risks, we assess climate-related risks by applying physical models to our portfolios, starting with pilot assessments for certain legal entities.

Transition risks can arise from the process of adjustment toward a low-carbon economy through changes in climate policy, technological developments and disruptive business models, and shifting investor and consumer sentiment.

Evaluation and management of climate-related risks
Climate-related risks are one of the environmental aspects considered as part of Credit Suisse's broader sustainability risk agenda and Credit Suisse recognizes its share of responsibilities in combating climate change by supporting the transition to a low-carbon and climate-resilient economy. As a financial institution, we are committed to playing our part in addressing this global challenge through our role as a financial intermediary between the economy, the environment and society.

Credit Suisse's climate approach follows three key objectives, which are anchored in our overarching sustainability and climate risk strategy: First, the Group seeks to support its clients' transition to low-carbon and climate-resilient business models by aligning its in-scope corporate lending and investment portfolios to 1.5°C pathways, engaging with clients to understand their financing needs and directing capital toward climate solutions. Second, the Group seeks to achieve its goal of net zero emissions across its own operations and supply chain, and operate its business in an environmentally sustainable manner, and third, the Group is committed to systematically identifying, mitigating and managing potential risks that climate change may pose on its business. In 2022, as part of our climate risk strategy program, we continued to enhance our disclosures incorporating more granular data and portfolio views in connection with the guidelines from the Taskforce on Climate-related Financial Disclosures (TCFD).
→ Refer to credit-suisse.com/sustainabilityreport for our Sustainability Report and to credit-suisse.com/tcfd for an extract of disclosures in accordance with TCFD.

Climate-related risk management frameworks and approach to risk management
We have identified sensitive sectors which pose greater environmental and social risks (including impacts to the climate) and have specific policies and guidelines in place, taking into account standards developed by international organizations such as the United Nations, the World Bank or the International Finance Corporation (IFC). These policies and guidelines govern the responsible provision of our financial services to clients within these identified sectors. Our risk management framework incorporates an assessment of whether a transaction or client relationship under review is in line with our sector policies and relevant industry standards and good practice. Consequently, within the reputational risk review process, we evaluate factors such as a company's greenhouse gas footprint or its energy efficiency targets and we assess whether in-scope clients have a plan in place to address climate-related risks.

Climate-related risks are a core element of sustainability risks. The objective of sustainability risk reviews is to identify and prevent adverse impacts on the environment, on people or society through financial services provided for the activities of a bank's clients or prospective clients.

Through our sector policies and guidelines, we have identified business activities and operations that Credit Suisse will not finance. In 2022, we expanded our sector policies to cover the financing of climate-sensitive sectors, including oil sands, deep sea mining, Arctic oil and gas, and palm oil. Also in 2022, Asset Management and Investment Solutions & Sustainability (IS&S) within Wealth Management introduced for selected offerings new policies on Arctic oil and gas and oil sands, effective as of April 2023, as well as a coal phase-out plan by 2030.

In 2022, we further expanded the scope of our client energy transition framework (CETF) to cover the additional sectors of agriculture and petrochemicals. With this, our CETF now covers eight sectors (oil and gas, coal mining, power generation (fossil fuel-based), shipping, aviation, commodities trade finance (fossil fuel-based), agriculture and petrochemicals). The CETF is used to identify priority sectors and includes a methodology to categorize clients that operate in these sectors according to their energy transition readiness. With this approach, we aim to encourage clients to transition along the CETF scale over time and support them through financing and advisory services.

Furthermore, following the net zero trajectory we introduced in 2021 for lending to oil, gas and coal clients, and the Poseidon Principles trajectory for lending to shipping clients, additional Net Zero trajectories have been introduced in 2022 covering lending in the sectors of power generation, automotive, commercial real estate, iron and steel and aluminum. Net zero portfolio trajectories have also been set for Asset Management and discretionary mandates of IS&S within Wealth Management. These net zero frameworks support the management of credit, investment and reputational risks associated to the transition toward a decarbonized economy.

Governance of climate-related risks

Climate change-related responsibilities are included in the Board's Risk Committee charter. Additionally, at the Board level, we have a Sustainability Advisory Committee. At the Executive Board level, the ExB RMC assumes responsibility for the overall climate strategy and is mandated to ensure that the capabilities for the management of relevant long-term risk trends, including climate change, are put in place. Furthermore, key internal policies, both at the Group and legal entity level, have been progressively expanded to incorporate important elements of climate risk management. For complex and high risk client transactions, including clients with business practices associated with material environmental and/or social issues, a comprehensive risk assessment is performed with escalation to relevant client risk committees.

A dedicated Climate Risk function provides specialized capabilities to assess and manage the multifaceted aspects of climate-related risks.

Business risk

Definition and sources of business risk

Business risk is the risk of not achieving our financial goals and ambitions in connection with the Group's strategy and how the business is managed in response to the external operating environment. External factors include both market and economic conditions, as well as shifts in the regulatory environment. Internally, we face risks arising from inappropriate strategic decisions, ineffective implementation of business strategies or an inability to adapt business strategies in response to changes in the operating environment, including in relation to client and competitor behavior.

The Group depends on dividends, distributions and other payments from its subsidiaries and the capital payouts in these subsidiaries might be restricted as a result of regulatory, tax or other constraints. Our businesses are also exposed to a variety of risks that could adversely impact the Group's dividend payments.

Business risk also includes risks associated with the Group's illiquid investments. These investments are defined as investments held in the banking book usually with longer-term time horizons and are not subject to our market risk framework (e.g., VaR measurement). Illiquid investments include private equity, hedge fund and mutual fund seed and co-investments, strategic investments (e.g., joint ventures and minority investments) as well as other investments, such as collateralized loan obligations (CLO) mandated by regulatory risk retention requirements. Trading assets and banking book loans are not covered under the illiquid investment risk framework.

Evaluation and management of business risk

The Group financial plan serves as the basis for the financial goals and ambitions against which the businesses and legal entities are assessed regularly throughout the year. These regular reviews include evaluations of financial performance, capitalization and capital usage, key business risks, overall operating environment and business strategy. This enables management to identify and execute changes to the Group's operations and strategy where needed.

Governance of business risk

Strategic and related financial plans are developed by each division annually and aggregated into a Group financial plan, which is reviewed by the CRO, CFO and CEO before presentation to the full Executive Board and the Board. On a regular basis, the Board and the Executive Board conduct more fundamental in-depth reviews of the Group's strategy and reassess our performance objectives.

→ Refer to "Strategy" in I – Information on the company for further information on our revised strategy.

Illiquid investment risk is integrated into the Group's risk appetite framework, including risk constraints under the authority of the Board and Executive Board. The divisional risk management committees and associated sub-committees are responsible for the day-to-day oversight and approval of related risk models, guidelines and procedures.

Fiduciary risk

Definition and sources of fiduciary risk

Fiduciary risk is the risk of financial loss arising when the Group or its employees, acting in a fiduciary capacity as trustee, investment manager or as mandated by law, do not act in the best interest of the client in connection with the provision of advice and/or management of our client's assets including from a product-related market, credit, liquidity, counterparty and non-financial risk perspective.

Evaluation and management of fiduciary risk

With regard to fiduciary risk that relates to discretionary investment-related activities, assessing investment performance and reviewing forward-looking investment risks in our client portfolios and investment funds is central to our investment oversight program. Areas of focus include:

- Measuring and monitoring investment performance of discretionary client portfolios and investment funds and comparing the returns against benchmarks and peer groups to understand level, sources and drivers of the returns.
- Assessing risk measures such as exposure, sensitivities, stress scenarios, expected volatility and liquidity across our portfolios as part of our efforts to manage the assets in line with the clients' expectations and risk tolerance.
- Treating clients with a prudent standard of care, which includes information disclosure, subscriptions and redemptions processes, trade execution and requiring the highest ethical conduct.
- Ensuring discretionary portfolio managers' investment approach is in accordance with prospectus, regulations and client guidelines.
- Monitoring client investment guidelines or investment fund limits. In certain cases, internal limits or guidelines are also established and monitored.

Fiduciary risks from activities other than discretionary investment management, such as the advised portfolios, are managed and monitored in a similar oversight program. This program is actively managed in cooperation with the Compliance function and is based on the suitability framework.

Governance of fiduciary risk

Sound governance is essential for all discretionary management activities including trade execution and the investment process. Our program targets daily, monthly or quarterly monitoring of all portfolio management activities with independent analysis provided to senior management. Formal review meetings are in place as part of our efforts to ensure that investment performance and risks are in line with expectations and adequately supervised.

Pension risk

Definition and sources of pension risk

Pension risk is the financial risk from contractual or other liabilities to which we are exposed as a sponsor of and/or participant in pension plans. It is the risk that we may be required to make unexpected payments or other contributions to a pension plan because of a potential obligation (i.e., underfunding).

We sponsor three types of pension plans:

- defined benefit plans;
- defined contribution plans; and
- our Swiss savings plan.

Pension risk arises from defined benefit plans and the Swiss savings plan, which has elements of a defined benefit plan. Under these plans, we, as the plan sponsor, bear the potential risk of having to provide additional funding in the event of a plan shortfall whereby the plan liabilities exceed the plan assets. Under defined contribution plans there is no defined benefit at retirement and the employee bears the investment risk; as a result, the plan sponsor is not responsible for a shortfall. The majority of our pension risk derives from the defined benefit plans in Switzerland, the UK and the US.

Sources of risks can be broadly categorized into asset investment risks (e.g., underperformance of bonds, equities and alternative investments) and liability risks, primarily from changes in interest rates, inflation and longevity.

Evaluation and management of pension risk

Pension plan structure

The Group's major pension plans are established as separate entities from the sponsor firm and are governed by trustees who are charged with safeguarding the interests of the plan members pursuant to statutory and regulatory requirements. Risk-taking activity within the Group's pension funds is not typically within the direct control of the sponsor firm. There is however a risk that we, as the plan sponsor, may have a potential obligation to contribute due to underfunding which could have a negative impact on the Group's capital and income before taxes.

Metrics and targets

Pension risk forms an integral part of the Group's risk appetite assessment with internal macro-economic stress scenarios used for Group-wide stress testing. These are incremental to the assessment performed by the trustees and their external advisers.

Within Risk, pension risk is measured and quantified through both our stress testing framework and internal capital metrics used to assess the Group's capital requirements. These measures are intended to assess the potential impact from the revaluation of pension assets and liabilities on the Group's capital metrics and income before taxes.

Governance of pension risk

The overall pension risk framework and governance structure of our pension plans consists of three components:

- Trustees have overall responsibility of the pension plan and act on behalf of the beneficiaries of the plan with additional oversight by actuaries and external consultants. Trustees are responsible for ensuring that the pension plan is run properly and the member benefits are secure.
- Depending on the jurisdiction there is oversight provided by senior management, trustees, actuaries and/or advisors in relation to local funding, investment strategy, plan changes or other actions of the pension fund.
- Risk monitors and reports various metrics and analytics to senior management and regulators (e.g., economic risk capital, severe flight to quality and loss potential analysis).

Risk portfolio analysis

Credit risk

Credit risk overview

Transactions that are exposed to potential losses arising as a result of a borrower or counterparty failing to meet its financial obligations or as a result of deterioration in the credit quality of the borrower or counterparty are subject to credit risk exposure measurement and management.

→ Refer to "Note 20 – Financial instruments measured at amortized cost and credit losses" in VI – Consolidated financial statements – Credit Suisse Group for information on credit quality and aging analysis of loans.

For regulatory capital purposes, credit risk comprises several regulatory categories where credit risk measurement and related regulatory capital requirements are subject to different measurement approaches under the Basel framework. Details on regulatory credit risk categories, credit quality indicators and credit risk concentration are available in our disclosures required under Pillar 3 of the Basel framework related to risk, which will be available on our website.

→ Refer to "credit-suisse.com/regulatorydisclosures" for further information.

Loans and irrevocable loan commitments

The following table provides an overview of loans and irrevocable loan commitments by division in accordance with accounting principles generally accepted in the US and are not comparable with the regulatory credit risk exposures presented in our disclosures required under Pillar 3 of the Basel framework.

Loans and irrevocable loan commitments

end of	**2022**	2021
CHF million		
Gross loans	265,599	293,064
Irrevocable loan commitments	112,129	122,559
Total loans and irrevocable loan commitments	**377,728**	**415,623**
of which Wealth Management	86,355	113,493
of which Investment Bank	114,885	122,526
of which Swiss Bank	175,240	178,170
of which Asset Management	25	44
of which Corporate Center	1,223	1,390

Divisional metrics reflect where the loans are recorded and managed from a risk management view and do not reflect any revenue sharing arrangements that exist between divisions.

Loans held-for-sale and traded loans

As of December 31, 2022 and 2021, loans held-for-sale included CHF 23 million and CHF 29 million, respectively, of seasoned US subprime residential mortgages from consolidated variable interest entities (VIE). Traded loans included US subprime residential mortgages of CHF 381 million and CHF 278 million as of December 31, 2022 and 2021, respectively.

Loans

The table "Loans" provides an overview of our loans by loan classes, impaired loans, the related allowance for credit losses and selected loan metrics by business division. The carrying values of loans and related allowance for credit losses are presented in accordance with generally accepted accounting standards in the US and are not comparable with the regulatory credit risk exposures presented in our disclosures required under Pillar 3 of the Basel framework.

Compared to December 31, 2021, gross loans decreased CHF 27.5 billion to CHF 265.6 billion as of December 31, 2022, mainly driven by decreases in loans collateralized by securities, commercial and industrial loans, loans to the real estate sector and consumer mortgages. The net decrease of CHF 13.6 billion in loans collateralized by securities mainly reflected a decrease in Wealth Management. The net decrease of CHF 7.1 billion in commercial and industrial loans mainly reflected a decrease in Wealth Management, partially offset by an increase in the Investment Bank. Loans to the real estate sector decreased CHF 3.1 billion, primarily in the Swiss Bank and Wealth Management. Consumer mortgages decreased CHF 3.0 billion, primarily in the Swiss Bank.

On a divisional level, decreases in gross loans of CHF 25.0 billion in Wealth Management and CHF 3.3 billion in the Swiss Bank were partially offset by an increase of CHF 1.1 billion in the Investment Bank.

→ Refer to "Note 19 – Loans" and "Note 20 – Financial instruments measured at amortized cost and credit losses" in VI – Consolidated financial statements – Credit Suisse Group for further information.

Loans

end of	Wealth Management	Investment Bank	Swiss Bank	Asset Management	Corporate Center	**Credit Suisse**
2022 (CHF million)						
Mortgages	12,536	0	94,940	0	8	107,484
Loans collateralized by securities	33,335	1,572	2,699	0	33	37,639
Consumer finance	491	5	5,141	10	54	5,701
Consumer	46,362	1,577	102,780	10	95	150,824
Real estate	4,045	698	20,720	0	0	25,463
Commercial and industrial loans	25,555	8,453	27,437	0	612	62,057
Financial institutions	2,441	15,443	6,627	8	181	24,700
Governments and public institutions	220	1,471	772	0	92	2,555
Corporate & institutional	32,261	26,065	55,556	8	885	114,775
Gross loans	**78,623**	**27,642**	**158,336**	**18**	**980**	**265,599**
of which held at fair value	1,072	5,941	50	0	295	7,358
Net (unearned income) / deferred expenses	(90)	(79)	98	0	0	(71)
Allowance for credit losses [1]	(565)	(239)	(528)	0	(31)	(1,363)
Net loans	**77,968**	**27,324**	**157,906**	**18**	**949**	**264,165**
2021 (CHF million)						
Mortgages	13,042	0	97,478	0	13	110,533
Loans collateralized by securities	46,580	1,819	2,823	0	31	51,253
Consumer finance	476	173	4,346	13	67	5,075
Consumer	60,098	1,992	104,647	13	111	166,861
Real estate	5,508	491	22,522	0	8	28,529
Commercial and industrial loans	33,792	7,042	27,587	0	708	69,129
Financial institutions	3,393	15,458	6,099	11	261	25,222
Governments and public institutions	870	1,571	793	0	89	3,323
Corporate & institutional	43,563	24,562	57,001	11	1,066	126,203
Gross loans	**103,661**	**26,554**	**161,648**	**24**	**1,177**	**293,064**
of which held at fair value	2,075	7,711	62	0	395	10,243
Net (unearned income) / deferred expenses	(110)	(77)	105	0	1	(81)
Allowance for credit losses [1]	(558)	(186)	(524)	0	(29)	(1,297)
Net loans	**102,993**	**26,291**	**161,229**	**24**	**1,149**	**291,686**

Divisional metrics reflect where the loans are recorded and managed from a risk management view and do not reflect any revenue sharing arrangements that exist between divisions.
1 Allowance for credit losses is only based on loans that are not carried at fair value.

Collateralized loans

The table "Collateralized loans" provides an overview of collateralized loans by division. For consumer loans, the balances reflect the gross carrying value of the loan classes "Mortgages" and "Loans collateralized by securities", of which a significant majority are fully collateralized. Consumer finance loans are not included as the majority of these loans are unsecured. For corporate & institutional loans, the balances reflect the value of mortgages and financial and other collateral related to secured loans, considered up to the amount of the related loans.

Collateralized loans

end of	Wealth Management	Investment Bank	Swiss Bank	Asset Management	Corporate Center	Credit Suisse
2022 (CHF million)						
Gross loans	**78,623**	**27,642**	**158,336**	**18**	**980**	**265,599**
Collateralized loans	**73,722**	**21,908**	**140,265**	**0**	**321**	**236,216**
of which consumer [1]	45,871	1,572	97,639	0	41	145,123
of which mortgages	12,536	0	94,940	0	8	107,484
of which loans collateralized by securities	33,335	1,572	2,699	0	33	37,639
of which corporate & institutional [2]	27,851	20,336	42,626	0	280	91,093
of which secured by mortgages	3,139	81	31,166	0	0	34,386
of which secured by financial and other collateral	24,712	20,255	11,460	0	280	56,707
2021 (CHF million)						
Gross loans	**103,661**	**26,554**	**161,648**	**24**	**1,177**	**293,064**
Collateralized loans	**96,318**	**20,240**	**145,511**	**0**	**375**	**262,444**
of which consumer [1]	59,622	1,819	100,301	0	44	161,786
of which mortgages	13,042	0	97,478	0	13	110,533
of which loans collateralized by securities	46,580	1,819	2,823	0	31	51,253
of which corporate & institutional [2]	36,696	18,421	45,210	0	331	100,658
of which secured by mortgages	3,273	88	33,461	0	0	36,822
of which secured by financial and other collateral	33,423	18,333	11,749	0	331	63,836

Divisional metrics reflect where the loans are recorded and managed from a risk management view and do not reflect any revenue sharing arrangements that exist between divisions.
1 Reflects the gross carrying value of the consumer loan classes "Mortgages" and "Loans collateralized by securities", before allowance for credit losses.
2 Reflects the value of mortgages and financial and other collateral related to secured corporate & institutional loans, considered up to the amount of the related loans. Prior period has been revised.

Within consumer loans, mortgages primarily include mortgages on residential real estate such as single family homes, apartments and holiday homes as well as building loans. Mortgages may also include certain loans that are secured by a combination of mortgages or other real estate titles and other collateral including, e.g., securities, cash deposits or life insurance policies. Loans collateralized by securities primarily include lombard loans secured by well-diversified portfolios of securities and share-backed loans.

Within corporate & institutional loans, mortgage collateral primarily includes income-producing commercial and residential real estate held by corporate & institutional clients. Financial and other collateral includes various types of eligible collateral, e.g., securities, cash deposits, financial receivables related to factoring, certain real assets such as ownership titles in ship and aircraft, inventories and commodities, as well as certain non-tangible securities such as licensing agreements or guarantees.

Financial collateral is subject to frequent market valuation depending on the asset class. In the Group's private banking, corporate and institutional businesses, all collateral values for loans are regularly reviewed according to the Group's risk management policies and directives, with maximum review periods determined by collateral type, market liquidity and market transparency. For example, traded securities are revalued on a daily basis and property values are appraised over a medium-term horizon generally exceeding one year considering the characteristics of the property, current developments in the relevant real estate market and the current level of credit exposure to the borrower. If the credit exposure to a borrower has changed significantly, in volatile markets or in times of increasing general market risk, collateral values may be appraised more frequently. Management judgment is applied in assessing whether markets are volatile or general market risk has increased to a degree that warrants a more frequent update of collateral values. Movements in monitored risk metrics that are statistically different compared to historical experience are considered in addition to analysis of externally-provided forecasts, scenario techniques and macroeconomic research. For impaired loans, the fair value of collateral is determined within 90 days of the date the impairment was identified and thereafter regularly revalued by Credit Risk within the impairment review process. In the Group's investment banking businesses, collateral-dependent loans are appraised on at least an annual basis, or when a loan-relevant event occurs.

As of December 31, 2022, 98% of the aggregate Swiss residential mortgage loan portfolio of CHF 112.6 billion had a loan-to-value (LTV) ratio equal to or lower than 80%. As of December 31, 2021, 98% of the aggregate Swiss residential mortgage loan portfolio of CHF 113.4 billion had an LTV ratio equal to or lower than 80%. For substantially all Swiss residential mortgage loans originated in 2022 and 2021, the average LTV ratio was equal to or lower than 80% at origination. Our LTV ratios are based on the most recent appraised value of the collateral.

Impaired loans

Compared to December 31, 2021, gross impaired loans increased CHF 657 million to CHF 3.4 billion as of December 31, 2022, mainly driven by higher potential problem loans in Wealth Management, the Investment Bank and the Swiss Bank.

In the Investment Bank, gross impaired loans increased CHF 359 million, mainly reflecting impairments in securitizations relating to aircraft companies. In Wealth Management, gross impaired loans increased CHF 279 million, primarily driven by newly impaired Russia-related positions in corporate lending, export finance as well as aviation and yacht finance. These increases were partially offset by the resolution of several positions and exposure reductions primarily in European mortgages and share-backed lending.

Impaired loans

end of	Wealth Management	Investment Bank	Swiss Bank	Asset Management	Corporate Center	**Credit Suisse**
2022 (CHF million)						
Non-performing loans	1,011	204	349	0	50	1,614
Non-interest-earning loans	119	0	203	0	27	349
Non-accrual loans	1,130	204	552	0	77	1,963
Restructured loans	347	30	107	0	0	484
Potential problem loans	337	382	258	0	0	977
Other impaired loans	684	412	365	0	0	1,461
Gross impaired loans [1]	**1,814** [2]	**616**	**917**	**0**	**77**	**3,424**
of which loans with a specific allowance	1,528	522	758	0	75	2,883
of which loans without a specific allowance	286	94	159	0	2	541
2021 (CHF million)						
Non-performing loans	1,183	77	361	0	45	1,666
Non-interest-earning loans	59	0	208	0	31	298
Non-accrual loans	1,242	77	569	0	76	1,964
Restructured loans	217	25	125	0	0	367
Potential problem loans	76	155	202	0	3	436
Other impaired loans	293	180	327	0	3	803
Gross impaired loans [1]	**1,535** [2]	**257**	**896**	**0**	**79**	**2,767**
of which loans with a specific allowance	1,267	257	742	0	74	2,340
of which loans without a specific allowance	268	0	154	0	5	427

Divisional metrics reflect where the loans are recorded and managed from a risk management view and do not reflect any revenue sharing arrangements that exist between divisions.

1 Impaired loans are only based on loans that are not carried at fair value.

2 Includes gross impaired loans of CHF 224 million and CHF 84 million as of December 31, 2022 and 2021, respectively, which are mostly secured by guarantees provided by investment-grade export credit agencies.

In March 2020, US federal banking regulators issued the "Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus (Revised)" (Interagency Statement). According to the Interagency Statement, short-term modifications made on a good faith basis in response to the COVID-19 crisis to borrowers that were otherwise current prior to the relief being granted would not be considered to be troubled debt restructurings. This includes short-term modifications such as payment deferrals, fee waivers, repayment term extensions or payment delays that are insignificant. The Interagency Statement was developed in consultation with the Financial Accounting Standards Board (FASB) and the Group applied this guidance until December 31, 2022. The Group had granted short-term modifications to certain borrowers due to the COVID-19 crisis in the form of deferrals of capital and interest payments that were within the scope of this guidance and the loans subject to those deferrals were not reported as troubled debt restructurings in restructured loans.

Allowance for credit losses on loans

Compared to December 31, 2021, the allowance for credit losses increased CHF 66 million to CHF 1.4 billion as of December 31, 2022, primarily reflecting increases in specific provision for expected credit losses, particularly in the Investment Bank.

Allowance for credit losses on loans

end of	Wealth Management	Investment Bank	Swiss Bank	Asset Management	Corporate Center	**Credit Suisse**
2022 (CHF million)						
Balance at beginning of period [1]	**558**	**186**	**524**	**0**	**29**	**1,297**
of which individually evaluated	355	50	353	0	27	785
of which collectively evaluated	203	136	171	0	2	512
Current-period provision for expected credit losses	75	67	95	0	2	239
of which provisions for interest	38	9	1	0	3	51
Gross write-offs	(61)	(17)	(103)	0	0	(181)
Recoveries	0	2	13	0	0	15
Net write-offs	(61)	(15)	(90)	0	0	(166)
Foreign currency translation impact and other adjustments, net	(7)	1	(1)	0	0	(7)
Balance at end of period [1]	**565**	**239**	**528**	**0**	**31**	**1,363**
of which individually evaluated	370	97	348	0	30	845
of which collectively evaluated	195	142	180	0	1	518

Divisional metrics reflect where the loans are recorded and managed from a risk management view and do not reflect any revenue sharing arrangements that exist between divisions.

1 Allowance for credit losses is only based on loans that are not carried at fair value.

The following tables provide an overview of changes in impaired loans and related allowance for credit losses by loan portfolio segment.

Gross impaired loans by portfolio segment

	Consumer	Corporate & institutional	**Total**
2022 (CHF million)			
Balance at beginning of period	**1,074**	**1,693**	**2,767**
New impaired loans	344	1,791	2,135
Increase in existing impaired loans	87	124	211
Reclassifications to non-impaired status	(177)	(126)	(303)
Repayments [1]	(309)	(704)	(1,013)
Liquidation of collateral, insurance or guarantee payments	(49)	(49)	(98)
Sales [2]	0	(39)	(39)
Write-offs	(59)	(117)	(176)
Foreign currency translation impact and other adjustments, net	(26)	(34)	(60)
Balance at end of period	**885**	**2,539**	**3,424**

1 Full or partial principal repayments.

2 Includes transfers to loans held-for-sale for intended sales of held-to-maturity loans.

Allowance for credit losses on loans by portfolio segment

	Consumer	Corporate & institutional	Total
2022 (CHF million)			
Balance at beginning of period [1]	**357**	**940**	**1,297**
of which individually evaluated	273	512	785
of which collectively evaluated	84	428	512
Current-period provision for expected credit losses	55	184	239
of which provisions for interest	22	29	51
Gross write-offs	(65)	(116)	(181)
Recoveries	12	3	15
Net write-offs	(53)	(113)	(166)
Foreign currency translation impact and other adjustments, net	0	(7)	(7)
Balance at end of period [1]	**359**	**1,004**	**1,363**
of which individually evaluated	273	572	845
of which collectively evaluated	86	432	518

1 Allowance for credit losses is only based on loans that are not carried at fair value.

Loan metrics

end of	Wealth Management	Investment Bank	Swiss Bank	Asset Management	Corporate Center	**Credit Suisse**
2022 (%)						
Non-accrual loans / Gross loans	1.5	0.9	0.3	0.0	11.2	0.8
Gross impaired loans / Gross loans	2.3	2.8	0.6	0.0	11.2	1.3
Allowance for credit losses / Gross loans	0.7	1.1	0.3	0.0	4.5	0.5
Specific allowance for credit losses / Gross impaired loans	20.4	15.7	37.9	–	39.0	24.7
2021 (%)						
Non-accrual loans / Gross loans	1.2	0.4	0.4	0.0	9.7	0.7
Gross impaired loans / Gross loans	1.5	1.4	0.6	0.0	10.1	1.0
Allowance for credit losses / Gross loans	0.5	1.0	0.3	0.0	3.7	0.5
Specific allowance for credit losses / Gross impaired loans	23.1	19.5	39.4	–	34.2	28.4

Divisional metrics reflect where the loans are recorded and managed from a risk management view and do not reflect any revenue sharing arrangements that exist between divisions. Gross loans and gross impaired loans exclude loans carried at fair value and the allowance for credit losses is only based on loans that are not carried at fair value.

Allowance for credit losses on other financial assets

In 2022, the Investment Bank recorded a release of provision for credit losses of CHF 155 million pertaining to an assessment of the future recoverability of receivables related to Archegos. In 2021, the Investment Bank incurred a provision for credit losses of CHF 4,307 million related to the failure by Archegos to meet its margin commitments. On the Group's consolidated balance sheet as of December 31, 2022 and 2021, the related allowance is included in the allowance for credit losses on brokerage receivables of CHF 4,081 million and CHF 4,186 million, respectively.

→ Refer to "Risk factors" in I – Information on the company for information on the Archegos matter.

→ Refer to "Note 9 – Provision for credit losses" and "Note 20 – Financial instruments measured at amortized cost and credit losses" in VI – Consolidated financial statements – Credit Suisse Group for further information.

Derivative instruments

The Group enters into derivative contracts in the normal course of business for market making, positioning and arbitrage purposes, as well as for our own risk management needs, including mitigation of interest rate, foreign exchange and credit risk.

Derivatives are either privately negotiated OTC contracts or standard contracts transacted through regulated exchanges. The most frequently used derivative products include interest rate swaps, cross-currency swaps and credit default swaps (CDS), interest rate and foreign exchange options, foreign exchange forward contracts, and foreign exchange and interest rate futures. In addition, the Group enters into total return swaps on specific assets which offer exposure to price performance of securities to clients, offering synthetic financing arrangements as an alternative to on balance sheet financing of physical securities.

The replacement values of derivative instruments correspond to their fair values at the dates of the consolidated balance sheets and arise from transactions for the account of individual customers and for our own account. Positive replacement values (PRV) constitute an asset, while negative replacement values (NRV) constitute a liability. Fair value does not indicate future gains or losses, but rather premiums paid or received for a derivative instrument at inception, if applicable, and unrealized gains and losses from marking to market all derivatives at a particular point in time. The fair values of derivatives are determined using various methodologies, primarily observable market prices where available and, in their absence, observable market parameters for instruments with similar characteristics and maturities, net present value analysis or other pricing models as appropriate.

The following table illustrates how credit risk on derivatives receivables is reduced by the use of legally enforceable netting agreements and collateral agreements. Netting agreements allow us to net balances from derivative assets and liabilities transacted with the same counterparty when the netting agreements are legally enforceable. Replacement values are disclosed net of such agreements in the consolidated balance sheets. Collateral agreements are entered into with certain counterparties based upon the nature of the counterparty and/or the transaction and require the placement of cash or securities with us as collateral for the underlying transaction. The carrying values of derivatives are presented in accordance with generally accepted accounting standards in the US and are not comparable with the derivatives metrics presented in our disclosures required under Pillar 3 of the Basel framework.

Derivative instruments by maturity

				2022				2021
end of / due within	Less than 1 year	1 to 5 years	More than 5 years	**Positive replacement value**	Less than 1 year	1 to 5 years	More than 5 years	**Positive replacement value**
CHF billion								
Interest rate products	4.2	9.8	19.4	33.4	5.0	12.8	31.8	49.6
Foreign exchange products [1]	13.1	6.6	5.9	25.6	11.8	5.5	4.6	21.9
Equity/index-related products	2.2	3.6	0.3	6.1	6.5	5.7	0.4	12.6
Credit derivatives	0.7	1.4	1.1	3.2	0.3	3.1	1.6	5.0
Other products [2]	0.3	0.1	0.5	0.9	0.4	0.1	1.0	1.5
OTC derivative instruments	**20.5**	**21.5**	**27.2**	**69.2**	**24.0**	**27.2**	**39.4**	**90.6**
Exchange-traded derivative instruments				19.0				23.1
Netting agreements [1,3]				(77.1)				(95.9)
Total derivative instruments				**11.1**				**17.8**
of which recorded in trading assets				11.1				17.6
of which recorded in other assets				0.0				0.2

1 Prior period has been revised.
2 Primarily precious metals, commodity and energy products.
2 Taking into account legally enforceable netting agreements.

Derivative transactions exposed to credit risk are subject to a credit request and approval process, ongoing credit and counterparty monitoring and a credit quality review process. Counterparty credit risk exposures arising from derivatives are subject to division-specific review and oversight, including the estimation of potential loss and downside risk in stress scenarios. The following table represents the rating split of our credit exposure from derivative instruments.

Derivative instruments by counterparty credit rating

end of	**2022**	2021
CHF billion		
AAA	1.2	1.1
AA	2.8	4.6
A	1.3	1.5
BBB	2.5	3.8
BB or lower	2.3	4.7
OTC derivative instruments	**10.1**	**15.7**
Exchange-traded derivative instruments [1]	1.0	2.1
Total derivative instruments [1]	**11.1**	**17.8**

Credit ratings do not reflect the benefit of collateral received.
1 Taking into account legally enforceable netting agreements.

Derivative instruments are categorized as exposures from trading activities (trading) and those qualifying for hedge accounting (hedging). Trading includes activities relating to market making, positioning and arbitrage. It also includes economic hedges where the Group enters into derivative contracts for its own risk management purposes, but where the contracts do not qualify for hedge accounting under US GAAP. Hedging includes contracts that qualify for hedge accounting under US GAAP, such as fair value hedges, cash flow hedges and net investment hedges.

→ Refer to "Note 28 – Offsetting of financial assets and financial liabilities" in VI – Consolidated financial statements – Credit Suisse Group for further information on offsetting of derivatives.

→ Refer to "Note 33 – Derivatives and hedging activities" in VI – Consolidated financial statements – Credit Suisse Group for further information on derivatives, including an overview of derivatives by products categorized for trading and hedging purposes.

Forwards and futures

The Group enters into forward purchase and sale contracts for mortgage-backed securities, foreign currencies and commitments to buy or sell commercial and residential mortgages. In addition, we enter into futures contracts on equity-based indices and other financial instruments, as well as options on futures contracts. These contracts are typically entered into to meet the needs of customers, for trading and for hedging purposes.

On forward contracts, the Group is exposed to counterparty credit risk. To mitigate this credit risk, we limit transactions by counterparty, regularly review credit limits and adhere to internally established credit extension policies.

For futures contracts and options on futures contracts, the change in the market value is settled with a clearing broker in cash each day. As a result, our credit risk with the clearing broker is limited to the net positive change in the market value for a single day.

Swaps

Swap agreements consist primarily of interest rate swaps, CDS, currency and equity swaps. The Group enters into swap agreements for trading and risk management purposes. Interest rate swaps are contractual agreements to exchange interest rate payments based on agreed upon notional amounts and maturities. CDS are contractual agreements in which the buyer of the swap pays a periodic fee in return for a contingent payment by the seller of the swap following a credit event of a reference entity. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. Currency swaps are contractual agreements to exchange payments in different currencies based on agreed notional amounts and currency pairs. Equity swaps are contractual agreements to receive the appreciation or depreciation in value based on a specific strike price on an equity instrument in exchange for paying another rate, which is usually based on an index or interest rate movements.

Options

We write options specifically designed to meet the needs of customers and for trading purposes. These written options do not expose us to the credit risk of the customer because, if exercised, we and not our counterparty are obligated to perform. At the beginning of the contract period, we receive a cash premium. During the contract period, we bear the risk of unfavorable changes in the value of the financial instruments underlying the options. To manage this market risk, we purchase or sell cash or derivative financial instruments. Such purchases and sales may include debt and equity securities, forward and futures contracts, swaps and options.

We also purchase options to meet customer needs, for trading purposes and for hedging purposes. For purchased options, we obtain the right to buy or sell the underlying instrument at a fixed price on or before a specified date. During the contract period, our risk is limited to the premium paid. The underlying instruments for these options typically include fixed income and equity securities, foreign currencies and interest rate instruments or indices. Counterparties to these option contracts are regularly reviewed in order to assess creditworthiness.

Market risk

Traded market risk

Development of traded market risks

The tables entitled “Average one-day, 98% risk management VaR by division” and “One-day, 98% risk management VaR” show our traded market risk exposure, as measured by one-day, 98% risk management VaR in Swiss francs and US dollars. As we measure VaR for internal risk management purposes using the US dollar as the base currency, the VaR figures were translated into Swiss francs using daily foreign exchange translation rates. VaR estimates are computed separately for each risk type and for the whole portfolio. The different risk types are grouped into five categories including interest rate, credit spread, foreign exchange, commodity and equity risks.

Risk management VaR measures the Group’s traded market risk exposure managed under the market risk framework and generally includes the trading book positions and banking book positions held at fair value.

We regularly review our VaR model to ensure that it remains appropriate given evolving market conditions and the composition of our trading portfolio. In 2022, there were no material changes to our VaR methodology.

Average one-day, 98% risk management VaR by division

in	Wealth Management	Investment Bank	Swiss Bank	Asset Management	Corporate Center	Diversification benefit [1]	**Credit Suisse**
CHF million							
2022	12	41	0	0	4	(10)	47
2021 [2]	12	52	0	2	3	(14)	55
USD million							
2022	12	43	0	0	4	(10)	49
2021 [2]	13	56	0	2	4	(15)	60

Excludes risks associated with counterparty and own credit exposures. Risk management VaR measures the Group’s risk exposure managed under the market risk framework and generally includes the trading book positions and banking book positions held at fair value.

1 Difference between the sum of the standalone VaR for each division and the VaR for the Group.

2 The restatement of divisional historical average risk management VaR for the organizational structure effective from January 1, 2022 to December 31, 2022, required certain additional assumptions.

One-day, 98% risk management VaR

in / end of	Interest rate	Credit spread	Foreign exchange	Commodity	Equity	Diversification benefit [1]	**Total**
CHF million							
2022							
Average	21	37	42	3	40	(96)	47
Minimum	10	30	10	2	16	–[2]	38
Maximum	35	49	60	7	68	–[2]	59
End of period	28	31	52	2	65	(139)	39
2021							
Average	15	57	31	3	32	(83)	55
Minimum	10	37	20	2	24	–[2]	44
Maximum	26	77	38	4	38	–[2]	70
End of period	11	37	28	3	32	(66)	45
USD million							
2022							
Average	22	39	44	3	42	(101)	49
Minimum	10	32	10	2	17	–[2]	40
Maximum	38	52	60	8	73	–[2]	64
End of period	30	34	56	2	71	(151)	42
2021							
Average	17	62	33	3	35	(90)	60
Minimum	11	40	22	2	27	–[2]	48
Maximum	29	83	41	5	41	–[2]	74
End of period	12	40	30	3	35	(71)	49

Excludes risks associated with counterparty and own credit exposures. Risk management VaR measures the Group's risk exposure managed under the market risk framework and generally includes the trading book positions and banking book positions held at fair value.

1 Diversification benefit represents the reduction in risk that occurs when combining different, not perfectly correlated risk types in the same portfolio and is measured as the difference between the sum of the individual risk types and the risk calculated on the combined portfolio.

2 As the maximum and minimum occur on different days for different risk types, it is not meaningful to calculate a portfolio diversification benefit.

We measure VaR in US dollars, as the majority of our trading activities are conducted in US dollars.

Average risk management VaR of USD 49 million in 2022 decreased 18% compared to 2021, primarily reflecting a reduction in securitized products positions in the Investment Bank and COVID-19 pandemic volatility dates moving out of the recent historical data set of the VaR model. The decrease in credit spread risk management VaR was driven by the aforementioned factors. The increase in foreign exchange risk management VaR was driven by positional changes. The increase in interest rate and equity risk management VaR was driven by the inclusion of volatility observed in the second half of 2022 in the data set.

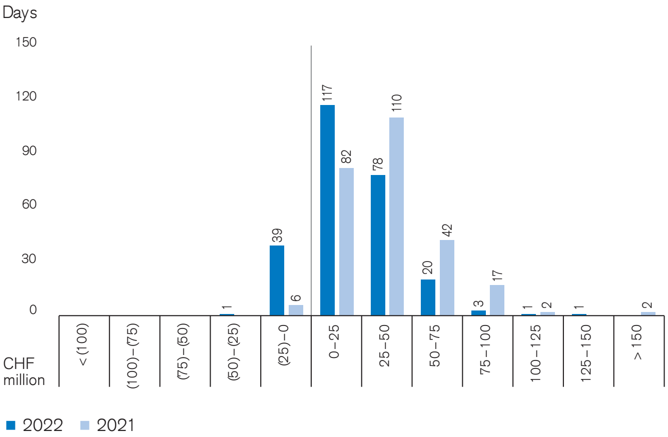
The chart entitled "Daily risk management VaR" shows the aggregated traded market risk on a consolidated basis.

Daily risk management VaR

Excludes risks associated with counterparty and own credit exposures.

The histogram entitled "Actual daily trading revenues" compares the actual daily trading revenues for 2022 with those for 2021. Actual daily trading revenues is an internally used metric, limited to the trading book only, and excludes the cost of carry, credit provisions and internal revenue transfers. The cost of carry is the change in value of the portfolio from one day to the next, assuming all other factors such as market levels and trade population remain constant, and can be negative or positive. The dispersion of trading revenues indicates the day-to-day volatility in our trading activities. In 2022, we had 40 trading loss days compared to six trading loss days in 2021.

Actual daily trading revenues



For capital purposes and in line with BIS requirements, FINMA increases the capital multiplier for every regulatory VaR backtesting exception above four in the prior rolling 12-month period, resulting in an incremental market risk capital requirement for the Group. For the rolling 12-month period through the end of 2022, we had one backtesting exception in our regulatory VaR model, and the model remained in the regulatory "green zone".

→ Refer to "Risk-weighted assets" in Capital management for further information on the use of our regulatory VaR model in the calculation of trading book market risk capital requirements.

Credit, debit and funding valuation adjustments

VaR excludes the impact of changes in both counterparty and our own credit spreads on derivative products. As of December 31, 2022, the estimated sensitivity implies that a one basis point increase in credit spreads, both counterparty and our own, would have resulted in a CHF 0.6 million gain on the overall derivatives position in our trading businesses. In addition, a one basis point increase in our own credit spread on our fair valued structured notes portfolio (including the impact of hedges) would have resulted in a CHF 11.9 million gain as of December 31, 2022. As of December 31, 2022, the estimated FVA sensitivity implies that a one basis point increase in the fair value funding spread would have resulted in a CHF 0.1 million loss on the overall derivatives position in the investment banking businesses.

Non-traded market risk

Development of interest rate risks in the banking book

Interest rate risk on banking book positions is measured by estimating the impact resulting from a one basis point parallel increase in yield curves on the present value of interest rate-sensitive banking book positions. This is measured on the Group's entire banking book. Interest rate risk sensitivities disclosed below are in line with our internal risk management view.

→ Refer to credit-suisse.com/regulatorydisclosures for the Group's publication "Pillar 3 and regulatory disclosures 4Q22 – Credit Suisse Group AG" which includes additional information on regulatory interest rate risk in the banking book in accordance with FINMA guidance.

As of December 31, 2022, the interest rate sensitivity of a one basis point parallel increase in yield curves was negative CHF 5.0 million, compared to negative CHF 3.6 million as of December 31, 2021. The change was mainly driven by a duration increase in net interest income hedging activities in addition to regular management of banking book activities.

One basis point parallel increase in yield curves by currency – banking book positions

end of	CHF	USD	EUR	Other	**Total**
2022 (CHF million)					
Impact on present value	(0.6)	(4.3)	0.0	(0.1)	(5.0)
2021 (CHF million)					
Impact on present value	(0.6)	(3.0)	0.2	(0.2)	(3.6)

Interest rate risk on banking book positions is also assessed using other measures, including the potential value change resulting from a significant change in yield curves. The interest rate scenarios disclosed below are aligned to the FINMA guidance for Pillar 3 disclosures. The table "Interest rate scenario results – banking book positions" shows the impact of the FINMA-defined interest rate scenarios on the net present value of our banking book positions excluding additional tier 1 capital instruments (as per Pillar 3 requirements) and including additional tier 1 capital instruments.

As of December 31, 2022, the most adverse economic impact from these scenarios (including additional tier 1 capital instruments) was a loss of CHF 955 million, compared to a loss of CHF 555 million as of December 31, 2021. The change was mainly driven by a duration increase in net interest income hedging activities in addition to regular management of banking book activities.

Interest rate scenario results – banking book positions

end of	CHF	USD	EUR	Other	Total – Pillar 3 view [1]	Total – Internal view [2]
2022 (CHF million)						
Parallel up	(149)	(1,620)	(6)	(7)	(1,782)	(955)
Parallel down	116	1,803	2	2	1,923	999
Steepener shock [3]	49	12	27	(12)	76	106
Flattener shock [4]	(73)	(371)	(30)	12	(462)	(307)
Rise in short-term interest rates	(106)	(1,030)	(31)	6	(1,161)	(677)
Fall in short-term interest rates	102	1,060	27	(12)	1,177	659
2021 (CHF million)						
Parallel up	(114)	(1,515)	38	(8)	(1,599)	(555)
Parallel down	176	1,788	(28)	79	2,015	834
Steepener shock [3]	(315)	18	(16)	2	(311)	(224)
Flattener shock [4]	304	(309)	26	26	47	190
Rise in short-term interest rates	192	(923)	32	27	(672)	(108)
Fall in short-term interest rates	(205)	1,065	(33)	50	877	264

All scenarios are in line with FINMA guidance (FINMA circular 2019/2).

1 Excludes additional tier 1 capital instruments in accordance with Pillar 3 requirements.

2 Includes additional tier 1 capital instruments in accordance with the Group's risk management view.

3 Reflects a fall in short-term interest rates combined with a rise in long-term interest rates.

4 Reflects a rise in short-term interest rates combined with a fall in long-term interest rates.

Illiquid investments

The Group's illiquid investment positions, which may not be strongly correlated with general equity markets, are measured using internal SFTQ scenario analysis. It is a key scenario that periodically evolves and is used for Group-wide stress testing and risk appetite setting. It is a combination of market shocks and defaults that reflects conditions similar to what followed the 2008/2009 financial crisis. The SFTQ scenario assumes a severe crash across financial markets, along with sharply increasing default rates. The estimated impact of the current scenario would have been a decrease of CHF 184 million in the value of the illiquid investment portfolio as of December 31, 2022, compared to a decrease of CHF 200 million as of December 31, 2021.

Balance sheet and off-balance sheet

As of the end of 2022, total assets of CHF 531.4 billion decreased 30% and total liabilities of CHF 486.0 billion decreased 32% compared to the end of 2021, primarily reflecting lower operating activities.

The majority of our transactions are recorded on our balance sheet. However, we also enter into transactions that give rise to both on and off-balance sheet exposure.

Balance sheet

Total assets were CHF 531.4 billion as of the end of 2022, a decrease of CHF 224.5 billion, or 30%, compared to the end of 2021. Excluding the foreign exchange translation impact, total assets decreased CHF 224.7 billion. Cash and due from banks decreased CHF 96.3 billion, or 58%, mainly driven by lower cash positions at the SNB, Bank of Japan and the ECB. Trading assets decreased CHF 45.7 billion, or 41%, primarily reflecting decreases in equity and debt securities and in derivative instruments. Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions decreased CHF 45.1 billion, or 43%, primarily due to decreases in reverse repurchase transactions from customers and cash collateral. Net loans decreased CHF 27.5 billion, or 9%, mainly driven by decreases in loans collateralized by securities, commercial and industrial loans, loans to the real estate sector and consumer mortgages. Brokerage receivables decreased CHF 2.9 billion, or 17%, mainly reflecting a decrease in margin lending, driven by the impact of resizing the prime services franchise, and lower futures balances, partially offset by an increase in open trades. All other assets decreased CHF 7.0 billion, or 10%, primarily including a decrease of CHF 12.0 billion, or 80%, in securities received as collateral, partially offset by an increase of CHF 5.4 billion, or 13%, in other assets, mainly related to higher loans held-for-sale.

Balance sheet summary

			end of		% change
	2022	2021	2020	22 / 21	21 / 20
Assets (CHF million)					
Cash and due from banks	68,478	164,818	139,112	(58)	18
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	58,798	103,906	92,276	(43)	13
Trading assets	65,461	111,141	157,338	(41)	(29)
Net loans	264,165	291,686	291,908	(9)	0
Brokerage receivables	13,818	16,687	35,941	(17)	(54)
All other assets	60,638	67,595	102,390	(10)	(34)
Total assets	**531,358**	**755,833**	**818,965**	(30)	(8)
Liabilities and equity (CHF million)					
Due to banks	11,905	18,965	16,423	(37)	15
Customer deposits	233,235	392,819	390,921	(41)	0
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	20,280	35,274	36,994	(43)	(5)
Trading liabilities	18,338	27,535	45,871	(33)	(40)
Long-term debt	157,235	166,896	161,087	(6)	4
Brokerage payables	11,442	13,060	21,653	(12)	(40)
All other liabilities	33,592	57,054	103,075	(41)	(45)
Total liabilities	**486,027**	**711,603**	**776,024**	(32)	(8)
Total shareholders' equity	**45,129**	**43,954**	**42,677**	3	3
Noncontrolling interests	202	276	264	(27)	5
Total equity	**45,331**	**44,230**	**42,941**	2	3
Total liabilities and equity	**531,358**	**755,833**	**818,965**	(30)	(8)

Total liabilities were CHF 486.0 billion as of the end of 2022, a decrease of CHF 225.6 billion, or 32%, compared to the end of 2021. Excluding the foreign exchange translation impact, total liabilities decreased CHF 226.6 billion. Customer deposits decreased CHF 159.6 billion, or 41%, reflecting significantly higher withdrawals of cash deposits as well as non-renewal of maturing time deposits in the fourth quarter of 2022. Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions decreased CHF 15.0 billion, or 43%, mainly reflecting a decrease in cash collateral from customers. Long-term debt decreased CHF 9.7 billion, or 6%, primarily reflecting maturities of senior and subordinated debt and valuation adjustments on senior and subordinated debt, partially offset by issuances of senior and subordinated debt. Trading liabilities decreased CHF 9.2 billion, or 33%, primarily reflecting decreases in short positions and derivative instruments. Due to banks decreased CHF 7.1 billion, or 37%, primarily reflecting a decrease in time deposits, partially offset by an increase in demand deposits. Brokerage payables decreased CHF 1.6 billion, or 12%, primarily due to a decrease in margin lending, partially offset by an increase in open trades. All other liabilities decreased CHF 23.5 billion, or 41%, including a decrease of CHF 12.0 billion, or 80%, in obligation to return securities received as collateral, a decrease of CHF 7.0 billion, or 36%, in short-term borrowings and a decrease of CHF 4.4 billion, or 20%, in other liabilities, mainly related to cash collateral on derivative instruments.

→ Refer to "Liquidity and funding management" and "Capital management" for more information, including our funding of the balance sheet and the leverage ratio.

Off-balance sheet

We enter into off-balance sheet arrangements in the normal course of business. Off-balance sheet arrangements are transactions or other contractual arrangements with, or for the benefit of, an entity that is not consolidated. These transactions include derivative instruments, guarantees and similar arrangements, retained or contingent interests in assets transferred to an unconsolidated entity in connection with our involvement with special purpose entities (SPEs), and obligations and liabilities (including contingent obligations and liabilities) under variable interests in unconsolidated entities that provide financing, liquidity, credit and other support.

Derivative instruments

We enter into derivative contracts in the normal course of business for market making, positioning and arbitrage purposes, as well as for our own risk management needs, including mitigation of interest rate, foreign exchange and credit risk.

→ Refer to "Derivative instruments" in Risk management – Risk portfolio analysis – Credit risk and "Note 33 – Derivatives and hedging activities" and "Note 36 – Financial instruments" in VI – Consolidated financial statements – Credit Suisse Group for further information.

Guarantees and similar arrangements

In the ordinary course of business, guarantees and indemnifications are provided that contingently obligate us to make payments to a guaranteed or indemnified party based on changes in an asset, liability or equity security of the guaranteed or indemnified party. We may be contingently obligated to make payments to a guaranteed party based on another entity's failure to perform, or we may have an indirect guarantee of the indebtedness of others. Guarantees provided include, but are not limited to, customary indemnifications to purchasers in connection with the sale of assets or businesses; to investors in private equity funds sponsored by us regarding potential obligations of their employees to return amounts previously paid as carried interest; and to investors in our securities and other arrangements to provide gross-up payments if there is a withholding or deduction because of a tax assessment or other governmental charge.

In connection with the sale of assets or businesses, we sometimes provide the acquirer with certain indemnification provisions. These indemnification provisions vary by counterparty in scope and duration and depend upon the type of assets or businesses sold. They are designed to transfer the potential risk of certain unquantifiable and unknowable loss contingencies, such as litigation, tax and intellectual property matters, from the acquirer to the seller. We closely monitor all such contractual agreements in order to ensure that indemnification provisions are adequately provided for in our consolidated financial statements.

US GAAP requires disclosure of our maximum potential payment obligations under certain guarantees to the extent that it is possible to estimate them and requires recognition of a liability for the fair value of obligations undertaken for guarantees issued or amended after December 31, 2002.

→ Refer to "Note 34 – Guarantees and commitments" in VI – Consolidated financial statements – Credit Suisse Group for disclosure of our estimated maximum payment obligations under certain guarantees and related information.

Representations and warranties on residential mortgage loans sold

In connection with the Investment Bank division's sale of US residential mortgage loans, we have provided certain representations and warranties relating to the loans sold. We have provided these representations and warranties relating to sales of loans to institutional investors, primarily banks, and non-agency, or private label, securitizations. The loans sold are primarily loans that we have purchased from other parties. The scope of representations and warranties, if any, depends on the transaction, but can include: ownership of the mortgage loans and legal capacity to sell the loans; loan-to-value ratios and other characteristics of the property, the borrower and the loan; validity of the liens securing the loans and absence of delinquent taxes or related liens; conformity to underwriting standards and completeness of documentation; and origination in compliance with law. If it is determined that representations and warranties were breached, we may be required to repurchase the related loans or indemnify the investors to make them whole for losses. Whether we will incur a loss in connection with repurchases and make whole payments depends on: the extent to which claims are made; the validity of such claims made within the statute of limitations (including the likelihood and ability to enforce claims); whether we can successfully claim against parties that sold loans to us and made representations and warranties to us; the residential real estate market, including the number of defaults; and whether the obligations of the securitization vehicles were guaranteed or insured by third parties.

→ Refer to "Representations and warranties on residential mortgage loans sold" in Note 34 – Guarantees and commitments in VI – Consolidated financial statements – Credit Suisse Group for further information.

Involvement with special purpose entities

In the normal course of business, we enter into transactions with, and make use of, SPEs. An SPE is an entity in the form of a trust or other legal structure designed to fulfill a specific limited need of the company that organized it and is generally structured to isolate the SPE's assets from creditors of other entities, including the Group. The principal uses of SPEs are to assist us and our clients in securitizing financial assets and creating investment products. We also use SPEs for other client-driven activity, such as to facilitate financings, and for Group tax or regulatory purposes.

→ Refer to "Note 35 –Transfers of financial assets and variable interest entities" in VI – Consolidated financial statements – Credit Suisse Group for further information.

From time to time, we may issue subordinated and senior securities through SPEs that lend the proceeds to Group entities.

Contractual obligations and other commercial commitments

In connection with our operating activities, we enter into certain contractual obligations and commitments to fund certain assets. Our contractual obligations and commitments include short and long-term on-balance sheet obligations as well as future contractual interest payments and off-balance sheet obligations. Total obligations decreased CHF 194.4 billion in 2022 to CHF 451.0 billion, primarily reflecting decreases in customer deposits of CHF 159.6 billion to CHF 233.2 billion, in long-term debt of CHF 9.7 billion to CHF 157.2 billion, in trading liabilities of CHF 9.2 billion to CHF 18.3 billion, in due to banks of CHF 7.1 billion to CHF 11.9 billion, in short-term borrowings of CHF 7.0 billion to CHF 12.4 billion and in brokerage payables of CHF 1.6 billion to CHF 11.4 billion.

→ Refer to "Note 24 – Leases", "Note 26 – Long-term debt" and "Note 34 – Guarantees and commitments" in VI – Consolidated financial statements – Credit Suisse Group for further information.

Contractual obligations and other commercial commitments

					2022	2021
Payments due within	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total	Total
On- and off-balance sheet obligations (CHF million)						
Due to banks	11,905	0	0	0	11,905	18,965
Customer deposits	230,396	2,512	108	219	233,235	392,819
Short-term borrowings	12,414	0	0	0	12,414	19,393
Long-term debt [1]	28,154	44,486	32,198	52,397	157,235 [2]	166,896 [2]
Contractual interest payments [3, 4]	808	376	192	708	2,084 [5]	1,904
Trading liabilities	18,338	0	0	0	18,338	27,535
Brokerage payables	11,442	0	0	0	11,442	13,060
Operating lease obligations	372	611	517	1,284	2,784	3,004
Purchase obligations [3, 6]	942	423	159	24	1,548	1,794
Total obligations [7]	**314,771**	**48,408**	**33,174**	**54,632**	**450,985**	**645,370**

1 Refer to "Debt issuances and redemptions" in Liquidity and funding management – Funding management and "Note 26 – Long-term debt" in VI – Consolidated financial statements – Credit Suisse Group for further information on long-term debt.
2 Included non-recourse liabilities from consolidated VIEs of CHF 2,096 million and CHF 1,391 million as of December 31, 2022 and 2021, respectively.
3 These obligations are excluded from "Other commitments" in Note 34 – Guarantees and commitments in VI – Consolidated financial statements – Credit Suisse Group.
4 Includes interest payments on fixed rate long-term debt, fixed rate interest-bearing deposits (excluding demand deposits) and fixed rate short-term borrowings, which have not been effectively converted to variable rate on an individual instrument level through the use of swaps.
5 Due to the non-determinable nature of interest payments, the following notional amounts have been excluded from the table: variable rate long-term debt of CHF 68,362 million, variable rate short-term borrowings of CHF 12,229 million, variable rate interest-bearing deposits and demand deposits of CHF 106,226 million, fixed rate long-term debt and fixed rate interest-bearing deposits converted to variable rate on an individual instrument level through the use of swaps of CHF 96,423 million and CHF 63 million, respectively.
6 Purchase obligations include contractual obligations for certain professional services, occupancy, IT and other administrative expenses.
7 Excluded total accrued benefit liability for pension and other post-retirement benefit plans of CHF 259 million and CHF 344 million as of December 31, 2022 and 2021, respectively, recorded in other liabilities in the consolidated balance sheets, as the accrued liability does not represent expected liquidity needs. Refer to "Note 32 – Pension and other post-retirement benefits" in VI – Consolidated financial statements – Credit Suisse Group for further information on pension and other post-retirement benefits.

IV – Corporate Governance

Corporate Governance

2022 represented an additional year of significant change for the Group's corporate governance, with the election of a new Chairman, the appointment of a new CEO and the announcement of further organizational changes in line with our new strategy.

Overview

The Group's corporate governance reflects our commitment to safeguard the interests of our stakeholders. Our corporate governance complies with internationally accepted standards, and we recognize the importance of good corporate governance. We know that transparent disclosure of our governance helps stakeholders assess the quality of the Group's corporate governance and assists investors in their investment decisions.

Corporate Governance developments

The key corporate governance developments for the Group in 2022 and early 2023 included the following:

Board of Directors

- Axel Lehmann was elected as Chairman of the Board of Directors (Chairman) at the Annual General Meeting (AGM) on April 29, 2022. Axel Lehmann was initially appointed as Chairman by the Board of Directors (Board) with effect from January 16, 2022, succeeding António Horta-Osório, who resigned from the Board;
- Three new Board members, Mirko Bianchi, Keyu Jin and Amanda Norton, were elected at the 2022 AGM, ensuring that the Board continues to have strong expertise in the areas of finance and risk management and with respect to Asian markets, particularly China, which are important growth areas for the Group; Mirko Bianchi was subsequently appointed Chair of the Audit Committee;
- Long-standing Board members Severin Schwan and Kai Nargolwala did not stand for re-election at the 2022 AGM, nor did Juan Colombas, who had been elected to the Board in October 2021;
- Several leadership changes within the Board have been implemented, including the appointment of Christian Gellerstad as Vice-Chair and Lead Independent Director (former Vice-Chair and Lead Independent Director: Severin Schwan), and Chair of the Compensation Committee (former Chair: Kai Nargolwala), as well as the appointments of Clare Brady as Chair of the Conduct and Financial Crime Control Committee (former Chair: Christian Gellerstad), Richard Meddings as Chair of the Risk Committee (former Chair: Axel Lehmann) and a refreshed composition of the Governance and Nominations Committee; and
- Michael Klein stepped down from the Board and the Compensation Committee on October 27, 2022 in the context of the restructuring of the Group's Investment Bank. It was subsequently announced on February 9, 2023 that, subject to regulatory approval, Michael Klein will join the Executive Board as CEO of Banking, regional CEO of Americas and CEO designate of CS First Boston and that the Group will acquire The Klein Group LLC, a New York-based investment banking boutique and registered broker-dealer, which will be integrated into CS First Boston.

Executive Board

- Ulrich Körner, who was serving as the CEO of the Asset Management division, was appointed Group CEO by the Board, effective August 1, 2022, succeeding Thomas Gottstein;
- The Board appointed the following new Executive Board members: Francesco De Ferrari as CEO Wealth Management, effective January 1, 2022, and regional CEO of Europe Middle East and Africa (EMEA), effective August 21, 2022 (after serving in this role on an ad interim basis since January 2022); Joanne Hannaford as Chief Technology & Operations Officer (CTOO) and David Wildermuth as Chief Risk Officer (CRO), both effective January 1, 2022; Christine Graeff as Global Head of People, effective February 1, 2022; Edwin Low as regional CEO of Asia Pacific (APAC), effective June 1, 2022; Markus Diethelm as General Counsel (GC), effective June 15, 2022; Francesca McDonagh as Chief Operating Officer (COO), effective September 19, 2022; Dixit Joshi as Chief Financial Officer (CFO), effective October 1, 2022; and Nita Patel as Chief Compliance Officer (CCO), effective November 1, 2022;
- Individuals who stepped down from the Executive Board during 2022 were Antoinette Poschung, former Global Head of Human Resources; Helman Sitohang, former regional CEO of APAC; Romeo Cerutti, former GC; Thomas Gottstein, former CEO; David Mathers, former CFO; Christian Meissner, former CEO Investment Bank and regional CEO of Americas; and Rafael Lopez Lorenzo, former CCO; and
- The appointment of former Board member Michael Klein to the Executive Board, subject to regulatory approval.

Organizational structure

- Changes to the Group's organizational structure were implemented in 2022 following the review of the Group's strategy by the Board during 2021: effective January 1, 2022, the Group was organized into four divisions – Wealth Management, Investment Bank, the Swiss Bank and Asset Management – and four geographic regions – Switzerland, EMEA, APAC and Americas;
- A new Strategic Regulatory Remediation program was launched in the second quarter of 2022, which is intended to strengthen our organization and deliver on regulatory programs. The program is overseen by the Strategic Regulatory

Remediation Committee (SRRC) at the Executive Board level, chaired by the CRO;
- Following the appointment of Ulrich Körner as the new Group CEO announced in July 2022, a new Group COO function was established and Francesca McDonagh was appointed to this role. The COO supports the CEO in the steering and strategic development of the Group and has responsibility for leading operational and cost transformation, as well as enterprise architecture development, including focusing on organizational design and bank-wide efficiencies;
- Further changes to the Group's organizational structure were announced in October 2022 after the conclusion of a comprehensive strategic review conducted in the second half of 2022 and the resulting decision by the Board to radically restructure the Investment Bank. Key changes included the carve-out of CS First Boston as a capital markets and advisory business, and the creation of a Capital Release Unit (CRU). The CRU comprises the remaining part of the Group's Securitized Products Group (SPG) business and a Non-Core Unit (NCU), which has the purpose of releasing capital through the wind-down of non-strategic, low return and higher-risk businesses. The CRU became effective on January 1, 2023; and
- A Group-wide review of our organizational set-up was initiated to reduce layers and duplication across divisions and functions, which is currently in progress and, once completed, is expected to support a more effective and less complex organizational design.

Shareholder meetings

- At the AGM on April 29, 2022, shareholders rejected two proposals put forward by shareholders: one for a special audit into the supply chain finance funds (SCFF) and "Suisse Secrets" matters and the other on a change in the Articles of Association (AoA) relating to the Group's climate strategy and disclosures. In connection with the second matter, the Board proposed to submit the Group's climate strategy as outlined in the Strategy chapter of the 2022 Task Force on Climate-related Financial Disclosures (TCFD) report, which forms part of the Group's Sustainability Report, for acceptance by shareholders in a consultative vote at the 2023 AGM; and
- At an Extraordinary General Meeting (EGM) on November 23, 2022, shareholders approved two capital increases with aggregate gross proceeds amounting to CHF 4 billion.

Regulatory developments

We regularly monitor developments in corporate governance guidelines, regulations and best practice standards in all jurisdictions relevant to our business operations.

On June 19, 2020, the Swiss Parliament adopted a revision of the Swiss corporate law (Corporate Law Reform), which entered into force on January 1, 2023 (subject to certain transitional provisions). Key changes relate to the improvement of the protection of rights of small shareholders, modernization of the provisions governing shareholders' meetings, for example, by allowing shareholders' meetings to take place in a virtual or hybrid meeting format, increased flexibility regarding changes in share capital through the introduction of a capital range and the strengthening of corporate governance through, for example, embedding the rules formerly covered in the Compensation Ordinance that apply to listed companies into the new Swiss corporate law. As a result of the Corporate Law Reform, Swiss corporations are obliged to amend their articles of association within two years to comply with the revised law. Therefore, the Board of the Group proposes to revise the AoA at the 2023 AGM in line with the revised law and prevailing market standards in Switzerland.

The Corporate Law Reform stipulates "comply or explain" disclosure obligations on gender diversity on the board of directors and executive board of listed companies of at least 30% and 20%, respectively, effective as of January 1, 2021, with ongoing transitional periods before the obligations begin to apply. Credit Suisse already meets the gender requirements for our Board and Executive Board as of December 31, 2022, by having 58% female Board members and 36% female Executive Board members, respectively.

Furthermore, on January 1, 2022, the Swiss Parliament's counterproposal to the rejected Swiss Responsible Business Initiative entered into force by way of an amendment to the Swiss Code of Obligations and the enactment of a corresponding implementing ordinance. It is based on corresponding EU rules and requires companies of public interest to report annually on certain non-financial matters, including the impact the company's activity has on environmental, social and governance (ESG) matters. The first report on non-financial matters is due for the 2023 financial year; the first shareholder vote on such report is expected to take place at the 2024 AGM.

Governance of crisis management

A crisis is an event that requires critical decisions which cannot be resolved with ordinary management techniques and decision-making authority. Credit Suisse has a Crisis Management Framework (CMF) and robust governance processes in place to enable the effective management of crises. The CMF is a bank-wide approach to crisis management addressing global, regional, location and function levels and provides a pre-defined and documented process to enable Credit Suisse to manage situations or events that have the propensity to become a crisis. It includes the definition of the global Crisis Assessment Team, the global Crisis Management Team (CMT), the crisis management process, roles and responsibilities. The Crisis Assessment Team has the responsibility of assessing the damage or impact or potential impact of an incident, crisis or disaster. It is assigned the task of recommending the invocation of the corresponding CMT. The CMT is the group responsible for overall decision making and coordination of Credit Suisse's response to a crisis in a timely manner.

The Crisis Assessment Team assesses the impact of a specific crisis event to the firm on a global level and provides recommendations for final decisions to the CMT, whose members include all members of the Executive Board. In the case of a specific crisis event, firm-wide business continuity management response measures are triggered where appropriate and overseen by the Executive Board. At the Board level, oversight of business continuity management is within the responsibility of the Risk Committee. In any given crisis event, the Board may delegate certain responsibilities to a sub-committee of its members that is authorized to take actions that exceed the mandate of the Executive Board, when decisions are needed in too short a time frame to convene the full Board. Adequate reporting of a crisis to regulators as necessary is part of the CMT process.

In February 2022, the Crisis Assessment Team was invoked due to Russia's invasion of Ukraine. Key priorities in this respect included taking measures to protect the safety and security of impacted employees, assessing and implementing different sanctions imposed by various governments, close monitoring of potential business interruptions and increased cyber threats. The Crisis Assessment Team stood down in September 2022 and business as usual procedures were resumed. In addition, an EMEA Russia Taskforce was established in March 2022 to coordinate divisional and functional Bank-wide activities.

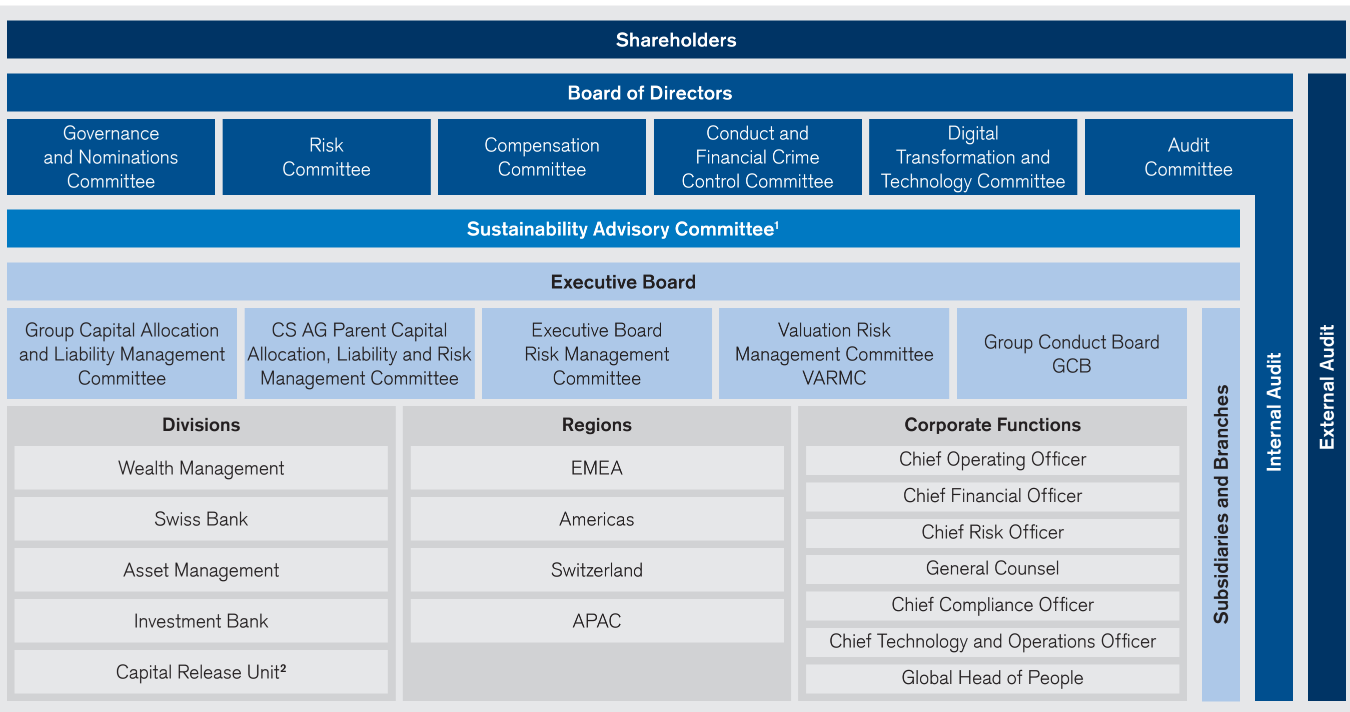
During 2022, Credit Suisse convened an Energy Shortages Taskforce to proactively plan for potential energy supply shortages across continental Europe. Heightened preparations focused on ensuring resilience measures were in place to continue delivering critical services. Measures included reducing building energy consumption, securing backup fuel supplies and determining alternative business strategies should local Credit Suisse locations and work-from-home options be unavailable. No disruptions have been experienced to date and the Energy Shortages Taskforce continues to monitor the situation and to prepare for future occurrences.

In early 2022, the Board retired the dedicated tactical crisis committee originally established in 2021 for oversight of the Archegos Capital Management (Archegos) and SCFF matters, which later also served for the oversight of a comprehensive Group-wide risk review initiated by the former Chairman and in line with the expectations of the Swiss Financial Market Supervisory Authority FINMA (FINMA). The tactical crisis committee was retired after determining how to implement continued oversight and by handing over the topics and initiatives that required ongoing monitoring to the relevant governance bodies at the Executive Board and/or Board level.

Corporate Governance Framework

The Group's Corporate Governance Framework consists of its governing bodies and its corporate governance policies and procedures, which define the competencies of the governing bodies and other corporate governance rules, as well as the practices to be followed throughout the Group, in line with Swiss corporate law and international best practice standards for corporate governance. The governing bodies of the Group are:
- the General Meeting of Shareholders;
- the Board of Directors;
- the Executive Board; and
- the external auditors.

Corporate Governance Framework as of January 1, 2023



1 Interdisciplinary advisory body formed by the Board, which consists of members of the Board and senior management.
2 The Capital Release Unit is managed by the CFO but shown as a separate reporting unit for external reporting purposes.

The shareholders elect the members of the Board and the external auditors on an annual basis and approve required resolutions at the AGM, such as the consolidated financial statements, capital increases and Board and Executive Board compensation. The Board is responsible for the overall strategic direction, supervision and control of the Group and appoints the members of the Executive Board. The Executive Board is responsible for the day-to-day operational management of the Group's business and for developing and implementing business plans.

The Group is engaged in the banking business. Effective January 1, 2023, reflecting the strategic announcement on October 27, 2022, the Group is organized into five divisions – Wealth Management, Swiss Bank, Asset Management, Investment Bank and the new CRU.

The global divisions are complemented by the regions to drive cross-divisional collaboration and strengthen legal entity management oversight and regulatory relationships at a regionally aligned level. The Group's banking business is carried out through its legal entities, which are operational in various jurisdictions and subject to the governance rules and supervision of the regulators in those jurisdictions. The Group has identified certain major subsidiary companies, which, in aggregate, account for a significant proportion of the Group's business operations.

These major subsidiaries, which are all subsidiaries of Credit Suisse AG, are: Credit Suisse (Schweiz) AG, Credit Suisse Holdings (USA) Inc. and Credit Suisse International. Corporate governance at these major subsidiaries is closely aligned with the Group's corporate governance, for example, through the appointment of at least one Board member to the boards of each of these major subsidiaries. In accordance with Swiss banking law, the major subsidiaries are subject to consolidated supervision at the level of the Group and the Bank.

The strategy review, announced in October 2022, has resulted in changes to the Investment Bank business, which is conducted out of several subsidiaries, including Credit Suisse Holdings (USA) Inc. and Credit Suisse International. Consistent with our objective to streamline and optimize our legal entity structure in the context of the Group's strategy, Credit Suisse is conducting a review of the legal entity strategy across regions. The legal entity strategy review will assess the impact on existing legal entities across regions to ensure the legal entity footprint will be adjusted to accommodate changes in the size and scope of the investment banking business. Efforts to optimize the legal entity structure across regions, including the closure of redundant entities, will continue to be a priority. The Group anticipates continued simplification of the global legal entity structure, in line with the new business strategy, which is expected to drive financial efficiency for the Group. Additionally, to facilitate the future separation of the businesses transferring to CS First Boston, an assessment of the requirements is underway to set up the optimal legal entity structure (subject to regulatory approval) across key markets. Any changes to the legal entity structure will continue to align to Group standards of governance and comply with local regulatory requirements.

→ Refer to "Strategy" in I – Information on the company for further information.

The Group's corporate governance framework is depicted in the chart above. The duties and responsibilities of the governing bodies are described in further detail in the sections below.

Corporate governance policies

The Group's corporate governance policies and procedures, adopted by the Board, are defined in a series of documents, including the following, which are available on our website at *credit-suisse.com/governance*:

Document	Description	Website
Articles of Association (AoA)	■ Defines the purpose of the business, the capital structure and the basic organizational framework. ■ The AoA of Credit Suisse Group AG (Group) are dated December 7, 2022, and the AoA of Credit Suisse AG (Bank) are dated September 4, 2014.	*credit-suisse.com/articles*
Code of Conduct	■ Defines the Group's purpose, cultural values and behaviors that members of the Board and all employees are required to follow, including adherence to all relevant laws, regulations and policies, in order to maintain and strengthen our reputation for integrity, fair dealing and measured risk taking. ■ The Credit Suisse Code of Conduct is available in four languages.	*credit-suisse.com/code*
Organizational Guidelines and Regulations (OGR)	■ Defines the organizational structure of the Group and the responsibilities and sphere of authority of the Board, its committees and the various senior management bodies within the Group, as well as the relevant reporting procedures.	*credit-suisse.com/ogr*
Board charter	■ Outlines the organization and responsibilities of the Board.	*credit-suisse.com/boardcharter*
Board committee charters	■ Defines the organization and responsibilities of the committees.	*credit-suisse.com/committeecharter*
Compensation policy	■ Provides a foundation for the development of sound compensation plans and practices. ■ The Compensation policy is updated on an annual basis.	*credit-suisse.com/compensationpolicy*

The Board intends to propose amendments to the Group's AoA for approval by shareholders at the 2023 AGM to adapt to the provisions of the Corporate Law Reform. The amendments include a change to the Group's purpose to reflect the Group's ambition to create long-term, sustainable value, an alignment of provisions related to share capital, shareholders' voting rights, shareholders' right to raise AGM agenda items or motions, the introduction of a capital range, which allows the Board to increase or decrease the share capital within pre-defined upper and lower limits and replaces the provision related to authorized capital, additional flexibility to hold shareholders' general meetings in either a hybrid or virtual format, and the adoption of the compensation rules formerly covered in the Compensation Ordinance. The proposed amendments are published on our website along with the 2023 AGM agenda: *credit-suisse.com/agm*.

The summaries herein of the material provisions of our AoA and the Swiss Code of Obligations do not purport to be complete and are qualified in their entirety by reference to the AoA and the Swiss Code of Obligations.

Company details

	Group	Bank
Legal name	Credit Suisse Group AG	Credit Suisse AG
Business purpose	Operates as a holding company	Operates as a bank
Registration details	Commercial register of the Canton of Zurich as of March 3, 1982; No. CHE-105.884.494	Commercial register of the Canton of Zurich as of April 27, 1883; No. CHE-106.831.974
Date incorporated, with unlimited duration	March 3, 1982	July 5, 1856
Registered office	Paradeplatz 8 8001 Zurich Switzerland	Paradeplatz 8 8001 Zurich Switzerland
Equity listing	SIX Swiss Exchange ISIN: CH0012138530 NYSE in the form of ADS ISIN: US2254011081	–
Authorized representative in the US	Credit Suisse (USA), Inc., 11 Madison Avenue, New York, New York, 10010	Credit Suisse (USA), Inc., 11 Madison Avenue, New York, New York, 10010

Credit Suisse Group AG and Credit Suisse AG are registered companies in Switzerland. The Group's shares are listed on the SIX Swiss Exchange and – in the form of American Depositary Shares (ADS), as evidenced by American Depositary Receipts – on the New York Stock Exchange (NYSE). The business purpose of the Group, as set forth in Article 2 of its AoA, is to hold direct or indirect interests in all types of businesses in Switzerland and abroad, in particular in the areas of banking, finance, asset management and insurance. The business purpose of the Bank, as set forth in Article 2 of its AoA, is to operate as a bank, with all related banking, finance, consultancy, service and trading activities in Switzerland and abroad. The AoA of the Group and the Bank set forth their powers to establish new businesses, acquire a majority or minority interest in existing businesses and provide related financing as well as acquire, mortgage and sell real estate properties both in Switzerland and abroad.

→ Refer to "II – Operating and financial review" for a detailed review of our operating results.

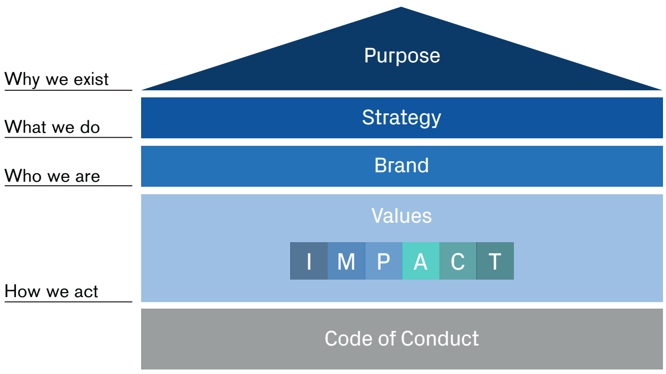
→ Refer to "Note 41 – Significant subsidiaries and equity method investments" in VI – Consolidated financial statements – Credit Suisse Group for a list of significant subsidiaries and associated entities.

Purpose and values

At Credit Suisse, we believe that we have an important role to play in society and in supporting our communities. As a bank, we provide capital, manage and protect wealth, participate in markets and facilitate infrastructure development. This allows us to contribute to sustainable economic growth. Our purpose is at the core of everything we do. It captures for us, for our clients and for other stakeholders "why" Credit Suisse exists as an organization. Our purpose statement is an integral part of the Group's Code of Conduct. The document "The Credit Suisse Code of Conduct: Our Purpose and Values" reflects our purpose statement and emphasizes our six cultural values of inclusion, meritocracy, partnership, accountability, client focus and trust (IMPACT) and the underlying behaviors that we expect all of our employees and members of the Board to observe. In early 2023, the Code of Conduct was reviewed as part of an annual review. The revised Code of Conduct reinforces our commitment to complying with all applicable laws, regulations and policies in order to safeguard our reputation for integrity, fair dealing and measured risk taking and includes clear guidelines for the escalation of concerns by employees, including concerns regarding the CEO, members of the Executive Board and senior financial officers. The purpose and values framework is shown in the illustration below.

→ Refer to *credit-suisse.com/code* for our Code of Conduct.

Credit Suisse Purpose and Values



Sustainability and Environmental, Social and Governance
Sustainability is an integral part of our value proposition for our clients, shareholders, employees and other stakeholders. Credit Suisse regularly engages with these stakeholders, including shareholders, to align our sustainability strategy, short- to mid-term goals and implementation status with stakeholder expectations. We strive to comply with the cultural values set out in our Code of Conduct in every aspect of our work, including in our relationships with diverse stakeholders. We do so based on a broad understanding of our duties as a financial services provider and employer and as an integral part of the economy, society and the environment. As a global financial institution, we can support our clients in encouraging sustainable production and consumption practices, enabling diversity, equity and inclusion, channeling capital flows toward sustainable finance and encouraging the continued shift toward sustainable and impact investment.

The Group's Sustainability Report continues to reflect the Global Reporting Initiative (GRI) Standards for sustainability reporting and the Sustainability Accounting Standards Board (SASB) Standards while also providing information on the progress we have made in implementing the Principles for Responsible Banking and the Ten Principles of the UN Global Compact, including the measures we have put in place to contribute to the realization of the UN Sustainable Development Goals. As in previous years, we plan to submit our Sustainability Report 2022 to the SIX Swiss Exchange in accordance with the opting-in regulation for companies issuing sustainability reports.

Environmental, Social and Governance activities
During 2022, the Group undertook a wide range of activities that reflect its commitment to the sustainability approach described above and made a number of important achievements toward further embedding ESG considerations in many aspects of our business endeavors. Examples of our key achievements, our adopted disclosure standards and certain ESG ratings considerations are summarized below.

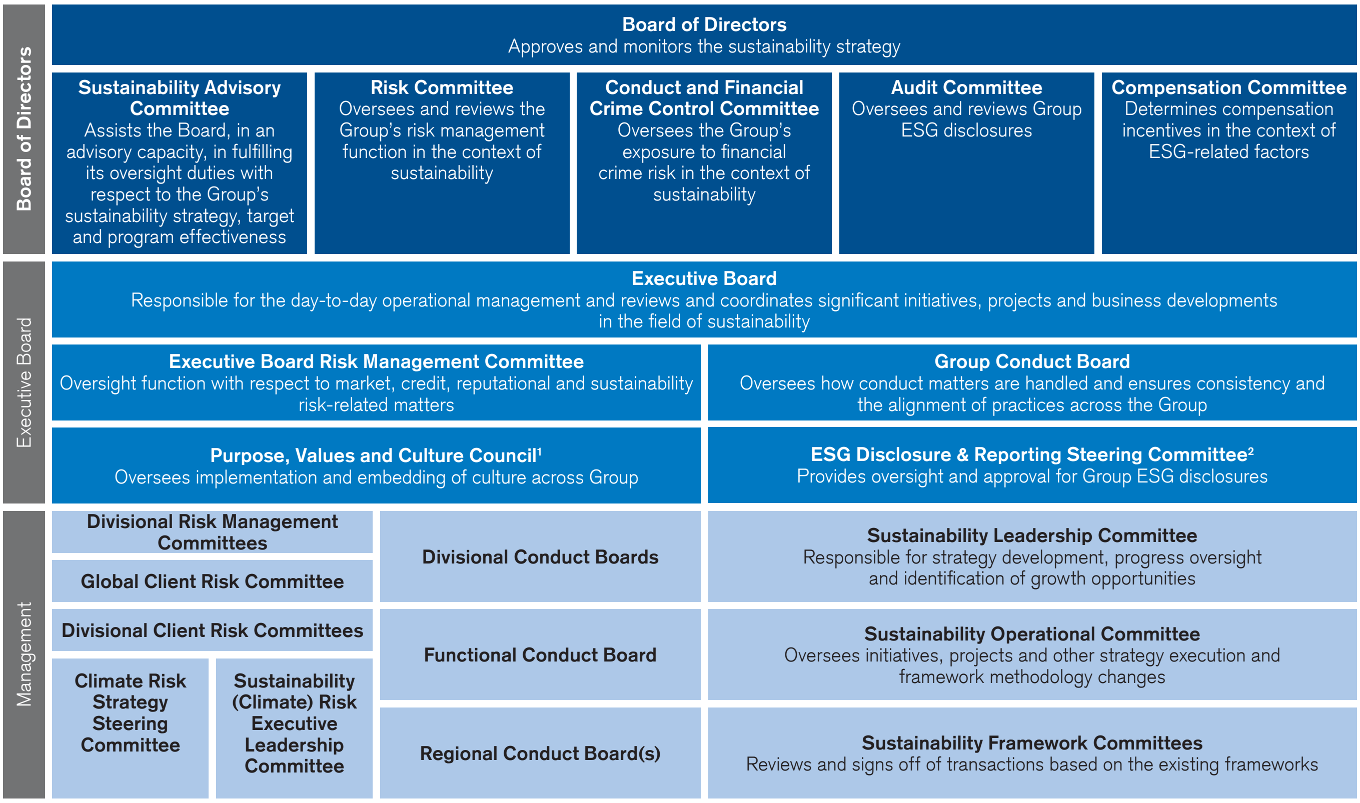
Description	Activity
Select achievements	■ introduced a Climate Action Plan, which sets out a pathway toward net zero for in-scope investments in Asset Management and Wealth Management (discretionary mandates managed within Investment Solutions and Sustainability) ■ Credit Suisse Asset Management joined the Net Zero Asset Managers initiative, broadening our net zero commitment ■ set goals for six sectors, based on our commitment to develop interim 2030 science-based goals for key sectors. In addition, expanded our sector policies to cover additional climate- and nature-sensitive activities ■ further progressed toward our representation targets for women globally and Black talent in the US and UK ■ held our second Sustainability Week and launched the Center for Sustainability as a pillar of the Credit Suisse Research institute to provide clients and stakeholders with thought leadership and research on emerging sustainability topics ■ developed a new Risk Culture Framework to enhance risk management at Credit Suisse ■ established more clearly defined ESG metrics into Executive Board compensation ■ Continued volunteering efforts by Credit Suisse employees around the world to help charitable causes, drawing on their skills and expertise for the benefit of local communities
Disclosure standards	■ continues to disclose information that is pursuant to the World Economic Forum International Business Council Stakeholder Capitalism Metrics alongside reporting according to the SASB Standards (now consolidated into the International Sustainability Standards Board) and reference to the GRI Standards for sustainability reporting ■ continues to support the recommendations of the TCFD, where our disclosure is intended to provide transparency on the progress that we have made in addressing significant risks and opportunities arising from climate change
ESG ratings	■ assessed by a number of ESG ratings providers such as S&P Global (Corporate Sustainability Assessment), Sustainalytics, MSCI and CDP, and we continue to be included in the FTSE4Good Index Series

The Group's Sustainability Report is available on our website at *credit-suisse.com/sustainabilityreport*. An overview of Credit Suisse's most recent ESG ratings and its inclusion in sustainability indices is available at: *credit-suisse.com/sustainability-ratings-indices*.

Sustainability Governance

Governance of sustainability is exercised through the established governance bodies of the Group, thus integrating sustainability into existing businesses processes and structures, as well as through boards and committees specifically focused on sustainability topics as described in further detail below. The following chart illustrates the main corporate bodies at Board, Executive Board, and senior management levels that are involved in maintaining robust sustainability governance at Credit Suisse, as reflected in the Sustainability Governance Framework.

Sustainability Governance Framework



1 In 2023, the Purpose, Values and Culture Council will be replaced with the Group Culture and Values Board.
2 Co-chaired by the CFO and Chief Sustainability Officer.

Employee relations

As of December 31, 2022, we had 50,480 employees worldwide, of which 16,700 were in Switzerland and 33,780 were abroad. Our corporate titles include managing director, director, vice president, assistant vice president and non-officer staff. The majority of our employees do not belong to unions. We have not experienced any significant strikes, work stoppages or labor disputes in recent years. We consider our relations with our employees to be good.

→ Refer to "Credit Suisse" in II – Operating and financial review for further information on our responsibility as an employer.

Shareholders

Capital structure

Our total issued share capital as of December 31, 2022 was CHF 160,086,322 divided into 4,002,158,062 shares, with a nominal value of CHF 0.04 per share. On November 23, 2022, the Group held an EGM, at which shareholders approved two capital increases. The Group completed the first capital increase on November 25, 2022 by way of a share placement of 462,041,884 newly issued shares to qualified investors and a second capital increase by way of a rights offering on December 9, 2022. The two capital increases resulted in 1,351,410,342 newly issued shares. Under the 2021 Share Repurchase Program, Credit Suisse repurchased 25,087,000 of its shares on a second trading line on the SIX Swiss Exchange. These shares were not cancelled by means of a capital reduction and instead used to service employee participation plans.

→ Refer to "Share purchases" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Capital management for further information.

→ Refer to "Note 17 – Share capital, conditional, conversion and authorized capital" in VII – Parent company financial statements – Credit Suisse Group and our AoA (Articles 26, 26c and 27) for information on changes to our capital structure during the year. Refer to *credit-suisse.com/annualreporting* for prior year annual reports.

Shareholder information

Shareholder base

We have a broad shareholder base, with the majority of shares owned directly or indirectly by institutional investors outside Switzerland. As of December 31, 2022, 127,369 shareholders were registered in our share register with 2,112,719,852 shares, representing 53% of the total shares issued. The remaining 47% of shares are not registered in our share register. As of December 31, 2022, 212,513,843 or 5.31%, of the issued shares were in the form of ADS. The information provided in the following tables reflects the distribution of Group shares as registered in our share register as of December 31, 2022.

Distribution of Group shares

				2022				2021
end of	Number of shareholders	%	Number of shares	%	Number of shareholders	%	Number of shares	%
Distribution of Group shares								
Private investors	124,484	98	515,341,070	13	100,799	98	252,207,277	10
of which Switzerland	111,397	87	435,383,881	11	89,777	87	208,642,607	8
of which foreign	13,087	10	79,957,189	2	11,022	11	43,564,670	2
Institutional investors	2,885	2	1,597,378,782	40	2,561	2	1,296,354,087	49
of which Switzerland	2,600	2	391,597,268	10	2,225	2	287,213,758	11
of which foreign [1]	285	0	1,205,781,514	30	336	0	1,009,140,329	38
Shares registered in share register	**127,369**	100	**2,112,719,852**	53	**103,360**	100	**1,548,561,364**	58
of which Switzerland	113,997	90	826,981,149	21	92,002	89	495,856,365	19
of which Europe	11,286	9	713,408,516	18	9,457	9	525,277,642	20
of which US [1]	152	0	542,313,346	14	167	0	505,114,571	19
of which other	1,934	2	30,016,841	1	1,734	2	22,312,786	1
Shares not registered in share register	**–**	–	**1,889,438,210**	47	**–**	–	**1,102,186,356**	42
Total shares issued	**–**	–	**4,002,158,062**	100	**–**	–	**2,650,747,720**	100

1 Includes shares issued in the form of ADS.

Distribution of institutional investors in share register by industry

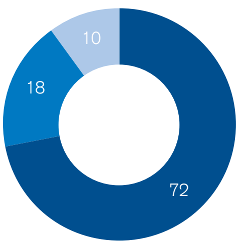
end of	Number of shareholders	%	Number of shares	%	Number of shareholders	%	Number of shares	%
				2022				2021
Institutional investors by industry								
Banks	11	0	6,148,257	0	13	1	550,416	0
Insurance companies	65	2	17,089,058	1	75	3	31,254,620	2
Pension funds	266	9	60,670,360	4	285	11	49,588,692	4
Investment trusts	243	8	274,291,236	17	292	11	220,284,468	17
Other trusts	337	12	8,265,799	1	352	14	7,001,850	1
Governmental institutions	26	1	181,555	0	28	1	764,832	0
Other [1]	1,849	64	183,224,602	11	1,417	55	135,429,360	10
Direct entries	**2,797**	97	**549,870,867**	34	**2,462**	96	**444,874,238**	34
Fiduciary holdings	**88**	3	**1,047,507,915**	66	**99**	4	**851,479,849**	66
Total institutional investors	**2,885**	100	**1,597,378,782**	100	**2,561**	100	**1,296,354,087**	100

Rounding differences may occur.
1 Includes various other institutional investors for which a breakdown by industry type was not available.

Through the use of an external global market intelligence firm, we regularly gather additional information on the composition of our shareholder base, including information on shares that are not registered in our share register. According to this data, our shareholder base as of December 31, 2022 comprised 72% institutional investors, with just over one third of such investors located in North America. The distribution of Group shareholdings by investor type and region is shown as follows:

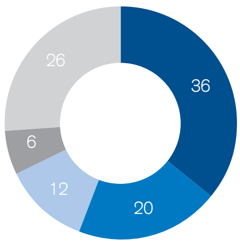
Group shares by investor type

End of 2022 (in %)



Institutional investors by region

End of 2022 (in %)



Shareholder engagement
The Group engages regularly with its shareholders and proxy advisors. The purpose of such engagements is to understand the perspectives of its shareholders, exchange views about the Group's strategy, financial performance, corporate governance and compensation and other matters of importance to the Group or its shareholders. Shareholder engagement meetings may be attended by the Chairman, the Compensation Committee Chair, the Sustainability Advisory Committee Chair, the CEO, CFO and other members of the Board or senior management. The responsibility for shareholder engagement is overseen by our Investor Relations department. The Group aims to ensure that all shareholders receive the relevant information they need to keep abreast of current Group developments and make informed decisions.

Information policy
We are committed to an open and fair information policy with our shareholders and other stakeholders. Our Investor Relations and Corporate Communications departments are responsible for addressing inquiries received. All Group shareholders registered in our share register receive an invitation to our AGM, including instructions on how to receive the annual report and other reports. Each registered shareholder may elect to receive the quarterly reports on our financial performance. All of these reports and other information can be accessed on our website at *credit-suisse.com/investors*.

Notices required under Swiss law
Notices to shareholders required under Swiss law are made by publication in the Swiss Official Gazette of Commerce. The Board may designate further means of communication for publishing notices to shareholders. Notices required under the listing rules of the SIX Swiss Exchange will either be published in two Swiss newspapers in German and French and sent to the SIX Swiss Exchange or otherwise communicated to the SIX Swiss Exchange in accordance with applicable listing rules. The SIX Swiss Exchange may further disseminate the relevant information.

Significant shareholders

Under the Swiss Federal Act on Financial Market Infrastructure and Market Conduct in Securities and Derivative Trading (FinFMIA), anyone holding shares in a company listed on the SIX Swiss Exchange is required to notify the company and the SIX Swiss Exchange if their holding reaches, falls below or exceeds the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 33⅓%, 50% or 66⅔% of the voting rights entered into the commercial register, whether or not the voting rights can be exercised (that is, notifications must also include certain derivative holdings such as options or similar instruments). Following receipt of such notification, the company has an obligation to inform the public. In addition, pursuant to the Swiss Code of Obligations, a company must disclose in the notes to its annual consolidated financial statements the identity of any shareholders who own in excess of 5% of its shares. The following provides an overview of the holdings of our significant shareholders, including any rights to purchase or dispose of shares, based on the most recent disclosure notifications. In line with the FinFMIA requirements, the percentages indicated below were calculated in relation to the share capital reflected in the AoA at the time of the disclosure notification. As shareholders are only required to notify the company and the SIX Swiss Exchange if their holding reaches, falls below or exceeds the thresholds listed above, the percentage holdings of our significant shareholders may vary at any given time compared to the date of submission of the most recent notification for these respective shareholders. The full text of all notifications can be found on our website at *credit-suisse.com/shareholders*. Each share entitles the holder to one vote, except as described below.

→ Refer to "Note 3 – Business developments, significant shareholders and subsequent events" in VI – Consolidated financial statements – Credit Suisse Group for further information on significant shareholders.

The Group also holds positions in its own shares, including shares acquired through the Share Repurchase Program described above, which are subject to the same disclosure requirements as significant external shareholders. These positions fluctuate and, in addition to the activities from the Share Repurchase Program, primarily reflect activities related to market making, facilitating client orders and satisfying the obligations under our employee compensation plans. Shares held by the Group have no voting rights. As of December 31, 2022, our holdings amounted to 1.96% purchase positions (1.50% registered shares and 0.46% share acquisition rights) and 0.63% sales positions (disposal rights).

→ Refer to "Share purchases" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Capital management for further information.

Cross shareholdings

The Group has no cross shareholdings in excess of 5% of capital or voting rights with any other company.

Significant shareholders

	Group publication of notification	Number of shares (million)	Approximate shareholding % [1]	Purchase rights %
December 31, 2022 or the most recent notification date				
Saudi National Bank	December 10, 2022	395.5	9.88 [2]	–
BlackRock Inc.	February 10, 2023	163.1	4.07 [3]	–
The Olayan Group (registered entity – Competrol Establishment)	December 12, 2018	126.0	4.93	0.07 [4]
Qatar Investment Authority (registered entity – Qatar Holding LLC)	November 17, 2021	133.2	5.03	–
December 31, 2021 or the most recent notification date				
Qatar Investment Authority (registered entity – Qatar Holding LLC)	November 17, 2021	133.2	5.03	–
The Olayan Group (registered entity – Competrol Establishment)	December 12, 2018	126.0	4.93	0.07
Dodge & Cox	September 19, 2020	122.2	4.99	–
BlackRock Inc.	January 26, 2022	109.0	4.11	0.95
Harris Associates L.P.	November 9, 2013	81.5	5.17	–
Silchester International Investors LLP	December 7, 2018	77.4	3.03	–
December 31, 2020 or the most recent notification date				
Qatar Investment Authority (registered entity – Qatar Holding LLC)	September 6, 2018	133.2	5.21	0.39
Norges Bank	February 15, 2018	127.4	4.98	–
The Olayan Group (registered entity – Competrol Establishment)	December 12, 2018	126.0	4.93	0.07
Dodge & Cox	September 19, 2020	122.2	4.99	–
BlackRock Inc.	March 16, 2021	100.5	4.11	0.93
Harris Associates L.P.	November 9, 2013	81.5	5.17	–
Silchester International Investors LLP	December 7, 2018	77.4	3.03	–

1 The approximate shareholding percentages were calculated in relation to the share capital at the time of the relevant disclosure notification. They therefore do not reflect changes in such percentages that would result from changes in the number of outstanding shares, following the date of the disclosure notification.
2 Total purchase positions disclosed were 9.88%.
3 Total purchase positions disclosed were 4.93% (4.07% in shares and 0.86% voting rights that can be exercised at one's own discretion).
4 The 0.07% purchase rights relate to put options and perpetual tier 1 contingent convertible capital notes.

Shareholder rights

We are fully committed to the principle of equal treatment of all shareholders. The following information summarizes certain shareholder rights at the Group.

Voting rights and transfer of shares

There is no limitation under Swiss law or the AoA on the right to own Group shares.

In principle, each share represents one vote at the AGM. Shares held by the Group have no voting rights. Shares for which a single shareholder or shareholder group can exercise voting rights may not exceed 2% of the total outstanding share capital, unless one of the exemptions discussed below applies. The restrictions on voting rights do not apply to:

- the exercise of voting rights by the independent proxy as elected by the AGM;
- shares in respect of which the shareholder confirms to us that the shareholder has acquired the shares in the shareholder's name for the shareholder's own account and in respect of which the disclosure requirements in accordance with the FinFMIA and the relevant ordinances and regulations have been fulfilled; or
- shares that are registered in the name of a nominee, provided that this nominee is willing to furnish us, on request, the name, address and shareholdings of any beneficial owner or group of related beneficial owners on behalf of whom the nominee holds 0.5% or more of the total outstanding share capital of the Group.

To execute voting rights, shares need to be registered in the share register directly or in the name of a nominee. In order to be registered in the share register, the purchaser must file a share registration form with the depository bank. The registration of shares in the share register may be requested at any time. Failing such registration, the purchaser may not vote or participate in shareholders' meetings. However, each shareholder, whether registered in the share register or not, is entitled to receive dividends or other distributions approved at the AGM. Transfer restrictions apply regardless of the way and the form in which the registered shares are kept in the accounts and regardless of the provisions applicable to transfers. The transfer of intermediated securities based on Group shares, and the pledging of these intermediated securities as collateral, is based on the provisions of the Swiss Federal Intermediated Securities Act. The transfer or pledging of shares as collateral by means of written assignment is not permitted.

→ Refer to *credit-suisse.com/articles* for information in our AoA (Art. 10 and 14a) on share register and transfer of shares, voting rights and the independent proxy.

Annual General Meeting

Under Swiss law, the AGM must be held within six months of the end of the fiscal year. Notice of an AGM, including agenda items and proposals submitted by the Board and by shareholders, must be published in the Swiss Official Gazette of Commerce at least 20 days prior to the AGM.

Shares only qualify for voting at an AGM if they are registered in the share register with voting rights in accordance with the registration deadline as set out in the invitation to the AGM.

Pursuant to the articles of association the Board of Directors will specify the applicable regulations for the provision of power of attorney and instructions to the independent proxy (i.e., as part of the invitation to the general meeting).

Convocation of shareholder meetings

The AGM is convened by the Board or, if necessary, by the statutory auditors, with 20 days' prior notice. The Board is further required to convene an EGM if so resolved at a shareholders' meeting or if so requested by shareholders holding in aggregate at least 10% of the nominal share capital. The request to call an EGM must be submitted in writing to the Board, and, at the same time, Group shares representing at least 10% of the nominal share capital must be deposited for safekeeping. The shares remain in safekeeping until the day after the EGM.

Request to place an item on the agenda

Shareholders holding shares with an aggregate nominal value of at least CHF 40,000 have the right to request that a specific item be placed on the agenda and voted upon at the AGM. The request to include a particular item on the agenda, together with a relevant proposal, must be submitted in writing to the Board no later than 45 days before the meeting and, at the same time, Group shares with an aggregate nominal value of at least CHF 40,000 must be deposited for safekeeping. The shares remain in safekeeping until the day after the AGM.

In the context of the Corporate Law Reform upon shareholder approval of and the proposed changes to our AoA, the related AGM authorities will change so that one or more shareholders whose combined holdings represent at least 5% of the share capital or votes can request that a shareholders' meeting be called. The request to include a particular item on the agenda of the shareholders' meeting, or the request to include a proposal relating to an agenda item must be submitted in writing together with the relevant proposals. At the same time, shares of the Group representing at least 0.025% of the share capital or votes (which corresponds to a nominal value of approximately CHF 40,000) are to be deposited for safekeeping.

Virtual meetings during the COVID-19 pandemic

Due to the COVID-19 pandemic, and pursuant to the Swiss Federal Council's related COVID-19 ordinance, the 2022 AGM and EGM were held without the personal attendance of shareholders. Shareholders were represented at the 2022 AGM and EGM exclusively by the independent proxy. Since the COVID-19 ordinance is no longer applicable and the Corporate Law Reform provides for more flexibility in connection with shareholders' meetings, the Board proposes changes to our AoA, which would allow the possibility to hold hybrid and virtual meetings in the event of exceptional circumstances, in addition to physical meetings.

Shareholders' resolutions that require a vote

A majority of the votes represented	At least two-thirds of the votes represented	At least half of the total share capital and approval by a least three-quarters of the votes represented
■ amendments to the AoA, unless a super-majority is required; ■ election of members of the Board, the Chairman, the members of the Compensation Committee, the independent proxy and statutory auditors; ■ approval of the compensation of the members of the Board and the Executive Board; ■ approval of the annual report and the statutory and consolidated accounts; ■ discharge of the acts of the members of the Board and Executive Board; and ■ determination of the appropriation of retained earnings.	■ change of the purpose of the company; ■ creation of shares with increased voting powers; ■ implementation of transfer restrictions on shares; ■ increase in conditional and authorized capital; ■ increase in capital by way of conversion of capital surplus or by contribution in kind; ■ restriction or suspension of pre-emptive subscription rights; ■ change of location of the principal office; and ■ dissolution of the company without liquidation.	■ conversion of registered shares into bearer shares; ■ amendments to the AoA relating to registration and voting rights of nominee holders; and ■ dissolution of the company.

Quorum requirements

The AGM may, in principle, pass resolutions without regard to the number of shareholders present at the meeting or represented by proxy, except as discussed below. Resolutions and elections generally require the approval of a majority of the votes represented at the meeting, except as otherwise provided by mandatory provisions of law or by the AoA.

A quorum of at least half of the total share capital and the approval of at least seven-eighths of the votes cast is required for amendments to provisions of the AoA relating to voting rights.

Say-on-Pay

In accordance with the Swiss Code of Best Practice for Corporate Governance, the Group will submit the compensation report (contained in the Compensation section of the 2022 Annual Report) for a consultative, non-binding vote by shareholders at the 2023 AGM. In accordance with Swiss law, the Group will submit the following Board and Executive Board compensation recommendations for binding votes by shareholders at the 2023 AGM:

- For the Board: a maximum amount of compensation for the Board for the period from the 2023 AGM to the 2024 AGM;
- For the Executive Board: a maximum amount of fixed compensation for the Executive Board for the period from the 2023 AGM to the 2024 AGM; and
- For the Executive Board: an aggregate amount of compensation comprising the Transformation Award to be granted in 2023, subject to performance conditions over the three-year period from the beginning of 2023 to the end of 2025.

→ Refer to "Say-on-pay vote" in V – Compensation – Compensation framework, policy, and governance for further information on the say-on-pay vote.

Discharge of the acts of the Board and the Executive Board

According to Swiss law, the AGM has the power to discharge the actions of the members of the Board and the Executive Board. The 2022 AGM granted discharge to the Board and Executive Board for the 2021 financial year, excluding discharge in relation to the SCFF matter. The Board had also proposed to the 2022 AGM to grant discharge for the 2020 financial year, excluding discharge in relation to the SCFF matter, as the discharge proposal was withdrawn from the 2021 AGM agenda. Shareholders did not support the Board's proposal in this case, however, and voted against the granting of discharge to the members of the Board and the Executive Board for the 2020 financial year.

Pre-emptive subscription rights and preferential subscription rights

Under Swiss law, any share issue, whether for cash or non-cash consideration or no consideration, is subject to the prior approval of the shareholders. Shareholders of a Swiss corporation have certain pre-emptive subscription rights to subscribe for new issues of shares and certain preferential rights to subscribe for option bonds, convertible bonds or similar debt instruments with option or convertible rights in proportion to the nominal amount of shares held. A resolution adopted at a shareholders' meeting with a supermajority may, however, limit or suspend pre-emptive subscription rights in certain limited circumstances.

Duty to make an offer

Swiss law provides that anyone who, directly or indirectly or acting in concert with third parties, acquires 33⅓% or more of the voting rights of a listed Swiss company, whether or not such rights are exercisable, must make an offer to acquire all of the listed equity securities of such company, unless the AoA of the company provides otherwise. Our AoA does not include a contrary provision. This mandatory offer obligation may be waived under certain circumstances by the Swiss Takeover Board or FINMA. If no waiver is granted, the mandatory offer must be made pursuant to procedural rules set forth in the FinFMIA and implementing ordinances.

Clauses on changes in control

To the best of our knowledge, there are no agreements in place that could lead to a change in control of the Group. Subject to certain provisions in the Group's employee compensation plans, which allow for the Compensation Committee or Board to determine the treatment of outstanding awards for all employees, including the Executive Board members, in the case of a change in control, there are no provisions that require the payment of extraordinary benefits in the agreements and plans benefiting members of the Board and the Executive Board or any other members of senior management. Specifically, there are no contractually agreed severance payments in the case of a change in control of the Group.

→ Refer to "Contract lengths, termination and change in control provisions" in V – Compensation – Supplementary information for further information on the clauses on changes in control.

Trading restrictions and blackout periods

Group employees with access to material, non-public information relating to the Group and its businesses, such as members of the Executive Board, are subject to a number of trading restrictions, including, but not limited to, pre-clearance requirements and regular blackout periods and permitted trading windows. These trading restrictions are also applicable to members of the Board. Group employees that, by nature of their activities, have potentially greater and regular access to material, non-public information relating to the Group (Access Persons), such as members of the Executive Board, are generally prohibited from trading in Group securities for fourteen full calendar days prior to the end of each quarter. Other Group employees are generally prohibited from trading in Group securities for five full business days prior to public announcement of the earnings for the preceding quarter. The permitted trading window reopens one day after the public announcement of the Group's earnings for the preceding quarter. Even during permitted trading windows, Group employees who are in possession of material, non-public information relating to the Group are prohibited from trading in (or suggesting to others that they trade in) any Group securities.

Borrowing and raising funds

Neither Swiss law nor our AoA restrict our power to borrow and raise funds in any way. The decision to borrow funds is passed by or under the direction of our Board, with no shareholders' resolution required.

Liquidation

Under Swiss law and our AoA, the Group may be dissolved at any time by a shareholders' resolution, which must be passed by:

- a supermajority of at least three-quarters of the votes cast at the meeting in the event the Group were to be dissolved by way of liquidation; and
- a supermajority of at least two-thirds of the votes represented and an absolute majority of the par value of the shares represented at the meeting in other cases.

Dissolution by order of FINMA is possible if we become bankrupt. Under Swiss law, any surplus arising out of liquidation (after the settlement of all claims of all creditors) is distributed to shareholders in proportion to the paid-up par value of shares held.

Board of Directors

General information

Membership and qualifications

The AoA (Chapter IV, Section 2, The Board of Directors, Art. 15.1 of the Group's AoA and Chapter III, Section 6. Board of Directors, Art. 6.1 of the Bank's AoA) provide that the Board shall consist of a minimum of seven members. The Board currently consists of 12 members. We believe that the size of the Board must be such that the committees can be staffed with qualified members. At the same time, the Board must be small enough to ensure an effective and rapid decision-making process. Board members are elected at the AGM by our shareholders individually for a period of one year and are eligible for re-election. In exceptional cases, Board members are elected at an EGM for a period from their election until the next AGM. Shareholders will also elect a member of the Board as the Chairman and each of the members of the Compensation Committee for a period of one year. One year of office is understood to be the period of time from one AGM to the close of the next AGM. Members of the Board shall generally retire after having served on the Board for 12 years. Under certain circumstances, the Board may extend the limit of terms of office for a particular Board member for a maximum of three additional years.

An overview of the Board and the committee membership is shown in the following table. The composition of the Boards of the Group and the Bank is identical.

Board composition and succession planning

The Governance and Nominations Committee regularly considers the composition of the Board as a whole and in light of staffing requirements for the committees. The Governance and Nominations Committee recruits and evaluates candidates for Board membership based on criteria as set forth by the OGR (Chapter II Board of Directors, Item 8.2.3). The Governance and Nominations Committee may also retain outside consultants with respect to the identification and recruitment of potential new Board members. In assessing candidates, the Governance and Nominations Committee considers the requisite skills and characteristics of potential Board members as well as the composition of the Board as a whole. Among other considerations, the Governance and Nominations Committee takes into account areas of expertise, management experience, independence and diversity in the context of the needs of the Board to fulfill its responsibilities. The Governance and Nominations Committee also considers other activities and commitments of an individual in order to be satisfied that a proposed member of the Board can devote enough time to a Board position at the Group.

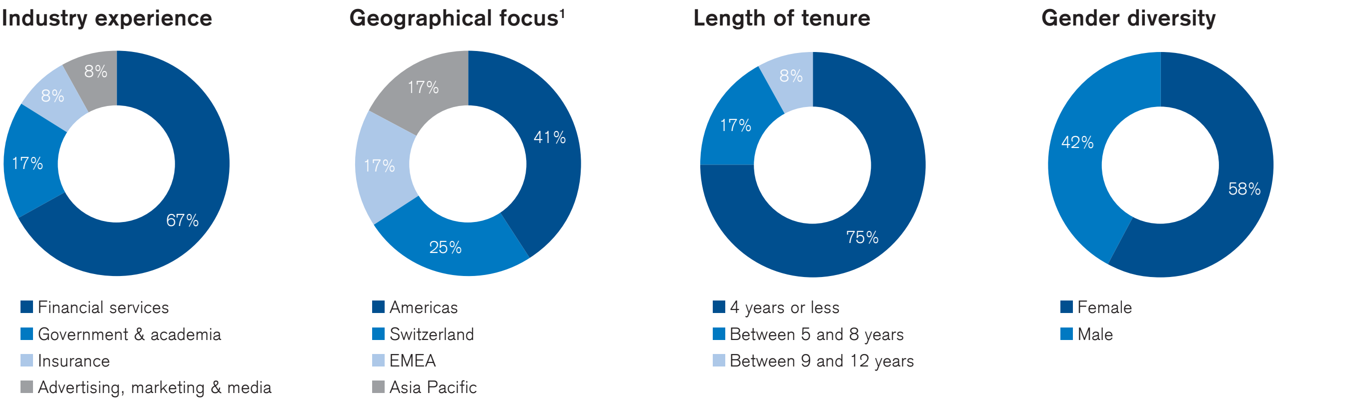
→ Refer to "Mandates" for further information.

Members of the Board of Directors

	Board member since	Independence	Governance and Nominations Committee	Audit Committee	Risk Committee	Compensation Committee	Conduct and Financial Crime Control Committee	Digital Transformation and Technology Committee	Sustainability Advisory Committee
Elected at 2022 AGM									
Axel Lehmann, Chairman [1]	2021	Independent	Chair	–	–	–	–	–	–
Mirko Bianchi [2]	2022	Independent	Member	Chair	Member	–	Member	–	–
Iris Bohnet	2012	Independent	–	–	–	Member	–	–	Chair
Clare Brady	2021	Independent	–	Member	–	–	Chair	–	Member
Christian Gellerstad [3,4]	2019	Independent	Member	–	–	Chair	Member	Member	–
Keyu Jin	2022	Independent	–	–	Member	–	–	Member	–
Shan Li	2019	Independent	–	–	Member	Member	–	–	–
Seraina Macia	2015	Independent	–	Member	–	–	–	Member	–
Blythe Masters [2,4]	2021	Independent	Member	–	–	–	–	Chair	–
Richard Meddings [2,4]	2020	Independent	Member	Member	Chair	–	–	–	–
Amanda Norton [4]	2022	Independent	–	–	Member	Member	–	–	–
Ana Paula Pessoa [4]	2018	Independent	–	Member	–	–	Member	–	–

1 Chairman as of January 16, 2022.
2 Member of the Investment Banking Strategy Committee (an ad-hoc Board committee) that was chaired by the former Board member Michael Klein.
3 Vice-Chair and Lead Independent Director.
4 Subsidiary board memberships: Christian Gellerstad, Credit Suisse Schweiz AG; Blythe Masters, Credit Suisse Holdings (USA), Chair; Richard Meddings, Credit Suisse International and Credit Suisse Securities (Europe) Ltd., Vice Chair; Amanda Norton, Credit Suisse Holdings (USA), Risk Committee Chair; and Ana Paula Pessoa, Brazil Advisory Board, Chair and Credit Suisse Bank (Europe), Chair.

Board composition as of the end of 2022



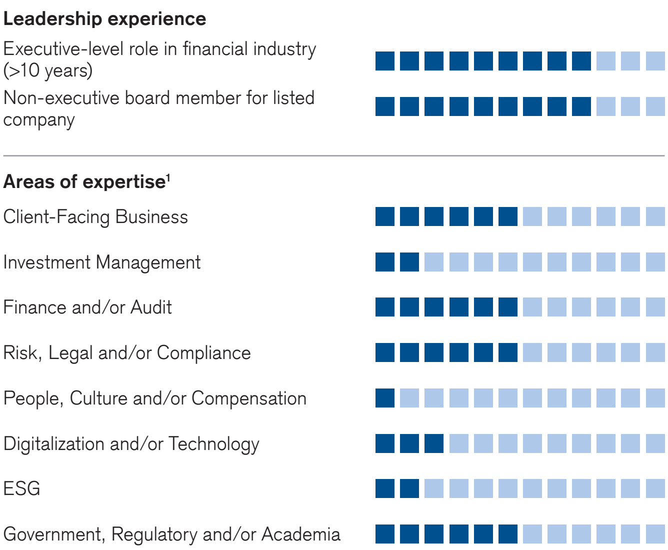
1 Represents the region in which the Board member has mostly focused his or her professional activities and may differ from the individual's nationality

The background, skills and experience of our Board members are diverse and broad and include holding or having held top management positions at financial services and other companies in Switzerland and abroad, as well as leading positions in government, academia and international organizations. The Board is composed of individuals with wide-ranging professional expertise in key areas including the management of client-facing businesses; investment management; finance and/or audit; risk, legal and/or compliance; people, culture and/or compensation; digitalization and/or technology; ESG; and governance, regulatory and/or academia. Diversity of culture, experience and opinion are important aspects of Board composition, as well as gender diversity. While the ratio of female-to-male Board members may vary in any given year, the Board is committed to complying with the gender diversity guidelines as stipulated in the new Swiss corporate law. As shown in the chart above, the Board currently consists of seven female and five male directors. The collective experience and expertise of our Board members as of the end of 2022 across those key areas considered particularly relevant for the Group is illustrated in the following chart.

In areas where the Board's collective experience and expertise may require strengthening, the Board may decide to nominate a new Board member candidate with specialist expertise, engage outside experts or take other measures.

Board member experience and expertise

(Number of Board members as of the end of 2022; total of 12)



1 Refer to "Biographies of the Board" for individual areas of expertise.

To maintain a high degree of expertise, diversity and independence in the future, the Board has a succession planning process in place to identify potential candidates for the Board at an early stage. With this process, we are well prepared when Board members rotate off the Board. The objectives of the succession planning process are to ensure adequate representation of key Board competencies and a Board composition that is well suited to address future challenges, while maintaining the stability and professionalism of the Board. Potential candidates are evaluated according to criteria defined to assess the candidates' expertise and experience, which include the following:

- proven track record as an executive with relevant leadership credentials gained in an international business environment in financial services or another industry;
- relevant functional skills and credentials in the key areas listed above;
- understanding of global banking, financial markets and financial regulation;
- broad international experience and global business perspective, with a track record of having operated in multiple geographies;
- ability to bring insight and clarity to complex situations and to both challenge and constructively support management;
- high level of integrity and affinity with the Group's values and corporate culture; and
- willingness to commit sufficient time to prepare for and attend Board and committee meetings.

The evaluation of candidates also considers formal independence and other criteria for Board membership, consistent with legal and regulatory requirements and the Swiss Code of Best Practice for Corporate Governance. Furthermore, we believe that other aspects, including team dynamics and personal reputation of Board members, play a critical role in ensuring the effective functioning of the Board. This is why the Group places the utmost importance on the right mix of personalities who are also fully committed to making their blend of specific skills and experience available to the Board.

Chairman succession

Axel Lehmann was elected as a member of the Board by the EGM of October 1, 2021. Effective January 16, 2022, the Board appointed Mr. Lehmann as Chairman and successor to Antonio Horta-Osorio, who resigned as Chairman in January 2022. At the 2022 AGM, Mr. Lehmann was subsequently elected as Chairman.

New members and continuing training

Any newly appointed member is required to participate in an orientation program to become familiar with our legal and organizational structure, strategic plans, business operations and significant financial, risk, compliance and regulatory issues and other important matters relating to the governance of the Group. The orientation program is designed to take into account the new Board member's individual background and level of experience in each specific area. Moreover, the program's focus is aligned with any committee memberships of the person concerned. In addition to the comprehensive orientation program for new Board members, continuous training forms part of the Board and Board committee agendas through topical deep dives, as well as training on specific bank compliance topics relevant to the Board, such as electronic communication, cybersecurity, data protection and personal account trading. The Board and the committees of the Board regularly ask specialists within the Group to speak about specific topics in order to enhance the Board members' understanding of issues that already are, or may become, of particular importance to our business.

Meetings

In 2022, the Board held 28 meetings, including an annual two-day strategy session, the majority of which were held as video or telephone conferences in part due to COVID-19-related travel and other restrictions on holding in-person meetings that remained in place in various jurisdictions in 2022. The members of the Board are encouraged to attend all meetings of the Board and the committees on which they serve. Similar to 2021, there were a relatively high number of Board meetings held during 2022 compared to earlier years, due to the need to call frequent extraordinary meetings in connection with the strategy update and overall challenging situation of the firm, as well as various key leadership changes.

Meeting attendance – Board and Board committees

	Board of Directors	Governance and Nominations Committee	Audit Committee	Risk Committee	Compensation Committee	Conduct and Financial Crime Control Committee	Digital Transformation and Technology Committee	Sustainability Advisory Committee
in 2022								
Total number of meetings held	28	25	24	13	12	6	5	4
Extraordinary meetings	19	16	6	0	3	0	0	0
Meeting attendance, in %	98	95	98	97	91	93	100	100
Approximate meeting duration, in hours	7-8	2-3	5-6	5-6	2-3	3	2-3	2

Meeting attendance is shown for the calendar year 2022, which spans two Board periods.

Meeting attendance by Board member

	Attended / Maximum [1]									Attendance in %
	BoD	GNC	AC	RC	CC	CFCCC	DTCC	SAC	**Total**	**Total**
in 2022										
Axel Lehmann	28/28	25/25	–	3/3	–	–	–	–	**56/56**	**100**
Mirko Bianchi	13/13	–	15/15	10/10	–	4/4	–	–	**42/42**	**100**
Iris Bohnet	26/28	–	–	–	11/12	–	–	4/4	**41/44**	**93**
Clare Brady	28/28	–	23/24	–	–	6/6	–	3/3	**60/61**	**98**
Christian Gellerstad	28/28	22/25	–	–	12/12	4/6	5/5	–	**71/76**	**93**
Keyu Jin	13/13	–	–	10/10	–	–	4/4	–	**27/27**	**100**
Shan Li	28/28	–	–	12/13	6/6	–	–	–	**46/47**	**98**
Seraina Macia	27/28	–	23/24	–	–	–	5/5	–	**55/57**	**96**
Blythe Masters	25/28	16/18	–	–	5/6	–	5/5	–	**51/57**	**89**
Richard Meddings	28/28	25/25	23/24	13/13	–	2/2	–	–	**91/92**	**99**
Amanda Norton	11/11	–	–	7/7	4/5	–	–	–	**22/23**	**96**
Ana Paula Pessoa	26/28	–	24/24	–	–	6/6	–	–	**56/58**	**97**

BoD = Board of Directors; GNC = Governance and Nominations Committee; AC = Audit Committee; RC = Risk Committee; CC = Compensation Committee; CFCCC = Conduct and Financial Crime Control Committee; DTTC = Digital Transformation and Technology Committee; SAC = Sustainability Advisory Committee

1 Owing to changes to the Board and committee composition during the Board period, the maximum and attended meetings per director varies.

All members of the Board are expected to spend the necessary time needed outside of these meetings to discharge their responsibilities appropriately. The Chairman calls the meeting with sufficient notice and prepares an agenda for each meeting. The Chairman may also call extraordinary meetings on short notice, should circumstances require. Any other Board member also has the right to call an extraordinary meeting, if deemed necessary. The Chairman has the discretion to invite members of management or others to attend the meetings. Generally, the members of the Executive Board attend part of the Board meetings to ensure effective interaction with the Board. The Board also holds separate private sessions without management present. Minutes are kept of the proceedings and resolutions of the Board.

From time to time, the Board may make certain decisions via circular resolution, unless a member asks that the matter be discussed in a meeting and not be decided upon by way of written consent. During 2022, the Board resolved five matters via circular resolution. As of the date of the publication of this report, in 2023, the Board has held three meetings, two of which were via video or telephone conference. So far in 2023, there have been no matters resolved via circular resolution.

Mandates

Our Board members may assume board or executive level or other roles in companies and organizations outside of the Group, which are collectively referred to as mandates. The Swiss Code of Obligations sets out that companies must include provisions in their AoA to set limits on the number of mandates that board members and executive management may hold. According to the Group's AoA (Chapter IV, Section 2, The Board of Directors, Art. 20b), mandates include activities in the most senior executive and management bodies of listed companies and all other legal entities that are obliged to obtain an entry in the Swiss commercial register or a corresponding foreign register. Subject to approval by the AGM, the Group's AoA will be revised such that mandates in the sense of Art. 20b will be deemed to comprise mandates in comparable functions at other enterprises with an economic purpose. Board members are obligated to disclose all mandates to the Group and changes thereto, which occur during their board tenure. Board members wishing to assume a new mandate with a company or organization must first consult with the Chairman before accepting such mandate, in order to ensure there are no conflicts of interest or other issues.

The limitations on mandates assumed by Board members outside of the Group are summarized in the table below.

Type of mandate and limitation – Board

Type of mandate	Limitation
Listed companies	No more than four other mandates
Other legal entities [1]	No more than five mandates
Legal entities on behalf of the Group [2]	No more than ten mandates
Charitable legal entities [3]	No more than ten mandates

1 Includes private non-listed companies.
2 Includes memberships in business and industry associations.
3 Also includes honorary mandates in cultural or educational organizations.

No Board member holds mandates in excess of these restrictions. The assumption of up to five mandates in different legal entities under common control is deemed to constitute one mandate. The restrictions shown above do not apply to mandates of Board members in legal entities controlled by the Group such as subsidiary boards.

Overboarding

In addition to reviewing the number of mandates that a Board member concurrently holds with respect to the limitations described above, the Governance and Nominations Committee also considers the specific roles that Board members perform in other companies in order to identify cases of potential overboarding and to ensure that Board members have sufficient time to dedicate to their Credit Suisse Board mandate. Board members are required to disclose any changes in their mandates or changes to their roles within existing mandates as they occur to ensure that such changes would not lead to an overboarding situation. At the 2022 AGM, certain shareholders were critical of the proposed re-election of Ana Paula Pessoa due to concerns about overboarding in consideration of her concurrent mandates on five listed company boards, including Credit Suisse. Ms. Pessoa informed the Group of her intention to step down from the board of the Vinci Group (listed company) effective April 2023, thereby reducing the number of her listed company mandates to four. She will also step down from the board of Kunumi AI (private company) in April 2023.

Independence

The Board consists solely of non-executive directors within the Group, of which at least the majority must be determined to be independent. In its independence determination, the Board takes into account the factors set forth in the OGR (Chapter II Board of Directors, Item 3.2), the committee charters and applicable laws, regulations and listing standards. Our independence standards are also periodically measured against other emerging best practice standards.

The Governance and Nominations Committee performs an annual assessment of the independence of each Board member and reports its findings to the Board for the final determination of independence of each individual member. The Board has applied the independence criteria of the SIX Swiss Exchange Directive on Information relating to Corporate Governance, FINMA, the Swiss Code of Best Practice for Corporate Governance and the rules of the NYSE and the Nasdaq Stock Market (Nasdaq) in determining the definition of independence.

Moreover, Board members with immediate family members who would not qualify as independent according to the above listed criteria shall be subject to a three-year cooling-off period for purposes of determining their independence after fulfilment of the independence criteria by the immediate family member. In addition, Board members are not deemed to be independent if they are qualified shareholders of the Group or represent such qualified shareholder. A qualified shareholder holds in excess of 10% of the Group's share capital or may otherwise influence the Group in a significant manner.

Independence criteria applicable to all Board members

Independence	Criteria
In general, a director is considered independent if the director:	■ is not, and has not been for the past three years, employed as an Executive Board member at the Group or any of its subsidiaries or in another significant function at the Group; ■ is not, and has not been for the past three years, an employee or affiliate of the Group's external auditor; ■ does not, according to the Board's assessment, maintain a material direct or indirect business relationship with the Group or any of its subsidiaries, which causes a conflict of interest due to its nature or extent; and ■ is not, or has not been for the past three years, part of an interlocking directorate in which an Executive Board member serves on the compensation committee of another company that employs the Board member.
Whether or not a relationship between the Group or any of its subsidiaries and a member of the Board is considered material depends in particular on the following factors:	■ the volume and size of any transactions concluded in relation to the financial status and credit standing of the Board member concerned or the organization in which he or she is a partner, significant shareholder or executive officer; ■ the terms and conditions applied to such transactions in comparison to those applied to transactions with counterparties of a similar credit standing; ■ whether the transactions are subject to the same internal approval processes and procedures as transactions that are concluded with other counterparties; ■ whether the transactions are performed in the ordinary course of business; and ■ whether the transactions are structured in such a way and on such terms and conditions that the transaction could be concluded with a third party on comparable terms and conditions.

Specific independence considerations
Board members serving on the Audit Committee are subject to independence requirements in addition to those required of other Board members. None of the Audit Committee members may be an affiliated person of the Group or may, directly or indirectly, accept any consulting, advisory or other compensatory fees from us other than their regular compensation as members of the Board and its committees.

For Board members serving on the Compensation Committee, the independence determination considers all factors relevant to determining whether a director has a relationship with the Group that is material to that director's ability to be independent from management in connection with the duties of a Compensation Committee member, including, but not limited to:
- the source of any compensation of the Compensation Committee member, including any consulting, advisory or other compensatory fees paid by the Group to such director; and
- whether the Compensation Committee member is affiliated with the Group, any of its subsidiaries or any affiliates of any of its subsidiaries.

Other independence standards
While the Group is not subject to such standards, the Board acknowledges that some proxy advisors apply different standards for assessing the independence of our Board members, including the length of tenure a Board member has served, the full-time status of a Board Member, annual compensation levels of Board members within a comparable range to executive pay or a Board member's former executive status for periods further back than the preceding three years.

Independence determination
As of December 31, 2022, all members of the Board were determined by the Board to be independent.

Conflicts of interest
According to our OGR (Chapter IX Special provisions, Items 44.1, 44.2), the members of the Board, the Executive Board and the management committees of the divisions, regions and corporate functions are obliged to preserve the interests of the Group. Conflicts of interest of a personal nature, private or professional, potential conflicts of interest and even the appearance of conflicts of interest should be avoided. Any conflicts of interest with respect to a particular transaction, including conflicts of interest of persons or companies with whom the member has close personal relations, should be disclosed to the chair of the relevant governance body prior to the resolution process for such transaction. The affected member shall not become involved in the resolution process for such transaction.

In connection with the definition and ongoing implementation of the recently announced strategic initiatives, the Board has considered a number of potential conflicts of interest involving existing or former Board members in relation to certain projects being executed as part of those initiatives. The Board considered the aforementioned principles in pursuing those projects, supported by independent external advisers, and took measures to address any potential conflicts of interest in accordance with those principles, including through recusals of interested parties in the decision-making process. The Board will continue to monitor for and take any necessary measures to address any potential conflicts of interest as this implementation progresses.

Board leadership

Chairman of the Board
The Chairman is a non-executive member of the Board, in accordance with Swiss banking law, and performs his role on a full-time basis, in line with the practice expected by FINMA, our main regulator. The Chairman:
- coordinates the work within the Board;
- works with the committee chairs to coordinate the tasks of the committees;
- ensures that the Board members are provided with the information relevant for performing their duties;
- drives the Board agenda;
- drives key Board topics, especially regarding the strategic development of the Group, succession planning, the structure and organization of the Group, corporate governance, as well as compensation and compensation structure, including the performance evaluation and compensation of the CEO and the Executive Board;
- chairs the Board, the Governance and Nominations Committee and the Shareholder Meetings;
- takes an active role in representing the Group to key shareholders, investors, regulators and supervisors, industry associations and other external stakeholders;
- has no executive function within the Group;
- with the exception of the Governance and Nominations Committee, is not a member of any of the other Board standing committees; and
- may attend all or parts of selected committee meetings as a guest without voting power.

Vice-Chair and Lead Independent Director
There may be one or more Vice-Chairs. The Vice-Chair:
- is a member of the Board;
- is a designated deputy to the Chairman; and
- assists the Chairman by providing support and advice to the Chairman, assuming the Chairman's role in the event of the Chairman's absence or indisposition and leading the Board accordingly.

According to the Group's OGR (Chapter II Board of Directors, Item 3.4), the Board may appoint a Lead Independent Director. If the Chairman is determined not to be independent by the Board, the Board must appoint a Lead Independent Director. The Lead Independent Director:
- may convene meetings without the Chairman being present;
- takes a leading role among the Board members, particularly when issues between the Chairman and Board members arise (for example, when the Chairman has a conflict of interest);
- leads the Board's annual assessment of the Chairman; and

- ensures that the work of the Board and Board-related processes continue to run smoothly.

Christian Gellerstad currently serves as the Vice-Chair and the Lead Independent Director.

Segregation of duties

In accordance with Swiss banking law, the Group operates under a dual board structure, which strictly segregates the duties of supervision, which are the responsibility of the Board, from the duties of management, which are the responsibility of the Executive Board. The roles of the Chairman (non-executive) and the CEO (executive) are separate and carried out by two different people.

Board responsibilities

In accordance with the OGR (Chapter II Board of Directors, Item 5.1), the Board delegates certain tasks to Board committees and delegates the management of the company and the preparation and implementation of Board resolutions to certain management bodies or executive officers to the extent permitted by law, in particular Article 716a and 716b of the Swiss Code of Obligations, and the AoA (Chapter IV, Section 2, The Board of Directors, Art. 17 of the Group's AoA and Chapter III, Section 6, Board of Directors, Art. 6.3 of the Bank's AoA).

With responsibility for the overall direction, supervision and control of the company, the Board:

- regularly assesses our competitive position and approves our strategic and financial plans and risk appetite statement and overall risk limits;
- appoints or dismisses the CEO and the members of the Executive Board and appoints or dismisses the head of Internal Audit as well as the regulatory auditor;
- receives a status report at each ordinary meeting on our financial results, capital, funding and liquidity situation;
- receives, on a monthly basis, management information packages, which provide detailed information on our performance and financial status, as well as quarterly risk reports outlining recent developments and outlook scenarios;
- is provided by management with regular updates on key issues and significant events, as deemed appropriate or requested;
- has access to all information concerning the Group in order to appropriately discharge its responsibilities;
- reviews and approves significant changes to our structure and organization;
- approves the annual variable compensation for the Group and the divisions and recommends compensation of the Board and Executive Board for shareholder approval at the AGM;
- provides oversight on significant projects including acquisitions, divestitures, investments and other major projects;
- approves the recovery and resolution plans of the Group and its major subsidiaries; and
- along with its committees, is entitled, without consulting with management and at the Group's expense, to engage external legal, financial or other advisors, as it deems appropriate, with respect to any matters within its authority.

Management information system

The Group has a comprehensive management information system in place as part of our efforts to ensure the Board and senior management are provided with the necessary information and reports to carry out their respective oversight and management responsibilities. The Chairman may request additional reports as deemed appropriate.

Governance of Group subsidiaries

The Board assumes oversight responsibility for establishing appropriate governance for Group subsidiaries. The governance of the Group is based on the principles of an integrated oversight and management structure with global scope, which enables management of the Group as one economic unit. The Group sets corporate governance standards to ensure the efficient and harmonized steering of the Group. In accordance with the OGR (Chapter II, Board of Directors, Item 5.1.16), the Board appoints or dismisses the chairperson and the members of the board of directors of the major subsidiaries of the Group and approves their compensation. A policy naming the subsidiaries in scope and providing guidelines for the nomination and compensation process is periodically reviewed by the Board. The governance of the major subsidiaries, subject to compliance with all applicable local laws and regulations, should be consistent with the corporate governance principles of the Group, as reflected in the OGR and other corporate governance documents. In order to facilitate consistency and alignment of Group and subsidiary governance, it is the Group's policy for the Board to appoint at least one Group director to each of the boards of its major subsidiaries. Directors and officers of the Group and its major subsidiaries are committed to ensuring transparency and collaboration throughout the Group.

Board evaluation

The Board conducts a self-assessment once a year, where it reviews its own performance against the responsibilities listed in its charter and the Board's objectives and determines future objectives, including any special focus objectives for the coming year. The performance assessment of the Chairman is led by the Vice-Chair; the Chairman does not participate in the discussion of his own performance. As part of the self-assessment, the Board evaluates its effectiveness with respect to a number of different aspects, including board structure and composition, communication and reporting, agenda setting and continuous improvement. From time to time, the Board may also mandate an external consultant to conduct an external Board effectiveness review rather than performing the annual review as a self-assessment only, in order to get an outside-in view of the Board's effectiveness and benchmark against best practices. On the proposal of the Chairman, the Board mandated an external consultant to perform a Board effectiveness review in 2022. This assessment was conducted in the fourth quarter of 2022 and included an in depth questionnaire completed by all Board members, interviews conducted with the Chairman, the individual Board members, the CEO and certain other Executive Board members and other internal experts, and the participation of the external consultants as observers in Board and Board committee meetings. The findings and recommendations from the external Board effectiveness review were presented and discussed at a Board meeting in December 2022 and addressed, among other topics, the Board's future roadmap and priorities, including focus areas for 2023, with respect to strategy, the Group's operating model, culture, people development and succession planning and Board composition and committee structure. External Board effectiveness reviews took place in 2017 and 2020, in line with the Board's intention to perform an external Board effectiveness review at least every three years.

Board changes

In addition to Axel Lehmann assuming the role of Chairman as previously mentioned, Mirko Bianchi, Keyu Jin and Amanda Norton were elected as new non-executive Board members at the 2022 AGM and Amanda Norton was also elected as a new Compensation Committee member. Given his extensive finance experience at European financial institutions and former CFO roles, the Board appointed Mirko Bianchi as Chair of the Audit Committee. Richard Meddings, who previously served as Chair of the Audit Committee, was appointed by the Board as Chair of the Risk Committee. Other committee chair changes include the appointment of Clare Brady as Chair of the Conduct and Financial Crime Control Committee and Christian Gellerstad as Chair of the Compensation Committee. Christian Gellerstad was furthermore appointed as Vice-Chair and Lead Independent Director, succeeding Severin Schwan, who did not stand for re-election at the 2022 AGM. At the 2023 AGM, all current Board members are standing for reelection, and there are no new Board candidates proposed for election.

→ Refer to "Members of the Board of Directors" table for an overview of all Board members and their current committee appointments.

Board activities

During 2022 and early 2023, the Board focused on a number of key areas, including but not limited to the activities described below. Specifically, the Board:

Activity	Description
Strategy and organization	■ monitored the implementation of the strategy and organizational changes decided as a result of the Group strategy review conducted in 2021 and announced in November 2021, including the mandates of the four business divisions and four regions ■ launched a further comprehensive strategic review in July 2022, building on themes agreed at the 2022 Board Strategy Workshop in June 2022, with the objective to consider alternatives that go beyond the conclusions of the 2021 strategic review, particularly given the changed economic and market environment, and closely supervised progress of the strategy through a special ad-hoc Board committee, the Investment Banking Strategy Committee (IBSC) ■ approved strategy and organizational changes resulting from the 2022 strategic review, including a radical restructuring of the Investment Bank, compromising the carve-out of CS First Boston as a capital markets and advisory business, an accelerated cost transformation, the creation of the CRU and a reallocation of capital to Wealth Management, Swiss Bank, Asset Management and a newly formed Markets business ■ reviewed and approved entering into definitive transaction agreements to sell a significant part of the SPG and other related financing businesses to Apollo Global Management (Apollo) as announced in November 2022 ■ assessed and approved the acquisition of The Klein Group LLC, an investment banking boutique and registered broker-dealer affiliated with former Board member Michael Klein, representing an important step to progress the carve-out of CS First Boston ■ supervised the initial phase of the implementation of the strategy and organizational changes and received regular updates on the set-up of the CRU, the progress of the cost transformation program and the restructuring of the Investment Bank
People and culture	■ established, together with the Executive Board, a comprehensive risk culture framework based on the principle that "everyone is a risk manager", which aims to change mindsets, reinforce risk aspects in decision-making and foster prudent risk-taking behaviors across the Group ■ received regular progress updates on the various risk culture initiatives, including bank-wide training on "Building a Risk Culture" and a risk culture dashboard, measuring progress linked to the risk culture framework, such as internal audit results and senior leadership role models ■ conducted dedicated senior talent review session with the full Board and held several employee engagement events together with the Executive Board
Board and Executive Board succession	■ nominated Mirko Bianchi, Keyu Jin and Amanda Norton as new Board members for election at the 2022 AGM ■ appointed new Executive Board members during 2022, including the roles of the CEO (Ulrich Körner), COO (Francesca McDonagh), CFO (Dixit Joshi), General Counsel (Markus Diethelm), regional CEO of Asia Pacific (Edwin Low) and CCO (Nita Patel)
Governance and supervision	■ approved the set-up of the IBSC as an ad hoc Board committee for the purposes of assisting the Board in overseeing the definition of a new investment banking strategy and approved its terms of reference ■ supervised the establishment and execution of the Strategic Regulatory Remediation program intended to strengthen our organization and deliver on regulatory programs ■ held dedicated sessions with senior officials from FINMA and the Federal Reserve on their respective annual assessments of the Group ■ regularly reviewed and discussed key regulatory correspondence and outcomes from the regulatory engagements of the Chairman, CEO and other Board and Executive Board members
Financial and risk management	■ decided to further strengthen the Group's capital base and support its strategic transformation by completing two capital raises with aggregate gross proceeds of CHF 4 billion through the issuance of new shares to qualified investors and a rights offering to existing shareholders, both of which were approved at the EGM on November 23, 2022 ■ closely monitored the Group's liquidity status following the significant deposit and net asset outflows experienced during the fourth quarter of 2022 and measures taken by management to address the situation, including a comprehensive client outreach program ■ reviewed and approved the Group's financial and capital plans and risk appetite for 2023 reflecting the Group's strategic transformation and targets announced at the October 2022 strategy update
Board effectiveness	■ conducted a comprehensive external Board effectiveness review

Board committees

The Board has six standing committees: the Governance and Nominations Committee, the Audit Committee, the Compensation Committee, the Conduct and Financial Crime Control Committee, the Risk Committee and the Digital Transformation and Technology Committee. In addition, the Board has one advisory committee, the Sustainability Advisory Committee. Except for the Compensation Committee members, who are elected by the shareholders on an annual basis, the committee members are appointed by the Board for a term of one year.

At each Board meeting, the Chairs of the committees report to the Board about the activities of the respective committees. In addition, the minutes and documentation of the committee meetings are accessible to all Board members. Each committee has its own charter, which has been approved by the Board. Each standing committee performs a self-assessment once a year, where it reviews its own performance against the responsibilities listed in its charter and the committee's objectives and determines any special focus objectives for the coming year.

The Board furthermore established an ad-hoc committee of the Board in 2022, the IBSC. The IBSC was formed for the purposes of providing close oversight and guidance on the definition of the future investment banking strategy and structure during the strategy review process. From August 1 through October 26, 2022, the IBSC usually met on a weekly basis. The IBSC was retired after the announcement of the Group's new strategy on October 27, 2022.

Governance and Nominations Committee

The primary function of the Governance and Nominations Committee is to act as a counselor to the Chairman, address key Group corporate governance issues and evaluate and recommend new Board candidates, as well as new Executive Board members.

Topic	Description
Membership	■ consists of the Chairman, the Vice-Chair and other members appointed by the Board ■ may include non-independent Board members; however, the majority of members must qualify as independent ■ currently consists of five members; all of our Governance and Nominations Committee members are independent
Meetings	■ generally meets on a monthly basis ■ the meetings are usually attended by the CEO ■ may also ask other members of management or specialists to attend a meeting
Main duties and responsibilities	■ acts as counselor to the Chairman and supports him in the preparation of Board meetings ■ addresses the corporate governance issues affecting the Group and develops and recommends to the Board corporate governance principles and such other corporate governance-related documents as it deems appropriate for the Group ■ reviews the independence of the Board members annually and recommends its assessment to the Board for final determination ■ is responsible for setting selection criteria for Board membership, which reflects the requirements of applicable laws and regulations, and for identifying, evaluating and nominating candidates for Board membership ■ guides the Board's annual performance assessment of the Chairman, the CEO and the members of the Executive Board ■ proposes to the Board the appointment, replacement or dismissal of members of the Executive Board as well as other appointments requiring endorsement by the Board ■ reviews succession plans with the Chairman and the CEO relating to Executive Board positions and is kept informed of other top management succession plans

Activities

During 2022 and early 2023, the Governance and Nominations Committee focused on a number of key areas, including but not limited to the activities described below. Specifically, the Governance and Nominations Committee:

Activity	Description
Board member succession	■ established selection criteria, conducted interviews with and assessed the qualifications and suitability of prospective Board member candidates ■ recommended Mirko Bianchi, Keyu Jin and Amanda Norton as new Board member nominees for approval by the Board prior to the 2022 AGM, who, collectively, bring significant experience to the Board with respect to finance, risk management and the Asian markets, particularly for China, and proposed Amanda Norton for election as a Compensation Committee member ■ proposed changes to the committee chairs post the 2022 AGM, including newly elected Board member Mirko Bianchi as Audit Committee Chair, Clare Brady as Conduct and Financial Crime Control Committee Chair, Christian Gellerstad as Compensation Committee Chair, and Richard Meddings as Risk Committee Chair ■ proposed the appointment of Christian Gellerstad as Vice-Chair and Lead Independent Director to succeed Severin Schwan, who did not stand for re-election at the 2022 AGM
Executive Board succession	■ drove the renewal of the Executive Board forward through the assessment and recommendation to the Board of Executive Board changes, including a CEO change, with the recommendation of Ulrich Körner as the new Group CEO ■ interviewed various internal and external candidates in connection with the Executive Board changes highlighted above
Advice and guidance	■ supported the Chairman in preparing for the Board's annual strategy workshop in 2022 together with the Executive Board, at which key strategic priorities were addressed, including the need for a more radical restructuring of the Investment Bank ■ reviewed and provided advice and guidance to the Chairman and CEO in advance of key decisions to be taken by the Board in connection with the strategy review, including the sale of a significant part of SPG to Apollo and the acquisition of The Klein Group LLC ■ provided guidance for the annual performance assessments of the Chairman and the CEO
Corporate governance	■ served as the primary Board oversight body for the Strategic Regulatory Remediation program and provided regular review and challenge to the management with respect to the set-up and progress of the program ■ assessed the findings and recommendations of the 2022 external board effectiveness review with respect to Board composition, structure, long-term priorities and focus areas for 2023 ■ engaged external advisors to provide independent, expert advice to the Board on select strategy and corporate governance topics

Audit Committee

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight role by monitoring and assessing the integrity of the financial statements of the Group.

Topic	Description
Membership	▪ consists of at least three members of the Board, all of whom must be independent; currently consists of five members, all of whom are independent ▪ the Risk Committee Chair is generally appointed as one of the members of the Audit Committee ▪ stipulates that all Audit Committee members must be financially literate. The US Securities and Exchange Commission (SEC) requires disclosure about whether a member of the Audit Committee is an audit committee financial expert within the meaning of the Sarbanes-Oxley Act of 2002 (SOX). The Board has determined that Mirko Bianchi is an audit committee financial expert ▪ members may not serve on the Audit Committee of more than two other companies, unless the Board deems that such membership would not impair their ability to serve on our Audit Committee
Meetings	▪ the Audit Committee holds meetings at least once each quarter, prior to the publication of our consolidated financial statements ▪ typically a number of additional meetings and workshops are convened throughout the year ▪ meetings are attended by management representatives, as appropriate, the Head of Internal Audit and senior representatives of the external auditor ▪ a private session with Internal Audit and the external auditors is regularly scheduled to provide them with an opportunity to discuss issues with the Audit Committee without management being present
Main duties and responsibilities	▪ monitors and assesses the overall integrity of the financial statements as well as disclosures of the financial condition, results of operations and cash flows ▪ monitors the adequacy of the financial accounting and reporting processes and the effectiveness of internal controls ▪ monitors processes designed to ensure compliance by the Group in all significant respects with legal and regulatory requirements ▪ monitors the adequacy of the management of non-financial risks jointly with the Risk Committee ▪ reviews jointly with the Conduct and Financial Crime Control Committee any significant matters related to compliance and conduct ▪ monitors the qualifications, independence and performance of the external auditors and of Internal Audit ▪ is regularly informed about significant projects and initiatives aimed at further improving processes and receives regular updates on significant legal, compliance, disciplinary, tax and regulatory matters ▪ has established procedures for the receipt, retention and treatment of complaints of a significant nature regarding accounting, internal accounting controls, auditing or other matters alleging potential misconduct, including a whistleblower hotline ▪ reviews the annual Sustainability Report and is informed about evolving standards and practices of sustainability reporting ▪ reports committee activities to the Board as deemed appropriate; annually performs a self-assessment and a review of its charter

Activities

During 2022 and early 2023, the Audit Committee focused on a number of key areas, including but not limited to the activities described below. Specifically, the Audit Committee:

Activity	Description
Quarterly and annual financial reporting	▪ performed its regular review of the quarterly and annual financial results and related accounting, reporting and internal control and disclosure matters, as well as matters of significant judgment ▪ reviewed and endorsed the Sustainability Report, including TCFD disclosures, the Group's Tax Contribution Report, and the Modern Slavery and Human Trafficking Transparency Statement ▪ held specific reviews on certain accounting and reporting matters of particular relevance in 2022 and early 2023, such as the reporting and disclosure following the new organizational structures and the respective restatement of prior periods, the impairment of the deferred tax assets, the increase of litigation provisions and matters raised in SEC comment letters ▪ held regular reviews of the Bank parent company's financial statements ▪ held various educational sessions (some jointly with the Risk Committee) on selected topics, for example on disclosure requirements and SOX thematic recommendations
Internal and external audit	▪ received regular updates from the Head of Internal Audit on key audit findings and held a dedicated workshop with the Internal Audit senior leadership team about their risk assessments for the organization, emerging risk and control themes and audit planning and methodology, as well as on organizational matters of the Internal Audit function, such as talent and succession planning ▪ received regular updates and reports from PricewaterhouseCoopers AG (PwC)
Legal, regulatory, compliance and conduct matters	▪ received updates at every meeting from the General Counsel on significant litigation, investigations and regulatory enforcement matters ▪ regular reports on key regulatory developments and interactions with our main regulators from the Head of Regulatory Relations ▪ maintained a focus at every meeting on key compliance risks and associated internal controls, as well as key compliance programs ▪ reviewed the Group's whistleblowing processes and governance, as well as select cases and their resolution ▪ received, jointly with the Conduct and Financial Crime Control Committee, updates on significant matters related to compliance and conduct ▪ reviewed, jointly with the Risk Committee, the annual assessment of the effectiveness of the internal control system and recommended approval by the Board of the adequacy of the internal control system, according to the requirements of FINMA
Infrastructure and key change programs	▪ conducted in-depth reviews of the payments processes and systems landscape ▪ received an update on financial reporting improvement initiatives, including accounting quality assurance review, progress on reducing general ledger adjustments and target operating model ▪ reviewed, jointly with the Risk Committee, the Group's key change programs, including the progress of the Strategic Regulatory Remediation program, the Group's data management strategy, as well as the progress related to the IBOR (interbank offered rate) transition program ▪ reviewed the scope and governance of the newly established NCU and the governance around restructuring costs

Internal Audit

Our Internal Audit function comprises a team of approximately 400 professionals, virtually all of whom are directly involved in auditing activities. The Head of Internal Audit reports directly to the Audit Committee Chair and the Audit Committee directs and oversees the activities of the Internal Audit function. In December 2021, the Board, upon the recommendation of the Audit Committee, appointed Mark Hannam as the new Head of Internal Audit, succeeding Rafael Lopez Lorenzo, who was appointed as CCO and member of the Executive Board. Mr. Hannam joined Credit Suisse in April 2022.

Internal Audit performs an independent and objective assurance function that is designed to add value to our operations. Using a systematic approach, the Internal Audit team evaluates and enhances the effectiveness of Credit Suisse's risk management, control and governance processes.

Internal Audit is responsible for carrying out periodic audits in line with the Internal Audit Charter, which is approved by the Audit Committee and available publicly. It regularly and independently assesses the risk exposure of our various business activities, taking into account industry trends, strategic and organizational decisions, best practice and regulatory matters. Based on the results of its assessment, Internal Audit develops detailed annual audit objectives, defining key risk themes and specifying resource requirements for approval by the Audit Committee.

As part of its efforts to achieve best practice, Internal Audit regularly benchmarks its methods and tools against those of its peers. In addition, it submits periodic internal reports and summaries thereof to the management teams as well as the Chairman and the Audit Committee Chair. The Head of Internal Audit provides at least quarterly updates to the Audit Committee or more frequently as appropriate. Internal Audit coordinates its operations with the activities of the external auditor for maximum effect.

The Audit Committee annually assesses the performance and effectiveness of the Internal Audit function. For 2022, the Audit Committee concluded that the Internal Audit function was effective and independent, with the appropriate resources to deliver on the Internal Audit Charter.

External Audit

The Audit Committee is responsible for the oversight of the external auditor. The external auditor reports directly to the Audit Committee and the Board with respect to its audit of the Group's financial statements and is ultimately accountable to the shareholders. The Audit Committee pre-approves the retention of, and fees paid to, the external auditor for all audit and non-audit services.

→ Refer to "External audit" in Audit for further information.

Risk Committee

The Risk Committee is responsible for assisting the Board in fulfilling its oversight responsibilities of risk management. These responsibilities include the oversight of the enterprise-wide risk management and practices, the promotion of a sound risk culture with clear accountability and ownership, the review of key risk and resources and the assessment of the effectiveness and efficiency of the Group's Risk function.

Topic	Description
Membership	■ consists of at least three members of the Board; currently consists of five members, all of whom are independent ■ the Audit Committee Chair is generally appointed as one of the members of the Risk Committee
Meetings	■ holds at least four ordinary meetings per year, pursuant to its charter ■ usually convenes for additional meetings throughout the year in order to appropriately discharge its responsibilities ■ the CEO, CRO and other Group business or corporate function representatives will usually attend the meetings, as appropriate
Main duties and responsibilities	■ reviews and assesses the integrity and adequacy of the Risk function of the Group including risk measurement approaches ■ reviews and calibrates risk appetite at the Group level and at the level of key businesses as well as major risk concentrations ■ approves the list of countries and proposes the limits and risk appetites allocated to such countries to the Board ■ assesses the capital and liquidity planning, reviews the contingency funding plan and proposes these plans to the Board for approval ■ regularly reviews relationships with top clients and material transactions from a risk perspective and also reviews the reports on material risk matters by the risk function, significant legal entities, businesses and corporate functions ■ reviews, jointly with the Audit Committee, the annual assessment of the adequacy and effectiveness of the internal control system, the status of major infrastructure and committed change programs, as well as significant matters of non-financial risk ■ reviews and assesses the current state and evolution of the risk culture ■ mandates the Credit Risk Review function to independently assess credit risk management practices ■ reports committee activities to the Board as deemed appropriate; annually performs a self-assessment and a review of its charter

Activities

During 2022 and early 2023, the Risk Committee focused on a number of key areas, including but not limited to the activities described below. Specifically, the Risk Committee:

Activity	Description
Risk transformation	■ received regular updates from the newly appointed Group CRO on the risk function transformation, including the first 100 days plan, the risk effectiveness review, the planned organizational changes and the forward-looking priorities ■ reviewed the stature of the risk function through regular Group CRO organizational updates covering senior management hires and nominations, attrition levels across all locations and seniority levels, as well as through briefings from the risk senior executives ■ promoted and reviewed the progress in strengthening the risk culture, including the first line of defense responsibility and accountability and the promotion of a risk culture mindset leveraging the bank's purpose, values and code of conduct ■ promoted and monitored the development and implementation of a firm-wide risk return measure across the organization for assessing clients, transactions and businesses in a consistent manner
Risk appetite, risk monitoring and risk management frameworks	■ reviewed the risk implications of the new Group strategy on the bank's risk profile and monitored the financial and non-financial risks associated with the execution ■ reviewed and recommended the proposed changes to risk appetite, triggered by the evolving geopolitical environment and the bank's strategy positioning, and ensured alignment with the Group business strategy ■ endorsed the revised risk appetite framework and limits for 2022, as well as the Group's strategic risk objectives and the risk appetite statement for 2023, including country risk limits ■ regularly reviewed top clients, key concentrations, material transactions, businesses, as well as geopolitical events of relevance, including a second line of defense assessment ■ supported the Board in reviewing strategically important topics, including adequacy of capital, liquidity and funding of both the Group and the Bank parent company ■ monitored the implementation of risk governance enhancements to improve the review, approval and escalation of risk matters ■ monitored aspects of the risk management framework, with respect to position, reputational, model and liquidity risk and stress testing ■ reviewed, jointly with the Audit Committee, non-financial risk matters, including data management, payments processing, people and outsourcing and endorsed the internal control framework ■ regularly reviewed, jointly with the Audit Committee, risks related to Credit Suisse AG, including financial performance, as well as capital and liquidity positions ■ received briefings on the energy transition frameworks and commitments and reviewed the associated restrictions on certain business activities in carbon-intensive sectors
Strategic remediation programs and key initiatives	■ closely monitored the remediation triggered by the Archegos event, with a deep dive into certain activities such as the first line of defense accountability and counterparty risk management ■ reviewed, jointly with the Audit Committee, the set-up of the Strategic Regulatory Remediation Office and regularly monitored the progress in key regulatory remediation themes, including counterparty risk, liquidity and clients ■ received regular updates on key change programs, including the Fundamental Review of the Trading Book and the IBOR transition programs, jointly with the Audit Committee ■ reviewed, jointly with the Audit Committee, the scope and governance of the newly established NCU ■ reviewed, jointly with the Digital Transition and Technology Committee, the risk infrastructure transformation, as well as risks related to IT security and cyber risk and related mitigation measures

Compensation Committee

The primary function of the Compensation Committee is to determine, review and propose compensation and related principles for the Group.

Topic	Description
Membership	■ consists of at least three members of the Board, all of whom must be independent ■ currently consists of four members, all of whom are independent ■ members are individually elected by the AGM for a period of one year
Meetings	■ holds at least four meetings per year, pursuant to its charter; additional meetings may be scheduled at any time ■ meetings are attended by external advisors and management representatives, as appropriate
Main duties and responsibilities	■ reviews the Group's compensation policy ■ establishes new compensation plans or amending existing plans and recommends them to the Board for approval ■ reviews the performance of the Group and the divisions and recommends the variable compensation pools for the Group and the divisions to the Board for approval ■ proposes individual compensation for the Board members to the Board ■ discusses and recommends to the Board the Executive Board members' compensation, based on proposals by the CEO, and a proposal for the CEO's compensation ■ reviews and recommends to the Board the compensation for individuals being considered for an Executive Board position ■ reviews and endorses the annual compensation report submitted for a consultative vote by shareholders at the AGM ■ is authorized to retain outside advisors, at the Group's expense, for the purpose of providing guidance to the Compensation Committee as it carries out its responsibilities. Prior to their appointment, the Compensation Committee conducts an independence assessment of the advisors pursuant to the rules of the SEC and the listing standards of the NYSE and Nasdaq ■ reports committee activities to the Board as deemed appropriate; annually performs a self-assessment and a review of its charter

Activities

During 2022 and early 2023, the Compensation Committee focused on a number of key areas, including but not limited to the activities described below. Specifically, the Compensation Committee:

Activity	Description
Executive Board and Board compensation	■ monitored the implementation of the Executive Board compensation design for 2022 and approved refinements for 2023 and beyond, considering investor feedback and market developments ■ approved a one-time Transformation Award to be granted to the Executive Board and other key members of management that is linked to the successful implementation of the Group's strategic objectives ■ reviewed and recommended approval by the Board of the compensation arrangements for the incoming and outgoing Executive Board members during 2022 ■ reviewed and recommended the compensation proposals for the Board and Executive Board to be submitted for approval by shareholders at the 2022 and 2023 AGMs
Shareholder engagement and Say-on-Pay	■ continued proactive engagement with shareholders and proxy advisors on compensation, including holding meetings with shareholders involving the Compensation Committee Chair, the Global Head of People and, in part, the Chairman; feedback and key issues resulting from these meetings were discussed within the full committee ■ considered investor feedback specific to the Transformation Award and introduced respective adjustments to the proposal to shareholders in the lead up to the 2023 AGM
Group compensation	■ determined the variable compensation pool for the Group for 2022, including the allocations to the divisions and corporate functions, which was in aggregate 50% below the pool from the prior year in consideration of the Group's poor financial performance in 2022 ■ reviewed the employee compensation framework and agreed on certain simplification measures, including the decision to discontinue performance share awards for 2023 onwards ■ monitored the effectiveness of retention measures implemented during the prior year and employee attrition trends ■ reviewed and endorsed enhancements to the Significant Events process introduced in the prior year to improve risk and accountability in compensation and reinforce a risk culture mindset
Regulatory and industry developments	■ received and assessed periodic reports on industry and regulatory developments, including executive pay trends, competitor practices, key corporate governance developments and regulatory themes with implications for compensation ■ acknowledged and regularly discussed compensation related matters raised by regulators

→ Refer to "The Compensation Committee" in V – Compensation – Group compensation framework for information on our compensation approach, principles and objectives and outside advisors.

Conduct and Financial Crime Control Committee

The primary function of the Conduct and Financial Crime Control Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the Group's exposure to financial crime risk.

Topic	Description
Membership	■ consists of at least three members of the Board; currently consists of four members, all of whom are independent ■ may include non-independent members; however, the majority of members must qualify as independent ■ the Chair of the Audit Committee is generally appointed as one of the members of the Conduct and Financial Crime Control Committee
Meetings	■ holds at least four meetings per year, pursuant to its charter ■ may convene for additional meetings throughout the year in order to appropriately discharge its responsibilities ■ meetings are attended by management representatives, representatives of Internal Audit and the Group's external auditors, as appropriate
Main duties and responsibilities	■ reviews and assesses the Group's overall compliance framework for addressing financial crime risk, including policies, procedures and organizational set-up ■ monitors and assesses the effectiveness of financial crime compliance programs, including those with respect to the following areas: anti-money laundering, client identification and know-your-client procedures, client on and off boarding, politically exposed persons, economic and trade sanctions, anti-bribery, anti-corruption and client tax compliance ■ reviews the status of the relevant policies and procedures and the implementation of significant initiatives focused on improving conduct and vigilance within the context of combatting financial crime, including employee awareness and training programs ■ reviews and monitors investigations into allegations of financial crime or other reports of misconduct pertaining to the areas specified above ■ reviews with management, Internal Audit and the external auditors audit findings and recommendations with respect to the areas specified above, including annual regulatory audit reports ■ receives regular updates by management on regulatory, legislative and industry specific developments with respect to the areas specified above ■ reviews jointly with the Audit Committee and/or Risk Committee any matters for which a joint review is determined to be appropriate, including the annual compliance risk assessment and the Group's framework for addressing conduct risk ■ provides support to the Compensation Committee and advice, as relevant and appropriate, with respect to the areas specified above as part of the Group's compensation process ■ reports committee activities to the Board as deemed appropriate; annually performs a self-assessment and a review of its charter

Activities

During 2022 and early 2023, the Conduct and Financial Crime Control Committee focused on a number of key areas, including but not limited to the activities described below. Specifically, the Conduct and Financial Crime Control Committee:

Activity	Description
Financial Crime Compliance effectiveness	■ reviewed comprehensive financial crime compliance reporting packages from management at every meeting, including financial crime regulation developments, key financial crime compliance performance indicators, the application of the sanctions regimes and global investigations and escalated concerns ■ conducted focused sessions on specific financial crime compliance programs, including processes regarding Politically Exposed Persons ■ received updates from Internal Audit on financial crime compliance-related findings in Internal Audit reports and reviewed the results of the anti-money laundering regulatory audits with PwC ■ held dedicated sessions during 2022 with the divisional CEOs to discuss key financial crime related initiatives and risk culture aspects in their respective divisions
Regulatory driven enhancement programs	■ continued to closely monitor the progress on our commitments to enhance anti-money laundering and related financial crime compliance processes in connection with FINMA enforcement matters ■ reviewed the delivery of the remediation efforts to address an enforcement action of the Federal Reserve Bank of New York (FRBNY) and the New York Department of Financial Services issued in November 2020 regarding enhancements to financial crime compliance in our US operations ■ held review sessions and challenged the comprehensive program to improve anti-fraud controls ■ engaged in dialogue with senior representatives of FINMA on significant matters of financial crime compliance at Credit Suisse
Financial Crime Compliance governance	■ assessed the financial crime compliance organizational and governance changes during 2022 following the appointment of a new CCO and other key leadership changes ■ held several joint sessions with the Audit Committee, including a joint review of Credit Suisse's Foreign Account Tax Compliance Act and US cross-border compliance activities and the shift of operational activities regarding client lifecycle controls from the second to the first line of defense ■ introduced a coordination of financial crime compliance among the committee chairs of the Group's major subsidiaries responsible for the oversight of financial crime compliance

Digital Transformation and Technology Committee

The Digital Transformation and Technology Committee was established in January 2022 with the primary function of assisting the Board in setting, steering and overseeing the execution of the bank's data, digitalization and technology strategy. The committee is tasked with overseeing the strategically aligned execution of the bank's major digitalization and technology initiatives and setting governance standards for digital transformation across the Group.

Topic	Description
Membership	■ consists of not less than three members; currently consists of four members, all of whom are independent ■ may include non-independent members; however, the majority of members must qualify as independent
Meetings	■ holds at least four ordinary meetings per year, pursuant to its charter ■ the Group CEO and the Group Chief Technology and Operations Officer both shall usually attend the meetings
Main duties and responsibilities	■ oversees and drives the strategic alignment of the Group's technology investments and spend as well as the governance standards for digital transformation across the Group ■ oversees the execution of the Group's major digitalization and technology initiatives and tracks the progress made ■ identifies and assesses opportunities and threats to the Group's business model from the digital transformation ■ works closely with the Risk Committee and Audit Committee in regard to overseeing technology-driven risks ■ obtains independent external perspectives and thought leadership to select technology trends with an impact on the Group and the financial services industry more broadly; and in relation to these trends, critically examines the strategies and activities within the Group ■ review reports by the Chief Technology and Operations Officer on material matters related to digital transformation and technology ■ reports committee activities to the Board as deemed appropriate; annually performs a self-assessment and a review of its charter

Activities

During 2022 and early 2023, the Digital Transformation and Technology Committee focused on a number of key areas, including but not limited to the activities described below. Specifically, the Digital Transformation and Technology Committee:

Activity	Description
Digital Transformation	■ endorsed the Engineering Strategy defining the core Group-wide capabilities to enable digital transformation ■ reviewed the CTOO transformation program to deliver on CTOO priorities, including digital transformation acceleration, and regularly monitored the progress made on digital milestones commitments ■ received updates on select business initiatives illustrating the digital aspirations and transformation and was presented with target architecture for select corporate functions including Risk and Compliance
Technology	■ received regular briefings by the CTOO on technology initiatives progress, including achieved milestones and main challenges ■ reviewed the proposed governance and framework for investment prioritization, including investments categories and prioritization criteria ■ received updates on the IT spend as part of various CTOO and business updates and provided recommendations as required ■ reviewed the resourcing strategy across the CTOO organization and proposal for vendor management efficiency ■ received deep dive reports on select focus topics including Agile implementation, Payments as a Service, Data Shared Services Strategy and Revised framework for the capitalization of internally developed software, having the Audit and Risk Committee Chairs attend the relevant agenda items
Technology driven risks	■ held a joint session with the Risk Committee to discuss the Risk function IT infrastructure strategy, as well as IT security and cyber risk topics ■ regularly informed the Board on the committee's activities, including technology-driven risks

Sustainability Advisory Committee

The Sustainability Advisory Committee, established in February 2021, assists the Board, in an advisory capacity, in fulfilling its oversight duties in respect of the development and execution of the Group's sustainability strategy and ambitions, and monitoring and assessing the effectiveness of the respective sustainability programs and initiatives. Its responsibilities include advising on the sustainability strategy and ambitions and ensuring actions are being taken to accomplish them, advising on sustainability metrics and tracking and, monitoring related progress, and the engagement with key internal and external stakeholders, including clients, employees, investors, ESG rating agencies, non-governmental organization, policymakers, regulators, and representatives of the business community and society. Activities of the Sustainability Advisory Committee during 2022 included periodic reviews of the strategy execution progress, receiving updates on the bank's progress with respect to ESG products, services, and advisory, the Diversity & Inclusion strategy and climate-related and sustainability risks, as well as holding a targeted session on the mitigation of greenwashing risk. The committee also received progress updates on the 2022 Sustainability Report, as well as on the 2022 TCFD Report.

Biographies of the Board

Axel P. Lehmann
Born 1959
Swiss Citizen
Board member since 2021

Chairman of the Board

Professional history

2021–present	Credit Suisse[1]
	Chairman and Chair of the Governance and Nominations Committee (2022–present, member since 2021)
	Chair of the Risk Committee (2022, member 2021–2022)
	Member of the Conduct and Financial Crime Control Committee (2021–2022)
	Member of the Audit Committee (2021–2022)
2009–2021	UBS
	Member of the Group Executive Board of UBS Group AG (2016–2021)
	President Personal & Corporate Banking and President UBS Switzerland (2018–2021)
	Group Chief Operating Officer (2016–2017)
	Member of the Board of Directors of UBS AG (2009–2015) and UBS Group AG (2014–2015), Member of the Risk Committee (2009–2015) and the Governance and Nominating Committee (2011–2013)
1996–2015	Zurich Insurance Group Ltd.
	Member of the Group Executive Committee (2002–2015)
	Group Chief Risk Officer (2009–2015), with additional responsibility for Group IT (2008–2010), Regional chairman Europe (2011–2015) and Regional chairman Europe, Middle East and Africa (2015–2015), chairman of the Board of Farmers Group Inc., CA (2011–2015)
1995	Swiss Life, Head of Strategic Planning and Controlling
1985–1995	Institute of Insurance Economics at the University of St. Gallen

Education

2000	Advanced Management Program, Wharton School, University of Pennsylvania
1996	Post-doctorate degree in Business Administration (Habilitation), University of St. Gallen
1989	PhD in Economics and Business Administration, University of St. Gallen
1984	Master's degree in Economics and Business Administration, University of St. Gallen

Areas of expertise

Client-Facing Business; Risk, Legal and/or Compliance; and Government, Regulatory and/or Academia

Other activities and functions

Credit Suisse Foundation, chair[1]

Swiss Bankers Association (SBA), board member, board of directors committee member and audit committee member[1]

Swiss Finance Council (SFC), board member[1]

Institute of International Finance (IIF), board member[1]

European Financial Services Round Table (EFR), board member[1]

University of St. Gallen (HSG), adjunct professor and international advisory board member

Institute of Insurance Economics at the University of St. Gallen, chairman of the executive board

Swiss-American Chamber of Commerce, member

1 Mr. Lehmann performs functions in these organizations in his capacity as Chairman.

Mirko Bianchi
Born 1962
Swiss and US Citizen
Board member since 2022

Professional history

2022–present	Credit Suisse
	Chair of the Audit Committee (2022–present)
	Member of the Governance and Nominations Committee (2023–present)
	Member of the Risk Committee (2022–present)
	Member of the Conduct and Financial Crime Control Committee (2022–present)
2009–2021	UniCredit
	CEO Group Wealth Management & Private Banking (2020–2021)
	Group Co-CFO (2019–2020)
	Group CFO (2016–2019)
	CFO Bank Austria & Central European Countries (2015–2016)
	Head of Group Finance (2009–2015)
2000–2009	UBS, Managing Director, Global Head of Ratings Advisory
1998–2000	Deutsche Bank AG, Director, Debt Capital Markets – Ratings Advisory
1993–1998	Moody's Investor Services, Vice President, Senior Investor Analyst
Prior to 1993	BCI Capital, Equity Analyst

Education

1994	Executive Program in Financial Analysis, Northwestern University, Chicago, US
1991	MBA, Fordham University, New York, US
1988	Master of Science (M.Sc.) in Food Chemical and Processing Engineering, ETH Zurich

Areas of expertise

Finance and/or Audit; and Risk, Legal and/or Compliance

Other activities and functions

GSTS – Gui Sheng Tang Sinomedica Holding SA, board member

European Audit Committee Leadership Network, member

Iris Bohnet
Born 1966
Swiss Citizen
Board member since 2012

Professional history

2012–present	Credit Suisse
	Chair of the Sustainability Advisory Committee (2021–present)
	Member of the Compensation Committee (2012–present)
	Member of the Innovation and Technology Committee (2015–2021)
1998–present	Harvard Kennedy School
	Albert Pratt Professor of Business and Government (2018–present)
	Co-Director of the Women and Public Policy Program (2018–present), Director (2008–2018)
	Academic Dean (2018–2021, 2011–2014)
	Professor of public policy (2006–2018)
	Associate professor of public policy (2003–2006)
	Assistant professor of public policy (1998–2003)
1997–1998	Haas School of Business, University of California at Berkeley, visiting scholar

Education

1997	Doctorate in Economics, University of Zurich, Switzerland
1992	Master's degree in Economic History, Economics and Political Science, University of Zurich, Switzerland

Areas of expertise

People, Culture and/or Compensation; ESG; and Government, Regulatory and/or Academia

Other activities and functions

Publicis Groupe Diversity Progress Council, member (Listed company)

Economic Dividends for Gender Equality (EDGE), advisory board member

We Shape Tech, advisory board member

Women in Banking and Finance, patron

UK Government Equalities Office/BIT, advisor

Clare Brady
Born 1963
British Citizen
Board member since 2021

Professional history

2021–present	Credit Suisse
	Member of the Sustainability Advisory Committee (2022–present)
	Member of the Audit Committee (2021–present)
	Chair of the Conduct and Financial Crime Control Committee (2022–present, member since 2021)
	Member of the Board of Credit Suisse International and Credit Suisse Securities (Europe) Limited (UK subsidiaries) (2021)
2014–2017	International Monetary Fund (IMF), Director of Internal Audit
2009–2013	World Bank Group, Vice President and Auditor General
2005–2009	Deutsche Bank AG
	Managing Director, Group Audit, Asia Pacific Regional Head (2007–2009)
	Managing Director, Group Audit, UK Regional Head and Business Partner for Global Banking and Chief Administration Officer (2005–2006)
2002–2005	Bank of England, The Auditor
2001–2002	Barclays Capital, Global Head of Internal Audit
2000–2001	HSBC, Global Head of Compliance, Private Banking
1995–2000	Safra Republic Holdings, Chief Auditor
1995–2000	Republic National Bank of New York (RNBNY), Director of European Audit, Senior Vice President
Prior to 1995	First National Bank of Chicago, Vice President and Regional Head of Europe and Asia Pacific
	Bank of New York, Auditor
	National Audit Office, UK, Auditor

Education

1994	Chartered Governance Professional (ACG), Chartered Governance Institute, UK
1987	Bachelor of Science (B.Sc. Hons) in Economics, London School of Economics, UK

Areas of expertise

Finance and/or Audit; Risk, Legal and/or Compliance; and Government, Regulatory and/or Academia

Other activities and functions

Fidelity Asian Values plc, non-executive director, senior independent director (SID) and member of the audit committee, the management engagement committee and the nominations committee (Listed company)

The Golden Charter Trust and the Golden Charter Trust Limited, trustee and non-executive director, respectively, and member of the audit committee and nominations and remuneration committee

International Federation of Red Cross and Red Crescent Societies (IFRC), member of the audit and risk commission

Christian Gellerstad
Born 1968
Swiss and Swedish Citizen
Board member since 2019

Professional history

2019–present	Credit Suisse
	Chair of the Compensation Committee (2022–present, member since 2019)
	Member of the Digital Transformation and Technology Committee (2022–present)
	Member of the Conduct and Financial Crime Control Committee (2019–present, chair 2020–2022)
	Member of the Governance and Nominations Committee (2020–present)
	Member of the Board of Credit Suisse (Schweiz) AG (Swiss subsidiary) (2021-present)
1994–2018	Pictet Group
	CEO, Pictet Wealth Management (2007–2018)
	Executive Committee Member, Banque Pictet & Cie SA, Geneva (2013–2018)
	Equity Partner, Pictet Group (2006–2018)
	CEO and Managing Director Banque Pictet & Cie (Europe) S.A., Luxembourg (2000–2007)
	Deputy CEO and Senior Vice President, Pictet Bank & Trust Ltd., Bahamas (1996–2000)
	Financial Analyst & Portfolio Manager, Pictet & Cie, Geneva (1994–1996)
Prior to 1994	Cargill International, Emerging Markets Trader

Education

2019	Board Director Diploma, International Institute for Management Development (IMD), Switzerland
1996	Certified International Investment Analyst (CIIA) and Certified Portfolio Manager and Financial Analyst (AZEK)
1993	Master in Business Administration and Economics, University of St. Gallen (HSG), Switzerland

Areas of expertise

Client-Facing Business; and Investment Management

Other activities and functions

Investis Holding SA, board member (Listed company)
Elatior SA, chairman
Nubica SA, board member
FAVI SA, board member
AFICA SA, board member
Tsampéhro SA, board member
Lucerne Festival, member of the board of trustees
Fondation G-F. Barras European Masters, member of the board of trustees

Keyu Jin
Born 1982
Chinese Citizen
Board member since 2022

Professional history

2022–present	Credit Suisse
	Member of the APAC Advisory Council (2022–present)
	Member of the Risk Committee (2022–present)
	Member of the Digital Transformation and Technology Committee (2022–present)
2009–present	The London School of Economics
	Tenured Associate Professor of Economics (2013–present)
	Assistant Professor of Economics (2009–2012)
2016–2017	Tsinghua University, Visiting Professor of Economics
2015	Berkeley University, Visiting Professor of Economics
2012–2013	Yale University, Visiting Professor of Economics
2011–2012	International Monetary Fund (IMF), Visiting Scholar
2011–2012	Moore Capital, Consultant
2009	Morgan Stanley, Research Department
2008	Federal Reserve Bank of New York, Research Department
2003	World Bank Group, Economist
2002	Goldman Sachs International, Investment Banking Analyst
2001	Morgan Stanley, Equity Research
2000	J.P. Morgan, Derivatives

Education

2009	PhD in Economics, Harvard University, US
2005	MA in Economics, Harvard University, US
2004	BA in Economics, Harvard University, US

Areas of expertise

Government, Regulatory and/or Academia

Other activities and functions

AInnovation Technology Group, non-executive director (Listed company)
Richemont Group, non-executive director (Listed company)
Stanhope-Forbes Family Trust, non-executive director

Shan Li
Born 1963
Chinese Citizen
Board member since 2019

Professional history

2019–present	Credit Suisse
	Member of the APAC Advisory Council (2022–present)
	Member of the Compensation Committee (2022–present)
	Member of the Risk Committee (2019–present)
2020–present	Chinastone Group Limited, chairman and CEO
2015–present	Silk Road Finance Corporation Limited, Hong Kong, member of the board
2010–present	Chinastone Capital Management Limited, Shanghai, chairman and CEO
2005–present	San Shan (HK) Ltd., Founding Partner
2013–2015	China Development Bank, Beijing, chief international business advisor
2010–2011	UBS Asia Investment Bank, Hong Kong, vice chairman
2001–2005	Bank of China International Holdings, Hong Kong, CEO
1999–2001	Lehman Brothers Asia, Hong Kong, Head of China Investment Banking
1998–1999	China Development Bank, Beijing, Deputy Head of Investment Bank Preparation Leading Group
1993–1998	Goldman Sachs
	Executive Director, Goldman Sachs International, London (1997–1998)
	Executive Director, Goldman Sachs (Asia), Hong Kong (1995–1997)
	International Economist, Goldman Sachs & Co., New York (1993–1995)
1993	Credit Suisse First Boston, New York, Associate

Education

1994	PhD in Economics, Massachusetts Institute of Technology (MIT)
1988	MA in Economics, University of California, Davis
1986	BS in Management Information Systems, Tsinghua University, Beijing

Areas of expertise

Client-Facing Business; and Government, Regulatory and/or Academia

Other activities and functions

Beijing International Wealth Management Institute, chairman
Chinese Financial Association of Hong Kong, vice chairman
Bauhinia Party, co-founder
13th National Committee of the Chinese People's Political Consultative Conference (CPPCC), member
MIT Economics Visiting Committee, member
Tsinghua Institute for Governance Studies, vice chairman
MIT Sloan Finance Advisory Board, member
Harvard University, Kennedy School Dean's Council member

Seraina Macia
Born 1968
Swiss, Australian and US Citizen
Board member since 2015

Professional history

2015–present	Credit Suisse
	Member of the Digital Transformation and Technology Committee (2022–present)
	Member of the Audit Committee (2021–present, 2015–2018)
	Member of the Risk Committee (2018–2021)
2020–present	Joyn Insurance, CEO and co-founder
2017–2020	Blackboard U.S. Holdings, Inc. (AIG Corporation)
	Executive vice president of AIG & CEO of Blackboard (AIG technology-focused subsidiary; formerly Hamilton USA)
2016–2017	Hamilton Insurance Group, CEO Hamilton USA
2013–2016	AIG Corporation
	Executive vice-president of AIG and CEO Regional Management & Operations of AIG, New York (2015–2016)
	CEO and President of AIG EMEA, London (2013–2016)
2010–2013	XL Insurance North America, chief executive
2002–2010	Zurich Financial Services
	President Specialties Business Unit, Zurich North America Commercial, New York (2007–2010)
	CFO Zurich North America Commercial, New York (2006–2007)
	Various positions, among others: head of the joint investor relations and rating agencies management departments; head of rating agencies management; senior investor relations officer (2002–2008)
2000–2002	NZB Neue Zuercher Bank, founding partner and financial analyst
1990–2000	Swiss Re
	Rating agency coordinator, Swiss Re Group (2000)
	Senior underwriter and deputy head of financial products, Melbourne (1996–1999)
	Various senior underwriting and finance positions, Zurich (1990–1996)

Education

2001	Chartered Financial Analyst (CFA), CFA Institute, US
1999	MBA, Monash Mt. Eliza Business School, Australia
1997	Postgraduate certificate in Management, Deakin University, Australia

Areas of expertise

Client-Facing Business, Finance and/or Audit; and Digitalization and/or Technology

Other activities and functions

Portage Fintech Acquisition Corporation, board member (Listed company)
BanQu, chair
CFA Institute, member
Food Bank for New York City, chair
Young Presidents Organization, member

Blythe Masters
Born 1969
British Citizen
Board member since 2021

Professional history

2021–present	Credit Suisse
	Chair of Credit Suisse Holdings (USA), Inc. (2022–present)
	Chair of the Digital Transformation and Technology Committee (2022–present)
	Member of the Governance and Nominations Committee (2022–present)
	Member of the Compensation Committee (2021–2022)
	Member of the Risk Committee (2021)
2019–present	Motive Partners
	Motive Partners, Founding Partner (2019–present)
	Member of the Board of Directors of Forge Global Holdings, Inc. (Listed company) (2022–present)
	President of Motive Capital Corporation II (SPAC) (Listed company) (2021–present)
	Member of the board of directors of CAIS (2021–present)
	Consultant of Apollo Global Management (Listed company) (2021–present)
2015–2018	Digital Asset Holdings LLC, Chief Executive Officer
1991–2015	J.P. Morgan Chase & Co.
	Head of Corporate & Investment Bank Regulatory Affairs (2010–2014)
	Head of Global Commodities (2007–2014)
	Chief Financial Officer Investment Bank (2004–2007)
	Head of Credit Policy and Strategy and Global Credit Portfolio (2002–2004)
	Co-Head of Asset Backed Securitization and Head of Global Structured Credit (2000–2002)
	Co-Head of North American Credit Portfolio (1998–2000)
	Head of Global Credit Derivatives Marketing (1995–1998)
	Various Roles in Fixed Income Markets (1991–1995)

Education

1991	Bachelor of Arts (B.A.) in Economics, Trinity College, Cambridge, UK

Areas of expertise

Client-Facing Business; Finance and/or Audit; Risk, Legal and/or Compliance; and Digitalization and/or Technology

Other activities and functions

GCM Grosvenor, board member and chair of the audit committee (Listed company)

Richard Meddings
Born 1958
British Citizen
Board member since 2020

Professional history

2020–present	Credit Suisse
	Chair of the Risk Committee (2022–present, member since 2020, chair (ad interim) 2021)
	Member of the Audit Committee (2022–present, chair 2020–2022)
	Member of the Sustainability Advisory Committee (2021–2022)
	Member of the Governance and Nominations Committee (2020–present)
	Member of the Conduct and Financial Crime Control Committee (2020–2022)
	Vice-Chair of Credit Suisse International and Credit Suisse Securities (Europe) Ltd. (2022–present)
2018–2021	TSB Bank plc
	Chairman (2019-2021)
	Interim executive chairman (2018-2019)
2017–2019	Jardine Lloyd Thompson Group plc
	Non-executive director
	Chair of the Remuneration Committee
	Member of the Audit and Risk Committee
2015–2019	Deutsche Bank AG
	Member of the Supervisory Board
	Chair of the Audit Committee, member of the Risk Committee and member of the Strategy Committee
2014–2017	Legal & General Group plc
	Non-executive director
	Chair of the Risk Committee
	Member of the Audit and Remuneration Committee
2008–2014	3i Group plc
	Non-executive director and senior independent director
	Chair of the Audit and Risk Committee
2002–2014	Standard Chartered Group plc
	Group executive director
	Finance director (2006-2014)
2000–2002	Barclays plc
	Group financial controller
	COO of Wealth Management Division
1999–2000	Woolwich plc, Group Finance Director
Prior to 1999	BZW (CSFB) (1996-1999)

Education

1983	UK Chartered Accountant, Institute of Chartered Accountants in England and Wales
1980	MA Modern History (Honours), Exeter College, Oxford

Areas of expertise

Finance and/or Audit; and Risk, Legal and/or Compliance

Other activities and functions

NHS England, chair

Amanda Norton
Born 1966
British and US Citizen
Board member since 2022

Professional history

2022–present	Credit Suisse
	Board Member of Credit Suisse Holdings (USA), Inc. (2022–present)
	Member of the Compensation Committee (2022–present)
	Member of the Risk Committee (2022–present)
2018–2022	Wells Fargo, Chief Risk Officer
2011–2018	J.P. Morgan Chase
	Chief Risk Officer, Consumer & Community Banking (2013–2018)
	Chief Risk Officer, Mortgage Banking (2011–2013)
2009–2011	Ally Financial, Chief Risk Officer, Mortgage & Head of Market Risk
1995–2009	Bank of America
	Head of Enterprise Risk Management, Consumer Banking (2007–2009)
	Portfolio Manager, Corporate Investments Group (2000–2007)
	Portfolio Analytics Lead, Corporate Treasury (1998–2000)
	Market Risk Director (Europe and Asia) (1995–1998)
1989–1995	Chase Manhattan Bank, Various Positions – Operations and Market Risk

Education

1989	Bachelor of Science (BSc) in Mathematics & Statistics, University of Bath, UK

Areas of expertise

Investment Management; and Risk, Legal and/or Compliance

Other activities and functions

Risk Management Association, director and member of the executive committee

The Nature Conservancy, North Carolina Chapter, trustee

Ana Paula Pessoa
Born 1967
Brazilian Citizen
Board member since 2018

Professional history

2018–present	Credit Suisse
	Chair of Brazil Advisory Board (2022–present)
	Member of the Conduct and Financial Crime Control Committee (2019–present)
	Member of the Audit Committee (2018–present)
	Chair of Credit Suisse Bank (Europe), S.A. (2022–present, 2021)
	Member of the Innovation and Technology Committee (2018–2021)
2020–present	Avanti Ltda, Partner
2015–2017	Olympic & Paralympic Games 2016, CFO of Organising Committee
2012–2015	Brunswick Group, Managing partner of Brazilian branch
2001–2011	Infoglobo Newspaper Group, CFO and innovation director
1993–2001	Globo Organizations, senior management positions in several media divisions

Education

1991	MA, FRI (Development Economics), Stanford University, California
1988	BA, Economics and International Relations, Stanford University, California

Areas of expertise

Client-Facing Business; Finance and/or Audit; Digitalization and/or Technology; ESG; and Government, Regulatory and/or Academia

Other activities and functions

Cosan, board member and chair of the sustainability committee (Listed company)

Suzano SA, board member and chair of the audit committee (Listed company)

Vinci Group, board member and member of the investment and ESG committee (Listed company)[1]

News Corporation, board member, member of the audit committee and member of the governance and nominations committee (Listed company)

Kunumi AI, board member and investor[1]

Global Advisory Council for Stanford University, member

Instituto Atlántico de Gobierno, advisory board member

1 Ms. Pessoa will step down from both mandates in April 2023.

Former members of the Board

Information about former members of the Board is available on our website at *credit-suisse.com/annualreporting*.

Honorary Chairman of Credit Suisse Group AG

Rainer E. Gut, born 1932, Swiss Citizen, was appointed Honorary Chairman of the Group in 2000 after he retired as Chairman, a position he had held from 1986 to 2000. Mr. Gut was a member of the board of Nestlé SA, Vevey, from 1981 to 2005, where he was vice-chairman from 1991 to 2000 and chairman from 2000 to 2005. As Honorary Chairman, Mr. Gut does not have any function in the governance of the Group and does not attend the meetings of the Board.

Secretaries of the Board

Joan E. Belzer, born 1965, Swiss and US citizen
Roman Schärer, born 1981, Swiss citizen

Executive Board

Membership

The Executive Board is the most senior management body of the Group. Its members are appointed by the Board. Prior to the appointment of an Executive Board member, the terms and conditions of the individual's employment contract with the Group are reviewed by the Compensation Committee. The Executive Board currently consists of 11 members. The composition of the Executive Board of the Group and the Bank is identical, with the exception of André Helfenstein, who is a member of the Executive Board of the Group, but not the Bank.

Executive Board changes

The Group announced a number of changes to the Executive Board for 2022. Effective August 1, 2022, Ulrich Körner was appointed Group CEO by the Board, succeeding Thomas Gottstein, who stepped down from the Executive Board. In addition, the following individuals joined the Executive Board as new members during 2022: Francesco De Ferrari as CEO Wealth Management, effective January 1, 2022, and regional CEO of EMEA, effective August 21, 2022 (after serving in this role on an ad interim basis since January 2022); Joanne Hannaford as CTOO and David Wildermuth as CRO, both effective January 1, 2022; Christine Graeff as Global Head of People, effective February 1, 2022; Edwin Low as regional CEO of APAC, effective June 1, 2022; Markus Diethelm as GC, effective June 15, 2022; Francesca McDonagh as COO, effective September 19, 2022; Dixit Joshi as CFO, effective October 1, 2022; and Nita Patel as CCO, effective November 1, 2022. The following individuals stepped down from the Executive Board during 2022: Antoinette Poschung, former Global Head of Human Resources, effective February 1, 2022; Helman Sitohang, former regional CEO of APAC, effective June 1, 2022; Romeo Cerutti, former GC, effective June 15, 2022; David Mathers, former CFO, effective October 1, 2022; Christian Meissner, former CEO Investment Bank and regional CEO of Americas, effective October 27, 2022; and Rafael Lopez Lorenzo, former CCO, effective November 1, 2022. In connection with the organizational structure effective as per January 1, 2022, André Helfenstein was appointed regional CEO of Switzerland in addition to his role as CEO Swiss Bank.

Members of the Executive Board

	Executive Board member since	Role
Ulrich Körner, Chief Executive Officer	2021	Group CEO
Francesco De Ferrari, CEO Wealth Management and CEO Region Europe, Middle East and Africa	2022	Divisional Head / Regional Head
Markus Diethelm, General Counsel	2022	Corporate Function Head
Christine Graeff, Global Head of People	2022	Corporate Function Head
Joanne Hannaford, Chief Technology & Operations Officer	2022	Corporate Function Head
André Helfenstein, CEO Swiss Bank and CEO Region Switzerland	2020	Divisional Head / Regional Head
Dixit Joshi, Chief Financial Officer	2022	Corporate Function Head
Edwin Low, CEO Region Asia Pacific	2022	Regional Head
Francesca McDonagh, Chief Operating Officer	2022	Corporate Function Head
Nita Patel, Chief Compliance Officer	2022	Corporate Function Head
David Wildermuth, Chief Risk Officer	2022	Corporate Function Head
Michael Klein, CEO of Banking, CEO Region Americas and CEO designate of CS First Boston [1]	2023	Divisional Head / Regional Head

1 Subject to regulatory approval.

Responsibilities

The Executive Board is responsible for the day-to-day operational management of the Group under the leadership of the CEO.

As part of its main duties and responsibilities, the Executive Board:
- establishes the strategic business plans for the Group overall as well as for the principal businesses, subject to approval by the Board;
- regularly reviews and coordinates significant initiatives, projects and business developments in the divisions and the corporate functions, including important risk management matters;
- regularly reviews the consolidated and divisional financial performance, including progress on key performance indicators, as well as the Group's capital and liquidity positions and those of its major subsidiaries;
- appoints and dismisses senior managers, with the exception of managers from Internal Audit, and periodically reviews senior management talent across the Group and talent development programs;
- reviews and approves business transactions, including mergers, acquisitions, establishment of joint ventures and establishment of subsidiary companies; and
- approves key policies for the Group.

Executive Board committees

The Executive Board has a number of standing committees, which meet regularly throughout the year and/or as required. These committees are:
- Executive Board Risk Management Committee (ExB RMC): co-chaired by the Group's CEO, CRO and CCO: Replaces the Internal Control System and Position & Client Risk cycles of

the former Capital Allocation and Risk Management Committee (CARMC) and the former Executive Board Risk Forum. The ExB RMC is primarily responsible for steering and monitoring the development and execution of the Group's risk strategy, approving risk appetite across all risk types for the Group and its divisions, as well as reviewing the aggregate and highest risk exposures, major risk concentrations and key non-financial risks. The ExB RMC approves risk limit applications that require final approval by the Risk Committee or the Board. The ExB RMC is also responsible for assessing the appropriateness and efficiency of the internal control system and serves as an escalation point for risk issues raised by subordinated risk committees or Executive Board members.
- Group Capital Allocation and Liability Management Committee (Group CALMC) replaces the Asset & Liability Management cycle of the former CARMC. Group CALMC reviews the funding and balance sheet trends and activities, plans and monitors regulatory and business liquidity requirements and internal and regulatory capital adequacy. Group CALMC also reviews and proposes the contingency funding plan for approval by the Board, reviews the position taking of interest rate risk in the banking book and decides on changes in approaches relating to investment of own equity. Further, it sets internal targets, approves and reviews adherence to internal targets for capital allocation, funding, liquidity and capital management actions, including the review and monitoring of share repurchases.
- The Credit Suisse AG Parent Capital Allocation, Liability and Risk Management Committee (Credit Suisse AG Parent CALRMC) reviews the capital, liquidity and funding trends and activities of Credit Suisse AG (Bank parent company). The CS AG Parent CALRMC reviews and challenges the financial and capital plans of major subsidiaries of the Bank parent company, including key risks and key dependencies, such as dividends or other capital repatriations from the major subsidiaries to the Bank parent company, ahead of approvals by the respective subsidiary governance bodies. The committee also monitors and reviews the Bank parent company's aggregate risk profile, in particular the Bank parent company-specific vulnerabilities, and approves risk appetite for the Bank parent company and its branches.
- Valuation Risk Management Committee (VARMC): the VARMC is responsible for establishing policies regarding the valuation of certain material assets and the policies and calculation methodologies applied in the valuation process. Further, the VARMC is responsible for monitoring and assessing valuation risks, reviewing inventory valuation conclusions and directing the resolution of significant valuation issues.
- Group Conduct Board (GCB): the GCB (co-chaired by the Global Head of People together with one of the other Executive Board members appointed to the GCB on an annually rotating basis) is responsible for overseeing conduct matters and ensuring consistency and alignment of practices across the Group. The GCB oversees the global disciplinary process and measures and serves as a review panel to consider potential significant events and individual compensation. The GCB also reviews findings from conduct related investigations and considers these in the context of determining disciplinary outcomes.
- Group Values and Culture Board (GVCB): the Executive Board is in the process of setting up the GVCB, which will have responsibility for establishing and determining the governance framework for the management of culture and values related matters throughout the Group. The GVCB will be co-chaired by the CEO, the Global Head of People and the CRO. It is planned that the GVCB will begin activities in the second quarter of 2023.

The Group appoints a conduct and ethics ombudsperson who is accountable directly to the CEO and the GCB. The ombudsperson's role is to serve as a point of immediate escalation when sexual harassment claims arise and to ensure there is appropriate awareness of and attention to such claims. The ombudsperson works with our Compliance, General Counsel and People functions as well as our business divisions to review our relevant global training programs, policies and protocols, so that they can be further enhanced as part of our efforts to prevent sexual harassment at work and to make sure all cases are managed in a fair, accurate and consistent way within our global framework.

→ Refer to "Risk management" in III – Treasury, Risk, Balance sheet and Off-balance sheet for further information on our risk management oversight.

Executive Board mandates

Our Executive Board members may, similar to our Board members, assume board or executive level or other roles in companies and organizations outside of the Group, which are collectively referred to as mandates. According to the Group's AoA (Chapter IV, Section 3, The Executive Board, Art. 20f), the number of mandates Executive Board members may hold in listed companies and other organizations outside of the Group is subject to certain restrictions, in order to comply with the Swiss Code of Obligations and to ensure that our Executive Board members dedicate sufficient time to fulfil their executive roles.

The limitations on mandates assumed by Executive Board members outside of the Group are summarized in the table below.

Type of mandate and limitation – Executive Board

Type of mandate	Limitation
Listed companies	No more than one other mandate
Other legal entities [1]	No more than two mandates
Legal entities on behalf of the Group [2]	No more than ten mandates
Charitable legal entities [3]	No more than ten mandates

1 Includes private non-listed companies.
2 Includes memberships in business and industry associations.
3 Also includes honorary mandates in cultural or educational organizations.

No Executive Board member holds mandates in excess of these restrictions. The restrictions shown above do not apply to mandates of Executive Board members in legal entities controlled by the Group, such as subsidiary boards.

→ Refer to "Mandates" in Board of Directors for further information.

Biographies of the Executive Board members

Ulrich Körner
Born 1962
German and Swiss Citizen
Member since 2021

Chief Executive Officer

Professional history

2021–present	Credit Suisse
	Chief Executive Officer of the Group (2022–present)
	Member of the Board of Credit Suisse (Schweiz) AG (Swiss subsidiary) (2022–present)
	CEO Asset Management (2021–2022)
2009–2020	UBS
	Member of the Group Executive Board (2009–2019)
	Senior Advisor to the CEO of UBS Group (2019–2020)
	CEO of UBS Asset Management (2014–2019)
	CEO of UBS Europe, Middle East & Africa (2011–2019)
	Group Chief Operating Officer, CEO Corporate Center (2009–2013)
1998–2009	Credit Suisse
	Member of the Group Executive Board (1998–2009)
	CEO Switzerland (2006–2008)
	Credit Suisse/Credit Suisse Financial Services, CFO (2002–2005), COO (2004–2005)
	CEO Technology and Services (2000–2001)
	CFO Switzerland (1998–2000)
Prior to 1998	McKinsey & Company, Senior Engagement Manager
	Revisuisse, Price Waterhouse, Auditor

Education

1993	PhD in Economics, University of St. Gallen
1988	Master's degree in Economics, University of St. Gallen

Other activities and functions

Lyceum Alpinum Zuoz AG, vice chairman of the board of directors (Listed company)

Francesco De Ferrari
Born 1969
Swiss and Italian Citizen
Member since 2022

CEO Wealth Management and CEO Region EMEA

Professional history

2022–present	Credit Suisse
	CEO Wealth Management (2022–present)
	CEO Region EMEA (2022–present)
	Chair of Credit Suisse (Qatar) L.L.C. (2022–present)
2018–2021	AMP
	CEO & Managing Director, AMP Capital (2020–2021)
	CEO & Managing Director, AMP Holdings Limited (2018–2021)
2002–2018	Credit Suisse
	CEO, South East Asia and Frontier Markets (2015–2018)
	CEO, Private Banking Asia Pacific (2012–2018)
	CEO, Private Banking Italy (2008–2011)
	Business COO, Private Banking EMEA (2007–2008)
	Various Management and other Positions with Credit Suisse Italy (2002–2006)
1999–2001	B2Vision & ASPESI Spa, Founder
1996–1999	McKinsey & Company, Engagement Manager
1993–1995	Nestlé, Internal Audit, International Management Training Program
1990–1992	Deloitte & Touche, Financial auditor

Education

1996	MBA, INSEAD, Fontainebleau, France
1990	Bachelor of Arts in Economics and International Business, New York University, US

Other activities and functions

Mr. De Ferrari currently does not hold directorships in other organizations.

Markus Diethelm
Born 1957
Swiss Citizen
Member since 2022

General Counsel

Professional history

2022–present	Credit Suisse
	General Counsel (2022–present)
2008–2022	UBS
	Of Counsel (2021–2022)
	Group General Counsel and Member of the Group Executive Board of UBS Group AG (2014–2021)
	Group General Counsel and Member of the Group Executive Board of UBS AG (2008–2021)
	Member of the Executive Board of UBS Business Solutions AG (2015–2016)
1998–2008	Swiss Re
	Member of the Group Executive Board (2007–2008)
	Group Chief Legal Officer (1998–2008)
1992–1998	Gibson, Dunn & Crutcher, Brussels and Paris, Attorney-at-law
1989–1992	Shearman & Sterling, New York, Attorney-at-law
1988–1989	Paul, Weiss, Rifkind, Wharton & Garrison, New York, Attorney-at-law
1984–1985	District Court of Uster, Law clerk
1983–1984	Bär & Karrer, Zurich, Associate

Education

1997	Admission to the bar of the Canton of Geneva
1992	Doctorate in Law (JSD), Stanford Law School, US
1991	Admission to the bar of the State of New York, US
1988	Master of the Science of Law (JSM), Stanford Law School, US
1986	Admission to the bar of the Canton of Zurich
1983	Master in Law (lic. iur.), University of Zurich

Other activities and functions

Swiss-American Chamber of Commerce, chairman of the legal committee

American Swiss Foundation, co-chairman and chairman of the swiss advisory council

New York State Council of Business Leaders in Support of Access to Justice, member

Swiss Finance Institute, vice-chair of the foundation board

Christine Graeff
Born 1973
French and German Citizen
Member since 2022

Global Head of People

Professional history

2021–present	Credit Suisse
	Global Head of People (2022–present)
	Group Head of Corporate Communications and Deputy Head of Human Resources (2021–2022)
2013–2020	European Central Bank, Director General of Communications
2001–2013	Brunswick Group GmbH, Partner & Managing Director
1999–2001	Burson-Marsteller, Financial Services and Investor Relations Practice
1996–1999	Dresdner Kleinwort Benson, Corporate Finance Analyst, M&A

Education

2019	Business Coach Qualification, Meyler Campbell, UK
1998	Securities Institute Diploma and SFA, Chartered Institute for Securities & Investment (CISI), UK
1995	Bachelor of Arts in European Business Administration, European Partnership of Business Schools (EPBS), London and Reims

Other activities and functions

Atlantik-Brücke, advisory board member

Patronatsverein für die Städtischen Bühnen Frankfurt, member

The English Theater Frankfurt, chair

Joanne Hannaford
Born 1970
British Citizen
Member since 2022

Chief Technology & Operations Officer

Professional history

2022–present	Credit Suisse
	Chief Technology & Operations Officer (2022–present)
1997–2021	Goldman Sachs
	Partner and Global Co-Head of Platform Engineering, EMEA Head of Engineering and Global Head of Regulatory Engineering (2013–2021)
	Global Head of Corporate and Operations Technology (2016–2017)
	Partner & Co-Head of Enterprise Platforms (2013–2016)
	Managing Director & Global Head of Compliance and Legal Technology (2001–2013)
	Vice President, Statistical Engineer and Investment Research (1997–2001)
1994–1997	NatWest Bank, Executive Director, Global Volume Trading Systems
Prior to 1994	UBS (1993–1994)
	Merrill Lynch (1992–1993)

Education

1992	Bachelor of Science in Computer Science, Staffordshire University, UK
1990	BTEC Higher National Diploma (HND) in Computer Science, Anglia Ruskin University, UK

Other activities and functions

Royal Society Science, Industry and Translation Committee, member
British Army Staff Corp, major
Founders4Schools Charity, member of the board of trustees
British Computer Society, fellow

André Helfenstein
Born 1967
Swiss and British Citizen
Member since 2020

CEO Swiss Bank and CEO Region Switzerland

Professional history

2007–present	Credit Suisse
	CEO Swiss Bank (2022–present)
	CEO Region Switzerland (2022–present)
	CEO Credit Suisse (Schweiz) AG (2020–present)
	CEO Swiss Universal Bank (2020–2021)
	Head Institutional Clients, Swiss Universal Bank (2017–2020)
	Credit Suisse (Schweiz) AG, member of the executive board (2016–present)
	Swiss Universal Bank, member of the management committee (2015–2021)
	Head Corporate & Institutional Clients, Swiss Universal Bank (2015–2017)
	Private & Wealth Management organization in Switzerland: Head Private Banking Clients, Region Zurich and Region Head Zurich (2013–2015)
	Private & Wealth Management organization in Switzerland: Head Private Clients, Region Zurich (2010–2013)
	Head Products, Sales & Pricing, Private Banking (2007–2010)
1996–2007	The Boston Consulting Group (BCG) (1996–1997 and 2003–2007 in Zurich, 1998–2003 in New York)
	Partner & Managing Director (2005–2007)
	Consultant (1996–2005)
1993–1995	STB Unternehmensentwicklungen AG (VZ VermögensZentrum AG), Associate

Education

1992	Master's Degree in Business, University of St. Gallen
1990	Certificate in Psychology/Sociology, Université de la Sorbonne

Other activities and functions

Pension Fund CS Group (Schweiz), foundation board member
Pension Fund 2 CS Group (Schweiz), foundation board member
Credit Suisse Foundation, foundation board member
FINMA Private Banking Panel, member
SIX Group AG, board and risk committee member
SIX Exchange Group AG, board member
Economiesuisse, board and board committee member
Zürcher Handelskammer, board member
Swiss Entrepreneurs Foundation, foundation board member
Europa Forum Luzern, steering committee member
University of St. Gallen – Center for Financial Services Innovation, advisory board member
Venture Incubator AG, board vice chairman
Zürcher Volkswirtschaftliche Gesellschaft, board member
Swiss-American Chamber of Commerce, member

Dixit Joshi
Born 1971
British Citizen
Member since 2022

Chief Financial Officer

Professional history

2022–present	Credit Suisse
	Chief Financial Officer (2022–present)
2010–2022	Deutsche Bank AG
	Group Treasurer (2017–2022)
	Head of ICG Debt, Listed Derivatives and Markets Clearing (2016–2017)
	Head of Global Prime Finance (2015–2016)
	Head of APAC Equities (2010–2015)
2003–2010	Barclays Capital
	Head of EMEA Equities (2008-2010)
	Head of Equity Derivatives (2003-2008)
1995–2003	Credit Suisse First Boston, various roles in the Equity Trading business, New York and London
1992–1995	Standard Bank of South Africa, various roles

Education

1992	Bachelor of Science (BSc) in Actuarial Science and Statistics, University of the Witwatersrand, South Africa

Other activities and functions

Pratham UK, board member
Student Sponsorship Programme (SSP) – South Africa, trustee

Michael Klein
Born 1963
US Citizen
Member since 2023[1]

CEO Banking, CEO Region Americas and CEO designate of CS First Boston[1]

Professional history

2018–present	Credit Suisse
	CEO Banking (2023–present)[1]
	CEO Region Americas (2023–present)[1]
	CEO designate of CS First Boston (2023–present)[1]
	Member of the Board of Directors of Credit Suisse Group AG and Credit Suisse AG (2018–2022)
	Member of the Sustainability Advisory Committee (2022)
	Member of the Compensation Committee (2019–2022)
	Member of the Risk Committee (2018–2021)
2010–present	M Klein & Company, Managing Partner
1985–2008	Citigroup
	Vice chairman
	Chairman Institutional Clients Group
	Chairman & Co-CEO Markets & Banking
	Co-President Markets & Banking
	CEO Global Banking
	CEO Markets and Banking EMEA
	Various senior management positions

Education

1985	Bachelors of Science in Economics (Finance and Accounting), The Wharton School, University of Pennsylvania

Other activities and functions[2]

MultiPlan, board member (Listed company)
Churchill Capital Corp. V, VI, VII, board member (SPACs, Listed company)
AltC Acquisition Corp., board member (Listed company)
Skillsoft Ltd., board member (Listed company)
TBG Europe NV, board member
Magic Leap, board member
Chatham House, senior advisor
Harvard Global Advisory Board, member
Investments Committee & Joint Staff Pension Fund, United Nations, advisory board member
Peterson Institute for International Economics, board member
The World Food Programme, investment advisory board member
Conservation International, board member

1 Mr. Klein's appointment to the Executive Board is subject to regulatory approval.
2 Once Mr. Klein joins the Executive Board, he will transition off certain activities and functions.

Edwin Low
Born 1968
Singaporean Citizen
Member since 2022

CEO Region Asia Pacific

Professional history

1996–present	Credit Suisse
	CEO Region Asia Pacific (2022–present)
	Co-Head of Investment Bank APAC (2022)
	CEO Southeast Asia and Frontier Markets (2019–2022)
	Co-Head of Investment Banking & Capital Markets APAC (2015–2022)
	Co-Head of IBCM Southeast Asia (2012–2015)
	Deputy CEO Singapore (2011–2016)
	Head of Singapore and Malaysia Coverage, IBCM (2006–2015)
	Head of Singapore Coverage, IBCM (2004–2006)
	Head of Corporate Finance Southeast Asia, IBCM (1998–2004)
	Associate Corporate Finance (1996–1998)
1994–1995	Schroders plc, Associate
1990–1992	Mallesons Stephen Jaques, Associate

Education

1994	MBA, Australian Graduate School of Management, University of New South Wales, Australia
1990	Bachelor of Law (Honours), University of Western Australia
1989	Bachelor of Jurisprudence, University of Western Australia

Other activities and functions

Mr. Low currently does not hold directorships in other organizations.

Francesca McDonagh
Born 1975
Irish Citizen
Member since 2022

Chief Operating Officer

Professional history

2022–present	Credit Suisse
	Chief Operating Officer (2022–present)
	Board Member of Credit Suisse International and Credit Suisse Securities (Europe) Ltd. (2023–present)
2017–2022	Bank of Ireland, Group CEO
1997–2017	HSBC
	Group General Manager, Retail Banking and Wealth Management, HSBC UK and Europe (2014–2017)
	Regional Head, Retail Banking and Wealth Management, HSBC Middle East and North Africa (2011–2013)
	Head of Personal Financial Services, HSBC Hong Kong (2009–2011)
	Head of Personal Financial Services, HSBC Panama (2007–2009)
	Head of Premier Banking, HSBC Mexico (2004–2007)
	Head of Personal Banking, HSBC Indonesia (2001–2004)
	Manager, HSBC Group Strategy Implementation, UK (2001)
	Other Positions (1997–2000)

Education

1996	BA in Politics, Philosophy and Economics (Honours), Oxford University, UK

Other activities and functions

Ms. McDonagh currently does not hold directorships in other organizations.

Nita Patel
Born 1974
British Citizen
Member since 2022

Chief Compliance Officer

Professional history

2021–present	Credit Suisse
	Chief Compliance Officer (2022–present)
	Chief Compliance Officer, Asset Management, CSi, CSSEL and CS London Branch (2021–2022)
	Chief Compliance Officer, UK & EMEA Investment Bank (2021)
2004–2021	Goldman Sachs
	Chief Compliance Officer, EMEA and APAC Asset Management (2012–2021)
	Compliance Officer, Fixed Income and Equities Trading Desks (2004–2012)
2000–2004	Nomura, Compliance Officer, Fixed Income
1998–2000	Bear Stearns, Regulatory Capital

Education

1997	MSC in Finance and Investment, Brunel University, UK
1996	BA in Business Studies (Honours) – Elective Finance, Southbank University, UK

Other activities and functions

Ms. Patel currently does not hold directorships in other organizations.

David Wildermuth
Born 1964
US Citizen
Member since 2022

Chief Risk Officer

Professional history

2022–present	Credit Suisse
	Chief Risk Officer (2022–present)
	Member of the Sustainability Advisory Committee (2022–present)
	Board Member of Credit Suisse Holdings (USA), Inc. (2022–present)
1997–2022	Goldman Sachs
	Deputy Chief Risk Officer (2015–2022)
	Partner (2010–2022)
	Global Chief Credit Officer & Global Head Credit Risk Management and Advisory (2012–2018)
	Chief Risk Officer EMEA & Global Chief Credit Officer (2008–2012)
	Managing Director, Risk Management (2001–2008)
	Vice President Credit Risk (1997–2001)
1987–1997	ABN AMRO Bank
	Various Roles in Corporate Finance, Leveraged Finance, Real Estate Finance and Credit Management

Education

1986	Bachelor of Arts in Economics and Computer Science, Dartmouth College, US

Other activities and functions

East Harlem Scholars Academy, member of the board of trustees

Former members of the Executive Board

Information about former members of the Executive Board is available on our website at *credit-suisse.com/annualreporting*.

Audit

External Audit

External Audit forms an integral part of the Group's corporate governance framework and plays a key role by providing an independent assessment of our operations and internal controls.

→ Refer to "Audit Committee" in Board of Directors – Board committees for further information on the responsibilities of the audit committee.

Principal external auditor

The Group retains a single global audit firm as its principal external auditor to perform both the statutory (financial) audit and the regulatory audit work mandated by FINMA. The AGM elects the statutory auditor annually, while the Board is responsible for the appointment of the regulatory auditor.

Our principal external auditor is PwC, Birchstrasse 160, 8050 Zurich, Switzerland. The mandate was first given to PwC for the fiscal year ending December 31, 2020. The Group is not subject to mandatory external audit firm rotation requirements; however, the lead audit partners are subject to periodic rotation requirements. Audit partner rotation is key to ensuring the highest level of audit quality. In general, audit partners with key roles or signing obligations for the Group or material Group entities are subject to a maximum of five years of service. Audit partners with roles overseeing non-material Group entities or serving a supplemental role are subject to a maximum of seven years of service. Specialist partners, including, but not limited to, IT, valuation, tax and forensic areas are not subject to mandated rotation. The lead Group engagement partners are Matthew Falconer, Global Lead Partner, Matthew Goldman, Group Engagement Partner and Andrin Bernet, Lead Regulatory Audit Partner.

→ Refer to "Audit Committee" in Board of Directors – Board committees for further information.

Governance

The Audit Committee monitors and pre-approves the fees to be paid to the principal external auditor for its services. It has developed and approved a policy on the engagement of public accounting firms that is designed to help ensure that the independence of the external auditor is maintained at all times.

The policy limits the scope of services that the principal external auditor may provide to us or any of our subsidiaries in connection with its audit and stipulates certain permissible types of non-audit services, including audit-related services and tax services that have been pre-approved by the Audit Committee. The principal external auditor is required to report periodically to the Audit Committee about the scope of the services it has provided and the fees for the services it has performed to date. The principal external auditor also provides a report as to its independence to the Audit Committee at least once a year. In accordance with our pre-approval policy and as in prior years, all non-audit services provided in 2022 were pre-approved.

The fees paid to PwC as the Group's principal external auditors for the financial year 2022 and 2021 are provided in the following table.

Fees paid to the principal external auditor

for financial year	**2022**	2021	% change
Fees (CHF million)			
Audit services [1]	76.4	69.2	10
Audit-related services [2]	1.5	2.7	(44)
Tax services [3]	0.2	0.3	(33)

1 Audit services include the integrated audit of the Group's consolidated and statutory financial statements, interim reviews and comfort and consent letters. Additionally, they include all assurance and attestation services related to the regulatory filings of the Group and its subsidiaries. Audit fees exclude value-added taxes.

2 Audit-related services are primarily in respect of: (i) reports related to the Group's compliance with provisions of agreements or calculations required by agreements; (ii) accounting advice; (iii) audits of private equity funds and employee benefit plans; and (iv) regulatory advisory services.

3 Tax services are in respect of tax compliance and consultation services, including: (i) preparation and/or review of tax returns of the Group and its subsidiaries; (ii) assistance with tax audits and appeals; and (iii) confirmations relating to the Qualified Intermediary status of Group entities.

The principal external auditor attends all meetings of the Audit Committee and reports on the findings of its audit and/or interim review work. The Audit Committee reviews the principal external auditor's audit plan on an annual basis and evaluates the performance of the principal external auditor and its senior representatives in fulfilling their responsibilities. Moreover, the Audit Committee recommends to the Board the appointment or replacement of the principal external auditor, subject to shareholder approval as required by Swiss law.

Special auditor for capital increases

The 2022 AGM re-elected, pursuant to Art. 21 of our AoA, the firm BDO AG, Fabrikstrasse 50, 8031 Zurich, Switzerland, as special auditor for the purposes of issuing the legally required report for capital increases in accordance with Article 652f of the Swiss Code of Obligations, mainly relating to the valuation of companies in consideration of the qualified capital increases involving contributions in kind. BDO AG provided services in 2022 in connection with the Group's capital increases. As part of the amendments to the AoA proposed at the 2023 AGM, the Board proposes to delete Art. 21 of the AoA, thus removing the requirement for an election of the special auditors by the shareholders. While the preparation of an independent report in connection with capital increases is still required, the Board would have the authority to mandate an appropriate third-party to prepare such reports rather than proposing the election of a special auditor at the AGM.

Additional information

Banking relationships with Board and Executive Board members and related party transactions

The Group is a global financial services provider. Many of the members of the Board and the Executive Board, their close family members or companies associated with them maintain banking relationships with us. The Group or any of its banking subsidiaries may from time to time enter into financing and other banking agreements with companies in which current members of the Board or the Executive Board have a significant influence as defined by the SEC, such as holding executive and/or board level roles in these companies. With the exception of the transactions described below, relationships with members of the Board or the Executive Board and such companies were in the ordinary course of business and entered into on an arm's length basis at prevailing market conditions. Also, unless otherwise noted, all loans to members of the Board, members of the Executive Board, their close family members or companies associated with them were made in the ordinary course of business, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of collectability or present other unfavorable features. As of December 31, 2022, 2021 and 2020, there were no loan exposures to such related parties that were not made in the ordinary course of business and at prevailing market conditions.

→ Refer to "Board loans" and "Executive Board loans (audited)" in V – Compensation – Supplementary information for the outstanding loans to members of the Board and the Executive Board.

Related party transactions

On February 9, 2023, the Group announced that it had taken further important steps to progress the carve-out of CS First Boston as a leading capital markets and advisory business through the acquisition of The Klein Group LLC, the investment banking business as well as the registered broker-dealer of M. Klein & Company LLC (the seller). The Group also announced the appointment of former Board member Michael Klein as CEO of Banking and regional CEO of Americas, as well as designated CEO of CS First Boston and a member of the Executive Board. Both Michael Klein's appointment to the Executive Board and the acquisition of The Klein Group LLC are subject to regulatory approval. In addition, on October 27, 2022, the Group and The Klein Group LLC entered into an engagement letter, under which The Klein Group LLC has been engaged to provide strategic advice and assistance to the Group in connection with the proposed carve-out of CS First Boston, whereby it was agreed that Michael Klein would devote significant time and attention to the services to be provided by The Klein Group LLC to the Group.

→ Refer to "Note 31 – Related parties" in VI – Consolidated financial statements – Credit Suisse Group for additional information.

Other information

Complying with rules and regulations

We fully adhere to Swiss corporate law and the principles set out in the Swiss Code of Best Practice for Corporate Governance, dated August 28, 2014, including its appendix stipulating recommendations on the process for setting compensation for the Board and the Executive Board.

In connection with our primary listing on the SIX Swiss Exchange, we are subject to the Directive on Information relating to Corporate Governance, dated June 18, 2021 (in effect since October 1, 2021). Our shares are also listed on the NYSE in the form of ADS and certain of the Bank's exchange traded notes are listed on Nasdaq. As a result, we are subject to certain US rules and regulations. We adhere to the NYSE's and Nasdaq's corporate governance listing standards (NYSE and Nasdaq standards), with a few exceptions where the rules are not applicable to foreign private issuers.

Regulations

The following are the significant differences between Credit Suisse corporate governance standards and the corporate governance standards applicable to US domestic issuers listed on the NYSE and Nasdaq:

Topic	NYSE and Nasdaq standards	Swiss standards
Approval of employee benefit plans	The NYSE and Nasdaq require shareholder approval of the establishment for, and material revisions to, certain equity compensation plans.	Swiss law requires shareholder approval of the creation for conditional capital used for the issuance of shares for employee benefit plans and other equity compensation plans, as well as approval of the remuneration of executives, but does not require shareholder approval of the terms of such plans.
Risk assessment and management	The NYSE allocates the responsibility for the discussion of guidelines and policies governing the process by which risk assessment and risk management is undertaken to the Audit Committee.	At the level of the Group, these duties are assumed by the Risk Committee, in line with Swiss regulatory standards and expectations. Whereas our Audit Committee members satisfy the NYSE as well as Nasdaq independence requirements, our Risk Committee may include a minority of non-independent members.
Independence of nominating and corporate Governance Committee	The NYSE and Nasdaq require that all members of the nominating and corporate governance committee be independent.	The Group's Governance and Nominations Committee is currently composed entirely of independent members, but according to its charter, may also include non-independent members.
Reporting by the Board	The NYSE requires that certain board committees report specified information directly to shareholders.	Under Swiss law, only the Board reports directly to the shareholders, and the committees submit their reports to the full Board.
Appointment of the external auditor	The NYSE and Nasdaq require that an Audit Committee of a listed company comply with and have the authority necessary to comply with the requirements of Rule 10A-3 of the Securities Exchange Act of 1934. Rule 10A-3 requires the Audit Committee to be directly responsible for the appointment, compensation, retention and oversight of the external auditor unless there is a conflicting requirement under home country law.	Under Swiss law, the appointment of the external auditor for accounting purposes must be approved by the shareholders at the AGM based on the proposal of the Board, upon the recommendation of the Audit Committee.
Audit Committee charter	The Nasdaq requires the Audit Committee to review and assess the adequacy of its charter on an annual basis.	Our Audit Committee's charter only requires review and assessment from time to time in accordance with applicable Swiss laws and regulatory standards.
Executive sessions	The NYSE and Nasdaq require the board of directors to meet regularly in executive sessions composed solely of independent directors. Our Board meets regularly in executive sessions comprising all directors, including any directors determined not to be independent. However, if any item discussed at the meeting raises a conflict of interest for any of our directors, such director may not participate in the related decision making.	In line with Swiss law, the Board must not include any directors who are also members of management.
Quorums	The Nasdaq requires that the company's by-laws provide for a quorum of at least $33\frac{1}{3}$% of the outstanding shares of the company's common stock for any meeting of the holders of common stock.	Consistent with Swiss corporate law, the Group's AoA (Chapter IV, Section 1, The General Meeting of Shareholders, Art. 12), call for a quorum in certain instances, but do not require a quorum of $33\frac{1}{3}$% or greater of the holders of the outstanding shares of common stock for any meeting of shareholders.
Independence	The NYSE and Nasdaq specify thresholds for the maximum permissible amount of (i) direct compensation that can be paid by the company to a director or an immediate family member thereof, outside of such director's directorship fees and other permitted payments; and (ii) payments between the company and another company at which such director or an immediate family member thereof is an executive officer, controlling shareholder, partner or employee.	Our independence standards do not specify thresholds for direct compensation or cross-company payments or revenues, but consider these facts in the overall materiality of the business relationship determination for independence purposes.

Fiduciary duties and indemnification

The Swiss Code of Obligations requires directors and members of senior management to safeguard the interests of the corporation and, in connection with this requirement, imposes the duties of care and loyalty on directors and members of senior management. While Swiss law does not have a specific provision on conflicts of interest, the duties of care and loyalty are generally understood to disqualify directors and members of senior management from participating in decisions that could directly affect them. Directors and members of senior management are personally liable to the corporation for any breach of these provisions.

The Group's AoA and the Bank's AoA do not contain provisions regarding the indemnification of directors and officers. According to Swiss statutory law, an employee has a right to be indemnified by the employer against losses and expenses incurred by such person in the execution of such person's duties under an employment agreement, unless the losses and expenses arise from the employee's gross negligence or willful misconduct. It is our policy to indemnify current and former directors and/or employees against certain losses and expenses in respect of service as a director or employee of the Group, one of the Group's affiliates or another entity that we have approved, subject to specific conditions or exclusions. We maintain directors' and officers' insurance for our directors and officers.

Fees and charges for holders of ADS

In November 2016, the Group entered into a deposit agreement with The Bank of New York Mellon as depositary for the ADS (Depositary). In February 2022, the deposit agreement with The Bank of New York Mellon was extended for an additional five years, retroactively effective November 22, 2021. In accordance with the deposit agreement, the Depositary may charge holders of our ADS, either directly or indirectly, fees or charges up to the amounts described below.

The Depositary collects its fees and related expenses for the delivery and surrender of ADS directly from investors depositing or surrendering ADS for the purpose of withdrawal or from intermediaries acting for them. The Depositary collects fees and expenses for making distributions to holders by deducting those fees and expenses from the amounts distributed or by selling a portion of distributable property to pay the fees and expenses. The Depositary may generally refuse to provide any services until its fees for those services are paid.

Fees and charges for holders of ADS

Fees	
USD 5 (or less) per 100 ADS (or portion thereof)	For the issuance of ADS, including issuances resulting from a distribution of shares, share dividends, share splits and other property; for ADS issued upon the exercise of rights; and for the surrender of ADS for cancellation and withdrawal of shares.
USD 0.05 (or less) per ADS	For any distribution of cash to ADS registered holders, including upon the sale of rights or other entitlements.
Registration or transfer fees	For the transfer and registration of shares on our share register to or from the name of the Depositary or its agent when the holder deposits or withdraws shares.
Charges	
Expenses of the Depositary	For cable and facsimile transmissions (when expressly provided in the deposit agreement); and for converting foreign currency to US dollars.
Taxes and other governmental charges	Paid, as necessary, to the Depositary or the custodian who pays certain charges on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty or applicable interest or penalty thereon.
Other charges	Paid, as necessary, to the Depositary or its agents for servicing the deposited shares.

Amounts paid by the Depositary to the Group

In 2022, in accordance with the deposit agreement, the Depositary made payments to the Group in an aggregated amount of USD 2.6 million. The payments made to the Group comprised annual and revenue sharing payments. The expenses relating to the ADS program are reimbursed separately by the Depositary. The Depositary has also contractually agreed to provide certain ADS program-related services free of charge.

Under certain circumstances, including removal of the Depositary or termination of the ADS program by the Group, the Group is required to repay certain amounts paid to the Group and to compensate the Depositary for payments made or services provided on behalf of the Group.

V – Compensation

Compensation

Letter from the Chair of the Compensation Committee

Christian Gellerstad
Chair of the
Compensation Committee

Dear shareholders,

In 2022 we faced an extremely challenging macro and geopolitical environment, with market uncertainty and client risk aversion impacting client volumes and banking activity. Our Group's performance in this challenging context has been unacceptable, triggering major decisions, starting with a comprehensive transformation strategy announced in October 2022 and the recruitment of a largely new Executive Board team. We are confident that we have laid the foundation for a much more resilient and successful organization, although this transformation journey will undoubtedly require an extraordinary and sustained commitment from our leadership teams and employees across the firm.

Since taking on the role of Chair of the Compensation Committee in April 2022, I have worked with my fellow Board members to address the challenge of combining overarching "pay for performance" requirements with the necessity to maintain an attractive and operational franchise during our transformation. In this balancing act, the Compensation Committee has frequently consulted with shareholders and regulators and has extensively incorporated the feedback received in its deliberation process. This has been extremely valuable in developing our approach to compensation going forward, and I would like to thank all those who took part for their time and commitment.

We remain mindful that our compensation framework and principles must fully align with the experience and successes of our clients and shareholders, and this letter sets out the difficult decisions taken with respect to compensation outcomes for 2022 and introduces our proposed approach for 2023 with the supporting rationale.

We have also made several improvements to this year's compensation report to enhance its clarity and presentation. In particular, we have introduced a new section called "Compensation at a glance", which follows this letter and provides a summary of the 2022 compensation outcomes and proposals for 2023 onwards.

Group performance and the variable compensation pool
As explained, the Group's financial results in 2022 included impacts from market-related elements, but also our strategic overhaul resulting in restructuring expenses and impairment of deferred tax assets, as well as the resolution of a number of legacy litigation cases, resulting in an unsatisfactory Group net loss attributable to shareholders of CHF 7.3 billion. In terms of adjusted results, the Group delivered an adjusted full year loss before taxes of CHF 1.2 billion. As a consequence, the Compensation Committee resolved that the Group variable incentive pool should be reduced significantly. The final outcome of CHF 1.0 billion is down 50% from 2021 levels, and down 66% from 2020 levels. This pool level was set at the minimum level considered appropriate to enable the honoring of contractual commitments and payment of formulaic bonuses in the relevant areas, and to keep potential franchise damage through key employee attrition at a manageable level.

→ Adjusted results are non-GAAP financial measures. Refer to "Reconciliation of adjustment items" in II – Operating and financial review – Credit Suisse for further information.

In addition, to mitigate the cost and capital impact of variable incentives in 2022, and to strengthen alignment with the longer-term shareholder experience, the Compensation Committee determined that employees with Managing Director and Director titles were granted variable incentive compensation predominantly in the form of deferred share awards. In general, except as contractually required, the cash component was limited to a maximum of CHF 150,000 and, where permitted by local law, delivered as upfront cash awards, which are cash awards that must be repaid (on pro-rata basis) upon a voluntary termination of employment or in the event of other specified repayment conditions.

Moreover, the impact of performance underpins on some outstanding awards, combined with further decrease in our share price, have strongly impacted the value of outstanding deferred awards held by employees, demonstrating inherent alignment with shareholders. For example, the 2022 negative Group Return on Equity (ROE) and the divisional loss before taxes in the Investment Bank division have resulted in a CHF 55 million negative adjustment to outstanding performance share awards pursuant to the terms of the awards. Over the period from 2017 to 2021, the aggregate value of deferred variable compensation awarded has decreased by 63% from their initial grant value, down from CHF 4.7 billion to CHF 1.7 billion, assuming employees sold shares at the earliest opportunity following vesting. Assuming all of the awards initially made remained currently outstanding, and based on a share price at the end of 2022 of CHF 2.76, the aggregate value of deferred compensation would represent approximately CHF 1 billion, approximately 78% lower than the initial grant value.

Executive Board compensation outcomes
The threshold levels for each of the financial metrics under the new framework introduced for 2022 were not met. While continued progress against key strategic, cultural and risk objectives resulted in the non-financial elements being assessed close

to target, the formulaic application of the aggregate cap on the Executive Board variable compensation pool of 2% of Group income before taxes resulted in a zero variable compensation pool. As such, aggregate Executive Board compensation for 2022 consisted of CHF 32.2 million of fixed compensation only. This follows two years of constrained compensation levels for the Executive Board.

→ Refer to "Compensation outcomes for 2022" in Executive Board compensation for further information.

Chief Executive Officer (CEO) compensation

Mr. Körner was appointed Group CEO on August 1, 2022. His total compensation granted for 2022 amounted to CHF 2.5 million (including compensation for his role as an Executive Board member prior to becoming the Group CEO).

In terms of realized compensation for 2022, the Group CEO received CHF 2.5 million, which comprised CHF 2.3 million of base salary and CHF 0.2 million for pension and benefits.

→ Refer to "Compensation of the Group CEO" in Executive Board compensation for further information.

Enhancements to the Group and Executive Board compensation framework

Following the announcement of the revised Group strategy in October 2022, the Compensation Committee undertook a review and simplification of the compensation framework to ensure that it continues to motivate and incentivize employees appropriately. The deferral framework applied to Group employees has been closely aligned to peer practices, and variable incentive compensation has been awarded in a combination of immediate cash awards, deferred cash awards (including, in the form of upfront cash awards), and deferred share awards. For performance year 2022 and onwards, performance share awards and contingent capital awards will no longer be granted to employees including the Executive Board, however any such outstanding awards will continue to vest according to their terms and conditions.

For the Executive Board, the Compensation Committee agreed that the framework implemented in 2022 remains largely fit for purpose. Some refinements have been made to the financial metrics to place more focus on our core businesses over the next few years, while the non-financial elements have been streamlined to focus on critical transformation-related metrics where relevant. Specifically, for 2023 we have:

- Incorporated financial metrics that reflect the "New Credit Suisse", which are Core return on tangible equity (RoTE) and Core adjusted income before taxes; and
- Introduced a cost base target as a key yearly milestone to measure the successful execution of the transformation strategy against our cost reduction goals.

→ Refer to "Compensation framework for Executive Board members for 2023" in Executive Board Compensation for further information.

In addition, the nature of the transformation announced in October 2022 led the Compensation Committee to re-evaluate the appropriateness of two compensation design features introduced in 2022, namely the cap on aggregate Executive Board variable incentive compensation of 2% of income before taxes and the relative total shareholder return (RTSR) condition whereby variable compensation would be delivered entirely in the form of deferred share awards in the event of a ranking within the bottom quintile of the defined RTSR peer group. Recognizing that situations may arise where there may be the appearance of a conflict between the shorter-term and longer-term interests of the business, and the one-year focus of the cap and RTSR condition, the Compensation Committee has decided to suspend both features for the period 2023-2025, to ensure the ability to provide market-competitive compensation to our leadership team. While the aggregate cap is temporarily suspended, the individual caps on maximum annual variable incentive awards remain in place, namely 4x base salary for the CEO and 5x base salary for all other Executive Board members, excluding the Transformation Award. The Compensation Committee retains its overall discretion to ensure that compensation outcomes are aligned with underlying performance, and can evaluate extraordinary and unanticipated events in assessing potential adjustments to financial results for the purpose of determining performance against financial incentive targets.

Transformation Award for the 2023-2025 turnaround period

In February 2023, the Compensation Committee granted a one-time Transformation Award to approximately 500 employees globally who hold senior leadership positions and other talent identified as being critical to the "New Credit Suisse" strategy. This will include the Executive Board members, subject to shareholder approval at the 2023 Annual General Meeting (AGM). The purpose of this award is to retain and motivate key managerial, business development, and expert resources across the Group to ensure efficient and timely delivery of the transformation, as well as full achievement of our publicly communicated 2025 Group RoTE and cost base reduction targets. The entire Board of Directors regards this initiative as critical to the successful execution of our strategy and has given it unanimous support.

→ Refer to "Compensation at a glance" for further information.

CS First Boston incentive award

In order to incentivize and retain the leadership of CS First Boston, a group of senior leaders is expected to be provided with an equity award to participate in the value of CS First Boston in the event of an initial public offering (IPO). Full details of these awards will be provided in connection with an IPO prospectus, if applicable.

Board of Directors compensation

Aggregate compensation for the Board of Directors (Board), including compensation for certain Group Board members serving on subsidiary boards, was CHF 10.4 million, compared with the amount of CHF 13.0 million that was approved prospectively by shareholders at the 2022 AGM. Given the poor financial performance in 2022 and challenging situation for the firm at the beginning of the three-year transformation, the Chairman proposed to voluntarily waive his chair fee of CHF 1.5 million for the 2022 AGM to 2023 AGM period, and this proposal was accepted by the Board. Following a benchmarking analysis of board chair pay at leading Swiss companies, the Chairman's total compensation will be adjusted from CHF 4.5 million to CHF 3.8 million starting from the 2023 AGM to 2024 AGM period. To enhance alignment with shareholders, the share portion of the Chairman's fees will be increased from the current 33% to 50%, such that his total compensation will be payable 50% in cash (base fee) and 50% in shares (chair fee), blocked for a period of four years. Furthermore, a new minimum shareholding requirement of 500,000 shares has been introduced for the Chairman, in line with the minimum shareholding requirement applicable to Executive Board members. For the 2023 AGM to 2024 AGM period, the aggregate Board compensation amount is proposed to be kept stable, at CHF 13.0 million.

→ Refer to "Board of Directors compensation" for further information.

"Say-on-Pay" compensation proposals at the 2023 AGM

The Compensation Committee and the Board of Directors understand that some of the compensation program actions we have taken diverge from what companies would implement in normal circumstances, but strongly believe that the extraordinary context in which the Group currently operates requires decisive measures. We look forward to the successful completion of our transformation, allowing for a timely return to more conventional compensation outcomes. With this in mind, at the 2023 AGM, we will be seeking shareholder support for the say-on-pay proposals described in the following table:

Approved at 2022 AGM	Proposal for 2023 AGM	Explanation for 2023 proposal
Executive Board compensation		
▪ Fixed compensation for 2022-2023 AGM period: CHF 34 million maximum amount	▪ Fixed compensation for 2023-2024 AGM period: CHF 34 million maximum amount	▪ Same level as prior year ▪ Base salary: CHF 2.7 million for CEO with a maximum of CHF/USD 2.2 million for other Executive Board members
▪ 2021 STI award CHF 8.6 million	▪ Not applicable	▪ Not applicable
▪ Share-based replacement awards for new members: CHF 12.1 million	▪ Not applicable	▪ Not applicable
▪ Not applicable	▪ Transformation award (fair value at grant): CHF 30.1 million	▪ Maximum award value at grant of CHF 70 million (if all performance conditions met)
Board of Directors compensation		
▪ Board compensation for 2022-2023 AGM period: CHF 13 million maximum amount	▪ Board compensation for 2023-2024 AGM period: CHF 13 million maximum amount	▪ Same as prior year level ▪ Base Board fee: CHF 250,000 for Board members, CHF 1.9 million for Chairman

Further information on each of these proposals will be contained in the AGM invitation and will also be available at *credit-suisse.com/agm*.

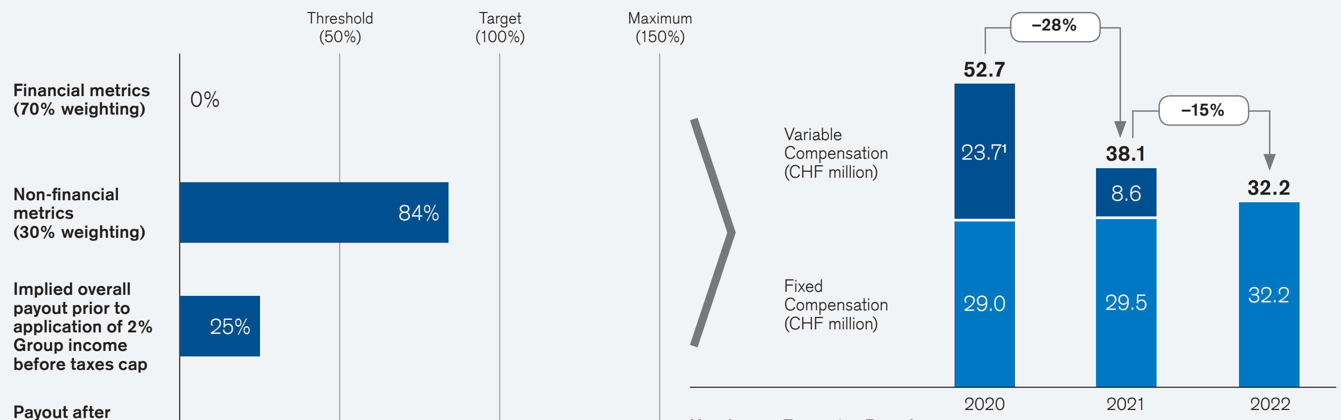
On behalf of the Compensation Committee, I would like to wholeheartedly thank our employees and the Executive Board for their continued support during this extremely difficult compensation round for Credit Suisse Group, as well as thank shareholders again for their input and feedback over the last 12 months. The Compensation Committee members remain committed to supporting the Group's transformation process and are very confident and truly excited about the journey ahead.

Christian Gellerstad
Chair of the Compensation Committee
Member of the Board
March 2023

Compensation at a glance

Executive Board compensation outcomes

The total variable compensation pool for the Executive Board is determined based on the achievement of annual financial (70% weighting) and non-financial objectives (30% weighting). For 2022, none of the threshold performance levels for the financial metrics were met. While the non-financial achievements were close to target, the Compensation Committee also considered the Group's overall financial and share price performance during 2022. Ultimately, the application of the cap on the Executive Board's variable compensation pool, based on 2% Group income before taxes, resulted in zero variable compensation for the Executive Board for 2022, given the Group's reported loss.



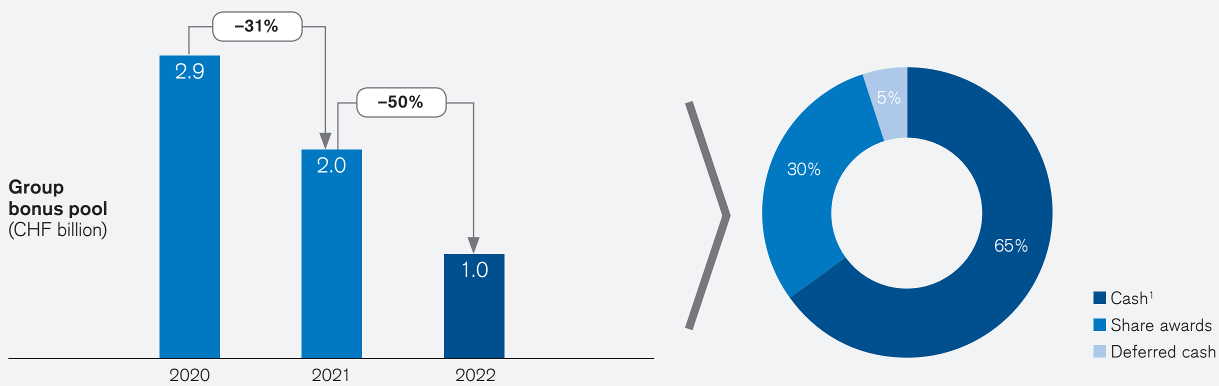
Headcount Executive Board	2020	2021	2022
Members during the year	13	15	18
Of which joiners	1	4	9
Of which leavers	2	2	7
Members as at the end of the year	11	13	11

1 Variable compensation for 2020 relates to the fair value of the 2020 LTI award granted in February 2020. At the end of the 2020-2022 performance period resulted in zero vesting.
→ Refer to "Supplementary Information" for further information.

→ Refer to "Executive Board compensation" for further information.

Group variable compensation outcomes

The Group variable incentive compensation awarded for 2022 was significantly constrained by the Group's poor financial performance. The total pool of CHF 1,000 million is 50% lower than the 2021 pool and 66% lower than in 2020. Approximately 34% of the variable incentive compensation awarded is deferred, with a vesting period of at least three years after award grant.



1 Cash is subject to repayment in certain circumstances for Directors and Managing Directors subject to applicable law.

Other variable compensation awarded in 2022 included CHF 497 million for the Strategic Delivery Plan (SDP) awards granted to most Managing Directors and Directors to incentivize the longer-term delivery of the Group's strategy, and CHF 367 million of retention awards to key talent and senior management in the form of deferred cash (subject to clawback) and deferred share-based awards, mostly to employees in the Investment Bank division.

→ Refer to "Group compensation" for further information.

Transformation Award aligned with implementation of the Group's strategy over 2023-2025

The Transformation Award is a one-time award consisting of a deferred share-based award for Executive Board members (subject to shareholder approval at the 2023 AGM) and, for employees who are not members of the Executive Board, a combination of a deferred share-based award and a deferred cash award. The deferred share-based award is subject to achievement of performance conditions being achieved by the end of the 2023-2025 performance period. The Transformation Award is considered critical to retain and motivate key individuals to deliver against our ambitious transformation journey through what is expected to be a highly challenging period. The design is intended to:

- strongly align management's interests with those of shareholders through stretch performance conditions and increased exposure to equity;
- provide a clear focus on return metrics to incentivize sustainable value creation for shareholders;
- motivate delivery of objectives through 2023-2025, to complement the existing annual framework; and
- payout of deferred share-based awards subject to performance conditions, with no payout for results below threshold level.

The eligibility and key features are described in the following table.

	General Features	Executive Board specific features
Quantum	▪ Aggregate fair value[1] at grant of CHF 230.3 million (maximum award value of CHF 350 million), including the Executive Board members ▪ Typically, approximately 0.4x to 0.9x of annual variable compensation of participant (excluding Executive Board members) ▪ The number of shares to be awarded is based on dividing the award value by CHF 3.82[3]	▪ Aggregate fair value[1] at grant CHF 30.1 million (maximum award value at grant of CHF 70 million) ▪ Median 1.5x yearly target of participant's variable compensation ▪ Maximum award value based on share price at end of 2025 is capped at 3x initial award value (i.e. CHF 210 million) and the number of shares vesting will be reduced accordingly if the limit is reached
Participants	▪ ~500 employees in senior leadership positions and identified as critical talent required to deliver the Group's strategic goals, approximately 1% of total employees	▪ All Executive Board members including the Group CEO
Award type	▪ 50% deferred cash / 50% deferred share award (excluding Executive Board members)	▪ 100% deferred share award
Vesting	▪ No vesting of share award if share price is below CHF 3.82[3] as at December 31, 2025 ▪ Deferred cash award (excluding Executive Board members): ratable vesting over two annual installments from grant ▪ Share award: 100% cliff vesting at end of 2025	▪ Share award: 100% cliff vesting at end of 2025

Deferred share award performance conditions	Measurement period	Weighting	Threshold (33% of award value)	Target* (67% of award value)	Maximum (100% of award value)
Group RoTE (reported)	FY2025	70%	5%	**6%**	7.5%
Cost base[2] (CHF billion)	FY2025	30%	CHF 15.0	**< CHF 14.5**	CHF 14.0

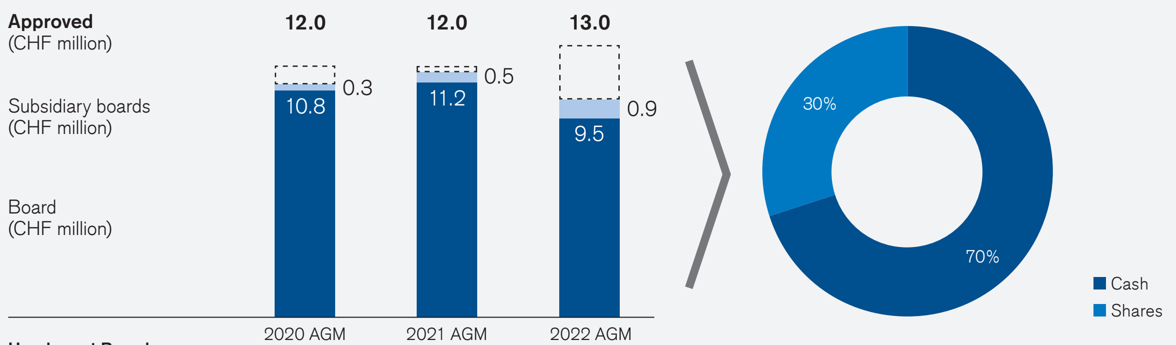
*Performance conditions aligned to **2025 financial targets**

1 The fair value of the Transformation Awards as of the date of grant is determined using a probabilistic valuation method applied by Deloitte LLP.
2 Cost base refers to adjusted operating expenses at constant 2022 FX rates and on constant perimeter, before taking into account the Securitized Products transaction and other divestments.
3 Price represents the subscription price for private placement to qualified investors in fourth quarter of 2022.

→ Refer to "Group compensation" for further information.

Board of Directors compensation

Aggregate compensation for the Board, including compensation for certain Group Board members serving on subsidiary boards, was CHF 10.4 million, compared with CHF 13.0 million approved by shareholders and CHF 11.7 million paid for the prior year.



Headcount Board of Directors	2020 AGM to 2021 AGM	2021 AGM to 2022 AGM	2022 AGM to 2023 AGM
Members during the AGM period	13	14	13
Of which joiners	1	5	3
Of which leavers	4	4	1
Members as of end of the AGM period	13	13	12

Group Board members receive their fees as 50% cash and 50% Group shares that are generally blocked and non-transferable for four years. The Chairman's base board fee is paid in cash and chair fee is paid in Group shares. The chart above includes subsidiary board fees that are paid in cash.

→ Refer to "Board of Directors compensation" for further information.

Compensation framework, policy, and governance

Compensation strategy and objectives

Consistent with prior years, our key compensation objectives are to maintain compensation practices that:

- foster a **performance culture** based on merit that differentiates and rewards excellent performance;
- **attract and retain employees**, and motivate them to achieve results with integrity and fairness;
- **balance the mix of fixed and variable** compensation to appropriately reflect the value and responsibility of the role performed, and to influence appropriate behaviors and actions;
- promote **effective risk management** practices that are aligned with the Group's compliance and control cultures;
- create a culture that adheres **to high standards of conduct and behavior aligned with values**, through a system of applying both malus and rewards;
- encourage **teamwork and collaboration** across the Group;
- achieve a **balanced distribution of profitability between shareholders and employees** over the long term, subject to Group performance and market conditions; and
- take into account the long-term performance of the Group, in order to **create sustainable value for shareholders**.

Executive Board compensation framework

Executive Board compensation framework 2022

As set out in the 2021 Compensation Report, a revised framework was introduced for the Executive Board for 2022. The aggregate Executive Board variable compensation pool is determined based on the achievement of annual financial (70% weighting) and non-financial (30% weighting) performance objectives set at the beginning of the year. To determine the aggregate Executive Board variable compensation pool, the Compensation Committee reviews the Group's performance against these objectives at the end of the performance period. In making its assessment, the Compensation Committee also takes into account how the results compare with those delivered in the prior year, relative peer performance, and market positioning and trends. The total pool amount for 2022 was subject to a cap of 2% of Group income before taxes excluding any items that the Compensation Committee determines are not reflective of underlying performance, resulting in no variable compensation awarded for 2022.

Executive Board compensation design and refinements for 2023

Following its annual review of the Executive Board compensation framework, the Compensation Committee concluded that the overall Executive Board compensation design remains largely fit for purpose, but that several refinements to the annual framework were required for the period 2023 to 2025. First, the financial performance conditions used to determine the Executive Board variable compensation pool will focus on Core return on tangible equity and Core adjusted income before taxes, as well as cost base target. Second, the Compensation Committee re-evaluated the appropriateness of two compensation design features introduced in 2022, namely the cap on aggregate Executive Board variable incentive compensation of 2% of income before taxes and the RTSR condition whereby variable compensation would be delivered entirely in the form of deferred share awards in the event of a ranking within the bottom quintile of the defined RTSR peer group. Recognizing that situations may arise where there may be the appearance of a conflict between the shorter-term and longer-term interests of the business, and the one-year focus of the cap and RTSR condition, the Compensation Committee has decided to suspend both features for the period 2023-2025, to ensure the ability to provide market-competitive compensation to our leadership team. While the aggregate cap is temporarily suspended, the individual caps on maximum annual variable incentive awards (excluding the Transformation Award) remain in place, namely 4x base salary for the CEO and 5x base salary for all other Executive Board members. The Compensation Committee retains its overall discretion to ensure that compensation outcomes are aligned with underlying performance, and can evaluate extraordinary and unanticipated events in assessing potential adjustments to financial results for the purpose of determining performance against financial incentive targets.

Compensation framework for Executive Board members for 2023

Variable compensation for Executive Board members will continue to be granted as 70% in deferred share awards subject to underpins. The remaining portion will be granted as cash awards, with 15% as immediate cash, and 15% deferred cash vesting in equal tranches over the second, third and fourth anniversaries of grant. In line with the simplification of the compensation framework for the overall Group, contingent capital awards (CCA) will no longer form part of the Executive Board compensation design.

	Components	Vesting (Year 0 = performance year)						
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Fixed	Salary and RBAs[1]							
Fixed	Pension and Benefits							
Variable	Cash (~15% of VC)							
Variable	Deferred Cash (~15% of VC)			⅓	⅓	⅓		
Variable	Share awards (~70% of VC)					⅓	⅓	⅓

Minimum shareholding requirement

- Group CEO and Investment Bank CEO[3]: **1,000,000 shares**
- Other Executive Board members: **500,000 shares**

Share award threshold requirements – forfeiture of outstanding tranches due for settlement in the following year, if either:

- CET1 ratio falls below FINMA requirement[2] + 50 bps at the end of the year; or
- Reported loss before taxes for the full year.

The Compensation Committee has the discretion to review special circumstances, for example if major legacy items are not reflective of underlying performance.

1 Role-based allowance (RBA) in relation to one Executive Board member who is classified as a United Kingdom Prudential Regulation Authority Material Risk Taker (UK PRA MRT).
2 Refers to the statutory minimum requirement plus any additional amount FINMA may require for Credit Suisse specifically. Refer to "Swiss capital and leverage requirements for Credit Suisse" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Capital management – Regulatory framework for further information.
3 This position was vacant as of December 31, 2022.

Some refinements have been made to the financial metrics for 2023 to place more focus on our core businesses and cost base reduction goals, and the non-financial elements have been streamlined to focus on critical transformation-related metrics where relevant, as shown in the table below.

Financial metrics (targets to be disclosed retrospectively)		Weighting
Group metrics	■ Core return on tangible equity (RoTE)[1]	25%
	■ Core adjusted income before taxes	15%
	■ Cost base[2]	10%
	■ Relative total shareholder return (RTSR)[3,4]	10%
	■ CET1 capital ratio	10%
Non-financial metrics		**Weighting**
Risk and Control	■ Foster **a strong risk culture** across the first and second lines of defense ■ Disciplined implementation of and adherence to the **financial and non-financial risk frameworks** ■ Progress against **regulatory remediation** plans	10%
Values and Culture	■ **Achieve our Diversity and Inclusion goals** ■ Improve **client and customer satisfaction** ■ Demonstrate strong **leadership** with robust succession planning	10%
Sustainability	■ Growth in **AuM penetration** according to **Sustainable Investment Framework** classification ■ Growth in **sustainable finance** volume levels, progressing towards our CHF 300 billion goal by 2030 ■ Positive contribution to the trajectory of our **net zero** 2030 and 2050 carbon reduction goals, including adherence to lending objectives in critical areas ■ Support positioning of Credit Suisse in terms of **sustainability engagement** and **thought leadership**, measured by external ESG rating agencies, research and thought leadership contributions as well as successful organization of sustainability events ■ No transaction or investment carrying high environmental and social risks that did not follow appropriate governance	10%

1 "Core" includes the Group, excluding Non-Core Unit and Securitized Products. The Core RoTE formula assumes that the tax charge for the Group is allocated 100% to the Core Return and that CSG Tangible Equity is used as the denominator in the calculation of the ratio.
2 Cost base refers to adjusted operating expenses at constant 2022 FX rates and on constant perimeter, before taking into account the Securitized Products transaction and other divestments.
3 Refer to "Competitive Benchmarking" in Group compensation for further information on the selected RTSR peer group.
4 RTSR payout schedule consistent with 2022 compensation framework. Refer to "2022 Executive Board summary performance" for further information.

Group compensation framework

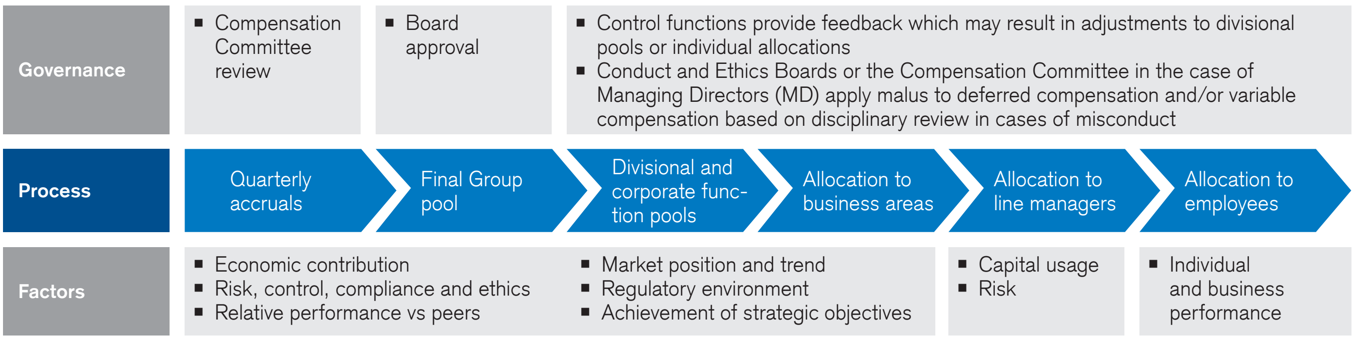
Determination of Group variable incentive compensation pool

The Group's variable incentive compensation pool for all employees, including the CEO and the other Executive Board members, is determined on an annual basis, with accruals made throughout the year. In determining the Group, divisional and corporate function pools, the Compensation Committee aims to balance the distribution of the Group's profits between shareholders and employees. The factors taken into consideration at the Group level, as well as at the divisional and functional levels, are shown in the illustration below. The primary driver of the initial pool amounts is economic contribution, with non-financial factors taken into consideration to arrive at the final level.

The Compensation Committee regularly reviews the accruals and related financial information and applies adjustments in exceptional circumstances to ensure that the overall size of the pools is consistent with the Group's compensation objectives.

The total amount of the variable incentive compensation pool for the corporate functions is not linked to the performance of the particular divisions that employees of the corporate functions support or oversee, but takes into account the Group-wide financial performance, non-financial factors and changes in headcount. Therefore, employees working in the corporate functions, including those performing control functions, are remunerated independently from the performance of the businesses they oversee or support. As with the business divisions, risk, control, compliance and conduct and ethics considerations and relative performance compared with peers, as well as the market and regulatory environment, are taken into account.

Determination of variable incentive compensation pools



The key elements of our current Group employees' compensation framework and how they applied to various employee categories are described below.

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.

Role-based allowances

Role-based allowances are a component of fixed compensation awarded to certain employees identified as Material Risk Takers (MRTs) under UK or EU regulatory requirements. These allowances are determined based on the role and organizational responsibility of the individual. Role-based allowances are deemed to be fixed compensation for the purposes of calculating the cap on variable incentive compensation awarded to MRTs as required by the Capital Requirements Directive V (CRD V) and Capital Requirements Regulation (CRR). The deferred cash allowance plan (DCAP) is a form of role-based allowance that is used primarily in the Americas.

Variable incentive compensation

Variable incentive compensation is paid in cash unless the total compensation awarded to an employee is greater than or equal to CHF 250,000 or the local currency equivalent or USD 250,000 for employees whose total compensation is denominated in US dollars. In these cases, a portion is paid in cash and the balance is deferred, vesting at a later date. For 2022, most Managing Directors and Directors who were granted a variable incentive compensation award received the non-deferred portion in the form of an upfront cash award (UCA). The UCA is a form of variable compensation, where employees receive an immediate cash payment that is subject to repayment during the following three-year period in the event of specified conditions such as a termination of employment by voluntary resignation, a termination for cause, engagement in conduct that is materially detrimental to the Group or other prohibited activity. The repayment amount equals the gross amount of the award, pro-rated based on the portion of time remaining in the three-year period from the departure date until the end of the three-year period.

Generally, employees receive the cash portion of their variable incentive compensation at a regular payroll settlement date close to the grant date. To comply with CRD V requirements, employees who hold material risk taker roles in respect of certain Group subsidiaries in the EU receive shares for 50% of the non-deferred portion of variable incentive compensation that would have been paid to them in cash. These shares are vested at the time of grant but remain blocked, that is, subject to transfer restrictions, for a period of time, generally 12 months.

The Compensation Committee made some refinement to deferral rates for Group employees. For 2022, these deferral rates ranged from 10% to 60% of the variable incentive award, compared with 10% to 50% for 2021. In general, the cash component of the variable incentive compensation for 2022 was limited to a maximum of CHF 150,000 per employee for Managing Directors and Directors and delivered as UCA. For all other employees, the cash component was limited to a maximum of CHF 2 million or the local currency equivalent (or USD 2 million for employees whose total compensation is denominated in US dollars) per employee.

Compensation components by employee category

	Total compensation			
	Fixed compensation	Variable compensation		
			Deferred compensation[1]	
Employee category	**Base salary**	**Cash[2]**	**Deferred Cash**	**Share awards**
Managing Directors and Directors including Material Risk Takers and Controllers (MRTCs)				
Other employees, including MRTCs, with total compensation of CHF/USD 250,000 or higher				
Employees with total compensation lower than CHF/USD 250,000				

1 Deferred compensation is applicable to employees with total compensation of CHF/USD 250,000 or higher.
2 Includes UCA, which has a repayment condition.

Deferred compensation: key features

From 2022 onwards, performance share awards and contingent capital awards will no longer be granted, however any such outstanding awards will continue to vest according to the planned schedule.

Award	Delivery[1]	Vesting period[1]
Deferred Cash	▪ Cash, deferred	▪ 3 years (ratable vesting) ▪ 4 years (ratable vesting) for CRD V MRTs, Investment Firms Prudential Regime Senior Managers and / or EU Identified Employees (who do not fall into the 5 or 7 years categories below) ▪ 5 years (ratable vesting) for Prudential Regulation Authority Risk Managers[2] and / or EU Senior Management ▪ 7 years (ratable vesting over five years, starting on the third anniversary of grant) for Prudential Regulation Authority Senior Managers[3]
Share awards	▪ One registered share per award ▪ Dividend equivalents (payable upon delivery)	▪ 3 years (ratable vesting) ▪ 4 years (ratable vesting) for CRD V MRTs, Investment Firms Prudential Regime Senior Managers and / or EU Identified Employees who do not fall into the 5 or 7 years categories below ▪ 5 years (ratable vesting) for Prudential Regulation Authority Risk Managers[2] and / or EU Senior Management ▪ 7 years (ratable vesting over five years, starting on the third anniversary of grant) for Prudential Regulation Authority Senior Managers[3]

1 Individuals in certain jurisdictions may be subject to conditions other than those outlined here in order to comply with local legal or regulatory requirements including MRTs / EU Identified Employees who are ineligible to receive interest or dividend payments (or equivalent) during the deferral period on variable compensation instruments awarded.
2 Risk managers are a subset of the UK PRA MRT population, defined as individuals identified as having responsibility for managing or supervising risk-taking or significant risk functions for the Group's UK entities.
3 Senior managers are a subset of the UK PRA MRT population, defined as individuals who retain the greatest influence over the strategic direction of the Group's UK business, and who also perform one or more of the PRA and UK Financial Conduct Authority's designated senior management functions and "prescribed responsibilities" for the relevant UK entities.

Compensation framework for Group employees

The compensation structure for employees (excluding the Executive Board) consists of fixed compensation in the form of base salary, role-based allowances and pension and benefits, and variable compensation in the form of cash and deferred share awards, as shown in the diagram below.

	Components	Vesting (year 0 = performance year)					Design
		Year 0	Year 1	Year 2	Year 3	Year 4	
Fixed	Base Salary	■					▪ Based on skills, qualifications, relevant experience, responsibilities and external market factors
Fixed	Allowances	■					▪ Includes role-based allowances and other allowances that apply to certain populations
Fixed	Pension and Benefits	■					▪ Pension and benefits consistent with local market practice
Variable	Cash award		■				▪ Employees with total compensation below CHF / USD 250,000 receive their full amount of variable compensation in the form of an immediate cash award[1]
Variable	Deferred Cash			⅓	⅓	⅓	▪ Employees with total compensation of CHF / USD 250,000 and above may also receive a portion of their variable compensation in the form of deferred cash awards.
Variable	Share Awards			⅓	⅓	⅓	▪ Deferred share awards with no additional performance conditions

Note: Individuals in certain jurisdictions may be subject to conditions other than those outlined above in order to comply with local legal or regulatory requirements.
1 Subject to repayment where UCA awarded.

→ Refer to "Group compensation" for further information.

Board of Directors compensation framework

The Board compensation framework is based on a fixed fee structure for the period from one AGM to the next AGM with pre-defined fees for Board membership, committee membership and chairing a committee. In line with industry practice, Board fees are not linked to the financial performance of the Group. Fees for specific Board leadership roles are reviewed periodically and adjusted as required. Base Board fees have not changed for over 10 years. The following table summarizes the Board fees applicable for the 2022 AGM to 2023 AGM period.

Board membership fees: 2022 AGM – 2023 AGM (in CHF)

Role	Board	Governance and Nominations Committee (GNC)	Audit Committee (AC)	Compensation Committee (CC)	Conduct and Financial Crime Control Committee (CFCCC)	Digital Transformation and Technology Committee (DTTC)	Risk Committee (RC)	Sustainability Advisory Committee (SAC)	Form of payment	Timing of payment
Base fee/ Committee fee (excluding the Chairman)	250,000	50,000[1]	150,000	100,000	75,000	40,000	100,000	25,000	50% cash; 50% Group shares blocked and non-transferable for four years[4]	Two equal installments in arrears
Committee chair fee[2]		–[3]	400,000	300,000	150,000	150,000	400,000	75,000		One installment at end of current board period
Chairman's base fee	3,000,000								Cash	12 monthly payments
Chairman's chair fee[5]	1,500,000								Group shares blocked and non-transferable for four years[4]	One installment at end of current board period

Note: The Vice-Chair and Lead Independent Director received a fee of CHF 125,000 for the 2022 AGM to 2023 AGM period. This fee for this role is in line with market practice.
1 As per the 2023 AGM to 2024 AGM period, the Board has approved an increase in the GNC membership fees from CHF 50,000 to CHF 100,000.
2 Committee chairs do not receive committee fees in addition to their chair fees.
3 The Chairman does not receive any additional fees for chairing the GNC.
4 The Compensation Committee may approve exceptions to the blocking period for certain circumstances.
5 Proposal by Chairman to voluntarily waive this fee for the 2022 AGM to 2023 AGM period was accepted by the Board.

→ Refer to "Board of Directors compensation" for further information.

Sustainability in compensation

Environmental, Social and Governance (ESG) related factors are considered in various stages of the compensation process:

- **Group variable incentive pool:** the Compensation Committee considers audit, disciplinary, risk and regulatory-related issues, among other factors, in order to determine appropriate adjustments to the Group, divisional and corporate functions pools. In addition, one of the key drivers of bonus pool development at the divisional level is economic contribution, which factors in the level of risk taken to achieve profitability;
- **Executive Board variable compensation:** Since 2022, 30% of the total Executive Board variable compensation pool is assessed based on ESG-related factors, with measurable objectives within the three non-financial categories of Risk and Control, Values and Culture, and Sustainability;
- **Equal pay policy:** Credit Suisse does not tolerate any form of discrimination, in particular discrimination based on ethnicity, nationality, gender, sexual orientation, gender identity, religion, age, marital or family status, pregnancy, disability, or any other status that is protected by local law. We recognize and value diversity and inclusion as a driver of success. Our policies and practices support a culture of fairness, where employment-related decisions, including decisions on compensation, are based on an individual's qualifications, performance and behavior, or other legitimate business considerations, such as the profitability of the Group or the division and department of the individual, and the strategic needs of the Group. Consistent with our long-term commitment to fair pay, the Compensation Committee reviews our pay practices on a regular basis to identify potential areas requiring more attention. In 2022, we engaged a third-party consultant to conduct a gender pay equity analysis for certain major locations. The analysis confirmed that we provide "equal pay for equal work" for women and men in the same job and at the same level. This analysis covered employees at all levels within the Group, who were based in Switzerland, Germany, Spain, France, the United Kingdom, Hong Kong, India, Italy, Luxembourg, Poland and Singapore. Taking into account factors such as role, experience, tenure, and geography, the analysis concluded that, in these major locations, women earned 99% of what men earned on a total compensation basis. In recognition of Credit Suisse's commitment to gender pay equity, the largest Credit Suisse employing entities in Switzerland were awarded the quality label from the Social Partnership Centre for Equal Pay in the Banking Industry and have been certified with the "Fair Pay" label (most recently in 2021). We will continue to review compensation to ensure that our commitment to equal pay is upheld.

Compensation Governance

The Compensation Committee

The Compensation Committee is the supervisory and governing body for compensation policies, practices and plans. In designing and setting compensation, the Compensation Committee aims to make decisions in the best interests of the Group and to align the interests of the Group's employees to those of shareholders and other stakeholders. The Compensation Committee reviews proposals regarding Group, Executive Board and Board compensation, and makes recommendations to the Board for approval. Total Executive Board compensation and Board compensation are also subject to shareholder approval pursuant to Swiss law and the Articles of Association (AoA).

The Compensation Committee consists of at least three members of the Board, all of whom must be independent. The members during the 2022 AGM to 2023 AGM term were Christian Gellerstad (Chair), Iris Bohnet, Michael Klein, Shan Li, and Amanda Norton. Michael Klein ceased to be member on October 27, 2022. The Board has applied the independence criteria of the SIX Swiss Exchange Directive on Information relating to Corporate Governance, the Swiss Financial Market Authority FINMA (FINMA), the Swiss Code of Best Practice for Corporate Governance, and the listing standards of the New York Stock Exchange (NYSE) and the Nasdaq Stock Market (Nasdaq), in determining that all of these individuals are independent.

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

Compensation Committee activities

The Chairman and the CEO may attend the Compensation Committee meetings, and the Compensation Committee Chair determines the attendance of other Board members, Executive Board members, senior management, compensation advisers and external legal counsel, as appropriate. The Chairman, CEO, Executive Board members and senior management do not participate in discussions which relate to their own compensation outcomes.

In addition to the 28 investor and proxy adviser meetings held by the Compensation Committee Chair, during 2022, the Compensation Committee held 12 internal meetings and calls, including one workshop, with an overall attendance rate of 91%. The Compensation Committee's focus areas in 2022 are summarized in the following table:

Compensation Committee activities in 2022

	Jan	Feb	Mar	Apr	Jun	Aug	Sept	Oct	Dec
Compensation governance, design and disclosure									
Review of compensation policy and charter updates					■			■	
Review of Compensation Report		■	■						■
Review and refinement of Executive Board compensation design	■	■	■	■	■	■	■	■	■
Review of Group compensation structure and award plans	■	■	■	■	■	■	■	■	■
Compensation Committee self-assessment and focus areas	■								
Risk and regulatory									
Review of input from control functions		■							■
Review of any disciplinary events/potential application of malus		■		■	■	■		■	■
Review of regulatory developments					■				■
Annual compensation review									
Accruals and full year forecast of variable incentive compensation pools		■		■				■	
Performance assessment and overall Group pool recommendation	■	■							■
CEO and Executive Board performance objectives and target setting	■	■	■	■					
CEO and Executive Board performance assessment and awards		■							■
Review of Board fees				■					
External									
Review of shareholder engagement and feedback	■			■					
Review of market trends				■	■				
Review of benchmarking data		■							

Advisers to the Compensation Committee

The Compensation Committee is authorized to retain external advisers to provide support as it carries out its responsibilities. Deloitte LLP (Deloitte) has been retained to assist the Compensation Committee in ensuring that the Group's compensation programs remain competitive, responsive to regulatory developments and in line with the compensation policy. Deloitte has appointed a senior consultant to advise the Compensation Committee. Apart from assisting the Compensation Committee, this senior consultant does not provide any other services to the Group. The Compensation Committee also obtained external legal advice during 2022 on various matters relating to compensation policy and design. Prior to appointment, the Compensation Committee conducted an independence assessment of its advisers pursuant to the rules of the United States Securities and Exchange Commission (SEC) and the listing standards of the NYSE and the Nasdaq.

Compensation policy

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 is available at *credit-suisse.com/compensationpolicy*.

Approval authority

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

Action	Compensation Committee	Board
Establish or change the Group's compensation policy	R	A
Establish or change compensation plans	R	A
Set variable incentive compensation pools for the Group and the divisions	R	A
Determine Executive Board compensation, including for the CEO	R	A [1]
Determine Board compensation, including for the Chairman	R	A [1]
Determine compensation for the Head of Internal Audit	A [2]	n/a
Determine compensation for MRTCs and other selected members of management	A	n/a

R = recommendation; A = approval

1 Subject to shareholder approval requirement pursuant to the Swiss Code of Obligations and the Articles of Association.

2 In consultation with the Audit Committee Chair.

Provisions of the Articles of Association related to compensation and loans

The AoA contain provisions that govern and outline the principles concerning the compensation of and loans granted to the Board and Executive Board. These are summarized below. The summaries do not purport to be complete and are qualified in their entirety by reference to the AoA. The AoA are available at *credit-suisse.com/articles*.

Say-on-pay vote

The AGM approves on an annual basis the compensation of the Board in advance for the period up until the next AGM (Art. 8a para. 1 AoA) and the compensation of the Executive Board as a maximum amount or as maximum partial amounts in advance or retroactively for the period described in the proposal of the Board to the AGM (Art. 8b para. 1 AoA). The details on the say-on-pay vote are governed by Art. 8a of the AoA for the compensation of the Board and Art. 8b of the AoA for the compensation of the Executive Board

Supplementary amount for new Executive Board members

If new members join the Executive Board or members of the Executive Board are promoted during the period for which compensation has been approved in advance by the AGM and the compensation approved in advance proves insufficient, a further 30% of the aggregate amounts already approved may be used for the compensation of such members (Art. 8c AoA).

Compensation principles

The compensation of the members of the Board may be paid partly in the form of Group shares (Art. 8a AoA). The compensation of the members of the Executive Board consists of a fixed component and a variable component. The variable component comprises short-term and long-term incentive compensation elements, which may both contain deferred compensation elements and are subject to the achievement of performance targets, which the Board sets on a regular basis. The compensation may be paid partly in the form of Group shares, derivatives based on Group shares or other financial instruments (Art. 8b AoA).

Loans

The Group may grant loans up to a maximum amount of CHF 20 million to each member of the Board at market conditions (Art. 20d AoA) and to each member of the Executive Board at standard terms that apply in the financial sector (Art. 20h AoA).

Risk and control considerations

During its annual review of the Group's performance, the Compensation Committee considers input from the Risk Committee Chair with respect to risk considerations, and the Audit Committee Chair with respect to internal control considerations as well as the Conduct and Financial Crime Control Committee Chair with respect to matters concerning financial crime compliance. The Compensation Committee also considers input from various corporate functions including Risk, Compliance, General Counsel, People and Internal Audit, regarding control and compliance issues and any breaches of relevant rules and regulations or the Group's Code of Conduct.

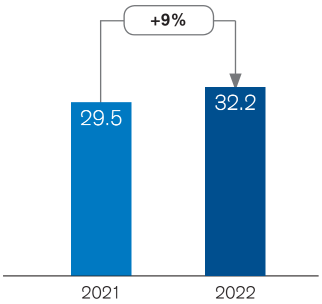
To meet regulatory guidelines regarding employees engaged in risk-taking activities, the Compensation Committee reviews and approves the compensation for employees identified as MRTCs. The Risk Committee is involved in the review process for the compensation of MRTCs.

→ Refer to "Focus on risk and control" in Supplementary information for further information.

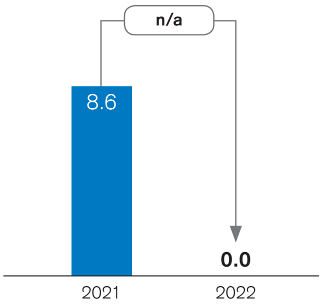
Executive Board compensation

Compensation outcomes for 2022

Executive Board fixed compensation[1] (CHF million)



Executive Board variable compensation awarded[2] (CHF million)



Figures above may contain rounding differences.

1 Fixed compensation includes base salary, role-based allowances, and pension and other benefits.

2 2021 Executive Board variable compensation includes only the 2021 STI as the 2021 LTI was cancelled.

Fixed compensation

Total fixed compensation for the Executive Board was CHF 32.2 million in 2022, compared with CHF 29.5 million in 2021.

Variable compensation

The threshold levels for each of the financial metrics under the new framework introduced for 2022 were not met. While the non-financial elements were assessed being close to target, the formulaic nature of the maximum cap on aggregate Executive Board variable incentive compensation of 2% of Group income before taxes resulted in a zero variable compensation pool for the Executive Board. Therefore, total aggregate Executive Board compensation for 2022 consisted of CHF 32.2 million of fixed compensation only.

The achievement against the financial performance metrics and non-financial assessment are shown in the table below.

2022 Executive Board summary performance

	Weighting	Performance levels			Payout level			
Performance criteria	Group	Threshold (50%)	Target (100%)	Maximum (150%)	0%	Threshold (50%)	Target (100%)	Maximum (150%)
Group financial metrics								
Reported return on tangible equity (RoTE)	25%	4.00%	5.30%	8.00%	**0%**			
Adjusted income before taxes (CHF billion)	25%	2.50	3.75	5.00	**0%**			
Relative total shareholder return (RTSR)	10%	Above bottom quartile of peer group	Rank 10th of peer group	Top quartile of peer group	**0%**			
CET1 capital ratio	10%	13.75%	14.125%	14.50%	**0%**			
Non-financial metrics	30%	See separate description below			**84%**			
Total	100%				**25%**			
Total payout after applying the 2% Group income before taxes cap					**0%**			

Note: The Return on tangible equity and the CET1 capital ratio used to assess the 2022 Executive Board performance exclude the impact of the capital raise in fourth quarter of 2022 (CHF 4,014 million), which was not in place when the target was set. Adjusted results and RoTE are non-GAAP financial measures and are used in this table for the purposes of defining performance target levels for compensation. Adjusted results exclude certain items included in our reported results. Refer to "Reconciliation of adjustment items" in II – Operating and financial review – Credit Suisse for further information. RoTE is calculated as net income attributable to shareholders divided by average tangible shareholders' equity. Tangible shareholders' equity, a non-GAAP financial measure, is calculated by deducting goodwill and other intangible assets from total shareholders' equity as presented in our balance sheet.

Non-financial metrics (30% weighting)		Comments
Risk and Control	Implementation / remediation of key regulatory and audit items	■ Percentage of regulatory projects reporting "green" status has increased, while decreased in "red" status ■ Substantial enhancement to management focus, centralization and consistency with Strategic Regulatory Remediation Office ■ Number of negative audits per total audit reports as well as high risk issues have reduced year over year
	Strengthening risk and compliance teams, systems and processes in the 1LoD and 2LoD organizations	■ Increase in strength and depth of Risk & Compliance leadership with added expertise and stature ■ Ongoing progress in risk and control capabilities which proved critical in managing Russia/Ukraine and overall challenging markets ■ Further strengthened risk ownership by 1LoD and migrating appropriate functions from 2LoD to 1LoD ■ Enhanced governance through creation of Executive Board Risk Management Committee sub-committees for Financial and Non-Financial Risk
	Reduction of new Non-Financial Risk incidents	■ Count decreased slightly year over year, but continues to require ongoing focus
	Disciplined implementation of and adherence to the financial risk framework	■ Substantial reduction in credit provisions relative to 2021 result ■ Improvement on almost all major aspects compared with last year, with reduction in risk limit breaches
Values and Culture	Improving overall risk culture	■ Feedback from the control functions indicates that whilst the Group's risk culture has improved, the outlook is broadly flat and more work is required to embed change
	Improving Diversity and Inclusion	■ Acceleration is required to meet 2024 goals, specifically in senior roles and with a particular focus on black talent
	Further improve on other IMPACT values across the organization and improve overall employee satisfaction	■ Improvement compared with prior year in line with goal
Sustainability	Positive contribution to the trajectory of net zero plan 2030/2050	■ CO_2 emissions positively below trajectory on oil & gas & coal ■ No transactions or investments carrying high environmental and social risks that did not follow appropriate governance were detected during 2022
	Growth in AuM penetration according to Sustainable Investment Framework classification	■ Penetration is slightly above previous year, but below ambition. Absolute volumes are down in line with overall AuM decrease
	Growth in sustainable finance	■ Approved cumulative transaction volumes are in line with ambition
	Overall contribution to support positioning Credit Suisse as a sustainability leader	■ Flagship Sustainability publications are in line with expectations, supported by launch of Center for Sustainability ■ Overall external rankings remain stable with two slight rating deteriorations (S&P and CDP) and one improvement (RepRisk) ■ Organization of Sustainability Global events in line with ambition, with main Sustainability event of the year, CS Sustainability Week, which was overall a success and well received by participants

Compensation of the Group CEO

Mr. Körner assumed the role of Group CEO on August 1, 2022, and was previously in the role of CEO Asset Management on the Executive Board. His total compensation for 2022 was CHF 2.5 million, of which CHF 1.2 million related to his role as Group CEO.

In terms of realized compensation for 2022, Mr. Körner received CHF 2.5 million, which comprised CHF 1.1 million base salary and CHF 0.1 million pension and benefits relating to his role as Group CEO, and CHF 1.2 million base salary and CHF 0.1 million pension and benefits relating to his role prior to having been appointed CEO.

Compensation of the highest paid Executive Board member

The highest paid Executive Board member in 2022 was David Mathers, who stepped down from the role of Chief Financial Officer on September 30, 2022. For 2022, Mr. Mathers was awarded total compensation of CHF 3.9 million, which comprised CHF 2.1 million base salary (including a one-off payment in lieu of annual leave entitlements and notice period payments), CHF 1.5 million role-based allowance and CHF 0.3 million pension and benefits.

Mr. Mathers' total realized compensation for 2022 was CHF 4.3 million and comprised CHF 2.1 million base salary (including a one-off payment in lieu of annual leave entitlements), CHF 1.5 million role-based allowance and CHF 0.5 million in realized variable compensation related to deferred awards from prior years. In addition, Mr. Mathers received CHF 0.3 million in pension and other benefits.

Executive Board compensation (audited)

in	Base salaries and role-based allowances	Pension and other benefits [1]	Total fixed compensation [2,3]	Total variable compensation [4]	Total compensation [5,6]
2022 (CHF million)					
18 members	28.74	3.48	**32.22**	**0.00**	**32.22**
% of total compensation			**100%**	**0%**	
of which highest paid: David Mathers	3.55	0.34	**3.89**	**0.00**	**3.89**
% of total compensation			**100%**	**0%**	
of which CEO: Ulrich Körner	2.29	0.21	**2.50**	**0.00**	**2.50**
% of total compensation			**100%**	**0%**	
of which joiners and leavers during 2022 (16 individuals)	24.45	3.05	**27.50**	**0.00**	**27.50**
% of total compensation			**100%**	**0%**	
2021 (CHF million)					
15 members	27.21	2.26	**29.47**	**8.59**	**38.06**
% of total compensation			**77%**	**23%**	
of which highest paid: David Mathers	3.50	0.26	**3.76**	**0.22**	**3.98**
% of total compensation			**94%**	**6%**	
of which CEO: Thomas Gottstein	2.70	0.24	**2.94**	**0.81**	**3.75**
% of total compensation			**78%**	**22%**	
of which joiners and leavers during 2021 (6 individuals)	7.76	0.75	**8.51**	**3.88**	**12.39**
% of total compensation			**69%**	**31%**	

For the individuals who joined the Executive Board and the individuals who left the Executive Board during 2021 and 2022, compensation relating to the period during which they were members of the Executive Board and, for leavers, during their respective notice period is included in the table above. All figures stated are based on gross amounts, i.e. before any applicable mandatory tax or social security contributions.

1 Other benefits consist of housing allowances, expense allowances and relocation allowances.

2 For the total compensation awarded to the members of the Executive Board, the Group made payments of CHF 3.0 million in 2022 (for 2021 CHF 2.3 million) to cover the mandatory employer social security contributions as required under the social security laws applicable to the individual Executive Board members based on their domicile and employment status. These contributions do not form part of the Executive Board members' compensation.

3 Following the implementation in 2022 of the revised Executive Board compensation framework, and given that the grant price of share awards is not adjusted to remove the value of future dividend payments, the Compensation Committee decided to discontinue the voluntary separate disclosure of dividend equivalent amounts for share awards granted to Executive Board members, in line with the disclosure for other Group employees. The total fixed compensation amount for 2021 has been revised to conform to the current presentation to exclude CHF 0.51 million in dividend equivalents (of which CHF 0.14 million related to David Mathers and CHF 0.12 million related to joiners and leavers) that were previously disclosed as part of fixed compensation.

4 Variable compensation was 0% of total compensation in 2022 and ranged from 6% to 55% in 2021.

5 Replacement awards in the form of cash awards and share awards have been granted to individuals joining the Executive Board in 2022 to compensate them for salary replacement and cancellation of bonus and deferred awards by their previous employers. Mrs. Hannaford, Mr. Wildermuth and Mr. De Ferrari were granted awards of CHF 6.03 million, CHF 9.94 million and CHF 3.52 million, respectively, with a potential further amount of up to CHF 1.67 million in share awards for Mr. De Ferrari to be granted in 2023 subject to performance conditions relating to Mr. De Ferrari's previous employer. Replacement awards in relation to Mr. Joshi were valued at CHF 6.97 million and were granted in the first quarter of 2023. These one-time replacement awards did not form part of the compensation in the table above. Considering these payments, the total compensation of the Executive Board for 2022 amounted to CHF 60.35 million. No replacement awards were paid to Executive Board members for 2021.

6 No guaranteed bonus or sign-on bonuses were paid to Executive Board members for 2022 and 2021.

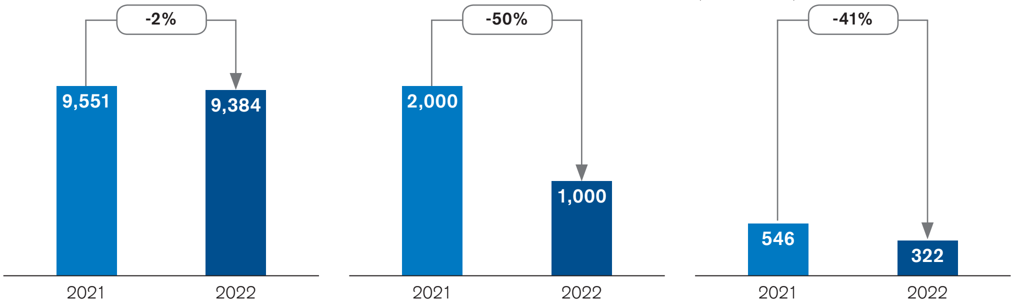
Group compensation

Compensation outcomes for 2022

Total compensation awarded[1] (CHF million)

Variable incentive compensation awarded (CHF million)

Variable incentive compensation awarded to Material Risk Takers and Controllers (MRTCs) (CHF million)



[1] Total compensation awarded does not include Transformation Award.

Total compensation awarded
Total compensation awarded for 2022 of CHF 9,384 million was 2% lower than the prior year and included CHF 497 million for the Strategic Delivery Plan (SDP) awards granted to most Managing Directors and Directors to incentivize the longer-term delivery of the Group's strategy. As previously described in the 2021 Compensation Report, the SDP awards were granted in February 2022 and are subject to service conditions and CET1 capital and leverage ratio underpins over the course of 2022-2024, and therefore are reported as part of other variable compensation awarded for 2022.

During 2022, CHF 367 million in retention awards to key talent and senior management in the form of deferred cash (subject to clawback) and deferred share-based awards were awarded, of which CHF 317 million was granted to employees in the Investment Bank division. The focus has been on critical roles where the risk of attrition was high and of immediate concern, and where the respective businesses would be significantly impacted. 1,143 employees received retention awards in 2022. This compares with CHF 395 million in retention awards granted in 2021 to 652 employees in total, of which CHF 299 million was awarded to key talent in the Investment Bank division.

→ Refer to "Note 30 – Employee deferred compensation" in VI – Consolidated financial statements – Credit Suisse Group for further information on the SDP and other awards.

Total compensation awarded

			2022			2021
For	Non-deferred	Deferred	**Total**	Non-deferred	Deferred	Total
Fixed compensation (CHF million)						
Salaries	5,536	294	5,830	5,341	259	5,600
Social security	605	–	605	622	–	622
Other [1]	934	–	934	808	–	808
Total fixed compensation	**7,075**	**294**	**7,369**	**6,771**	**259**	**7,030**
Variable incentive compensation (CHF million)						
Cash awards	647 [2]	49	696	1,452 [2]	55	1,507
Share awards	16	288	304	41	216	257
Performance share awards	–	–	–	–	161	161
Contingent Capital Awards	–	–	–	–	75	75
Total variable incentive compensation	**663**	**337**	**1,000**	**1,493**	**507**	**2,000**
Other variable compensation (CHF million)						
Cash severance	19	–	19	31	–	31
Retention awards	136	231	367	20	375	395
Strategic Delivery Plan	–	497	497	–	–	–
Other [3]	43	89	132	27	68	95
Total other variable compensation	**198**	**817**	**1,015**	**78**	**443**	**521**
Total compensation awarded (CHF million)						
Total compensation awarded	**7,936**	**1,448**	**9,384**	**8,342**	**1,209**	**9,551**
of which guaranteed bonuses	38	30	68	32	31	63

Salaries include role-based allowances.

1 Included pension and other post-retirement expense of CHF 501 million and CHF 503 million in 2022 and 2021, respectively.

2 Included upfront cash awards of CHF 344 million for 2022 and CHF 799 million for 2021.

3 Included replacement awards to compensate employees for the equivalent fair value of deferred awards cancelled by previous employers as well as sign-on payments.

Median and average employee compensation

For 2022, the median annualized total compensation (excluding pension and benefits and dividend equivalents) of all of our bonus eligible employees of our company (other than the CEO) was CHF 110,000, and the annual total compensation of our CEO was CHF 2.29 million (excluding pension and benefits and dividend equivalents). Based on this information, for 2022, the ratio of the annual total compensation of our CEO to the median annual total compensation of all employees was calculated to be 20.8 to 1. This compared with a ratio 31.1 to 1 for 2021 which was based on annual CEO total compensation of CHF 3.51 million and median annual total compensation of all employees of CHF 113,000.

The average total compensation awarded for 2022 was calculated at approximately CHF 185,895 per employee (full-time equivalents), 2% lower compared with approximately CHF 189,542 per employee for the prior year, as calculated by taking the total compensation awarded for each year and dividing by the number of employees (full-time equivalents) reported at the end of each year. The 2021 average total compensation amount has been restated following the restatement of the 2021 year-end employee (full-time equivalents) to take into account the reduction-in-force program.

Variable incentive compensation awarded for 2022

As described in the Compensation Policy and Governance section, a key factor in determining the initial Group bonus pool is economic contribution. However, for 2022, sizing the pool purely on financial performance would have led to an inappropriate outcome given the efforts and achievements of the majority of employees and the need to incentivize and retain staff. Therefore, the Compensation Committee considered as a starting point a pool "floor" level of CHF 1.0 billion as appropriate. Although the Group's performance against ESG-related objectives was in line with target, and the Compensation Committee noted the overall improvement in the Group's risk culture as indicated by a review of control function feedback, no adjustments to the floor level were made. In considering market trends and positioning, the Compensation Committee acknowledged that peer compensation levels, while down compared with the prior year, were likely to remain relatively high compared with recent historical levels. Nevertheless, the Compensation Committee decided not to make any positive adjustments to the Group variable compensation floor level, which at CHF 1.0 billion, was 50% lower than the prior year pool.

Number of employees awarded variable incentive and other compensation

	2022			2021		
	MRTCs [1]	Other employees	**Total**	MRTCs [1]	Other employees	Total
Number of employees awarded variable incentive compensation						
Variable incentive compensation	**1,155**	**36,875**	**38,030**	**1,432**	**43,024**	**44,456**
of which Cash awards [2]	1,155	36,875	38,030	1,432	43,024	44,456
of which Share awards	961	2,661	3,622	1,240	4,874	6,114
of which Performance share awards	–	–	–	1,266	797	2,063
of which Contingent Capital Awards	–	–	–	1,229	3,869	5,098
Number of employees awarded other variable compensation						
Cash severance	5	252	257	9	258	267
Retention awards	125	1,018	1,143	134	518	652
Strategic Delivery Plan	1,185	4,532	5,717	–	–	–
Guaranteed bonuses	5	140	145	12	156	168
Other [3]	44 [4]	312	356	40 [4]	1,597	1,637

Excluding Executive Board members who were in office on December 31, 2022 or 2021, respectively.

1 Excluded individuals who may have been classified as MRTCs according to regulatory requirements of jurisdictions outside of Switzerland, particularly US-based revenue producers in the Investment Bank, who were classified as Covered Employees by the US Federal Reserve.

2 Included upfront cash awards.

3 Included replacement awards to compensate employees for the equivalent fair value of deferred awards cancelled by previous employers as well as sign-on payments.

4 For 2022 and 2021, there were no sign-on payments paid to MRTCs.

Group compensation and benefits expense

Compensation and benefits expenses recognized in the current year income statement include salaries, role-based allowances, variable compensation, benefits and employer taxes on compensation. Variable compensation expense reflects the variable cash compensation for the current year and amortization of deferred compensation awards granted in prior years.

Group compensation and benefits expense

in	Current compen-sation	Deferred compen-sation	2022 Total	Current compen-sation	Deferred compen-sation	2021 Total
Fixed compensation expense (CHF million)						
Salaries	5,536	214 [1]	5,750	5,341	147 [1]	5,488
Social security [2]	605	–	605	622	–	622
Other [3]	934	–	934	808	–	808
Total fixed compensation expense	**7,075**	**214**	**7,289**	**6,771**	**147**	**6,918**
Variable incentive compensation expense (CHF million)						
Cash awards [4]	300	423 [5]	723	653	203 [5]	856
Share awards [6]	16	307	323	41	482	523
Performance share awards	–	(3)	(3)	–	290	290
Contingent Capital Awards	–	(3)	(3)	–	202	202
Total variable incentive compensation expense	**316**	**724**	**1,040**	**694**	**1,177**	**1,871**
Other variable compensation expense (CHF million)						
Cash severance	19	–	19	31	–	31
Retention Awards	–	174	174	–	123	123
Strategic Delivery Plan	–	248	248	–	–	–
Other [7]	43	–	43	20	–	20
Total other variable compensation expense	**62**	**422**	**484**	**51**	**123**	**174**
Total compensation expense (CHF million)						
Total compensation expense	**7,453**	**1,360**	**8,813**	**7,516**	**1,447**	**8,963**

Salaries include role-based allowances. Restructuring expenses in connection with the strategic review of the Group were disclosed separately and were not part of the total compensation expenses.

1 Represented deferred fixed cash compensation expense of CHF 214 million and CHF 147 million related to cash awards for 2022 and 2021, respectively.

2 Represented the Group's portion of employees' mandatory social security.

3 Included pension and other post-retirement expense of CHF 501 million and CHF 503 million in 2022 and 2021, respectively.

4 Included CHF 14 million and CHF 8 million of compensation expense associated with replacement cash awards granted in 2022 and 2021, respectively, to compensate employees for the equivalent fair value of deferred awards cancelled by previous employers.

5 Included upfront cash awards expense.

6 Included CHF 16 million and CHF 13 million of compensation expense associated with replacement share awards granted in 2022 and 2021, respectively, to compensate employees for the equivalent fair value of deferred awards cancelled by previous employers.

7 Included sign-on payments.

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 2022 and prior years that were outstanding as of December 31, 2022, with comparative information for 2021. These estimates are 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

	Deferred compensation		2022	Deferred compensation		2021
end of	For 2022	For prior-year awards	**Total**	For 2021	For prior-year awards	Total
Estimated unrecognized compensation expense (CHF million)						
Share awards	262	203 [1]	465	224	349 [1]	573
Performance share awards	0	52	52	156	146	302
Strategic Delivery Plan	0	254	254	–	–	–
Contingent Capital Awards	0	55	55	72	134	206
Cash awards [2]	392	586 [3]	978	854	223 [3]	1,077
Retention awards	–	343	343	–	284	284
Total estimated unrecognized compensation expense	**654**	**1,493**	**2,147**	**1,306**	**1,136**	**2,442**

1 Included CHF 31 million and CHF 20 million of estimated unrecognized compensation expense associated with replacement share awards granted in 2022 and 2021, respectively, not related to prior years.
2 Included estimated unrecognized compensation expense associated with upfront cash awards granted in 2022 and prior years.
3 Included CHF 16 million and CHF 11 million of estimated unrecognized compensation expense associated with replacement cash awards granted in 2022 and 2021, respectively, not related to prior years.

Changes to the value 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 CCA and foreign exchange rate movements. Explicit value changes reflect risk adjustments triggered by conditions related to negative performance in the performance-based awards, forfeiture, or the malus provisions in all deferred awards. The final value of an award will only be determined at settlement.

→ Refer to "Note 30 – Employee deferred compensation" in VI – Consolidated financial statements – Credit Suisse Group for further information.

The following table provides a comparison of the outstanding deferred compensation awards at the end of 2021 and 2022, indicating the value of changes due to ex post implicit and ex post explicit adjustments. For 2022, the change in value for the outstanding deferred compensation awards was mainly due to implicit adjustments driven primarily by changes in the Group share price, foreign exchange rate movements and changes in the value of CCA. With respect to the explicit adjustments on the value of performance share awards, a negative adjustment of CHF 55 million (based on the share price of CHF 2.76 as at December 31, 2022) was applied resulting from the negative Group ROE and the divisional loss before taxes in the Investment Bank division, with the remaining explicit adjustment related to forfeitures and application of malus provisions.

Outstanding deferred compensation awards

in / end		Total outstanding end of 2021	Granted in 2022	Paid out in 2022	Ex post explicit adjustments	Ex post implicit adjustments	**Total outstanding end of 2022**	% of which exposed to ex post explicit adjustments
Group (CHF million) [1]								
Contingent Capital Awards	Cash-based	686	74	(223)	(42)	(135)	360	100%
Cash awards [2]	Cash-based	196	160	(138)	(15)	–	203	100%
Share awards [3]	Share-based	1,226	1,062	(396)	(105)	(1,222)	565	100%
Performance share awards	Share-based	685	164	(215)	(130)	(381)	123	100%
Total		**2,793**	**1,460**	**(972)**	**(292)**	**(1,738)**	**1,251**	**–**
Material Risk Takers and Controllers (CHF million) [4]								
Contingent Capital Awards	Cash-based	294	42	(91)	(2)	(67)	176	100%
Cash awards [2]	Cash-based	78	53	(44)	–	(2)	85	100%
Share awards [3]	Share-based	413	555	(133)	(4)	(579)	252	100%
Performance share awards	Share-based	390	104	(108)	(57)	(252)	77	100%
Total		**1,175**	**754**	**(376)**	**(63)**	**(900)**	**590**	**–**

1 Included MRTCs and Executive Board members who were in office on December 31, 2022.
2 Included retention awards and upfront cash awards.
3 Included retention awards and Strategic Delivery Plan awards.
4 Excluded Executive Board members who were in office on December 31, 2022.

Transformation Award for 2023-2025

In February 2023, the Group granted Transformation Awards, in the form of deferred cash and share-based awards, with a total award value at grant of CHF 350 million (fair value at grant of CHF 230.3 million) to employees identified as being critical to the delivery of the transformation strategy. Of the total award value at grant, CHF 70 million relates to the Executive Board and is subject to approval at the AGM 2023. The Transformation Awards are designed to incentivize and reward key contributors for the successful delivery of the Group's transformation strategy and sustainable value creation for shareholders. For employees other than the Executive Board, the Transformation Award was granted in the form of both a deferred cash award and a deferred share award subject to performance conditions. For Executive Board members, the Transformation Award, subject to shareholder approval, will be granted 100% as deferred share-based awards with performance conditions.

The cash component of the Transformation Award vests over two years with one half of the cash awards vesting on each of the second anniversaries of the grant date (ratable vesting), with the exception of awards granted to individuals classified as MRTs, risk manager MRTs or senior managers or equivalents under the requirements of EU Capital Requirements Directive V and UK Investment Firms Prudential Regime.

The deferred share award component of the Transformation Award is scheduled to vest on the third anniversary of the grant date, only if the share price is at CHF 3.82 or higher on December 31, 2025. Further, no portion of the deferred share award would vest if the following threshold performance levels are not achieved:

- The Group's reported Group RoTE is at or above 5%; and
- The Group's cost base does not exceed CHF 15 billion.

The Compensation Committee will ensure that the final Transformation Award vesting outcome is aligned with underlying performance, including consideration of risk and control factors.

→ Refer to "Compensation at a glance" for further information.

Other awards granted in 2023

In the first quarter of 2023, the Group granted additional compensation awards to certain employees where attrition remains a concern. Share-based awards of CHF 38 million and deferred cash allowance plan awards of CHF 30 million were granted to key employees. These awards vest over three years.

Supplemental cash allowance awards of CHF 114 million were granted, predominantly to employees with the corporate title of Vice President and below to maintain a market competitive level of total compensation. These cash allowances will vest and are scheduled to be paid during 2023.

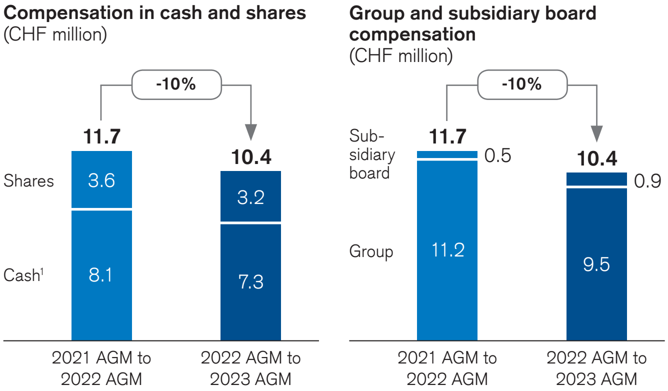
Equity award in the event of CS First Boston initial public offering

In order to incentivize and retain the leadership of CS First Boston, a group of senior leaders is expected to be provided with an equity award to participate in the value of CS First Boston in the event of an IPO. The award is contingent on a successful IPO, and would result in employees being awarded restricted share units in CS First Boston post-IPO. These awards would vest three years post-IPO and be subject to a further holding requirement. A pool for these awards has been determined and is expected to represent up to a maximum of 20% of the shares in CS First Boston for selected existing senior leaders and future senior hires. Any awards granted will be determined by the Group on an entirely discretionary and individualized basis. The maximum value for any employee participating in the plan is capped. Full details of these awards will be provided in the IPO prospectus, if applicable.

Board of Directors compensation

Compensation outcomes for 2022

Board of Directors compensation



Figures above may contain rounding differences.

1 Includes pension and other benefits for the period from the 2021 AGM to the 2022 AGM and from the 2022 AGM to the 2023 AGM.

For the period from the 2022 AGM to the 2023 AGM, aggregate compensation to the Board of CHF 10.4 million consisted of CHF 9.5 million related to Group Board memberships and CHF 0.9 million of fees paid to certain Board members for subsidiary board memberships. This compares with the amount of CHF 13.0 million approved prospectively Board by shareholders at the 2022 AGM. The total Board compensation is 10% lower than the prior period, driven by the waiver of the Chairman's chair fee.

While the base Board fee of CHF 250,000 remained consistent with prior years, there were several changes to the Board committee and other fee amounts for the 2022 AGM to 2023 AGM period. These changes consist of the introduction of an annual fee for the Vice Chair and Lead Independent Director, as well as Board committee membership fees for the new Digital Transformation and Technology Committee and the Sustainability Advisory Committee (previously only a chair fee was paid). For an overview of the Board membership fees for the 2022 AGM to 2023 AGM period, refer to the "Compensation framework, policy and governance" section of this report.

For the 2023 AGM to 2024 AGM period, the base Board and committee membership fees are expected to remain unchanged, with the exception of the Governance and Nominations Committee. Due to the increased number of meetings and active role of the Governance and Nominations Committee in overseeing aspects of the Group's transformation, the Board has approved an increase the membership fee for the Governance and Nominations committee from CHF 50,000 to CHF 100,000.

→ Refer to IV – Corporate Governance – Board of Directors for further information on the number of meetings and activities.

Compensation of the Chairman

The Chairman's total compensation for the 2022 AGM to 2023 AGM period consisted of a base fee of CHF 3.0 million payable in cash. Given the poor financial performance in 2022 and challenging situation for the firm at the beginning of the three-year transformation, the Chairman proposed to voluntarily waive his chair fee of CHF 1.5 million for the 2022 AGM to 2023 AGM period, and this proposal was accepted by the Board. Following a benchmarking analysis of board chair pay at leading Swiss companies, the Chairman's total compensation will be adjusted from CHF 4.5 million to CHF 3.8 million starting from the 2023 AGM to 2024 AGM period. To enhance alignment with shareholders, the share portion of the Chairman's fees will be increased from the current 33% to 50%, such that his total compensation will be payable 50% in cash (base fee) and 50% in shares (chair fee), generally blocked for a period of four years. Furthermore, a new minimum shareholding requirement of 500,000 shares has been introduced for the Chairman, in line with the minimum shareholding requirement applicable to Executive Board members. The role of the Chairman is a full-time appointment, and he may also receive benefits from, and make contributions to, the Group pension fund in line with local market practice for the Group. The total compensation paid to the Chairman reflects his full-time status and active role in shaping the Group's strategy, governing the Group's affairs, engaging, and maintaining a close working relationship with the CEO and senior management, and providing supervision, counsel and support, where appropriate. The Chairman coordinates the Board's activities, works with the committee chairs 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, corporate culture, succession planning and the structure and organization of the Group. He chairs the Board, the Governance and Nominations Committee and the shareholders' meetings. He takes an active role in representing the Group to regulators and supervisors, key shareholders, proxy advisers, investors, government officials and other external stakeholders.

Compensation of the Vice Chair and Lead Independent Director

The Vice Chair and Lead Independent Director received a fee of CHF 125,000 for this role for the 2022 AGM to 2023 AGM period. This fee is payable 50% in cash and 50% in Group shares, generally blocked for a period of four years. The Vice Chair and Lead Independent Director leads the annual Board assessment of the Chairman, chairs Board meetings in the event the Chairman is not able to for any reason, interviews potential new Board member candidates, and may meet with investors or other external stakeholders independently from the Chairman.

Compensation of the committee chairs

Committee chair fees are paid for the Audit Committee, the Compensation Committee, the Risk Committee, the Conduct and Financial Crime Control Committee, the Digital Transformation and Technology Committee and the Sustainability Advisory Committee. These fees are fixed in advance and are not linked to the Group's financial performance. In addition to the greater time commitment required to prepare and lead the committee work, the chair fees reflect the engagement of the committee chairs throughout the year as required with regulators, shareholders, the business divisions and corporate functions and other stakeholders. Regulatory developments in the banking industry in recent years have put increasing demands on the Risk and Audit Committee Chairs, 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. Similarly, there has been a continued focus of shareholders and regulators on compensation and therefore high levels of engagement between the Compensation Committee Chair and key shareholders and proxy advisers, as well as with regulators. The Compensation Committee held 12 meetings, and the Compensation Committee Chair personally attended 28 separate meetings with key shareholders and proxy advisers during 2022. The Audit Committee Chair fee takes into consideration the greater number of meetings required of the Audit Committee for the review and approval of the quarterly financial results and related filings, the Audit Committee Chair's supervisory role over the Internal Audit function, and the lead role of the Audit Committee Chair for overseeing investigations into whistleblowing and other escalated matters. The Audit Committee held 24 meetings during 2022. The Risk Committee Chair fee reflects the regular interaction required between the Risk Committee Chair and the Group Chief Risk Officer and other senior managers in the risk management function, as well as the oversight role over the Credit Risk Review function, which reports directly to the Risk Committee Chair. The Risk Committee held 13 meetings during 2022, and in addition, the Risk Committee Chair held numerous meetings with regulators and other stakeholders. The Conduct and Financial Crime Control Committee held six meetings during 2022, plus one meeting of the entire committee with FINMA.

→ Refer to the table "Meeting attendance – Board and Board committees" in IV – Corporate Governance – Board of Directors for further information.

→ Refer to "Governance of credit risk" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management – Risk coverage and management – Credit risk for further information on the Credit Risk Review function.

Compensation of Board members serving on subsidiary boards

Several Board members also serve as non-executive members on the boards of Group subsidiary companies. This practice is consistent with the Group's legal entity governance principles, which aim to foster a close alignment of the Group's governance practices and those of its significant subsidiary companies.

→ Refer to the "Governance of Group subsidiaries" and "Biographies of the Board members" in IV – Corporate Governance – Board of Directors for further information.

With the exception of the Chairman, Board members may receive separate fees paid in cash for serving on subsidiary boards, in addition to their Board fees. These fees are approved by the respective subsidiary boards and are subject to ratification by the Board. All subsidiary board fees are included in the total amount of compensation of the members of the Board proposed for approval by shareholders at every AGM. The Chairman does not receive separate fees for board memberships in other Group companies, as these memberships are included as part of the Chairman's compensation.

Board members appointed to serve on subsidiary boards receive a flat subsidiary board membership fee of CHF 100,000 (or higher amounts if a Board member serves as the chair of the subsidiary board or a committee). This amount is generally less than that received by other non-executive subsidiary board members, given that Board members are already familiar with the Group's entities and activities. Serving on a subsidiary board is nevertheless a significant additional commitment for these Board members, reflected, for example, in the number of subsidiary board meetings held throughout the year as shown in the following table.

Number of subsidiary board meetings

	Board[1]	Committee[2]	Total
Subsidiary			
Credit Suisse Bank (Europe), S.A.[3]	9	15	**24**
Credit Suisse (Schweiz) AG	23	16	**39**
Credit Suisse International (CSI) / Credit Suisse Securities (Europe) Ltd. (CSSEL)	24	20	**44**
Credit Suisse Holdings (USA), Inc.[3]	70	14	**84**

1 Includes ad hoc meetings and calls.
2 Includes meetings of the respective subsidiary board's audit and risk committees.
3 Board and committee meetings held jointly with Credit Suisse (USA) Inc. and Credit Suisse Securities (USA) LLC.

Board compensation from the 2022 AGM to the 2023 AGM (audited)

	GNC	AC	CC	CF CCC	RC	DTTC	SAC	Base board fee	Committee fee	Chair fee	Pension and other benefits	**Total**	Group: Of which awarded in Group shares [1]	Subsidiary board fee [2]	**Total, including subsidiary boards** [3]
CHF															
Axel Lehmann, Chairman [4]	C							3,000,000	–	–	190,819	**3,190,819**	–	–	**3,190,819**
Mirko Bianchi [5]	M	C		M	M			250,000	184,091	400,000	–	**834,091**	417,046	–	**834,091**
Iris Bohnet			M				C	250,000	100,000	75,000	–	**425,000**	212,500	–	**425,000**
Clare Brady		M		C			M	250,000	175,000	150,000	–	**575,000**	287,500	–	**575,000**
Christian Gellerstad [6]	M		C	M		M		250,000	165,000	425,000	–	**840,000**	420,000	100,000	**940,000**
Keyu Jin					M	M		250,000	140,000	–	–	**390,000**	195,000	–	**390,000**
Michael Klein [5]			M				M	136,364	68,182	–	–	**204,546**	102,273	–	**204,546**
Shan Li			M		M			250,000	200,000	–	–	**450,000**	225,000	–	**450,000**
Seraina Macia		M				M		250,000	190,000	–	–	**440,000**	220,000	–	**440,000**
Blythe Masters	M					C		250,000	50,000	150,000	–	**450,000**	225,000	277,478	**727,478**
Richard Meddings	M	M			C			250,000	200,000	400,000	–	**850,000**	425,000	167,406	**1,017,406**
Amanda Norton [5]			M		M			204,545	163,636	–	–	**368,181**	184,091	99,500	**467,681**
Ana Paula Pessoa		M		M				250,000	225,000	–	–	**475,000**	237,500	300,000	**775,000**
Total								**5,840,909**	**1,860,909**	**1,600,000**	**190,819**	**9,492,637**	**3,150,909**	**944,384**	**10,437,021**

GNC = Governance and Nominations Committee; AC = Audit Committee; CC = Compensation Committee; CFCCC = Conduct and Financial Crime Control Committee; RC = Risk Committee; DTTC = Digital Transformation and Technology Committee; SAC = Sustainability Advisory Committee; C = Chair; M = Member. All figures stated are based on gross amounts, i.e. before any applicable mandatory tax or social security contributions.

1 As of December 31, 2022, one-half of the Board member fees to be awarded in Group shares have been delivered to Board members. The applicable Group share price was CHF 3.97. The remaining shares will be delivered to Board members the day after the first quarter of 2023 earnings announcement in April 2023, and the share price for this second share delivery will be determined at that time. Group shares are subject to a four-year blocking period. The Compensation Committee may approve exceptions to the blocking period under certain circumstances.

2 The following Board members are currently serving on the boards of several of the Group's most significant subsidiaries: Christian Gellerstad, board member of Credit Suisse (Schweiz) AG (annual fee of CHF 100,000), Blythe Masters, board member and chair of Credit Suisse Holdings (USA), Inc. ("all in" annual fee of USD 300,000), Richard Meddings, board member and vice-chair of Credit Suisse International and Credit Suisse Securities (Europe), Limited (annual fee of GBP 150,000), Amanda Norton, board member and risk committee chair of Credit Suisse Holdings (USA), Inc., effective September 19, 2022 (annual fees of USD 200,000, pro rated from September 19, 2022) and Ana Paula Pessoa, board member and chair of Credit Suisse Bank (Europe), S.A. (annual fee of CHF 150,000) and chair of the Brazil Advisory Board (annual fee of CHF 150,000).

3 At the 2022 AGM, shareholders approved a maximum amount of total compensation to be awarded to Board members until the 2023 AGM of CHF 13 million. For the total compensation awarded to members of the Board, the Group will make estimated payments of CHF 0.6 million for the 2022 / 2023 Board period to cover the mandatory employer social security contributions as required under the social security laws applicable to the individual Board members based on their domicile and employment status. These contributions do not form part of the Board members' compensation.

4 The Chair fee of the Chairman is set at CHF 1.5 million to be awarded as 100% Group shares. For the 2022 to 2023 AGM period, the Chairman proposed to voluntarily waived his Chair fee of CHF 1.5 million and this proposal was accepted by the Board. The total compensation of the Chairman included estimated benefits for the period from the 2022 AGM to the 2023 AGM of CHF 190,819, including pension and health insurance benefits.

5 Mirko Bianchi joined the GNC effective February 1, 2023 and Amanda Norton joined the board effective July 1, 2022; their compensation was pro-rated to reflect this. Michael Klein's compensation was pro-rated to reflect his departure from the Board effective October 27, 2022.

6 The aggregate amount of CHF 425,000 for Christian Gellerstad consisted of his Compensation Committee Chair fee of CHF 300,000 and his Vice-Chairman and Lead Independent Director fee of CHF 125,000.

Board compensation from the 2021 AGM to the 2022 AGM (audited)

	GNC	AC	CC	CF CCC	RC	DTTC	SAC	Base board fee	Committee fee	Chair fee	Pension and other benefits	Group: Total	Group: Of which awarded in Group shares [1]	Subsidiary board fee [2]	**Total, including subsidiary boards** [3]
CHF															
Axel Lehmann, Chairman [4]	C				C (a.i.)			928,767	85,457	511,781	54,776	**1,580,781**	549,304	–	**1,580,781**
António Horta-Osório, former Chairman [5]								2,250,000	0	1,125,000	162,806	**3,537,806**	0	–	**3,537,806**
Iris Bohnet			M				C	250,000	100,000	75,000	–	**425,000**	212,500	–	**425,000**
Clare Brady		M		M				250,000	225,000	–	–	**475,000**	237,500	36,712	**511,712**
Juan Colombas		M	M		M			145,205	204,167	–	–	**349,372**	174,686	50,000	**399,372**
Christian Gellerstad	M		M	C				250,000	150,000	150,000	–	**550,000**	275,000	100,000	**650,000**
Michael Klein			M					250,000	100,000	–	–	**350,000**	175,000	–	**350,000**
Shan Li					M			250,000	100,000	–	–	**350,000**	175,000	–	**350,000**
Seraina Macia		M						250,000	150,000	–	–	**400,000**	200,000	–	**400,000**
Blythe Masters [6]			M			C		250,000	166,667	50,000	–	**466,667**	233,333	91,450	**558,117**
Richard Meddings [7]	M	C		M	M			250,000	175,000	600,000	–	**1,025,000**	512,500	84,258	**1,109,258**
Kai S. Nargolwala	M		C	M	M			250,000	225,000	300,000	–	**775,000**	387,500	–	**775,000**
Ana Paula Pessoa		M		M				250,000	225,000	–	–	**475,000**	237,500	137,500	**612,500**
Severin Schwan	M				M			250,000	150,000	–	–	**400,000**	200,000	–	**400,000**
Total								**6,073,973**	**2,056,290**	**2,811,781**	**217,582**	**11,159,626**	**3,569,823**	**499,920**	**11,659,546**

GNC = Governance and Nominations Committee; AC = Audit Committee; CC = Compensation Committee; CFCCC = Conduct and Financial Crime Control Committee; RC = Risk Committee; DTTC = Digital Transformation and Technology Committee; SAC = Sustainability Advisory Committee; C = Chair; M = Member. All figures stated are based on gross amounts, i.e. before any applicable mandatory tax or social security contributions.

1 As of December 31, 2021, one-half of the Board member fees to be awarded in Group shares have been delivered to Board members. The applicable Group share price was CHF 9.35. The remaining shares will be delivered to Board members at or around the date of the 2022 AGM, and the share price for this second share delivery will be determined at that time. Group shares are subject to a four-year blocking period.

2 Subsidiary board fees were awarded for the following subsidiary and advisory board roles: i) Ms. Brady served from August 19, 2021 until December 2021 as non-executive board member of the UK subsidiaries Credit Suisse International and Credit Suisse Securities (Europe) Limited and receives annual fees of CHF 100,000 for this role; ii) as of January 1, 2022, Mr. Meddings assumed the chair of the UK subsidiaries Credit Suisse International and Credit Suisse Securities (Europe) Limited, subject to regulatory approval, and received an annual chair fee of GBP 250,000 on a pro-rated basis until March 10, 2022, at which time he stepped down as chair of the UK subsidiary, but remains on the board in the role of Vice-Chair, with an annual fee of GBP 150,000, payable on a pro-rated basis from March 10, 2022 to the 2022 AGM; iii) Mr. Colombas was appointed as non-executive chair of the Credit Suisse Bank (Europe), S.A. effective January 2022, subject to regulatory approval, and receives annual fees of CHF 150,000 for this role; iv) Mr. Gellerstad serves as non-executive board member of the Credit Suisse (Schweiz) AG and receives annual fees of CHF 100,000 for this role; v) Ms. Masters serves as non-executive chair of the Credit Suisse Holdings (USA), Inc. (CSH USA), effective January 2022, and receives annual fees of USD 300,000 for this role; vi) Ms. Pessoa served from June 2021 until December 2021 as non-executive chair of Credit Suisse Bank (Europe) S.A. and as chair of the Credit Suisse Brazil Advisory Board effective January 2022, and receives annual fees of CHF 150,000 for each of these roles. All amounts have been pro-rated to reflect the time the respective Board member served on the subsidiary board.

3 At the 2021 AGM, shareholders approved a maximum amount of total compensation to be awarded to Board members until the 2022 AGM of CHF 12 million. For the total compensation awarded to members of the Board, the Group will make estimated payments of CHF 0.6 million for the 2021 / 2022 Board period to cover the mandatory employer social security contributions as required under the social security laws applicable to the individual Board members based on their domicile and employment status. These contributions do not form part of the Board members' compensation.

4 The Chair fee of the Chairman is set at CHF 1.5 million to be awarded as 100% Group shares. In the case of Mr. Lehmann, this amount had been pro-rated from January 16, 2022 until the 2022 AGM. The total compensation of the Chairman includes benefits for the period from January 16, 2022 to the 2022 AGM of CHF 54,776, including pension and health insurance benefits. Mr. Lehmann furthermore received pro-rated amounts for his Risk Committee membership (October 1-31, 2021), Risk Committee Chair (November 1, 2021 – January 16, 2022), Audit Committee membership (October 1, 2021 – January 16, 2022), Conduct and Financial Crime Control Committee membership (October 1, 2021 – January 16, 2022) and Governance and Nominations Committee membership (November 1, 2021 – January 16, 2022). Upon becoming Chairman, Mr. Lehmann did not receive a separate fee for chairing the Governance and Nominations Committee or serving as the ad interim Risk Committee Chair until the AGM.

5 Mr. Horta-Osório served as Chairman and Board member from May 1, 2021 until January 16, 2022. As per terms of his resignation agreement, Mr. Horta-Osório remained at Credit Suisse until January 31, 2022 to ensure a smooth handover to his successor. He received his Chair fee (pro-rated from May 1, 2021 until January 31, 2022) fully in cash.

6 Since January 1, 2022, Ms. Masters served as Chair of the new Digital Transformation and Technology Committee and received annual fees of CHF 150,000 for this role or CHF 50,000 for the period from January 1, 2022 to the 2022 AGM.

7 In addition to his Audit Committee Chair fee of CHF 400,000, Mr. Meddings received CHF 200,000 or 50% of the annual Risk Committee Chair fee for taking on the role of the Risk Committee Chair on an ad interim basis for the six month period from May 1, 2021 through October 31, 2021. During this period, Mr. Meddings did not receive the regular Risk Committee membership fee. For the period between November 1, 2021 and April 29, 2022, Mr. Meddings received CHF 50,000 or 50% of the regular Risk Commitee membership fee.

Supplementary information

Executive Board

Former Executive Board members (audited)

For 2022, no compensation payments were made to former Executive Board members who left Credit Suisse, which was also the case for 2021. Further, no payments were made to former Executive Board members pursuant to non-compete arrangements.

Utilization of Executive Board compensation approved at the 2022 AGM

At the 2022 AGM, shareholders approved a maximum aggregate amount of fixed compensation to be paid to members of the Executive Board for the period from the 2022 AGM to the 2023 AGM of CHF 34.0 million. Of this amount, 3.0 million was anticipated for two potential new roles on the Executive Board. Fixed compensation includes base salaries, role-based allowances, dividend equivalents, pension and other benefits as well as replacement awards granted to new Executive Board members during this period. In line with the AoA, if new members join the Executive Board or members of the Executive Board are promoted during the period for which compensation has already been approved by shareholders, a further 30% of the aggregate amounts already approved may be used for the compensation of such members, which amounted to CHF 10.2 million in addition to the approved CHF 34.0 million amount.

in CHF million

Maximum aggregate fixed compensation approved for the 2022 AGM to 2023 AGM period	**34.0**
Utilization of approved amount:	
Base salaries, pension and other benefits	26.2
Part of replacement award for new joiner to Executive Board	6.1
Total utilized amount	**32.3**
Remaining unutilized amount (originally designated for potential new Executive Board role)	1.7
30% supplementary amount for new Executive Board members joining after the 2022 AGM	**10.2**
Utilization of supplementary amount:	
D. Joshi	1.2
M. Diethelm	1.8
E. Low	1.7
N. Patel	0.9
Total base salaries, pension and other benefits for new joiners	**5.6**
Part of replacement award to D. Joshi	0.9
Total supplementary funding utilized	**6.5**
Remaining unutilized amount	3.7
Total fixed compensation amount paid to Executive Board members	**38.8**

At the 2022 AGM, shareholders also approved an aggregate amount of CHF 12.1 million for share-based replacement awards for new Executive Board members who joined the Executive Board in 2022. This amount was used for such awards granted or to be granted to the new Executive Board members who joined in 2022.

2020 Long-term incentive awards (LTI awards) (2020-2022 performance period)

As disclosed in the 2019 Compensation Report, the performance of the 2020 LTI awards is based on RoTE, adjusted tangible book value per share (TBVPS) and RTSR each weighted equally and measured over the three-year period from the beginning of 2020 until the end of 2022. The 2020 LTI awards had an initial aggregate maximum opportunity of CHF 53.75 million approved at the 2020 AGM, and the number of shares granted was calculated by dividing the maximum opportunity by the Group share price at the time of grant. The share price utilized was based on the same methodology used for share-based awards granted to Group employees. At the end of the 2020-2022 performance period, performance had fallen short of the threshold levels for each metric, resulting in zero vesting. As an exception, for the former CFO who was classified as a UK PRA MRT and therefore had 40% of his LTI based on a non-financial assessment. As a result, Mr. Mathers' 2020 LTI was assessed at 7% of his maximum opportunity based on the share price at the end of 2022.

Cash settlement of share awards

The Executive Board members are permitted to elect, subject to minimum shareholding requirements, 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 at the time of settlement, the Group share price is less than 75% of the share price at the time of election. The timing and pricing of settlement will be the same as under the previous award plan and the plans of those below the Executive Board level.

Contract lengths, termination and change in control provisions

All members of the Executive Board have employment contracts with the Group that are valid until terminated. The standard notice period for termination of employment by either the Group or the respective Executive Board member is six months. Executive Board members may be subject to a non-compete period of up to 12 months and may be compensated for this period by mutual agreement. In the event of termination, there are no contractual provisions that allow for the payment of severance awards to Executive Board members beyond the regular compensation awarded during the notice period. Pre-defined conditions for all employees, including Executive Board members, apply for the payment of outstanding deferred compensation awards, depending on whether the termination of employment was voluntary, involuntary, by mutual agreement or as the result of a change in control. In case of a termination for cause, any deferred compensation and outstanding awards will be forfeited. There are no other contracts, agreements, or arrangements with the members of the Executive Board that provide for other types of payments or benefits in connection with termination of employment that are not generally available to other employees of the Group.

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 or transaction premia, in the case of a change in control.

Other outstanding awards

As of December 31, 2022, the outstanding cash-based deferred compensation awards granted to certain Executive Board members in prior years comprised contingent capital awards, deferred cash awards and deferred short-term incentive cash awards (STI cash awards). The cumulative value of such cash-based awards at year-end was CHF 5 million. These amounts include the cash value of dividend equivalents related to unvested share awards at their respective grant dates and at December 31, 2022.

Minimum shareholding requirements

For 2022, the shareholding requirements were increased to provide greater alignment with shareholder interests. Given that the majority of the Executive Board members joined the Executive Board during 2022, only two of the eleven members fulfilled the minimum shareholding requirements as of December 31, 2022. This requirement is measured against the number of shares owned plus the number of unvested shares. The CEO and other Executive Board members are not permitted to sell shares until they have met the minimum shareholding requirements, except as necessary to fulfill taxation obligations on the respective shares awarded.

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

end of	Number of owned shares [1]	Number of unvested awards [2]	Number of owned shares and unvested awards	Value (CHF) of unvested awards at grant date [3]	Value (CHF) of unvested awards at year end [4]
2022					
Ulrich Körner	340,055	1,564	341,619	12,008	4,323
Markus Diethelm	–	–	–	–	–
Francesco De Ferrari	–	250,550	250,550	2,009,376	692,520
Christine Graeff	–	37,424	37,424	288,013	103,440
Joanne Hannaford	105,247	385,863	491,110	3,177,695	1,066,525
André Helfenstein	208,718	415,737	624,455	4,191,339	189,536
Dixit Joshi	–	–	–	–	–
Edwin Low	283,051	636,136	919,187	5,892,589	1,758,280
Francesca McDonagh	–	–	–	–	–
Nita Patel	6,569	89,202	95,771	739,646	246,554
David Wildermuth	83,541	309,905	393,446	2,451,675	856,577
Total	**1,027,181**	**2,126,381**	**3,153,562**	**18,762,343**	**4,917,756**
2021					
Thomas P. Gottstein	343,933	865,241	1,209,174	10,346,761	5,044,803
Romeo Cerutti	419,333	339,027	758,360	4,074,902	2,033,172
André Helfenstein	89,962	516,222	606,184	5,574,001	3,215,381
Lydie Hudson	–	243,816	243,816	2,670,588	1,383,393
Ulrich Körner	246,487	–	246,487	–	–
Rafael Lopez Lorenzo	99,591	127,566	227,157	1,519,990	1,131,766
David R. Mathers	163,403	992,083	1,155,486	10,869,369	6,974,651
Christian Meissner	247	–	247	–	–
Joachim Oechslin	213,577	272,122	485,699	3,506,175	2,414,266
Antoinette Poschung	158,585	123,557	282,142	1,355,032	706,324
Helman Sitohang	471,033	805,946	1,276,979	9,665,696	4,811,141
James B. Walker	221,384	396,582	617,966	4,314,624	2,582,473
Philipp Wehle	76,739	549,634	626,373	6,208,945	3,511,812
Total	**2,504,274**	**5,231,796**	**7,736,070**	**60,106,082**	**33,809,182**

1 Includes shares that were initially granted as deferred compensation and have vested.
2 For 2022, includes unvested shares originating from LTI awards based on performance payout achieved at the end of the applicable three year performance period. For 2021, includes unvested shares originating from LTI opportunities calculated on the basis of maximum opportunity for awards that have not reached the end of their three-year performance period, given that the actual achievement level and associated number of unvested shares cannot be determined until the end of the performance period. For LTI awards that have reached the end of their three-year performance period, the number of unvested shares reflects the actual number of shares earned based on achievement of the performance target levels.
3 Determined based on the number of unvested awards multiplied by the share price at grant.
4 For 2022, includes the value of unvested LTI opportunities based on performance payout achieved at the end of the applicable three year performance period. For 2021, includes the value of unvested LTI opportunities. For LTI awards that have reached the end of their three-year performance period, the value is based on the actual number of shares eligible to vest. For LTI opportunities that have not reached the end of their three-year performance period, this is determined based on the number of shares at fair value at the time of grant, multiplied by the share price at the end of the year.

Executive Board outstanding deferred compensation awards

in / end		Total outstanding end of 2021	Granted in 2022 [1]	Paid out in 2022	Ex post explicit adjustments	Ex post implicit adjustments	**Total outstanding end of 2022**	% of which exposed to ex post explicit adjustments
Executive Board (CHF million) [2]								
Contingent Capital Awards	Cash-based	3	0	(1)	–	(1)	2	100%
Cash awards [3]	Cash-based	–	5	(2)	–	0	3	100%
Share awards [4]	Share-based	3	11	(3)	–	(6)	4	100%
Performance share awards	Share-based	4	1	(2)	0	(2)	1	100%
Total		**10**	**17**	**(7)**	**0**	**(9)**	**10**	**–**

1 Included awards granted to Executive Board members with respect to their previous roles prior to joining the Executive Board.
2 Included Executive Board members who were in office on December 31, 2022.
3 Included the deferred cash portion of STI awards.
4 Included the outstanding 2020 LTI opportunity.

Executive Board loans (audited)

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. Pursuant to the AoA, each Executive Board member may be granted individual credit facilities or loans up to a maximum of CHF 20 million. As of December 31, 2022, 2021 and 2020, outstanding loans to Executive Board members amounted to CHF 6 million, CHF 18 million and CHF 13 million, respectively. The number of individuals with outstanding loans at the beginning and the end of 2022 was eight and four, respectively, and the highest loan outstanding was CHF 4 million to Mr. Körner.

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 with Board and Executive Board members and related party transactions" in IV – Corporate Governance – Additional information for further information.

Group

Compensation awarded to Material Risk Takers and Controllers

Total compensation awarded to MRTCs for 2022 was CHF 1,514 million (excluding the Transformation Award), of which 21% was in the form of variable incentive compensation, with 59% of the variable incentive compensation subject to malus.

Compensation awarded to Material Risk Takers and Controllers

			2022			2021
For	Non- deferred	Deferred	**Total**	Non- deferred	Deferred	Total
Fixed compensation (CHF million)						
Total fixed compensation [1]	**673**	**130**	**803**	**622**	**112**	**734**
Variable incentive compensation (CHF million)						
Cash awards	118 [2]	23	141	282 [2]	29	311
Share awards	14	167	181	41	58	99
Performance share awards	–	–	–	–	99	99
Contingent Capital Awards	–	–	–	–	37	37
Total variable incentive compensation	**132**	**190**	**322**	**323**	**223**	**546**
Other variable compensation (CHF million)						
Cash severance	3	–	3	10	–	10
Retention awards	51	81	132	7	172	179
Strategic Delivery Plan	–	229	229	–	–	–
Other [3]	7 [4]	18	25	3 [4]	15	18
Total other variable compensation	**61**	**328**	**389**	**20**	**187**	**207**
Total compensation (CHF million)						
Total compensation	**866**	**648**	**1,514**	**965**	**522**	**1,487**
of which guaranteed bonuses	1	2	3	2	2	4

Excluding Executive Board members who were in office on December 31, 2022 or 2021, respectively. Of the total compensation awarded to MRTCs for 2022 and 2021, 43% and 35%, respectively, was deferred. Of the total variable incentive compensation awarded to MRTCs for 2022 and 2021, 59% and 41%, respectively, was deferred.

1 The number of MRTCs receiving fixed compensation for 2022 and 2021 was 1,577 and 1,480, respectively.

2 Included upfront cash awards.

3 Included replacement awards to compensate employees for the equivalent fair value of deferred awards cancelled by previous employers as well as sign-on payments.

4 For 2022 and 2021, there were no sign-on payments paid to MRTCs.

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.

Since 2017, the Group has been fulfilling its share delivery obligations by purchasing shares in the market. The Group maintained this practice during 2022. Following the 2021 Share Repurchase Program, the Board has decided not to cancel the 25,087,000 shares repurchased under the share buyback program by way of a capital reduction, and the intention is to use these shares exclusively for servicing employee share award plans. Otherwise, the Group will continue covering future share delivery obligations through market purchases.

Share-based awards outstanding

At the end of 2022, there were 253.9 million share-based awards outstanding, including 147.4 million share awards, 44.6 million performance share awards and 61.9 million SDP share awards.

→ Refer to "Note 30 – Employee deferred compensation" in VI – Consolidated financial statements – Credit Suisse Group for further information.

Subsequent activity

In early 2023, the Group granted approximately 108.9 million new share awards with respect to performance in 2022.

In the first half of 2023, the Group plans to settle 63.8 million deferred awards from prior years, including 47.4 million share awards and 16.5 million performance share awards. The Group will continue to meet this delivery obligation through market purchases.

→ Refer to "Share purchases" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Capital management for more information.

Potential negative adjustments of legacy performance share awards

Performance share awards will no longer be used as a form of deferred compensation award for the 2022 performance year onwards. Outstanding performance share awards granted for prior years are subject to downward adjustments in the event of a divisional loss or a negative ROE of the Group, whichever results in a larger adjustment. The Compensation Committee has the discretion to exclude extraordinary items from the calculation of divisional losses or Group ROE as it deems appropriate. If the Group reports a negative ROE, the number of outstanding awards is reduced by the same percentage as the negative ROE. The amount of negative adjustment applied in the event of divisional loss is shown in the table below.

Negative adjustment if division incurs a loss

Division loss before taxes (in CHF billion)	Negative 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

→ Refer to the "Compensation outcomes for 2022" in Group Compensation for further information.

Competitive benchmarking

The assessment of the economic and competitive environment is an 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 Compensation Committee is provided with regular reports from an independent compensation adviser on industry and market trends, including competitor performance and pay trends. The core group considered for the purposes of Group peer benchmarking are Bank of America, Barclays, Citigroup, Deutsche Bank, Goldman Sachs, JPMorgan Chase, Morgan Stanley and UBS. Specific benchmarking may include other peers, depending on the business area or geographic location, as appropriate.

The defined RTSR peer group used in the assessment of Executive Board performance includes Banco Santander, Bank of America, Barclays, BBVA, BNP Paribas, Citigroup, Deutsche Bank, Goldman Sachs, HSBC, ING Group, Intesa Sanpaolo, JPMorgan Chase, Julius Bär, Morgan Stanley, Nordea Bank, NatWest Group, Société Générale, Standard Chartered and UBS, companies chosen based on similarities in geographical coverage and scope of businesses.

For consideration of European and local practices, the Compensation Committee also references a cross-industry peer group of multinational companies headquartered in Europe selected on the basis of comparability to Credit Suisse in size, scale, global scope of operations and economic influence. In addition to the companies already listed previously and those included as part of the RTSR peer group, peers considered for Executive Board compensation include: ABN AMRO Bank, CaixaBank, Commerzbank, Credit Agricole, Danske Bank, KBC Group, Lloyds Banking Group, Skandinaviska Enskilda Banken AB and UniCredit.

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. Senior management from the Group's corporate functions, including Risk, Compliance, General Counsel, People, Internal Audit and Product Control, provide the Compensation Committee with comprehensive feedback on regulatory, audit, disciplinary and risk-related issues, or trends across the Group, relevant to the assessment of the Group's risk and control culture. Divisions are assessed against risk and conduct measures for the year, and the consolidated findings are presented to the Compensation Committee and the CEO. Based on these assessments, the Compensation Committee considers and approves adjustments to the divisional pool levels.

As approved by the Compensation Committee, Conduct Boards (CBs) have been established at the Group level, for the control functions overall, as well as within each business division. The CBs review disciplinary events and decide on disciplinary sanctions proposed by the recommendation teams, which include representatives from the control functions. As regards to the financial consequences of a disciplinary sanction, the Compensation Committee approves the application of malus for all Managing Directors reporting to an Executive Board member. The Group Conduct Board (GCB) meets regularly to ensure that sanctions applied are in line with the Group's risk appetite, market practice and regulatory requirements.

Implemented in the fourth quarter of 2021, the Significant Events process is a formal and systematic event-driven approach for categorizing the most serious risk matters to ensure that a review of all employees in proximity is undertaken, including those accountable for the Significant Event. This process is incremental to the existing performance management and disciplinary processes, which continue to exist in parallel.

A Significant Event is defined as an event that results from an insufficient control, control failure or absence of control, or misconduct by employees, and the event meets one of the following criteria:

- Had a significant financial impact (direct loss, provision or restatement) on CS Group of > CHF 50 million;

- Had a significant impact on the reputation of CS Group, or any of its subsidiaries, or is very likely to have such an impact when information becomes public; or
- Had a significant negative impact on the relationship of the Group, or any of its subsidiaries, with regulators (e.g., subjected to a significant investigation or other regulatory action) or with other key stakeholders (e.g., shareholders and other investors, as well as on outcomes for clients of Credit Suisse).

When an incident meets the Group-wide Significant Event criteria, the GCB approves the event for investigation under the Significant Events process. This is then confirmed by the Board Risk Committee. Group Reward (within the People function) have authority to suspend variable compensation payments to employees identified as being proximate to the event, pending completion of the investigation. The GCB reviews and approves proximity findings and compensation adjustment for all employees below Executive Board level. The Compensation Committee or Advisory Remuneration Committee, as applicable, have oversight over the GCB's decisions. Adjustments may be made to variable compensation (related to the current performance year) or to prior year variable compensation by applying malus/clawback provisions.

Malus and clawback provisions

All deferred compensation awards granted contain malus provisions that enable the Group to reduce or cancel the awards prior to settlement if the participant engages in certain defined conduct. All variable incentive compensation granted to UK PRA MRTs and employees regulated by the Bank of Italy are subject to clawback. Other EU-regulated employees are also subject to clawback provisions as required by applicable legal or regulatory requirements. Malus and clawback provisions were enforced during 2022.

	Application	Scope/Criteria
Malus	▪ Reduction or cancellation of outstanding deferred awards prior to settlement ▪ Applies to all outstanding deferred awards granted	▪ Impermissible disclosure or misuse of Group information, or willful engagement in conduct that is materially detrimental to an interest of the Group; ▪ Conduct that evidences serious misbehavior or serious error; ▪ Conduct that causes, could cause or could have caused the Group or any division or region to suffer a significant downturn in financial performance or regulatory capital base; ▪ Significant failure of risk management; or ▪ Conduct that is reviewed by the Group's disciplinary conduct, ethics or similar committee
Clawback	▪ Claim back of deferred and non-deferred variable compensation after settlement ▪ For UK PRA MRTs, clawback may be applied up to seven years from grant date (or such longer period as may be required) ▪ The Group will apply clawback provisions to the extent permitted under local laws, as required	For UK PRA MRTs, clawback may be applied in certain situations, including: ▪ Conduct which resulted in significant losses to the Group; ▪ Failure to meet appropriate standards of fitness and propriety; ▪ Reasonable evidence of misconduct or misbehavior or a material or serious error; ▪ The Group or relevant business unit suffers a material failure of risk management; ▪ A regulator mandates a significant increase in regulatory capital for the Group or any division or region; or ▪ The individual has contributed to any regulatory sanctions imposed on the Group or division or region Similar clawback provisions apply for employees regulated by the Bank of Italy and other EU-regulated employees who are subject to a clawback requirement.

Covered Employees (including Material Risk Takers and Controllers)

Covered employees are subject to a heightened level of scrutiny over the alignment of their compensation with performance and risk considerations.

Employee categories		Compensation process
Covered Employees	▪ MRTCs ▪ US-based revenue producers in the Investment Bank division	**Focus on risk assessment** ▪ Covered employees and their managers are required to define role-specific risk objectives and to incorporate risk considerations in their performance evaluations and when setting variable incentive compensation ▪ Types of risks considered vary by role (e.g., reputational, credit, market, operational, liquidity, legal and compliance) ▪ Both realized and potential risk outcomes are assessed
MRTCs	▪ Members of the Executive Board ▪ Employees who report directly to a member of the Executive Board ▪ Employees, individually or as part of a group, with the ability to put material amounts of the Group's capital at risk ▪ Top 150 paid employees across the Group based on total compensation ▪ Any employee identified as taking or controlling material risks on behalf of the Group, as prescribed by EU / UK regulators ▪ Senior relationship managers in the Wealth Management-related businesses ▪ Other individuals whose roles have been identified as having a potential impact on the market, reputational and operational risk of the Group	

Board

Board shareholdings

The following table discloses the shareholdings of the Board members, their immediate family, and companies in which they have a controlling interest. As of December 31, 2022, 2021 and 2020, there were no Board members with outstanding options.

Board shareholdings by individual

end of	2022	2021
December 31 (shares) [1]		
Axel Lehmann	568,066	108,220
Mirko Bianchi [2]	21,676	–
Iris Bohnet	201,502	115,182
Clare Brady	57,985	12,695
Christian Gellerstad	247,267	138,884
Keyu Jin [2]	24,559	–
Shan Li	117,064	49,062
Seraina Macia	190,728	105,035
Blythe Masters	57,918	12,027
Richard Meddings	156,811	58,403
Amanda Norton [2]	18,217	–
Ana Paula Pessoa	118,570	79,404
Total	**1,780,363**	**678,912** [3]

1 Includes Group shares that are subject to a blocking period of up to four years; includes shareholdings of immediate family members.
2 Mirko Bianchi, Keyu Jin and Amanda Norton were newly elected at the 2022 AGM.
3 Excluded 335,902 shares held by António Horta-Osório, who stepped down as Chairman as of January 16, 2022; 71,465 shares held by Michael Klein, who stepped down as of October 27, 2022; and 422,140 shares held by Kai S. Nargolwala and 199,154 shares held by Severin Schwan, who both did not stand for re-election at the 2022 AGM.

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. Pursuant to the AoA, each member of the Board may be granted individual credit facilities or loans up to a maximum of CHF 20 million at market conditions. As of December 31, 2022, 2021 and 2020, outstanding loans to Board members amounted to CHF 4 million, CHF 7 million and CHF 4 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. 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 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, 2022, 2021 and 2020, 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 with Board and Executive Board members and related party transactions” in IV – Corporate Governance – Additional information for further information.

Board loans by individual (audited)

end of	2022	2021
December 31 (CHF)		
Christian Gellerstad	3,418,350	3,456,750
Seraina Macia	928,000	936,000
Total	**4,346,350**	**4,392,750** [1]

Includes loans to immediate family members and companies, in which the respective Board member has an ownership stake of 50% or higher.
1 Excluded a loan of CHF 2,477,554 held by António Horta-Osório, who stepped down from the Board as of January 16, 2022.

Former members of the Board (audited)

One former member of the Board is eligible to receive office infrastructure and secretarial support. These services are based on existing resources. No other additional fees, severance payments or other forms of compensation were paid to former members of the Board or related parties during 2022 and 2021.

Report of the statutory auditor

to the General Meeting of Credit Suisse Group AG, Zurich

Report on the audit of the compensation report

Opinion

We have audited the accompanying compensation report of Credit Suisse Group AG (the Company) for the year ended December 31, 2022. The audit was limited to the information on compensation, loans and advances pursuant to Art. 14 to 16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Ordinance) in the tables marked 'audited' on pages 235 to 252 of the compensation report.

In our opinion, the information on compensation, loans and advances in the compensation report on pages 235 to 252 complies with Swiss law and article 14 to 16 of the Ordinance.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the compensation report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the compensation report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information on compensation, loans and advances pursuant to article 14 to 16 of the Ordinance is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

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As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG

Matthew Falconer	George Okroashvili
Audit expert Auditor in charge	Audit expert

Zürich
March 14, 2023

VI – Consolidated financial statements – Credit Suisse Group

Notes to the consolidated financial statements

Controls and procedures

Evaluation of disclosure controls and procedures

The Group has evaluated the effectiveness of its disclosure controls and procedures as of the end of the period covered by this report under the supervision and with the participation of management, including the Group Chief Executive Officer (CEO) and Chief Financial Officer (CFO), pursuant to Rule 13(a)-15(b) under the Securities Exchange Act of 1934 (the Exchange Act). The Group identified certain material weaknesses in internal control over financial reporting as of December 31, 2021 and, consequently, December 31, 2022, which are described below. As a result of these material weaknesses, the Group CEO and CFO have concluded that, as of December 31, 2022, the Group's disclosure controls and procedures were not effective.

Notwithstanding the existence of these material weaknesses in internal control over financial reporting, the Group confirms that its consolidated financial statements in this Annual Report fairly present, in all material respects, the Group's consolidated financial condition as of December 31, 2022 and 2021, and its consolidated results of operations and cash flows for the years ended December 31, 2022, 2021 and 2020, in conformity with US GAAP, as reflected in PricewaterhouseCoopers AG's (PwC) report on those financial statements.

Management's report on internal control over financial reporting

The management of the Group is responsible for establishing and maintaining adequate internal control over financial reporting. The Group's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has made an evaluation and assessment of the Group's internal control over financial reporting as of December 31, 2022 using the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control – Integrated Framework (2013)". Based upon its review and evaluation, management, including the Group CEO and CFO, has concluded that, as of December 31, 2022, the Group's internal control over financial reporting was not effective because of the material weaknesses described below. For the same reasons, management has also reassessed its conclusion as to the effectiveness of internal control over financial reporting as of December 31, 2021, and concluded that internal control over financial reporting was also not effective as of such date.

Management did not design and maintain an effective risk assessment process to identify and analyze the risk of material misstatements in its financial statements and did not design and maintain effective monitoring activities relating to (i) providing sufficient management oversight over the internal control evaluation process to support the company's internal control objectives; (ii) involving appropriate and sufficient management resources to support the risk assessment and monitoring objectives; and (iii) assessing and communicating the severity of deficiencies in a timely manner to those parties responsible for taking corrective action. These material weaknesses contributed to an additional material weakness, as management did not design and maintain effective controls over the classification and presentation of the consolidated statement of cash flows. Specifically, certain control activities over the completeness and the classification and presentation of non-cash items in the consolidated statement of cash flows were not performed on a timely basis or at the appropriate level of precision. This material weakness resulted in the revisions contained in our previously issued consolidated financial statements for the three years ended December 31, 2021 as disclosed in the 2021 Annual Report. Additionally, each of these material weaknesses could result in further misstatements of account balances or disclosures that would result in a material misstatement to the annual consolidated financial statements that would not be prevented or detected.

PwC, the independent registered public accounting firm that audited the financial statements for the year ended December 31, 2022, included in this annual report, has issued an adverse opinion on the effectiveness of the Group's internal control over financial reporting as of December 31, 2022.

Remediation plans

Management and the Group Audit Committee have worked continuously in recent years to improve the control environment surrounding financial reporting with increased investment and additional resources. Management is committed to maintaining a strong internal control environment and implementing measures designed to help ensure that the material weaknesses are remediated as soon as possible. Management is developing a remediation plan to address the material weaknesses referred to above, including strengthening the risk and control frameworks, and which will build on the significant attention that management has devoted to controls to date. Additionally, we will implement robust controls to ensure that all non-cash items are classified appropriately within the consolidated statement of cash flows.

Changes in internal control over financial reporting

Other than as described above, there were no changes in the Group's internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Group's internal control over financial reporting.

Report of the Statutory Auditor

To the General Meeting of Credit Suisse Group AG, Zurich

Report on the audit of the consolidated financial statements

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Credit Suisse Group AG and its subsidiaries (the "Group") as of December 31, 2022 and 2021, and the related consolidated statements of operations, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2022, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with the U.S. Generally Accepted Accounting Principles and comply with Swiss law.

Change in Accounting Principle

As discussed in Note 2 and Note 20 to the consolidated financial statements, the Group changed the manner in which it accounts for credit losses on certain financial instruments in 2020.

Basis for Opinions

These consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on the Group's consolidated financial statements based on our audits. We are a public accounting firm registered with the Swiss Federal Audit Oversight Authority and the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Group in accordance with Swiss law and the U.S. federal securities laws and the applicable rules and regulations of the Swiss audit profession, the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with Swiss law, Swiss Standards on Auditing (SA-CH) and the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

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Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Fair Value of Certain Level 3 Financial Instruments

As described in Note 36 to the consolidated financial statements, the Group carried CHF 9,312 million of its assets and CHF 9,496 million of its liabilities measured at fair value on a recurring basis that are categorized as level 3 of the fair value hierarchy as of December 31, 2022. For these financial instruments, for which no prices are available and which have significant unobservable inputs, the determination of fair value may require the use of either industry standard models or internally developed proprietary models, as well as subjective assessment and judgment, depending on liquidity, pricing assumptions, the current economic and competitive environment and the risks affecting the specific instrument. The significant unobservable inputs used by management to determine the fair value of certain of these level 3 financial instruments included (i) correlation, (ii) market implied life expectancy, in years, (iii) UK mortality, (iv) price, (v) volatility, and (vi) credit spread.

The principal considerations for our determination that performing procedures relating to the fair value of certain level 3 financial instruments is a critical audit matter are (i) the significant judgment by management in determining the fair value of these financial instruments, which in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence related to the fair value of these financial instruments, and (ii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the fair value of financial instruments, including controls over the Group's models, inputs, and data. These procedures also included, among others, for a sample of financial instruments, the involvement of professionals with specialized skill and knowledge to assist in (i) developing an independent estimate of fair value or (ii) testing management's process to determine the fair value of these financial instruments. Developing an independent estimate involved (i) testing the completeness and accuracy of data provided by management, (ii) evaluating and utilizing management's significant unobservable inputs or developing independent significant unobservable inputs, and (iii) comparing management's estimate to the independently developed estimate of fair value. Testing management's process to determine the fair value involved (i) evaluating the reasonableness of management's significant unobservable inputs, (ii) evaluating the appropriateness of the techniques used, and (iii) testing the completeness and accuracy of data used by management to determine the fair value of these instruments.

Allowance for Credit Losses on Certain Collectively Evaluated Corporate and Institutional Loans

As described in Notes 1 and 20 to the consolidated financial statements, the Group's allowance for credit losses on collectively evaluated corporate and institutional loans was CHF 432 million on corporate and institutional loans held at amortized cost of CHF 107,433 million as of December 31, 2022. The credit loss amounts were based on a forward-looking, lifetime current expected credit losses ("CECL") model by incorporating reasonable and supportable forecasts of future economic conditions available at the reporting date. Expected credit losses were not solely derived from projections of macroeconomic factors. Model overlays based on expert judgment were also applied, considering historical loss experience and industry and counterparty reviews, and were primarily impacting certain corporate and institutional loans portfolios.

The principal considerations for our determination that performing procedures relating to the allowance for credit losses on certain collectively evaluated corporate and institutional loans is a critical audit matter are (i) the significant judgment by management in evaluating model results and assessing the need for overlays to the CECL model output, (ii) the significant judgment and estimation by management in determining an appropriate methodology for the overlays applied, which both in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and in evaluating audit evidence obtained relating to the model results and the appropriateness of overlays to the CECL model output, and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's expected credit loss process, including controls over the Group's models, data, and overlays. The procedures also included, among others, testing management's process for estimating expected credit losses, which included (i) evaluating the appropriateness of the model methodologies used to determine the allowance for credit losses, (ii) testing the completeness and accuracy of data used in the estimate, and (iii) for a sample, evaluating the reasonableness of management's model overlays. The procedures included the use of professionals with specialized skill and knowledge to assist in evaluating the appropriateness of model methodologies and assist in evaluating the audit evidence.

Litigation provisions

As described in Note 40 to the consolidated financial statements, the Group is involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of its businesses. The Group's aggregate litigation provisions include estimates of losses, additional losses or ranges of loss for proceedings for which such losses are probable and can be reasonably estimated. As of December 31, 2022, the Group has recorded litigation provisions of CHF 1,172 million. Management's estimate of the aggregate range of reasonably possible losses that are not covered by existing provisions for which management believes an estimate is possible is zero to CHF 1.2 billion.

The principal considerations for our determination that performing procedures relating to the litigation provisions is a critical audit matter are the significant judgment by management when assessing the likelihood of a loss being incurred and when determining whether a reasonable estimate of the loss or ranges of loss for each claim can be made, which in turn led to a high degree of auditor judgment, subjectivity, and effort in evaluating management's assessment of the litigation provisions and related disclosures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's estimation of the litigation provisions, including controls over determining whether a loss is probable and whether the amount of loss can be reasonably estimated, as well as controls over the related financial statement disclosures. These procedures also included, among others, obtaining and evaluating the letters of audit inquiry with internal and external legal counsel, targeted inquiries with external counsel, evaluating the reasonableness of management's assessment regarding whether an unfavorable outcome is reasonably possible or probable and reasonably estimable, and evaluating the sufficiency of the Group's litigation provisions and related disclosures.

Goodwill Impairment Assessment of the Asset Management and Wealth Management Reporting Units

As described in Note 21 to the consolidated financial statements, the Group's goodwill balance was CHF 2,903 million as of December 31, 2022, which is allocated to the Group's reporting units, and for which CHF 1,111 million was allocated to the Asset Management reporting unit and CHF 1,304 million was allocated to the Wealth Management reporting unit. Goodwill is reviewed for impairment on an annual basis as of December 31 and at any other time that events or circumstances indicate that the carrying value of goodwill may not be recoverable. In estimating the fair value of its reporting units, management applied a combination of the market approach and the income approach. In determining the estimated fair value, management relied upon its latest five-year financial plan which included significant management assumptions and estimates based on their view of current and future economic conditions and significant assumptions regarding the discount rate under the income approach as well as price to projected earnings and price to book value multiples ("multiples") under the market approach.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment of the Asset Management and Wealth Management reporting units is a critical audit matter are (i) the significant judgment by management when developing the fair value measurement of the Asset Management and Wealth Management reporting units, (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions, specifically the five-year financial plan, discount rate and multiples, and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls over the valuation of the Asset Management and Wealth Management reporting units. These procedures also included, among others (i) testing management's process for developing the fair value estimate of the Asset Management and Wealth Management reporting units and (ii) developing an independent estimate of fair value for these reporting units. Testing management's process involved (i) evaluating the reasonableness of significant assumptions used by management, specifically the five-year financial plan, discount rate and multiples, (ii) evaluating the appropriateness of the methods used, and (iii) testing the completeness and accuracy of underlying data used in management's model. Developing an independent estimate involved using alternative financial plans, as well as independent discount rate and multiples, and comparing management's estimate to the independently developed estimate. Professionals with specialized skill and knowledge were used to assist in the evaluation of the management's estimate and development of an independent estimate.

Report on other legal and regulatory requirements

During our audit, performed in accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we noted that an internal control system has been designed by management for the preparation of consolidated financial statements according to the instructions of the Board of Directors. However, we noted (i) that management did not design and maintain an effective risk assessment process to identify and analyze the risk of material misstatements in its consolidated financial statements within this system and (ii) management did not design and maintain effective controls over the completeness and the classification and presentation of non-cash items in the consolidated statements of cash flows.

In our opinion, except for the matters described in the preceding paragraph, an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

We have also audited, in accordance with the standards of the PCAOB, the Group's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 14, 2023 expressed an adverse opinion on the effectiveness of the Group's internal control over financial reporting.

PricewaterhouseCoopers AG

Matthew Falconer	Matthew Goldman
Audit expert Auditor in charge	Audit partner

Zurich, March 14, 2023

We have served as the Group's auditor since 2020.

Report of the Independent Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

To the Board of Directors and shareholders of Credit Suisse Group AG

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Credit Suisse Group AG and its subsidiaries (the "Group") as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Group did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO because material weaknesses in internal control over financial reporting existed as of that date related to (i) the effectiveness of the risk assessment process to identify and analyze the risk of material misstatements in the Group's financial statements, (ii) the effectiveness of monitoring activities relating to providing sufficient management oversight over the internal control evaluation process to support the Group's internal control objectives, involving appropriate and sufficient management resources to support the risk assessment and monitoring objectives and assessing and communicating the severity of deficiencies in a timely manner to those parties responsible for taking corrective action and (iii) the effectiveness of controls over the completeness and the classification and presentation of non-cash items in the consolidated statements of cash flows.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses referred to above are described in Management's report on internal control over financial reporting included in the 2022 Annual Report in section VI – Consolidated financial statements – Credit Suisse Group in the Controls and procedures section. We considered these material weaknesses in determining the nature, timing, and extent of audit tests applied in our audit of the 2022 consolidated financial statements, and our opinion regarding the effectiveness of the Group's internal control over financial reporting does not affect our opinion on those consolidated financial statements.

The Group's management and we previously concluded that the Group maintained effective internal control over financial reporting as of December 31, 2021. However, the Group's management and we have subsequently determined that material weaknesses in internal control over financial reporting existed and accordingly concluded that internal control over financial reporting was not effective as of such date.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheet of the Group as of December 31, 2022, and the related consolidated statements of operations, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2022, including the related notes (collectively referred to as the "consolidated financial statements"), and our report dated March 14, 2023 expressed an unqualified opinion on those consolidated financial statements.

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zurich, Switzerland
Telephone: +41 58 792 44 00, www.pwc.ch

Basis for Opinion

The Group's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in management's report referred to above. Our responsibility is to express an opinion on the Group's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers AG

Matthew Falconer	Matthew Goldman
Audit expert Auditor in charge	Audit partner

Zurich, March 14, 2023

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Consolidated financial statements

Consolidated statements of operations

in	Note	2022	2021	2020
Consolidated statements of operations (CHF million)				
Interest and dividend income	5	12,251	9,658	11,261
Interest expense	5	(6,910)	(3,847)	(5,313)
Net interest income	5	5,341	5,811	5,948
Commissions and fees	6	8,853	13,165	11,853
Trading revenues	7	(451)	2,431	3,295
Other revenues	8	1,178	1,289	1,293
Net revenues		**14,921**	**22,696**	**22,389**
Provision for credit losses	9	**16**	**4,205**	**1,096**
Compensation and benefits	10	8,813	8,963	9,890
General and administrative expenses	11	7,782	7,159	6,523
Commission expenses		1,012	1,243	1,256
Goodwill impairment	21	23	1,623	0
Restructuring expenses	12	533	103	157
Total other operating expenses		9,350	10,128	7,936
Total operating expenses		**18,163**	**19,091**	**17,826**
Income/(loss) before taxes		**(3,258)**	**(600)**	**3,467**
Income tax expense	29	4,048	1,026	801
Net income/(loss)		**(7,306)**	**(1,626)**	**2,666**
Net income/(loss) attributable to noncontrolling interests		(13)	24	(3)
Net income/(loss) attributable to shareholders		**(7,293)**	**(1,650)**	**2,669**
Earnings/(loss) per share (CHF)				
Basic earnings/(loss) per share	13	(2.55)	(0.63)	1.02
Diluted earnings/(loss) per share	13	(2.55)	(0.63)	0.99

Consolidated statements of comprehensive income

in	2022	2021	2020
Comprehensive income/(loss) (CHF million)			
Net income/(loss)	(7,306)	(1,626)	2,666
Gains/(losses) on cash flow hedges	(1,222)	(301)	178
Foreign currency translation	(287)	795	(3,065)
Unrealized gains/(losses) on securities	(26)	0	(17)
Actuarial gains/(losses)	64	1,022	(37)
Net prior service credit/(cost)	(153)	(91)	(148)
Gains/(losses) on liabilities related to credit risk	6,091	405	202
Other comprehensive income/(loss), net of tax	4,467	1,830	(2,887)
Comprehensive income/(loss)	**(2,839)**	**204**	**(221)**
Comprehensive income/(loss) attributable to noncontrolling interests	(22)	30	(9)
Comprehensive income/(loss) attributable to shareholders	**(2,817)**	**174**	**(212)**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated balance sheets

end of	Note	**2022**	2021
Assets (CHF million)			
Cash and due from banks		68,478	164,818
of which reported at fair value		198	308
of which reported from consolidated VIEs		229	108
Interest-bearing deposits with banks		455	1,323
of which reported at fair value		14	0
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	15	58,798	103,906
of which reported at fair value		40,793	68,623
Securities received as collateral, at fair value		2,978	15,017
of which encumbered		2,220	8,455
Trading assets, at fair value	16	65,461	111,141
of which encumbered		21,874	30,092
of which reported from consolidated VIEs		2,588	1,822
Investment securities	17	1,718	1,005
of which reported at fair value		797	1,005
of which encumbered		1,248	516
Other investments	18	5,518	5,826
of which reported at fair value		3,730	4,094
of which reported from consolidated VIEs		781	1,015
Net loans	19	264,165	291,686
of which reported at fair value		7,358	10,243
of which encumbered		103	42
of which reported from consolidated VIEs		3,410	1,400
allowance for credit losses		(1,363)	(1,297)
Goodwill	21	2,903	2,917
Other intangible assets	22	458	276
of which reported at fair value		403	224
Brokerage receivables		13,818	16,687
allowance for credit losses		(4,081)	(4,186)
Other assets	23	46,608	41,231
of which reported at fair value		8,946	9,184
of which reported from consolidated VIEs		4,605	1,496
of which loans held-for-sale (amortized cost base)		8,378	588
allowance for credit losses – other assets held at amortized cost		(40)	(30)
Total assets		**531,358**	**755,833**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated balance sheets (continued)

end of	Note	2022	2021
Liabilities and equity (CHF million)			
Due to banks	25	11,905	18,965
of which reported at fair value		490	477
Customer deposits	25	233,235	392,819
of which reported at fair value		2,464	3,700
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	15	20,280	35,274
of which reported at fair value		14,042	13,213
Obligation to return securities received as collateral, at fair value		2,978	15,017
Trading liabilities, at fair value	16	18,338	27,535
of which reported from consolidated VIEs		1,063	8
Short-term borrowings		12,414	19,393
of which reported at fair value		6,783	10,690
of which reported from consolidated VIEs		3,137	4,352
Long-term debt	26	157,235	166,896
of which reported at fair value		58,721	68,722
of which reported from consolidated VIEs		2,096	1,391
Brokerage payables		11,442	13,060
Other liabilities	23	18,200	22,644
of which reported at fair value		2,300	2,592
of which reported from consolidated VIEs		190	231
Total liabilities		**486,027**	**711,603**
Common shares		160	106
Additional paid-in capital		38,615	34,938
Retained earnings		23,632	31,064
Treasury shares, at cost		(428)	(828)
Accumulated other comprehensive income/(loss)	27	(16,850)	(21,326)
Total shareholders' equity		**45,129**	**43,954**
Noncontrolling interests		202	276
Total equity		**45,331**	**44,230**
Total liabilities and equity		**531,358**	**755,833**

→ Refer to "Note 34 – Guarantees and commitments" and "Note 40 – Litigation" for information on commitments and contingencies.

end of	Note	2022	2021
Additional share information			
Par value (CHF)		0.04	0.04
Authorized shares [1]		4,577,158,062	3,100,747,720
Common shares issued	27	4,002,158,062	2,650,747,720
Treasury shares	27	(60,907,981)	(81,063,211)
Shares outstanding	27	3,941,250,081	2,569,684,509

1 Includes issued shares and unissued shares (conditional, conversion and authorized capital).

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated statements of changes in equity

	Attributable to shareholders							
	Common shares	Additional paid-in capital	Retained earnings	Treasury shares, at cost	AOCI	**Total share-holders' equity**	Non-controlling interests	**Total equity**
2022 (CHF million)								
Balance at beginning of period	**106**	**34,938**	**31,064**	**(828)**	**(21,326)**	**43,954**	**276**	**44,230**
Purchase of subsidiary shares from non-controlling interests, not changing ownership [1, 2]	–	–	–	–	–	–	(64)	(64)
Sale of subsidiary shares to noncontrolling interests, not changing ownership [2]	–	–	–	–	–	–	79	79
Net income/(loss)	–	–	(7,293)	–	–	(7,293)	(13)	(7,306)
Total other comprehensive income/(loss), net of tax	–	–	–	–	4,476	4,476	(9)	4,467
Issuance of common shares	54	3,960	–	–	–	4,014	–	4,014
Sale/(repurchase) of treasury shares	–	(70)	–	(159)	–	(229)	–	(229)
Share-based compensation, net of tax	–	55	–	559	–	614	–	614
Financial instruments indexed to own shares	–	3	–	–	–	3	–	3
Dividends paid	–	(140) [3]	(139)	–	–	(279)	(1)	(280)
Changes in scope of consolidation, net	–	–	–	–	–	–	(66)	(66)
Other	–	(131)	–	–	–	(131)	–	(131)
Balance at end of period	**160**	**38,615**	**23,632**	**(428)**	**(16,850)**	**45,129**	**202**	**45,331**
2021 (CHF million)								
Balance at beginning of period	**98**	**33,323**	**32,834**	**(428)**	**(23,150)**	**42,677**	**264**	**42,941**
Purchase of subsidiary shares from non-controlling interests, not changing ownership	–	–	–	–	–	–	(42)	(42)
Sale of subsidiary shares to noncontrolling interests, not changing ownership	–	–	–	–	–	–	27	27
Net income/(loss)	–	–	(1,650)	–	–	(1,650)	24	(1,626)
Total other comprehensive income/(loss), net of tax	–	–	–	–	1,824	1,824	6	1,830
Issuance of common shares	8	1,748	–	(1,756)	–	–	–	0
Conversion of mandatory convertible notes	–	–	–	1,756	–	1,756	–	1,756
Sale/(repurchase) of treasury shares	–	(22)	–	(1,035)	–	(1,057)	–	(1,057)
Share-based compensation, net of tax	–	54	–	635	–	689	–	689
Dividends paid	–	(136)	(120)	–	–	(256)	(1)	(257)
Changes in scope of consolidation, net	–	–	–	–	–	–	(2)	(2)
Other	–	(29)	–	–	–	(29)	–	(29)
Balance at end of period	**106**	**34,938**	**31,064**	**(828)**	**(21,326)**	**43,954**	**276**	**44,230**

1 Distributions to owners in funds include the return of original capital invested and any related dividends.
2 Transactions with and without ownership changes related to fund activity are all displayed under "not changing ownership".
3 Paid out of capital contribution reserves.

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated statements of changes in equity (continued)

	Attributable to shareholders							
	Common shares	Additional paid-in capital	Retained earnings	Treasury shares, at cost	AOCI	**Total share-holders' equity**	Non-controlling interests	**Total equity**
2020 (CHF million)								
Balance at beginning of period	**102**	**34,661**	**30,634**	**(1,484)**	**(20,269)**	**43,644**	**70**	**43,714**
Purchase of subsidiary shares from non-controlling interests, not changing ownership	–	–	–	–	–	–	(20)	(20)
Sale of subsidiary shares to noncontrolling interests, not changing ownership	–	–	–	–	–	–	19	19
Net income/(loss)	–	–	2,669	–	–	2,669	(3)	2,666
Cumulative effect of accounting changes, net of tax	–	–	(132)	–	–	(132)	–	(132)
Total other comprehensive income/(loss), net of tax	–	–	–	–	(2,881)	(2,881)	(6)	(2,887)
Cancellation of repurchased shares	(4)	(1,321)	–	1,325	–	–	–	–
Sale/(repurchase) of treasury shares	–	(35)	–	(854)	–	(889)	–	(889)
Share-based compensation, net of tax	–	377	–	585	–	962	–	962
Dividends paid	–	(379)	(337)	–	–	(716)	–	(716)
Changes in scope of consolidation	–	–	–	–	–	–	198	198
Other	–	20	–	–	–	20	6	26
Balance at end of period	**98**	**33,323**	**32,834**	**(428)**	**(23,150)**	**42,677**	**264**	**42,941**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated statements of cash flows

in	2022	2021	2020
Operating activities (CHF million)			
Net income/(loss)	**(7,306)**	**(1,626)**	**2,666**
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities (CHF million)			
Impairment, depreciation and amortization	1,737	3,041	1,356
Provision for credit losses	16	4,205	1,096
Deferred tax provision/(benefit)	3,810	225	434
Share-based compensation	779	922	1,152
Valuation adjustments relating to long-term debt	(15,050)	1,424	2,364
Share of net income/(loss) from equity method investments	(103)	(182)	(121)
Trading assets and liabilities, net	35,984	27,054	(8,090)
(Increase)/decrease in other assets	1,356	14,623	(7,829)
Increase/(decrease) in other liabilities	(7,380)	(12,537)	819
Other, net	(23)	(211)	122
Total adjustments	21,126	38,564	(8,697)
Net cash provided by/(used in) operating activities	**13,820**	**36,938**	**(6,031)**
Investing activities (CHF million)			
(Increase)/decrease in interest-bearing deposits with banks	885	(7)	(519)
(Increase)/decrease in central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	38,854	(8,895)	19,289
Purchase of investment securities	(1,230)	(630)	(402)
Proceeds from sale of investment securities	44	0	629
Maturities of investment securities	229	184	184
Investments in subsidiaries and other investments	(286)	(2,049)	(210)
Proceeds from sale of other investments	510	616	678
(Increase)/decrease in loans	14,634	(3,710)	(8,029)
Proceeds from sales of loans	2,754	5,371	3,860
Capital expenditures for premises and equipment and other intangible assets	(1,438)	(1,419)	(1,188)
Proceeds from sale of premises and equipment and other intangible assets	0	3	45
Other, net	586	454	113
Net cash provided by/(used in) investing activities	**55,542**	**(10,082)**	**14,450**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated statements of cash flows (continued)

in	2022	2021	2020
Financing activities (CHF million)			
Increase/(decrease) in due to banks and customer deposits	(166,585)	1,217	24,618
Increase/(decrease) in short-term borrowings	(7,587)	(337)	(5,246)
Increase/(decrease) in central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(7,487)	(2,996)	(1,534)
Issuances of long-term debt	64,153	56,552	58,009
Repayments of long-term debt	(49,644)	(52,965)	(42,768)
Issuances of common shares	3,924	0	0
Sale/(repurchase) of treasury shares	(229)	(1,057)	(889)
Dividends paid	(280)	(257)	(716)
Other, net	(148)	(204)	7
Net cash provided by/(used in) financing activities	**(163,883)**	**(47)**	**31,481**
Effect of exchange rate changes on cash and due from banks (CHF million)			
Effect of exchange rate changes on cash and due from banks	**(1,819)**	**(1,103)**	**(2,667)**
Net increase/(decrease) in cash and due from banks (CHF million)			
Net increase/(decrease) in cash and due from banks	**(96,340)**	**25,706**	**37,233**
Cash and due from banks at beginning of period [1]	164,818	139,112	101,879
Cash and due from banks at end of period [1]	**68,478**	**164,818**	**139,112**

1 Includes restricted cash.

Supplemental cash flow information

in	2022	2021	2020
Cash paid for income taxes and interest (CHF million)			
Cash paid for income taxes	678	815	757
Cash paid for interest	7,835	5,703	8,376

→ Refer to “Note 3 – Business developments, significant shareholders and subsequent events”, “Note 20 – Financial instruments measured at amortized cost and credit losses”, “Note 24 – Leases” and “Note 35 – Transfers of financial assets and variable interest entities” for information on non-cash transactions.

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Notes to the consolidated financial statements

1 Summary of significant accounting policies

Overview

The accompanying consolidated financial statements of Credit Suisse Group AG (the Group) are prepared in accordance with accounting principles generally accepted in the US (US GAAP) and are stated in Swiss francs (CHF). The financial year for the Group ends on December 31. Certain reclassifications have been made to the prior year's consolidated financial statements to conform to the current presentation which had no impact on net income/(loss) or total shareholders' equity.

In preparing the consolidated financial statements, management is required to make estimates and assumptions including, but not limited to, the fair value measurements of certain financial assets and liabilities, the allowance for loan losses, the evaluation of variable interest entities (VIEs), the impairment of assets other than loans, recognition of deferred tax assets, tax uncertainties, pension liabilities and various contingencies. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the dates of the consolidated balance sheets and the reported amounts of revenues and expenses during the reporting period. While management evaluates its estimates and assumptions on an ongoing basis, actual results could differ materially from management's estimates. Market conditions may increase the risk and complexity of the judgments applied in these estimates.

Certain accounting changes

As noted in our 2021 Annual Report, the Group identified an accounting issue that was not material to the prior period financial statements. The Group identified this accounting issue with respect to the net balance sheet treatment relating to the presentation of a limited population of certain securities lending and borrowing activities. As a result, balance sheet and cash flow positions for both assets and liabilities relating to these activities were presented on a gross basis and prior periods were revised in the consolidated financial statements and the related notes.

Beginning with the quarter ended June 30, 2022, the Group has presented these securities lending and borrowing transactions as a single unit of account and as a result these transactions will no longer be presented on a gross basis. The Group did not adjust prior period financial information, which continue to reflect a presentation on a gross basis.

Principles of consolidation

The consolidated financial statements include the financial statements of the Group and its subsidiaries. The Group's subsidiaries are entities in which it holds, directly or indirectly, more than 50% of the voting rights or where it exercises control. The Group consolidates limited partnerships in cases where it is the general partner and the limited partners do not have either substantive kick out rights and/or substantive participating rights or is a limited partner with substantive rights to kick out the general partner or dissolve the partnership and participate in significant decisions made in the ordinary course of business. The Group also consolidates VIEs if the Group is the primary beneficiary in accordance with Accounting Standards Codification (ASC) Topic 810 – Consolidation. The effects of material intercompany transactions and balances have been eliminated.

Where a Group subsidiary is determined to be an investment company as defined by ASC Topic 946 – Financial Services – Investment Companies, interests in other entities held by this Group subsidiary are not consolidated and are carried at fair value.

Group entities that qualify as broker-dealer entities as defined by ASC Topic 940 – Financial Services – Brokers and Dealers do not consolidate investments in voting interest entities that would otherwise qualify for consolidation when the investment is held on a temporary basis for trading purposes. In addition, subsidiaries that are strategic components of a broker-dealer's operations are consolidated regardless of holding intent.

Foreign currency translation

Transactions denominated in currencies other than the functional currency of the related entity are recorded by remeasuring them in the functional currency of the related entity using the foreign exchange (FX) rate on the date of the transaction. As of the dates of the consolidated balance sheets, monetary assets and liabilities are reported using the year-end spot foreign exchange rates. Foreign exchange rate differences are recorded in the consolidated statements of operations. Non-monetary assets and liabilities are recorded using the historic exchange rate.

For the purpose of consolidation, the assets and liabilities of Group companies with functional currencies other than the Swiss franc are translated into Swiss franc equivalents using year-end spot foreign exchange rates, whereas revenues and expenses are translated at weighted average foreign exchange rates for the period. Translation adjustments arising from consolidation are included in accumulated other comprehensive income/(loss) (AOCI) within total shareholders' equity. Cumulative translation adjustments are released from AOCI and recorded in the consolidated statements of operations when the Group loses control of a consolidated foreign subsidiary.

Fair value measurement and option

The fair value measurement guidance establishes a single authoritative definition of fair value and sets out a framework for measuring fair value. The fair value option creates an alternative measurement treatment for certain financial assets and financial liabilities. The fair value option can be elected at initial recognition of the eligible item or at the date when the Group enters into an agreement which gives rise to an eligible item (e.g., a firm commitment or a written loan commitment). If not elected at initial recognition, the fair value option can be applied to an item upon certain triggering events that give rise to a new basis of accounting for that item. The application of the fair value option to a financial asset or a financial liability does not change its classification on the balance sheet and the election is irrevocable. Changes in fair value resulting from the election are recorded in trading revenues.

→ Refer to "Fair value option" in Note 36 – Financial instruments for further information.

Cash and due from banks

Cash and due from banks consists of currency on hand, demand deposits with banks or other financial institutions and cash equivalents. Cash equivalents are defined as short-term, highly liquid instruments with original maturities of three months or less, which are held for cash management purposes. Restricted cash is any cash or cash equivalent recorded in cash and due from banks subject to restrictions imposed by a governmental or other regulatory agency that require the Group to set aside specified amounts of cash as reserves against transactions and time deposits.

Reverse repurchase and repurchase agreements

Purchases of securities under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) do not constitute economic sales; therefore, they are treated as collateralized financing transactions, which are carried in the consolidated balance sheet at the amount of cash disbursed or received, respectively. Reverse repurchase agreements are recorded as collateralized assets while repurchase agreements are recorded as liabilities. The underlying securities sold continue to be recognized in trading assets or investment securities. The fair value of securities to be repurchased and resold is monitored on a daily basis, and additional collateral is obtained as needed to protect against credit exposure.

Assets and liabilities recorded under these agreements are accounted for on one of two bases, the accrual basis or the fair value basis. Under the accrual basis, interest earned on reverse repurchase agreements and interest incurred on repurchase agreements are reported in interest and dividend income and interest expense, respectively. The Group elects to apply the fair value option to selected agreements pursuant to ASC Topic 825 – Financial Instruments. Under such circumstances, the change in fair value is reported in trading revenues. Accrued interest income and expense are recorded in the same manner as under the accrual method.

Reverse repurchase and repurchase agreements may be netted if they are with the same counterparty, have the same maturity date, settle through the same qualifying clearing institution and are subject to a right of offset allowed by a legally enforceable master netting agreement or a central counterparty's clearing rules.

Securities lending and borrowing transactions

Securities borrowed and securities loaned that are cash-collateralized are included in the consolidated balance sheet at amounts equal to the cash advanced or received. If securities received as collateral in a securities lending and borrowing transaction may be sold or repledged, they are recorded as securities received as collateral in the consolidated balance sheet and a corresponding liability to return the security is recorded. Securities lending transactions against non-cash collateral in which the Group has the right to resell or repledge the collateral received are recorded at the fair value of the collateral initially received. For securities lending transactions, the Group receives cash or securities collateral in an amount generally in excess of the market value of securities lent. The Group monitors the fair value of securities borrowed and loaned on a daily basis with additional collateral obtained as necessary.

Securities lending and borrowing fees and interest received or paid are recorded in interest and dividend income and interest expense, respectively, on an accrual basis. If the fair value basis of accounting is elected, any resulting change in fair value is reported in trading revenues. Accrued interest income and expense are recorded in the same manner as under the accrual method.

Transfers of financial assets

Transfers of financial assets may involve the sale of these assets to special purpose entities (SPEs), which in turn issue securities to investors. The Group values its beneficial interests in such SPEs at fair value using quoted market prices, if such positions are traded on an active exchange, or financial models that incorporate observable and unobservable inputs, if such positions are not traded on an active exchange.

→ Refer to "Note 35 – Transfers of financial assets and variable interest entities" for further information on the Group's transfer activities.

Trading assets and liabilities

Trading assets and liabilities include debt securities, marketable equity instruments, derivative instruments, certain loans held in broker-dealer entities, commodities and precious metals. Items included in the trading portfolio are carried at fair value. Regular-way security transactions are recorded on a trade-date basis. Unrealized and realized gains and losses on trading positions are recorded in trading revenues.

Derivatives

Freestanding derivative contracts are carried at fair value in the consolidated balance sheets regardless of whether these instruments are held for trading or risk management purposes. Commitments to originate mortgage loans that will be held for sale are considered derivatives for accounting purposes. When derivative features embedded in certain contracts that meet the definition of a derivative are not considered clearly and closely related to the host contract, either the embedded feature is accounted for separately at fair value or the entire contract, including the embedded feature, is accounted for at fair value. In both cases, changes in fair value are recorded in the consolidated statements of operations. If separated for measurement purposes, the derivative is recorded in the same line item in the consolidated balance sheets as the host contract.

Derivatives classified as trading assets and liabilities include those held for trading purposes and those used for risk management purposes that do not qualify for hedge accounting. Derivatives held for trading purposes arise from proprietary trading activity and from customer-based activity. Realized gains and losses, changes in unrealized gains and losses and interest flows are included in trading revenues. Derivative contracts designated and qualifying as fair value hedges, cash flow hedges or net investment hedges are reported as other assets or other liabilities.

The fair value of exchange-traded derivatives is typically derived from observable market prices and/or observable market parameters. Fair values for over-the-counter (OTC) derivatives are determined on the basis of proprietary models using various input parameters. Derivative contracts are recorded on a net basis per counterparty where a right to offset exists under an enforceable master netting agreement or a central counterparty's clearing rules. Where no such rights exist, fair values are recorded on a gross basis.

Where hedge accounting is applied, the Group formally documents all relationships between hedging instruments and hedged items, including the risk management objectives and strategy for undertaking hedge transactions. At inception of a hedge and on an ongoing basis, the hedge relationship is formally assessed to determine whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items attributable to the hedged risk. The Group discontinues hedge accounting prospectively in the following circumstances:

(i) the derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item (including forecasted transactions);
(ii) the derivative expires or is sold, terminated or exercised;
(iii) the derivative is no longer designated as a hedging instrument because it is unlikely that the forecasted transaction will occur; or
(iv) the designation of the derivative as a hedging instrument is otherwise no longer appropriate.

For derivatives that are designated and qualify as fair value hedges, the carrying values of the underlying hedged items are adjusted to fair value for the risk being hedged. Changes in the fair value of these derivatives are recorded in the same line item of the consolidated statements of operations used to present the changes in the fair value of the hedged item.

When the Group discontinues fair value hedge accounting because it determines that the derivative no longer qualifies as an effective hedge, the derivative will continue to be carried in the consolidated balance sheets at its fair value, and the hedged asset or liability will no longer be adjusted for changes in fair value attributable to the hedged risk. Interest-related fair value adjustments made to the underlying hedged items will be amortized to the consolidated statements of operations over the remaining life of the hedged item. Any unamortized interest-related fair value adjustment is recorded in the consolidated statements of operations upon sale or extinguishment of the hedged asset or liability, respectively. Any other fair value hedge adjustments remain part of the carrying amount of the hedged asset or liability and are recognized in the consolidated statements of operations upon disposition of the hedged item as part of the gain or loss on disposition.

For hedges of the variability of cash flows from forecasted transactions and floating rate assets or liabilities, the change in the fair value of a designated derivative is recorded in AOCI. These amounts are reclassified into the line item in the consolidated statements of operations in which the hedged item is recorded when the variable cash flow from the hedged item impacts earnings (for example, when periodic settlements on a variable rate asset or liability are recorded in the consolidated statements of operations or when the hedged item is disposed of).

When hedge accounting is discontinued on a cash flow hedge, the net gain or loss will remain in AOCI and be reclassified into the consolidated statements of operations in the same period or periods during which the formerly hedged transaction is reported in the consolidated statements of operations. When the Group discontinues hedge accounting because it is probable that a forecasted transaction will not occur within the specified date or period plus two months, the derivative will continue to be carried in the consolidated balance sheets at its fair value, and gains and losses that were previously recorded in AOCI will be recognized immediately in the consolidated statements of operations.

For hedges of a net investment in a foreign operation, the change in the fair value of the hedging derivative is recorded in AOCI. The Group uses the forward method of determining effectiveness for net investment hedges, which results in the time value portion of a foreign currency forward being reported in AOCI.

Investment securities

Investment securities include debt securities classified as held-to-maturity and debt securities classified as available-for-sale. Regular-way security transactions are recorded on a trade-date basis.

Debt securities where the Group has the positive intent and ability to hold such securities to maturity are classified as such and are carried at amortized cost, net of any unamortized premium or discount. Debt securities classified as held-to-maturity require an assessment of the current expected credit loss (CECL) at the reporting date.

Debt securities classified as available-for-sale are carried at fair value. Unrealized gains and losses, which represent the difference between fair value and amortized cost, are recorded in AOCI. Amounts reported in AOCI are net of income taxes.

Debt securities classified as available-for-sale are impaired if there is a decline in fair value below amortized cost basis. If the Group intends to sell an impaired security or more likely than not will be required to sell such a security before recovering its amortized cost basis, the entire difference between the amortized cost basis and fair value is recognized as a credit loss. However, if the Group does not intend to sell and is not likely to be required to sell, an assessment is made if a decline in fair value of the security is due to credit-related factors or non-credit related factors. Credit-related impairment is recognized in earnings by recording an allowance for credit losses. Any portion of the unrealized loss that relates to non-credit related factors is recognized in AOCI, net of income taxes.

Amortization of premiums or discounts for debt securities is recorded in interest and dividend income using the effective yield method through the maturity date of the security.

Other investments

Other investments include equity method investments, equity securities without a readily determinable fair value, such as hedge funds, private equity securities and certain investments in non-marketable mutual funds for which the Group has neither significant influence nor control over the investee, and real estate held-for-investment.

Equity method investments are investments for which the Group has the ability to significantly influence the operating and financial policies. Significant influence is typically characterized by ownership of 20% to 50% of the voting stock or in-substance common stock of a corporation or 3% to 5% or more of limited partnership interests. Equity method investments are accounted for under the equity method of accounting or the fair value option, which the Group has elected to apply for selected equity method investments. Under the equity method of accounting, the Group's proportionate share of the profit or loss, and any impairment on the investee, if applicable, is reported in other revenues. Under the fair value option, changes in fair value are reported in other revenues.

Equity securities without a readily determinable fair value are carried at fair value, net asset value practical expedient to estimate fair value or at cost less impairment, adjusted for observable price changes (measurement alternative). Memberships in exchanges are reported at cost, less impairment. Equity securities without a readily determinable fair value held by the Group's subsidiaries that are determined to be investment companies as defined by ASC Topic 946 – Financial Services – Investment Companies are carried at fair value, with changes in fair value recorded in other revenues.

Equity method investments and equity securities without a readily determinable fair value held by subsidiaries that are within the scope of ASC Topic 940 – Financial Services – Brokers and Dealers are measured at fair value and reported in trading assets when the intent of the broker-dealer entity is to hold the asset temporarily for trading purposes. Changes in fair value are reported in trading revenues. Equity securities without a readily determinable fair value include investments in entities that regularly calculate net asset value per share or its equivalent, with changes in fair value recorded in other revenue.

Loans

Loans held at amortized cost

Loans which the Group intends to hold until maturity are carried at outstanding principal balances, net of the following items: unamortized premiums, discounts on purchased loans, deferred loan origination fees and direct loan origination costs on originated loans. Interest income is accrued on the unpaid principal balance and net deferred premiums/discounts and fees/costs are amortized as an adjustment to the loan yield over the term of the related loans.

A loan is classified as non-performing and thus considered credit impaired no later than when the contractual payments of principal and/or interest are more than 90 days past due except for subprime residential loans which are classified as non-performing no later than when the contractual payments of principal and/or interest are more than 120 days past due. The additional 30 days ensure that these loans are not incorrectly assessed as non-performing during the time when servicing of them typically is being transferred. However, management may determine that a loan should be classified as non-performing notwithstanding that contractual payments of principal and/or interest are less than 90 days past due or, in the case of subprime residential loans, 120 days past due. In addition, the Group continues to add accrued interest receivable to the loan's balance for collection purposes; however, a credit provision is recorded, resulting in no interest income recognition.

A loan can be further downgraded to non-interest-earning when the collection of interest is considered so doubtful that further accrual of interest is deemed inappropriate.

Generally, non-performing loans and non-interest-earning loans may be restored to performing status only when delinquent principal and interest are brought up to date in accordance with the terms of the loan agreement and when certain performance criteria are met.

Interest collected on non-performing loans and non-interest-earning loans is accounted for using the cash basis or the cost recovery method or a combination of both.

Amortization of deferred fees and premiums and discounts ceases while a loan is deemed to be non-performing or non-interest-earning.

Loans that are modified in a troubled debt restructuring are reported as restructured loans. Generally, a restructured loan would have been considered credit-impaired prior to the restructuring. Loans modified in a troubled debt restructuring are no longer considered credit-impaired in the years following the restructuring if the restructured loan carries an interest rate that is equal to or greater than the rate the Group was willing to accept at the time of the restructuring for a loan with comparable risk and the loan is not credit-impaired based on the terms specified by the restructuring agreement. For loans that have been restructured in a troubled debt restructuring, the applicable loan accounting depends on the loan classification. Loan restructurings may include the receipt of assets in satisfaction of the loan, the modification of loan terms (e.g., reduction of interest rates, extension of maturity dates at a stated interest rate lower than the current market rate for new loans with similar risk, or reduction in principal amounts and/or accrued interest balances) or a combination of both.

Potential problem loans are credit-impaired loans where contractual payments have been received according to schedule, but where doubt exists as to the collection of future contractual payments. Potential problem loans continue to accrue interest.

→ Refer to "Note 19 – Loans" for further information.

Credit losses on financial instruments measured at amortized cost

The credit loss requirements apply to financial assets measured at amortized cost including loans held at amortized cost, net investments in leases as a lessor as well as off-balance sheet credit exposures, such as irrevocable loan commitments, and credit guarantees. The credit loss amounts are based on a forward-looking, lifetime CECL model by incorporating reasonable and supportable forecasts of future economic conditions available at the reporting date. The CECL amounts are estimated over the contractual term of the financial assets taking into account the effect of prepayments. This requires considerable judgment over how changes in macroeconomic factors as well as changes in forward-looking borrower-specific characteristics will affect the CECL amounts.

The Group measures expected credit losses of financial assets on a collective (pool) basis when similar risk characteristics exist. For financial assets that do not share similar risk characteristics, expected credit losses are evaluated on an individual basis. CECL amounts are probability-weighted estimates of potential credit losses based on historical frequency, current trends and conditions as well as forecasted macroeconomic factors, such as gross domestic product, unemployment rates and interest rates.

For financial assets that are performing at the reporting date, the allowance for credit losses is generally measured using a probability of default/loss given default approach under which both probability of default (PD), loss given default (LGD) and exposure at default (EAD) are estimated. For financial assets that are credit-impaired at the reporting date, the Group generally applies a discounted cash flow approach to determine the difference between the gross carrying amount and the present value of estimated future cash flows.

An allowance for credit losses is deducted from the amortized cost basis of the financial asset. Changes in the allowance for credit losses are recorded in the consolidated statement of operations in provision for credit losses or, if related to provisions on past due interest, in net interest income.

For undrawn irrevocable loan commitments, the present value is calculated based on the difference between the contractual cash flows that are due to the Group if the commitment is drawn and the cash flows that the Group expects to receive, in order to estimate the provision for expected credit losses. For credit guarantees, expected credit losses are recognized for the contingency of the credit guarantee. Provisions for off-balance sheet credit exposures are recognized as a provision in other liabilities in the consolidated balance sheets.

Write-off of a financial asset occurs when it is considered certain that there is no possibility of recovering the outstanding principal. If the amount of loss on write-off is greater than the accumulated allowance for credit losses, the difference results in an additional credit loss. The additional credit loss is first recognized as an addition to the allowance; the allowance is then applied against the gross carrying amount. Any repossessed collateral is initially measured at fair value. The subsequent measurement depends on the nature of the collateral. Any uncollectible accrued interest receivable is written off by reversing the related interest income.

Expected recoveries on financial assets previously written off or assessed/planned to be written off have to be reflected in the allowance for credit losses; for this purpose, the amount of expected recoveries cannot exceed the aggregate amounts previously written off or assessed/planned to be written off. Accordingly, expected recoveries from financial assets previously written off may result in an overall negative allowance for credit loss balance.

Prior to January 2020, the allowance for credit losses reflected probable incurred credit losses.

→ Refer to "Note 20 – Financial instruments measured at amortized cost and credit losses" for further information.

Loans held-for-sale

Loans which the Group intends to sell in the foreseeable future are considered held-for-sale and are carried at the lower of amortized cost or market value determined on either an individual method basis, or in the aggregate for pools of similar loans if sold or securitized as a pool. Loans held-for-sale are included in other assets. Adjustments to the lower of amortized cost basis or fair value are presented as a valuation allowance and recorded in other revenue.

Purchased loans with credit deterioration

A purchased loan measured at amortized cost is considered a purchased loan with credit deterioration if it has experienced more-than-insignificant deterioration in credit quality since origination. At the date of acquisition, the allowance for credit is added to the purchase price of the loan to establish the initial amortized cost basis. Any difference between the amortized cost and the unpaid principal amount is recognized in interest income using the effective interest method. After the purchase date, the allowance for credit losses is adjusted for subsequent changes in estimates of current expected credit losses.

Loans held at fair value under the fair value option
Loans and loan commitments for which the fair value option is elected are reported at fair value with changes in fair value reported in trading revenues. The application of the fair value option does not change the loan's classification. Loan commitments carried at fair value are recorded in other assets or other liabilities, respectively.

Goodwill and other intangible assets

Goodwill arises on the acquisition of subsidiaries or additional ownership of equity method investments. It is measured as the excess of the fair value of the consideration transferred, the fair value of any noncontrolling interest in the acquiree and the fair value of any previously held equity interest in the acquired subsidiary, over the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed. Goodwill is not amortized. Instead, it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill may be impaired. Goodwill is allocated to the Group's reporting units for the purposes of the impairment test.

Other intangible assets may be acquired individually or as part of a group of assets assumed in a business combination. Other intangible assets include but are not limited to: patents, licenses, copyrights, trademarks, branch networks, mortgage servicing rights, customer base and deposit relationships. Acquired intangible assets are initially measured at the amount of cash disbursed or the fair value of other assets distributed. Other intangible assets that have a finite useful life are amortized over that period. Other intangible assets acquired after January 1, 2002 that are determined to have an indefinite useful life are not amortized; instead they are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the indefinite intangible asset may be impaired. Mortgage servicing rights are included in non-amortizing other intangible assets and are carried at fair value, with changes in fair value recognized through earnings in the period in which they occur. Mortgage servicing rights represent the right to perform specified mortgage servicing activities on behalf of third parties. Mortgage servicing rights are either purchased from third parties or retained upon sale of acquired or originated loans.

Income taxes

Deferred tax assets and liabilities are recorded for the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities at the dates of the consolidated balance sheets and their respective tax bases. Deferred tax assets and liabilities are computed using currently enacted tax rates and are recorded in other assets and other liabilities, respectively. Income tax expense or benefit is recorded in income tax expense/(benefit), except to the extent the tax effect relates to transactions recorded directly in total shareholders' equity. Deferred tax assets are reduced by a valuation allowance, if necessary, to the amount that management believes will more likely than not be realized. Deferred tax assets and liabilities are adjusted for the effect of changes in tax laws and rates in the period in which changes are approved by the relevant authority. Deferred tax assets and liabilities are presented on a net basis for the same tax-paying component within the same tax jurisdiction.

The Group follows the guidance in ASC Topic 740 – Income Taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. The Group determines whether it is more likely than not that an income tax position will be sustained upon examination based on the technical merits of the position. Sustainable income tax positions are then measured to determine the amount of benefit eligible for recognition in the consolidated financial statements. Each such sustainable income tax position is measured at the largest amount of benefit that is more likely than not to be realized upon ultimate settlement.

Brokerage receivables and brokerage payables

The Group recognizes receivables and payables from transactions in financial instruments purchased from and sold to customers, banks and broker-dealers. The Group is exposed to risk of loss resulting from the inability of counterparties to pay for or deliver financial instruments purchased or sold, in which case the Group would have to sell or purchase, respectively, these financial instruments at prevailing market prices. To the extent an exchange or clearing organization acts as counterparty to a transaction, credit risk is generally considered to be limited. The Group establishes credit limits for each customer and requires them to maintain margin collateral in compliance with applicable regulatory and internal guidelines. In order to conduct trades with an exchange or a third-party bank, the Group is required to maintain a margin. This is usually in the form of cash and deposited in a separate margin account with the exchange or broker. Brokerage receivables are assessed for impairment applying the CECL model. Write-offs of brokerage receivables occur if the outstanding amounts are considered uncollectible.

Premises and equipment

Premises and equipment (including equipment under operating leases where the Group is the lessor), with the exception of land, are carried at cost less accumulated depreciation.

Buildings are depreciated on a straight-line basis over their estimated useful lives, generally 40 to 67 years, and building improvements are depreciated on a straight-line basis over their estimated useful lives, generally not exceeding five to ten years. Land is carried at historical cost and is not depreciated. Leasehold improvements, such as alterations and improvements to rented premises, are depreciated on a straight-line basis over the shorter of the lease term or estimated useful life, which generally does not exceed ten years. Equipment, such as computers, machinery, furnishings, vehicles and other tangible non-financial assets, is depreciated using the straight-line method over its estimated useful lives, generally three to ten years. Certain leasehold improvements and equipment, such as data center power generators, may have estimated useful lives greater than ten years.

The Group capitalizes costs relating to the acquisition, installation and development of software with a measurable economic benefit, but only if such costs are identifiable and can be reliably measured. The Group depreciates capitalized software costs on a straight-line basis over the estimated useful life of the software, generally not exceeding seven years, taking into consideration the effects of obsolescence, technology, competition and other economic factors.

Leases

For lessee arrangements, the Group recognizes lease liabilities, which are reported as other liabilities or long-term debt, and right-of-use assets, which are reported as other assets. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the lease term. Right-of-use assets are initially measured based on the lease liability, adjusted for any initial direct costs, any lease payments made prior to lease commencement and for any lease incentives.

→ Refer to "Note 23 – Other assets and other liabilities", "Note 24 – Leases" and "Note 26 – Long-term debt" for further information.

Periods covered by options that permit the Group to extend or terminate a lease are only included in the measurement of right-of-use assets and lease liabilities when it is reasonably certain that the Group would exercise the extension option or would not exercise the termination option. Lease payments which depend on an index or a referenced rate are considered unavoidable and are included in the lease liabilities using the index or rate as of the lease commencement date. Other variable lease payments, as well as subsequent changes in an index or referenced rate, are excluded from the lease liabilities. The Group's incremental borrowing rate, which is used in determining the present value of lease payments, is derived from information available at the lease commencement date.

Operating lease costs, which include amortization and an interest component, are recognized over the remaining lease term on a straight-line basis. Operating and variable lease costs are recognized in general and administrative expenses.

For sales-type and direct financing leases under lessor arrangements, which are classified as loans, the Group de-recognizes the underlying assets and recognizes a net investment in the lease. The net investment in the lease is calculated as the lease receivable plus the unguaranteed portion of the estimated residual value. The lease receivable is initially measured at the present value of the sum of the future lease payments receivable over the lease term and any portion of the estimated residual value at the end of the lease term that is guaranteed by either the lessee or an unrelated third party. Lease terms may include options that permit the lessee to extend or renew these leases. Such options are only included in the measurement of lease receivables for sales-type and direct financing leases when it is reasonably certain that the lessee would exercise these options. Subsequently, unearned income is amortized to interest income over the lease term using the effective interest method.

→ Refer to "Note 19 – Loans", "Note 20 – Financial instruments measured at amortized cost and credit losses" and "Note 24 – Leases" for further information.

For operating leases under lessor arrangements, the Group continues to recognize the underlying asset and depreciates the asset over its estimated useful life. Lease income is recognized in other income on a straight-line basis over the lease term.

Recognition of an impairment on non-financial assets

The Group evaluates premises, equipment, right-of-use assets and finite intangible assets for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment assessment is performed for a group of assets for which largely separate cash flows can be identified. Where the carrying amount for the group of assets exceeds the fair value, the group of assets is considered impaired and an impairment is recorded in general and administrative expenses. Recognition of an impairment on such assets establishes a new cost base, which is not adjusted for subsequent recoveries in value.

Customer deposits

Customer deposits represent funds held from customers (both retail and commercial) and banks and consist of interest-bearing demand deposits, savings deposits and time deposits. Interest is accrued based on the contractual provisions of the deposit contract.

Long-term debt

Total long-term debt is composed of debt issuances that do not contain derivative features as well as hybrid debt. Hybrid debt includes capital instruments as well as those issued as part of the Group's structured product activities. Long-term debt includes both Swiss franc and foreign currency denominated fixed and variable rate bonds.

The Group actively manages interest rate risk and foreign currency risk on vanilla debt through the use of derivative contracts, primarily interest rate and currency swaps. In particular, fixed rate debt is hedged with receive-fixed, pay-floating interest rate swaps, and the Group applies hedge accounting per the guidance of ASC Topic 815 – Derivatives and Hedging.

For capital management purposes, the Group has outstanding hybrid capital instruments in the form of low- and high-trigger tier 1 and tier 2 capital notes, with a write-off or contingent share conversion feature. Typically, these instruments have an embedded derivative that is bifurcated for accounting purposes. The embedded derivative is measured separately and changes in fair value are recorded in trading revenue. The host contract is generally accounted for under the amortized cost method unless the fair value option has been elected and the entire instrument is carried at fair value.

The Group's long-term debt also includes various equity-linked and other indexed instruments with embedded derivative features, for which payments and redemption values are linked to commodities, stocks, indices, currencies or other assets. The Group elected to account for substantially all of these instruments at fair value.

Changes in the fair value of fair-value option elected instruments are recognized as a component of trading revenues, except for changes in fair value attributed to own credit risk, which is recorded in other comprehensive income (OCI), net of tax, and recycled to trading revenue when the debt is de-recognized.

Guarantees

In cases where the Group acts as a guarantor, the Group recognizes in other liabilities, at the inception of a guarantee, a liability for the fair value of the obligations undertaken in issuing such a guarantee, including its ongoing obligation to perform over the term of the guarantee in the event that certain events or conditions occur. Contingent obligations under issued guarantees not related to a financial obligation such as performance guarantees and non-financial standby letters of credit are assessed for the probability of loss on an ongoing basis. Contingent obligations under issued guarantees related to a financial obligation such as credit guarantees and financial standby letters of credit are assessed for CECL at reporting date.

Pension and other post-retirement benefits

Credit Suisse sponsors a number of post-employment benefit plans for its employees worldwide, which include defined benefit pension plans and other post-employment benefits. The major plans are located in Switzerland, the UK and the US.

The Group uses the projected unit credit actuarial method to determine the present value of its projected benefit obligations (PBO) and the current and past service costs or credits related to its defined benefit and other post-retirement benefit plans. The measurement date used to perform the actuarial valuation is December 31 and is performed by independent qualified actuaries.

Certain key assumptions are used in performing the actuarial valuations. These assumptions must be made concerning the future events that will determine the amount and timing of the benefit payments and thus require significant judgment and estimates by Group management. This includes making assumptions with regard to discount rates, salary increases, interest rate on savings balances, expected long-term rate of return on plan assets and mortality (future life expectancy).

The assumed discount rates reflect the rates at which the pension benefits could be effectively settled. These rates are determined based on yield curves, constructed from high-quality corporate bonds currently available and observable in the market and are expected to be available during the period to maturity of the pension benefits. In countries where there is no deep market in high-quality corporate bonds with longer durations, the best available market information, including governmental bond yields and risk premiums, is used to construct the yield curve.

Salary increases are determined by reviewing historical practice and external market data as well as considering internal projections.

The interest rate on savings balances is applicable only to the Credit Suisse Swiss pension plan (Swiss pension plan). The Board of Trustees of the Swiss pension plan sets the interest rate to be applied on the accumulated savings balance on an annual basis. Credit Suisse estimates the future interest rate on savings balances, taking into consideration actions and rates approved by the Board of Trustees of the Swiss pension plan and expected future changes in the interest rate environment based on the yield curve used for the discount rate.

The expected long-term rate of return on plan assets is determined on a plan-by-plan basis, taking into account asset allocation, historical rate of return, benchmark indices for similar-type pension plan assets, long-term expectations of future returns and investment strategy.

Mortality assumptions are based on standard mortality tables and standard models and methodologies for projecting future improvements to mortality as developed and published by external independent actuarial societies and actuarial organizations.

Health care cost trend rates are determined by reviewing external data and the Group's own historical trends for health care costs.

The funded status of the Group's defined benefit post-retirement and pension plans is recognized in the consolidated balance sheets.

Actuarial gains and losses in excess of 10% of the greater of the PBO or the market value of plan assets are amortized to net periodic pension and other post-retirement benefit costs on a straight-line basis over the expected average remaining service period of the active participants expected to receive benefits from the plan. If all or almost all of the participants are inactive, the amortization period is based on the average remaining life expectancy of the inactive participants. Prior service costs are amortized on a straight-line basis over the expected average remaining service period of the active participants expected to receive benefits from the plan immediately after the date the plan amendment is adopted. If all or almost all of the participants are inactive, the amortization period is based on the average remaining life expectancy of the inactive participants.

If the cost of settlements is above the threshold, the settlement gain or loss recognized in earnings is the actuarial net gain/loss transferred out of accumulated other comprehensive income. Where only a part of the PBO is settled, the amount recognized in earnings includes a proportionate share of the net actuarial gain/loss recognized in accumulated other comprehensive income equal to the percentage reduction of the PBO. The threshold is defined as the sum of the service cost and interest cost of that year.

The Group records pension expense for defined contribution plans when the employee renders service to the company, essentially coinciding with the cash contributions to the plans.

Share-based compensation

For all share-based awards granted to employees, compensation expense is measured at grant date or modification date based on the fair value of the number of awards for which the requisite service is expected to be rendered and is recognized in the consolidated statements of operations over the required service period.

The incremental tax effects of the difference between the compensation expense recorded in the US GAAP accounts and the tax deduction received, are recorded in the income statement at the point in time the deduction for tax purposes is recorded.

Compensation expense for share-based awards that vest in their entirety at the end of the vesting period (cliff vesting) and awards that vest in annual installments (graded vesting), which only contain a service condition that affects vesting, is recognized on a straight-line basis over the service period for the entire award. However, if awards with graded vesting contain a performance condition, then each installment is expensed as if it were a separate award ("front-loaded" expense recognition). Furthermore, recognition of compensation expense is accelerated to the date an employee becomes eligible for retirement.

Performance share awards contain a performance condition. In the event of either a negative return on equity (ROE) of the Group or a divisional loss, any outstanding performance share awards will be subject to a reduction. The amount of compensation expense recorded includes an estimate of any expected reductions. For each reporting period after the grant date, the expected number of shares to be ultimately delivered upon vesting is reassessed and reflected as an adjustment to the cumulative compensation expense recorded in the income statement. 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.

Certain employees own equity interests in the form of carried interests in certain funds managed by the Group. Expenses recognized under these ownership interests are reflected in the consolidated statements of operations in compensation and benefits.

Own shares, own bonds and financial instruments on own shares

The Group may buy and sell own shares, own bonds and financial instruments on own shares within its normal trading and market-making activities. In addition, the Group may hold its own shares to satisfy commitments arising from employee share-based compensation awards. Own shares are recorded at cost and reported as treasury shares, resulting in a reduction to total shareholders' equity. Financial instruments on own shares are recorded as assets or liabilities or as equity when the criteria for equity classification are met. Dividends received by subsidiaries on own shares and unrealized and realized gains and losses on own shares classified in total shareholders' equity are excluded from the consolidated statements of operations.

Any holdings of bonds issued by any Group entity are eliminated in the consolidated financial statements.

Net interest income

Interest income and interest expense arising from interest-bearing assets and liabilities other than those carried at fair value or the lower of cost or market are accrued, and any related net deferred premiums, discounts, origination fees or costs are amortized as an adjustment to the yield over the life of the related asset and liability. Interest from debt securities and dividends on equity securities carried as trading assets and trading liabilities are recorded in interest and dividend income.

→ Refer to "Loans" for further information on interest on loans.

Commissions and fees

Commissions and fees include revenue from contracts with customers. The Group recognizes revenue when it satisfies a contractual performance obligation. The Group satisfies a performance obligation when control of the underlying good or services related to the performance obligation is transferred to the customer. Control is the ability to direct the use of, and obtain substantially all of the remaining benefits from, the good or service. The Group must determine whether control of a good or service is transferred over time. If so, the related revenue is recognized over time as the good or service is transferred to the customer. If not, control of the good or service is transferred at a point in time. The performance obligations are typically satisfied as the services in the contract are rendered. Revenue is measured based on the consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. The transaction price can be a fixed amount or can vary because of performance bonuses or other similar items. Variable consideration is only included in the transaction price once it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the amount of variable consideration is subsequently resolved. Generally, no significant judgement is required with respect to recording variable consideration.

When another party is involved in providing goods or services to a customer, the Group must determine whether the nature of its promise is a performance obligation to provide the specified goods or services itself (that is, the Group is a principal) or to arrange for those goods or services to be provided by the other party (that is, the Group is an agent). The Group determines whether it is a principal or an agent for each specified good or service promised to the customer. Gross presentation (revenue on the revenue line and expense on the expense line) is appropriate when the Group acts as principal in a transaction. Conversely, net presentation (revenue and expenses reported net) is appropriate when the Group acts as an agent in the transaction.

Transaction-related expenses are expensed as incurred. Underwriting expenses are deferred and recognized along with the underwriting revenue.

→ Refer to "Note 14 – Revenue from contracts with customers" for further information.

2 Recently issued accounting standards

Recently adopted accounting standards

SAB 121 – Accounting for Digital Asset Custodial Relationships

In March 2022, the US Securities and Exchange Commission (SEC) published SEC Staff Accounting Bulletin (SAB) No. 121, "Accounting for Obligations to Safeguard Crypto-Assets an Entity Holds for Platform Users" (SAB 121). SAB 121 introduces interpretive guidance requiring the recognition of a liability and a corresponding asset to account for obligations to safeguard digital assets held for clients. SAB 121 requires additional disclosure of such custodial relationships in the interim and annual financial statements. The guidance within SAB 121 is effective for the interim and annual periods ending after June 15, 2022, with retrospective application to the beginning of the fiscal year.
The adoption of SAB 121 did not have a material impact on the Group's financial position, results of operations or cash flows.

Standards to be adopted in future periods

ASC Topic 326 – Financial Instruments – Credit Losses

In March 2022, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2022-02, "Troubled Debt Restructurings and Vintage Disclosures" (ASU 2022-02), an update to ASC Topic 326 – Financial Instruments – Credit Losses. The amendments in ASU 2022-02 eliminate the accounting guidance for Troubled Debt Restructurings by creditors. The loan refinancing and restructuring guidance in ASC Topic 310 – Receivables will be applied to determine whether a modification results in a new loan or a continuation of an existing loan. The amendments enhance disclosure requirements for certain loan refinancings and restructurings when a borrower is experiencing financial difficulty and require disclosure of current period gross write-offs by year of origination for financing receivables and net investments in leases.

The amendments are effective for annual reporting periods beginning after December 15, 2022 and for the interim periods within those annual reporting periods. Early adoption is permitted, including in an interim period. The adoption of ASU 2022-02 on January 1, 2023, applying the modified retrospective approach did not have a material impact on the Group's financial position, results of operations or cash flows.

ASC Topic 820 – Fair Value Measurement

In June 2022, the FASB issued ASU 2022-03, "Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions" (ASU 2022-03), an update to ASC Topic 820 – Fair Value Measurement. The amendments in ASU 2022-03 clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction.
The amendments require new disclosures related to equity securities subject to contractual sale restrictions, including the fair value of such equity securities, the nature and remaining duration of the corresponding restrictions and any circumstances that could cause a lapse in the restrictions.

The amendments are effective for annual reporting periods beginning after December 15, 2023 and for the interim periods within those annual reporting periods. Early adoption is permitted, including in an interim period. The Group is currently evaluating the impact of the adoption of ASU 2022-03 on the Group's financial position, results of operations and cash flows.

3 Business developments, significant shareholders and subsequent events

Business developments

Strategic review
On October 27, 2022, Credit Suisse announced a series of decisive actions following a strategic review conducted by the Board of Directors and Executive Board, focused on a restructuring of the Investment Bank, an accelerated cost transformation, and strengthened and reallocated capital. The transformation is intended to be funded through divestments, exits, capital actions and existing resources. As the Group implements these actions, restructuring costs, including from asset impairments and liability valuations, are expected to arise in connection with business activities the Group plans to exit or transfer and their related infrastructure.

Effective January 1, 2023, reflecting the strategic announcement of October 27, 2022, the Group is organized into five divisions – Wealth Management, Swiss Bank, Asset Management and the Investment Bank, as well as a new Capital Release Unit (CRU). Beginning in the first quarter of 2023, the Group's financial reporting will be presented accordingly. Core results include the results of the divisions and the Corporate Center and exclude the results of the CRU.

Capital increase
On November 23, 2022, Credit Suisse Group AG held an Extraordinary General Meeting, at which shareholders approved two capital increases. Credit Suisse Group AG completed the first capital increase on November 25, 2022 by way of a share placement of 462,041,884 newly issued shares to qualified investors resulting in gross proceeds of CHF 1.76 billion. Credit Suisse Group AG completed the second capital increase by way of a rights offering on December 9, 2022. By the end of the rights exercise period, 98.2% of the rights had been exercised for the issuance of 872,989,594 shares. The remaining 16,378,864 newly issued shares for which rights were not exercised were sold in the market. The rights offering resulted in gross proceeds of CHF 2.25 billion. The capital increases resulted in 1,351,410,342 newly issued shares and gross proceeds for Credit Suisse Group AG of CHF 4.0 billion. Credit Suisse Group AG made capital contributions of CHF 3.89 billion to its wholly owned subsidiary Credit Suisse AG.

Liquidity issues in the fourth quarter of 2022
As previously disclosed, during early fourth quarter of 2022, Credit Suisse began experiencing significantly higher withdrawals of cash deposits as well as non-renewal of maturing time deposits. However, as the quarter progressed, these outflows stabilized to much lower levels but had not yet reversed by year end, and customer deposits declined by CHF 138 billion in the fourth quarter of 2022. As is normal practice, the Group also limited its access to the capital markets in the period immediately preceding the Group's strategy announcements on October 27, 2022.

Outflows in assets under management in the fourth quarter of 2022
As previously disclosed, Credit Suisse began experiencing deposit and net asset outflows in early fourth quarter of 2022 at levels that substantially exceeded the rates incurred in the third quarter of 2022. At the Group level, net asset outflows in the fourth quarter of 2022 were approximately 8% of assets under management as of the end of the third quarter of 2022, with approximately two-thirds of these net asset outflows in the quarter concentrated in October 2022.

→ Refer to "Note 39 – Assets under management" for further information.

Sale of CS Trust business
On September 6, 2022, the Group signed separate agreements with The Bank of N.T. Butterfield & Son Limited (Butterfield) and Gasser Partner Trust reg. (Gasser Partner) for the sale of its global trust business (Credit Suisse Trust, CST). Under separate agreements, Butterfield will acquire CST's businesses based in Guernsey, Singapore and The Bahamas, while Gasser Partner will acquire CST's Liechtenstein business.

The transaction with Butterfield is expected to close in 2023 and is subject to customary conditions. The transfer of a majority of the trust structures in Liechtenstein occurred on February 28, 2023, with the expectation that a small number of remaining trust structures will transfer on a rolling basis in the first half of 2023. Upon completion of the transactions, Butterfield and Gasser Partner will take over the ongoing management and administration of most of the trust structures in the respective jurisdictions.

Allfunds Group
On October 21, 2022, the Group announced the successful completion of the offering of its entire shareholding in Allfunds Group plc (Allfunds Group), which represented approximately 8.6% of the share capital of Allfunds Group, through an accelerated bookbuild offering to institutional investors. Following the completion of this transaction, the Group no longer holds any shares in Allfunds Group.

Energy Infrastructure Partners
On October 21, 2022, the Group entered into an agreement with the managing partners of Energy Infrastructure Partners AG (EIP) to acquire the Group's remaining 30% stake in EIP. Following the completion of this transaction, the Group no longer holds any shares in EIP.

Significant shareholders

Significant shareholders registered in the share register
The following table includes significant shareholders (including nominees) with holdings in Group shares of at least 5% of the voting rights, which were registered in the share register as of December 31, 2022 and 2021, respectively.

Significant shareholders registered in the share register

end of	2022 Number of shares (million)	Total nominal value (CHF million)	Share-holding (%)	2021 Number of shares (million)	Total nominal value (CHF million)	Share-holding (%)
Direct shareholders [1]						
Chase Nominees Ltd. [2]	433	17	10.83	304	12	11.48
Nortrust Nominees Ltd. [2]	217	9	5.43	197	8	7.42
The Bank of New York Mellon [2]	213	9	5.31	139	6	5.25

1 As registered in the share register of the Group on December 31 of the reporting period; includes shareholders registered as nominees.
2 Nominee holdings exceeding 2% are registered with a right to vote only if the nominee confirms that no individual shareholder holds more than 0.5% of the outstanding share capital or if the nominee discloses the identity of any beneficial owner holding more than 0.5% of the outstanding capital.

Information received from shareholders not registered in the share register

In addition to the shareholdings registered in the share register of the Group, the Group has obtained and reported to the SIX Swiss Exchange information from its shareholders in accordance with the notification requirements of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading. These shareholders may hold their shareholdings in Group shares through a nominee. The following shareholder notifications relate to registered voting rights exceeding 5% of all voting rights, which are subject to disclosure in the notes to the financial statements in accordance with the Swiss Code of Obligations. The percentage shareholdings below are presented with two decimal places.

In a disclosure report that the Group published on November 17, 2021, the Group was notified that as of November 12, 2021, Qatar Holding LLC, a wholly owned subsidiary of Qatar Investment Authority, held 133.2 million shares, or 5.03% of the voting rights, of the registered Group shares issued as of the date of the notified transaction.

In a disclosure report that the Group published on December 10, 2022, the Group was notified that as of December 9, 2022, the Saudi National Bank held 395.5 million shares, or 9.88% of the voting rights, of the registered Group shares issued as of the date of the notified transaction.

In a disclosure report that the Group published on December 8, 2022, the Group was notified that as of November 29, 2022, Harris Associates L.P.'s holdings of registered Group shares had fallen below the 5% reporting threshold.

Subsequent events

Securitized Products Group

On November 15, 2022, Credit Suisse announced that it had entered into definitive transaction agreements to sell a significant part of its Securitized Products Group (SPG) to entities and funds managed by affiliates of Apollo Global Management. This transaction involves phased closings through the first half of 2023 and represents an important step towards a managed exit from the SPG business and to de-risk the bank. On February 7, 2023, the parties completed the first closing of such transaction and the majority of the assets and professionals associated with the transaction are now part of or managed by ATLAS SP Partners, a new standalone credit firm focused on asset-backed financing and capital markets solutions. On February 23, 2023, the parties completed the second closing of such transaction, with further assets transferred.

CS First Boston

On February 9, 2023, the Group announced the acquisition of The Klein Group LLC, the investment banking business as well as the registered broker-dealer of M. Klein & Company LLC (the seller). The purchase price is USD 175 million. To align interests with the Group, the seller will receive a convertible note and a warrant. The note will provide annual payments and convert into, and the warrant entitles the seller to subscribe to, CS First Boston shares at a qualified initial public offering (IPO) or other liquidity event, at the then-valuation of CS First Boston, less a customary discount. The principal amount of the convertible note is expected to be USD 100 million, with the balance being paid in cash dependent on taxes to be paid by the seller at closing. The net present value of the transaction to the Group is expected to be approximately USD 210 million, which also includes interest cost, annual payments on the note and other payments that may in the future become payable in respect of this transaction. The transaction is expected to close in the first half of 2023.

→ Refer to "Note 21 – Goodwill" for further information.

4 Segment information

The Group is a global financial services company domiciled in Switzerland and, effective January 1, 2022 until December 31, 2022, was organized into four divisions – Wealth Management, Investment Bank, Swiss Bank and Asset Management. Prior periods were restated to conform to the current presentation.

→ Refer to "Note 3 – Business developments, significant shareholders and subsequent events" for further information on the Group's divisional organization effective January 1, 2023.

The segment information reflects the Group's reportable segments and the Corporate Center, which are managed and reported on a pre-tax basis, as follows:

- The **Wealth Management** division offers comprehensive wealth management and investment solutions and tailored financing and advisory services to UHNW and HNW individuals and external asset managers. We serve our clients through coverage areas addressing the geographies of Switzerland, Europe, Middle East and Africa, Asia Pacific and Latin America.
- The **Investment Bank** division offers a broad range of financial products and services. Our suite of products and services includes global securities sales, trading and execution, capital raising and advisory services. Our clients include financial institutions, corporations, governments, sovereigns, UHNW and institutional investors, such as pension funds and hedge funds, financial sponsors and private individuals around the world.
- The **Swiss Bank** division offers comprehensive advice and a wide range of financial solutions to private, corporate and institutional clients primarily domiciled in our home market of Switzerland. Our private clients business has a leading franchise in Switzerland, including HNW, affluent, retail and small business clients. In addition, we provide consumer finance services through our subsidiary BANK-now and the leading credit card brands through our investment in Swisscard AECS GmbH. Our corporate and institutional clients business serves large corporate clients, small and medium-sized enterprises, institutional clients, financial institutions and commodity traders.
- The **Asset Management** division offers investment solutions and services globally to a broad range of clients, including pension funds, governments, foundations and endowments, corporations and individuals, with a strong presence in our Swiss home market. Backed by the Group's global presence, Asset Management offers active and passive solutions in traditional investments as well as alternative investments.

Corporate Center included parent company operations such as Group financing, expenses for projects sponsored by the Group and certain expenses and revenues that had not been allocated to the segments. In addition, the Corporate Center included consolidation and elimination adjustments required to eliminate intercompany revenues and expenses.

Revenue sharing and cost allocation

Responsibility for each product is allocated to a specific segment, which records all related revenues and expenses. Revenue-sharing and service level agreements govern the compensation received by one segment for generating revenue or providing services on behalf of another. These agreements are negotiated periodically by the relevant segments on a product-by-product basis. The aim of revenue-sharing and service level agreements is to reflect the pricing structure of unrelated third-party transactions.

Corporate services and business support in finance, operations, human resources, legal, compliance, risk management and IT are provided by corporate functions, and the related costs are allocated to the segments and Corporate Center based on their requirements and other relevant measures.

Funding

The Group centrally manages its funding activities. New instruments for funding and capital purposes are primarily issued by Credit Suisse Group AG and are passed on to Credit Suisse AG, the direct bank subsidiary of the Group (the Bank). The Bank lends funds to its operating subsidiaries and affiliates on both a senior and subordinated basis, as needed, the latter typically to meet capital requirements, or as desired by management to capitalize on opportunities. Capital is distributed to the segments considering factors such as regulatory capital requirements, utilized economic capital and the historic and future potential return on capital.

Transfer pricing, using market rates, is used to record net revenues and expenses in each of the segments for this capital and funding. The Group's funds transfer pricing system is designed to allocate funding costs to its businesses in a way that incentivizes their efficient use of funding. The Group's funds transfer pricing system is an essential tool that allocates to the businesses the short-term and long-term costs of funding their balance sheet usages and off-balance sheet contingencies. The funds transfer pricing framework ensures the full funding costs allocation under normal business conditions, but it is of even greater importance in a stressed capital markets environment where raising funds is more challenging and expensive. Under this framework, the Group's businesses are also credited to the extent they provide long-term stable funding.

Net revenues and income/(loss) before taxes

in	2022	2021	2020
Net revenues (CHF million)			
Wealth Management	4,952	7,031	7,081
Investment Bank	4,607	9,908	10,153
Swiss Bank	4,093	4,316	4,212
Asset Management	1,294	1,508	1,140
Corporate Center	(25)	(67)	(197)
Net revenues	**14,921**	**22,696**	**22,389**
Income/(loss) before taxes (CHF million)			
Wealth Management	(631)	2,307	2,053
Investment Bank	(3,116)	(3,473)	1,910
Swiss Bank	1,545	1,918	1,468
Asset Management	146	362	28
Corporate Center	(1,202)	(1,714)	(1,992)
Income/(loss) before taxes	**(3,258)**	**(600)**	**3,467**

Total assets

end of	2022	2021
Total assets (CHF million)		
Wealth Management	150,411	201,326
Investment Bank	146,846	274,112
Swiss Bank	197,059	221,478
Asset Management	3,373	3,603
Corporate Center	33,669	55,314
Total assets	**531,358**	**755,833**

Net revenues and income/(loss) before taxes by geographical location

in	2022	2021	2020
Net revenues (CHF million)			
Switzerland	5,436	7,285	7,719
EMEA	1,763	3,524	3,885
Americas	6,054	8,827	7,614
Asia Pacific	1,668	3,060	3,171
Net revenues	**14,921**	**22,696**	**22,389**
Income/(loss) before taxes (CHF million)			
Switzerland	(988)	257	1,770
EMEA	(1,645)	(4,929)	(124)
Americas	664	3,781	1,577
Asia Pacific	(1,289)	291	244
Income/(loss) before taxes	**(3,258)**	**(600)**	**3,467**

The designation of net revenues and income/(loss) before taxes is based on the location of the office recording the transactions. This presentation does not reflect the way the Group is managed.

Total assets by geographical location

end of	2022	2021
Total assets (CHF million)		
Switzerland	202,341	256,261
EMEA	94,425	163,659
Americas	181,221	249,656
Asia Pacific	53,371	86,257
Total assets	**531,358**	**755,833**

The designation of total assets by region is based upon customer domicile.

5 Net interest income

in	2022	2021	2020
Net interest income (CHF million)			
Loans	5,887	5,049	5,733
Investment securities	14	1	3
Trading assets, net of trading liabilities [1]	2,539	2,838	3,158
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	2,135	1,172	1,596
Other	1,676	598	771
Interest and dividend income	12,251	9,658	11,261
Deposits	(1,746)	(159)	(1,113)
Short-term borrowings	(131)	(86)	(166)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(768)	(812)	(907)
Long-term debt	(3,590)	(2,518)	(2,753)
Other	(675)	(272)	(374)
Interest expense	(6,910)	(3,847)	(5,313)
Net interest income	**5,341**	**5,811**	**5,948**

1 Interest and dividend income is presented on a net basis to align with the presentation of trading revenues for trading assets and liabilities.

6 Commissions and fees

in	2022	2021	2020
Commissions and fees (CHF million)			
Lending business	1,438	1,877	1,631
Investment and portfolio management	3,079	3,497	3,187
Other securities business	61	56	66
Fiduciary business	3,140	3,553	3,253
Underwriting	491	2,493	2,255
Brokerage	2,265	3,069	3,244
Underwriting and brokerage	2,756	5,562	5,499
Other services	1,519	2,173	1,470
Commissions and fees	**8,853**	**13,165**	**11,853**

7 Trading revenues

in	2022	2021	2020
Trading revenues (CHF million) [1]			
Interest rate products	(1,374)	1,110	(1,068)
Foreign exchange products	529	1,138	2,587
Equity/index-related products	501	1,614	1,127
Credit products	540	(1,416)	482
Commodity and energy products	8	(6)	62
Other products	(655)	(9)	105
Trading revenues	**(451)**	**2,431**	**3,295**

Represents revenues on a product basis which are not representative of business results within segments, as segment results utilize financial instruments across various product types.

1 The classification of certain product types has been revised, prior periods have been reclassified to conform to the current presentation.

Trading revenues include revenues from trading financial assets and liabilities as follows:

- Equities;
- Commodities;
- Listed and OTC derivatives;
- Derivatives linked to funds of hedge funds and providing financing facilities to funds of hedge funds;
- Market making in the government bond and associated OTC derivative swap markets;
- Domestic, corporate and sovereign debt, convertible and non-convertible preferred stock and short-term securities such as floating rate notes and commercial paper (CP);
- Market making and positioning in foreign exchange products;
- Credit derivatives on investment grade and high yield credits;
- Trading and securitizing all forms of securities that are based on underlying pools of assets; and
- Life settlement contracts.

Trading revenues also include changes in the fair value of financial assets and liabilities elected to fair value under US GAAP. The main components include certain instruments from the following categories:

- Central bank funds purchased/sold;
- Securities purchased/sold under resale/repurchase agreements;
- Securities borrowing/lending transactions;
- Loans and loan commitments; and
- Customer deposits, short-term borrowings and long-term debt.

Managing the risks

As a result of the Group's broad involvement in financial products and markets, its trading strategies are correspondingly diverse and exposures are generally spread across a diversified range of risk factors and locations. The Group uses an economic capital limit structure to limit overall risk taking. The level of risk incurred by its divisions is further managed by a variety of factors and specific risk constraints, including consolidated controls over trading exposures. Also, as part of its overall risk management, the Group holds a portfolio of economic hedges. Hedges are impacted by market movements, similar to trading securities, and may result in gains or losses on the hedges which offset losses or gains on the portfolios they were designed to economically hedge. The Group manages its trading risk with regard to both market and credit risk. The Group uses market risk measurement and management methods capable of calculating comparable exposures across its many activities and employs focused tools that can model unique characteristics of certain instruments or portfolios.

The principal risk measurement methodology for trading book exposures is value-at-risk. Macroeconomic and specific hedging strategies are in place to manage and mitigate the market and credit risk in the trading book.

8 Other revenues

in	2022	2021	2020
Other revenues (CHF million)			
Loans held-for-sale	(133)	(90)	(34)
Long-lived assets held-for-sale	374	232	26
Equity method investments	167	60	(254)
Other investments	(38)	253	769
Other	808	834	786
Other revenues	**1,178**	**1,289**	**1,293**

9 Provision for credit losses

in	2022	2021	2020
Provision for credit losses (CHF million)			
Loans held at amortized cost	188	(23)	863
Other financial assets held at amortized cost	(132) [1]	4,291 [1]	24
Off-balance sheet credit exposures	(40)	(63)	209
Provision for credit losses	**16**	**4,205**	**1,096**

1 Primarily reflected a provision/(release of provision) for credit losses of CHF (155) million and CHF 4,307 million in 2022 and 2021, respectively, related to Archegos.

10 Compensation and benefits

in	2022	2021	2020
Compensation and benefits (CHF million)			
Salaries and variable compensation	7,274	7,533	8,401
Social security	605	622	653
Other [1]	934	808	836
Compensation and benefits	**8,813**	**8,963**	**9,890**

1 Included pension-related expenses of CHF 501 million, CHF 503 million and CHF 517 million in 2022, 2021 and 2020, respectively, related to service costs for defined benefit pension plans and employer contributions for defined contribution plans.

11 General and administrative expenses

in	2022	2021	2020
General and administrative expenses (CHF million)			
Occupancy expenses	973	979	982
IT, machinery and equipment	1,964	1,549	1,428
Provisions and losses	1,581	1,491	1,261
Travel and entertainment	232	149	152
Professional services	2,143	1,996	1,546
Communication and market data services	539	520	512
Amortization and impairment of other intangible assets	4	8	8
Other [1]	346	467	634
General and administrative expenses	**7,782**	**7,159**	**6,523**

1 Included pension-related expenses/(credits) of CHF (187) million, CHF (166) million and CHF (159) million in 2022, 2021 and 2020, respectively, related to certain components of net periodic benefit costs for defined benefit plans.

12 Restructuring expenses

On October 27, 2022, the Group announced certain strategic actions following the comprehensive review conducted by the Board of Directors and the Executive Board, which include measures to reduce the Group's cost base in 2025. The Group estimates restructuring expenses of approximately CHF 2.9 billion over a period from the fourth quarter of 2022 to 2024. The restructuring program announced in November 2021 closed at the end of September 2022. The restructuring program announced in July 2020 closed at the end of June 2021. The Group recorded restructuring expenses of CHF 533 million, CHF 103 million and CHF 157 million in 2022, 2021 and 2020, respectively. Restructuring expenses may include severance expenses, other personnel-related charges, pension expenses and contract termination costs.

Restructuring expenses by segment

in	**2022**	2021	2020
Restructuring expenses by segment (CHF million)			
Wealth Management	109	19	41
Investment Bank	327	71	48
Swiss Bank	21	11	42
Asset Management	16	3	18
Corporate Center	60	(1)	8
Total restructuring expenses	**533**	**103**	**157**

Restructuring expenses by type

in	**2022**	2021	2020
Restructuring expenses by type (CHF million)			
Compensation and benefits-related expenses	362	45	107
of which severance expenses	159	25	69
of which accelerated deferred compensation	194	20	38
General and administrative-related expenses	171	58	50
of which pension expenses	37	(11)	38
Total restructuring expenses	**533** [1]	**103**	**157**

1 CHF 357 million related to the strategic actions announced on October 27, 2022.

Restructuring liabilities

			2022			2021			2020
in	Compensation and benefits	General and administrative expenses	**Total**	Compensation and benefits	General and administrative expenses	**Total**	Compensation and benefits	General and administrative expenses	**Total**
Restructuring liabilities (CHF million)									
Balance at beginning of period	**19**	**0**	**19**	**50**	**2**	**52**	**–**	**–**	**–**
Net additional charges [1]	159	96	255	25	37	62	69	6	75
Reclassifications	–	–	–	(22)	(3)	(25) [2]	–	–	–
Utilization	(56)	(96)	(152)	(34)	(36)	(70)	(19)	(4)	(23)
Balance at end of period	**122**	**0**	**122**	**19**	**0**	**19**	**50**	**2**	**52**

1 The following items for which expense accretion was accelerated in 2022, 2021 and 2020 due to the restructuring of the Group were not included in the restructuring liabilities: unsettled share-based compensation of CHF 95 million, CHF 13 million and CHF 27 million, respectively, which remained classified as a component of total shareholders' equity; other personnel-related charges of CHF 108 million, CHF 7 million and CHF 11 million, respectively, which remained classified as compensation liabilities; unsettled pension obligations of CHF 37 million, CHF (11) million and CHF 38 million, respectively, which remained classified as pension liabilities; and accelerated accumulated depreciation and impairment of CHF 38 million, CHF 32 million and CHF 6 million, respectively, which remained classified as premises and equipment. The settlement date for the unsettled share-based compensation remained unchanged at three years.

2 Reclassified within other liabilities.

13 Earnings per share

in	2022	2021	2020
Basic net income/(loss) attributable to shareholders (CHF million)			
Net income/(loss) attributable to shareholders for basic earnings per share	(7,293)	(1,650)	2,669
Available for common shares	(7,293)	(1,650)	2,669
Diluted net income/(loss) attributable to shareholders (CHF million)			
Net income/(loss) attributable to shareholders for diluted earnings per share	(7,293)	(1,650)	2,669
Available for common shares	(7,293)	(1,650)	2,669
Weighted-average shares outstanding (million)			
For basic earnings per share available for common shares	2,862.0	2,627.6	2,624.1
Dilutive share options and warrants	0.0	0.0	1.8
Dilutive share awards	0.0	0.0	67.6
For diluted earnings per share available for common shares [1, 2]	2,862.0	2,627.6	2,693.5
Weighted-average shares outstanding for basic/diluted earnings per share available for mandatory convertible notes	**–**	**106.6**	**–**
Earnings/(loss) per share available for common shares (CHF)			
Basic earnings/(loss) per share available for common shares	**(2.55)**	**(0.63)**	**1.02**
Diluted earnings/(loss) per share available for common shares	**(2.55)**	**(0.63)**	**0.99**

Prior periods have been adjusted to reflect the increase in the number of shares outstanding as a result of the discount element in the 2022 rights issue, as required under US GAAP.

1 Weighted-average potential common shares related to instruments that were not dilutive for the respective periods (and therefore not included in the diluted earnings per share calculation above) but could potentially dilute earnings per share in the future were 11.3 million, 10.2 million and 6.2 million for 2022, 2021 and 2020, respectively.

2 Due to the net losses in 2022 and 2021, 4.6 million and 0.7 million, respectively, of weighted-average share options and warrants outstanding and 40.9 million and 76.5 million, respectively, of weighted-average share awards outstanding were excluded from the diluted earnings per share calculation, as the effect would be antidilutive.

14 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. Taxes assessed by a governmental authority that are collected by the Group from a customer and both imposed on and concurrent with a specific revenue-producing transaction are excluded from revenue. The Group recognizes revenue when it satisfies a contractual performance obligation. Variable consideration is only included in the transaction price once it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the amount of variable consideration is subsequently resolved. Generally no significant judgement is required with respect to recording variable consideration.

If a fee is a fixed percentage of a variable account value at contract inception, recognition of the fee revenue is constrained as the contractual consideration is highly susceptible to change due to factors outside of the Group's influence. However, at each performance measurement period end (e.g., end-of-day, end-of-month, end-of-quarter), recognition of the cumulative amount of the consideration to which the Group is entitled is no longer constrained because it is calculated based on a known account value and the fee revenue is no longer variable.

Nature of services

The following is a description of the principal activities from which the Group generates its revenues from contracts with customers.

The performance obligations are typically satisfied as the services in the contract are rendered. The contract terms are generally such that they do not result in any contract assets. The contracts generally do not include a significant financing component or obligations for refunds or other similar obligations. Any variable consideration included in the transaction price is only recognized when the uncertainty of the amount is resolved and it is probable that a significant reversal of cumulative revenue recognized will not occur.

Credit Suisse's wealth management businesses provide investment services and solutions for clients, including asset management, investment advisory and investment management, wealth planning, and origination and structuring of sophisticated financing transactions. The Group receives for these services investment advisory and investment management fees which are generally reflected in the line item "Investment and portfolio management" in the table "Contracts with customers and disaggregation of revenues" below. Generally, the fee for the service provided is recognized over the period of time the service is provided.

The wealth management businesses also provide comprehensive advisory services and tailored investment and financing solutions to private, corporate and institutional clients. The nature of the services range from investment and wealth management activities, which are services rendered over a period of time according to the contract with the customer, to more transaction-specific services such as brokerage and sales and trading services and the offer of client-tailored financing products. The services are provided as requested by Credit Suisse's clients, and the fee for the service requested is recognized once the service is provided.

The Group's asset management businesses offer investment solutions and services globally to a broad range of clients, including pension funds, governments, foundations and endowments, corporations and individuals. Fund managers typically enter into a variety of contracts to provide investment management and other services. A fund manager may satisfy its performance obligation independently or may engage a third party to satisfy some or all of a performance obligation on the fund manager's behalf. Although the fund manager may have engaged a third party to provide inputs to the overall investment management services, the contractual obligation to provide investment management services to a customer remains the primary responsibility of the fund manager. As such, the fund manager is acting as a principal in the transaction. As a fund manager, the Group typically receives base management fees and may additionally receive performance-based management fees which are both recognized as "Investment and portfolio management" revenues in the table "Contracts with customers and disaggregation of revenues" below. Base management fees are generally calculated based on the NAV of the customer's investment, which can change during the performance period. Performance-based management fees are variable consideration received by the Group depending on the financial performance of the underlying fund. As both the base management fees and performance-based management fees are variable, the Group recognizes the fees once it is probable that a significant reversal of the revenue recognized will not occur and when the uncertainty of the amount is resolved. The estimate of these variable fees is constrained until the end of the performance measurement period. Generally, the uncertainty is resolved at the end of the performance measurement period and therefore no significant judgement is necessary when recording variable consideration. Under a clawback obligation provision, a fund manager may be required to return certain distributions received from a fund if a specific performance threshold, i.e., benchmark, is not achieved at the end of the lifetime of the fund. The contractual clawback obligation is an additional factor of uncertainty which is considered in the constraint assessment. If the performance-based management fee is earned but the clawback provision has not lapsed, the clawback obligation is accounted for as a refund liability.

The Group's capital markets businesses underwrite and sell securities on behalf of customers. Typically, the fees in these businesses are recognized at a single point in time once the transaction is complete, i.e., when the securities have been placed with investors, and recognized as underwriting revenue. All expenses incurred in satisfying the performance obligation are deferred and recognized once the transaction is complete. Generally Credit Suisse and other banks form a syndicate group to underwrite and place the securities for a customer. The Group may act as the lead or a participating member in the syndicate group. Each member of the syndicate group, including the lead and participating underwriters, is acting as principal for their proportionate share of the syndication. As a result, the individual underwriters reflect their proportionate share of underwriting revenue and underwriting costs on a gross basis.

The Group also offers brokerage services in its investment banking businesses, including global securities sales, trading and execution, prime brokerage and investment research. For the services provided, such as the execution of client trades in securities or derivatives, the Group typically earns a brokerage commission when the trade is executed. The Group generally acts as an agent when buying or selling exchange-traded cash securities, exchange-traded derivatives or centrally cleared OTC derivatives on behalf of clients.

Credit Suisse's investment banking businesses provide services that include advisory services to clients in connection with corporate finance activities. The term "advisory" includes any type of service the Group provides in an advisory capacity. For these types of services, the Group typically receives a non-refundable retainer fee and/or a success fee which usually represents a percentage of the transaction proceeds if and when the corporate finance activity is completed. Additionally, the contract may contain a milestone fee such as an "announcement fee" that is payable upon the public announcement of the corporate finance activity. Typically the fees in the investment banking business are recognized at a specific point in time once it is determined that the performance obligation related to the transaction has been completed. A contract liability will be recorded if the Group receives a payment such as a retainer fee or announcement fee for an advisory service prior to satisfying the performance obligation. Advisory fees are recognized ratably over time in scenarios where the contracted service of the Group is to act as an advisor over a specified period not related to or dependent on the successful completion of a transaction. Revenues recognized from these services are reflected in the line item "Other Services" in the table below.

Contracts with customers and disaggregation of revenues

in	**2022**	2021	2020
Contracts with customers (CHF million)			
Investment and portfolio management	3,079	3,497	3,187
Other securities business	61	56	66
Underwriting	491	2,493	2,255
Brokerage	2,264	3,067	3,242
Other services	1,509	2,161	1,475
Total revenues from contracts with customers	**7,404**	**11,274**	**10,225**

The table above differs from "Note 6 – Commissions and fees" as it includes only those contracts with customers that are in scope of ASC Topic 606 – Revenue from Contracts with Customers.

Contract balances

end of	**2022**	2021
Contract balances (CHF million)		
Contract receivables	687	865
Contract liabilities	54	55

Contract balances

in	**4Q22**	3Q22	2Q22	1Q22
Revenue recognized (CHF million)				
Revenue recognized in the reporting period included in the contract liabilities balance at the beginning of period	8	11	10	14

The Group did not recognize any revenues in the reporting period from performance obligations satisfied in previous periods.

There were no material net impairment losses on contract receivables in 2022, 2021 or 2020. The Group did not recognize any contract assets during 2022, 2021 or 2020.

Capitalized costs

The Group has not incurred costs to obtain a contract nor costs to fulfill a contract that are eligible for capitalization.

Remaining performance obligations

ASC Topic 606's practical expedient allows the Group to exclude from its remaining performance obligations disclosure any performance obligations which are part of a contract with an original expected duration of one year or less. Additionally, any variable consideration, for which it is probable that a significant reversal in the amount of cumulative revenue recognized will occur when the uncertainty associated with the variable consideration is subsequently resolved, is not subject to the remaining performance obligations disclosure because such variable consideration is not included in the transaction price (e.g., investment management fees). Upon review, the Group determined that no material remaining performance obligations are in scope of the remaining performance obligations disclosure.

15 Securities borrowed, lent and subject to repurchase agreements

end of	2022	2021
Securities borrowed or purchased under agreements to resell (CHF million)		
Central bank funds sold and securities purchased under resale agreements	42,256	65,017
Deposits paid for securities borrowed	16,542	38,889
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	**58,798**	**103,906**
Securities lent or sold under agreements to repurchase (CHF million)		
Central bank funds purchased and securities sold under repurchase agreements	19,330	19,591
Deposits received for securities lent	950	15,683
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	**20,280**	**35,274**

Amounts shown after counterparty and cash collateral netting

Repurchase and reverse repurchase agreements represent collateralized financing transactions used to earn net interest income, increase liquidity or facilitate trading activity. These instruments are collateralized principally by government securities and corporate bonds and have terms ranging from overnight to a longer or unspecified period of time.

In the event of counterparty default, the reverse repurchase agreement or securities lending agreement provides the Group with the right to liquidate the collateral held. In the Group's normal course of business, a significant portion of the collateral received that may be sold or repledged has been sold or repledged as of December 31, 2022 and 2021.

16 Trading assets and liabilities

end of	2022	2021
Trading assets (CHF million)		
Debt securities	37,188	54,198
Equity securities	13,155	36,546
Derivative instruments [1]	11,101	17,559
Other	4,017	2,838
Trading assets	**65,461**	**111,141**
Trading liabilities (CHF million)		
Short positions	9,168	16,689
Derivative instruments [1]	8,945	10,604
Other	225	242
Trading liabilities	**18,338**	**27,535**

1 Amounts shown after counterparty and cash collateral netting.

end of	2022	2021
Cash collateral on derivatives instruments – netted (CHF million) [1]		
Cash collateral paid	11,924	17,869
Cash collateral received	8,754	12,056
Cash collateral on derivatives instruments – not netted (CHF million) [2]		
Cash collateral paid	7,723	7,659
Cash collateral received	2,036	5,533

1 Recorded as cash collateral netting on derivative instruments in Note 28 – Offsetting of financial assets and financial liabilities.
2 Recorded as cash collateral on derivative instruments in Note 23 – Other assets and other liabilities.

17 Investment securities

end of	2022	2021
Investment securities (CHF million)		
Debt securities held-to-maturity	921	0
Debt securities available-for-sale	797	1,005
Total investment securities	**1,718**	**1,005**

Investment securities by type

					2022					2021
end of	Amortized cost	Allowance for credit losses	Gross unrealized gains	Gross unrealized losses	Fair value	Amortized cost	Allowance for credit losses	Gross unrealized gains	Gross unrealized losses	Fair value
Investment securities by type (CHF million)										
Foreign governments	921	0	0	40	881	0	0	0	0	0
Debt securities held-to-maturity	**921** [1]	**0**	**0**	**40**	**881**	**0**	**0**	**0**	**0**	**0**
Swiss federal, cantonal or local government entities	2	0	0	0	2	2	0	0	0	2
Corporate debt securities	951	0	0	156	795	1,011	0	0	8	1,003
Debt securities available-for-sale	**953** [2]	**0**	**0**	**156**	**797**	**1,013**	**0**	**0**	**8**	**1,005**

1 Excluded accrued interest on debt securities held-to-maturity of CHF 10 million as of December 31, 2022, with no related allowance for credit losses. Accrued interest was reported in other assets in the consolidated balance sheet.
2 Excluded accrued interest on debt securities available-for-sale of CHF 1 million as of December 31, 2022. Accrued interest was reported in other assets in the consolidated balance sheet.

Gross unrealized losses on debt securities and the related fair value

	Less than 12 months		12 months or more		Total	
end of	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
2022 (CHF million)						
Corporate debt securities	374	58	404	98	778	156
Debt securities available-for-sale	**374**	**58**	**404**	**98**	**778**	**156**
2021 (CHF million)						
Corporate debt securities	683	8	0	0	683	8
Debt securities available-for-sale	**683**	**8**	**0**	**0**	**683**	**8**

Unrealized losses on debt securities as of December 31, 2022 relate to twelve debt security positions held for liquidity purposes. The Group does not intend to sell these investments nor is it more likely than not that the Group will be required to sell these securities before the recovery of their amortized cost basis, which may be at maturity. Management determined that the unrealized losses on these debt securities were attributable to changes in market valuation driven by interest rate movements and not to credit-related factors. As a result, no impairment charges were recorded in the consolidated statements of operations.

→ Refer to "Note 20 – Financial instruments measured at amortized cost and credit losses" for further information on debt securities held-to-maturity.

Proceeds from sales, realized gains and realized losses from debt securities available-for-sale

in	2022	2021	2020
Sales of debt securities available-for-sale (CHF million)			
Proceeds from sales	44	0	629
Realized gains	0	0	42
Realized losses	(6)	0	0

Amortized cost, fair value and average yield of debt securities

	Debt securities held-to-maturity			Debt securities available-for-sale		
end of	Amortized cost	Fair value	Average yield (in %)	Amortized cost	Fair value	Average yield (in %)
2022 (CHF million)						
Due within 1 year	0	0	0.00	19	19	0.89
Due from 1 to 5 years	921	881	3.94	237	210	0.33
Due from 5 to 10 years	0	0	0.00	697	568	0.36
Total debt securities	**921** [1]	**881**	**3.94**	**953** [2]	**797**	**0.36**

1 Excluded accrued interest on debt securities held-to-maturity of CHF 10 million.
2 Excluded accrued interest on debt securities available-for-sale of CHF 1 million.

Allowance for credit losses on debt securities available-for-sale

A credit loss exists if there is a decline in fair value of the security below the amortized cost as a result of the non-collectability of the amounts due in accordance with the contractual terms.

An allowance for expected credit losses is recorded in the consolidated statement of operations in provision for credit losses and the non-credit-related losses are recorded in AOCI. Subsequent improvements in the estimated credit losses are recorded in the consolidated statement of operations as a reduction in provision for credit losses. A security is written off when a determination is made that the security is uncollectible. As of the end of 2022 and 2021, the Group had no allowance for credit losses on debt securities available-for-sale.

18 Other investments

end of	**2022**	2021
Other investments (CHF million)		
Equity method investments	1,619	1,644
Equity securities (without a readily determinable fair value) [1]	3,213	3,317
of which at net asset value	73	54
of which at measurement alternative	368	347
of which at fair value	2,726	2,869
of which at cost less impairment	46	47
Real estate held-for-investment [2]	99	76
Life finance instruments [3]	587	789
Total other investments	**5,518**	**5,826**

1 Includes private equity, hedge funds and restricted stock investments as well as certain investments in non-marketable mutual funds for which the Group had neither significant influence nor control over the investee.
2 As of the end of 2022 and 2021, real estate held-for-investment included foreclosed or repossessed real estate of CHF 20 million and CHF 9 million, respectively, of which CHF 20 million and CHF 6 million, respectively, were related to residential real estate.
3 Includes single premium immediate annuity contracts.

Accumulated depreciation related to real estate held-for-investment amounted to CHF 28 million, CHF 32 million and CHF 35 million for 2022, 2021 and 2020, respectively.

No impairments were recorded on real estate held-for-investment in 2022 and 2021. An impairment of CHF 1 million was recorded on real estate held-for-investment in 2020.

Equity securities at measurement alternative

in / end of	**2022**	**Cumulative**	2021
Impairments and adjustments (CHF million)			
Impairments and downward adjustments	(12)	(55)	(17)
Upward adjustments	9	147	1

→ Refer to "Note 36 – Financial instruments" for further information on such investments.

19 Loans

The Group's loan portfolio is classified into two portfolio segments, consumer loans and corporate & institutional loans. Consumer loans are disaggregated into the classes of mortgages, loans collateralized by securities and consumer finance. Corporate & institutional loans are disaggregated into the classes of real estate, commercial and industrial loans, financial institutions, and governments and public institutions.

For financial reporting purposes, the carrying values of loans and related allowance for credit losses are presented in accordance with US GAAP and are not comparable with the regulatory credit risk exposures presented in our disclosures required under Pillar 3 of the Basel framework.

Loans

end of	**2022**	2021
Loans (CHF million)		
Mortgages	107,484	110,533
Loans collateralized by securities	37,639	51,253
Consumer finance	5,701	5,075
Consumer	150,824	166,861
Real estate	25,463	28,529
Commercial and industrial loans	62,057	69,129
Financial institutions	24,700	25,222
Governments and public institutions	2,555	3,323
Corporate & institutional	114,775	126,203
Gross loans	**265,599**	**293,064**
of which held at amortized cost	258,241	282,821
of which held at fair value	7,358	10,243
Net (unearned income)/deferred expenses	(71)	(81)
Allowance for credit losses	(1,363)	(1,297)
Net loans	**264,165**	**291,686**
Gross loans by location		
Switzerland	163,800	167,957
Foreign	101,799	125,107
Gross loans	**265,599**	**293,064**
Impaired loans		
Non-performing loans	1,614	1,666
Non-interest-earning loans	349	298
Non-accrual loans	1,963	1,964
Restructured loans	484	367
Potential problem loans	977	436
Other impaired loans	1,461	803
Gross impaired loans [1]	**3,424**	**2,767**

1 As of December 31, 2022 and 2021, CHF 130 million and CHF 130 million, respectively, were related to consumer mortgages secured by residential real estate for which formal foreclosure proceedings according to local requirements of the applicable jurisdiction were in process.

In accordance with Group policies, impaired loans include non-accrual loans, comprised of non-performing loans and non-interest-earning loans, as well as restructured loans and potential problem loans.

→ Refer to "Loans" in Note 1 – Summary of significant accounting policies for further information on loans and categories of impaired loans.

→ Refer to "Note 20 – Financial instruments measured at amortized cost and credit losses" for further information on loans held at amortized cost.

20 Financial instruments measured at amortized cost and credit losses

This disclosure provides an overview of the Group's balance sheet positions that include financial assets carried at amortized cost that are subject to the CECL accounting guidance. It includes the following sections:

- Allowance for credit losses (including the methodology for estimating expected credit losses in non-impaired and impaired financial assets and current-period estimates);
- Credit quality information (including monitoring of credit quality and internal ratings);
- Past due financial assets;
- Non-accrual financial assets;
- Collateral-dependent financial assets;
- Off-balance sheet credit exposure; and
- Troubled debt restructurings and modifications.

As of December 31, 2022, the Group had no purchased financial assets with more than insignificant credit deterioration since origination.

→ Refer to "Note 1 – Summary of significant accounting policies" for further information on the accounting of financial assets and off-balance sheet credit exposure subject to the CECL accounting guidance.

Overview of financial instruments measured at amortized cost – by balance sheet position

			2022			2021
end of	Amortized cost basis [1]	Allowance for credit losses	**Net carrying value**	Amortized cost basis [1]	Allowance for credit losses	**Net carrying value**
CHF million						
Cash and due from banks	68,280	0	**68,280**	164,510	0	**164,510**
Interest-bearing deposits with banks	441 [2]	0	**441**	1,323 [4]	0	**1,323**
Securities purchased under resale agreements and securities borrowing transactions	18,005 [2]	0	**18,005**	35,283 [4]	0	**35,283**
Debt securities held-to-maturity	921 [2]	0	**921**	0	0	**0**
Loans	258,170 [2,3]	(1,363)	**256,807**	282,740 [4,5]	(1,297)	**281,443**
Brokerage receivables	17,899	(4,081)	**13,818**	20,873 [4]	(4,186)	**16,687**
Other assets	23,487	(40)	**23,447**	14,175	(30)	**14,145**
Total	**387,203**	**(5,484)**	**381,719**	**518,904**	**(5,513)**	**513,391**

1 Net of unearned income/deferred expenses, as applicable.
2 Excluded accrued interest in the total amount of CHF 549 million, with no related allowance for credit losses. Of the accrued interest balance, CHF 1 million related to interest-bearing deposits with banks, CHF 4 million to securities purchased under resale agreements and securities borrowing transactions, CHF 10 million to debt securities held-to-maturity and CHF 534 million to loans. These accrued interest balances are reported in other assets.
3 Included interest of CHF 103 million on non-accrual loans which were reported as part of the loans' amortized cost balance.
4 Excluded accrued interest in the total amount of CHF 301 million, with no related allowance for credit losses. Of the accrued interest balance, CHF 1 million related to interest-bearing deposits with banks, CHF 1 million to securities purchased under resale agreements and securities borrowing transactions, CHF 295 million to loans and CHF 4 million to brokerage receivables. These accrued interest balances are reported in other assets.
5 Included interest of CHF 86 million on non-accrual loans which were reported as part of the loans' amortized cost balance.

Allowance for credit losses

Estimating expected credit losses – overview

The following key elements and processes of estimating expected credit losses apply to the Group's major classes of financial assets held at amortized cost.

Expected credit losses on non-impaired credit exposures

Expected credit loss models for non-impaired credit exposures have three main inputs: (i) PD, (ii) LGD and (iii) EAD. These parameters are derived from internally developed statistical models which are based on historical data and leverage regulatory models under the advanced internal rating-based (A-IRB) approach. Expected credit loss models use forward-looking information to derive point-in-time estimates of forward-looking term structures.

PD estimates are based on statistical rating models and tailored to various categories of counterparties and exposures. These statistical rating models are based on internally and externally compiled data comprising both quantitative and qualitative factors. A migration of a counterparty or exposure between rating classes generally leads to a change in the estimate of the associated PD. Lifetime PDs are estimated considering the expected macroeconomic environment and the contractual maturities of exposures, adjusted for estimated prepayment rates where applicable. Internal credit ratings form a significant input to the model derived CECL PDs. For the majority of counterparties, internal credit ratings are determined via statistical rating models, which are developed under the A-IRB approach of the Basel framework. The models are tailored to the specific business of the respective obligor and are intended to reflect the risk of default over a one-year period of each counterparty. The Group has received approval from its primary regulator to use, and has fully implemented, the A-IRB approach.

LGD estimates the size of the expected loss that may arise on a credit exposure in the event of a default. The Group estimates LGD based on the history of recovery rates of claims against defaulted counterparties, considering, as appropriate, factors such as differences in product structure, collateral type, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. Certain LGD values are also calibrated to reflect the expected macroeconomic environment.

EAD represents the expected amount of credit exposure in the event of a default. It reflects the current drawn exposure with a counterparty and an expectation regarding the future evolution of the credit exposure under the contract or facility, including amortization and prepayments. The EAD of a financial asset is the gross carrying amount at default, which is modeled based on historical data by applying a term structure and considering portfolio-specific factors such as the drawn amount as of the reporting date, the facility limit, amortization schedules, financial collateral and product type. For certain financial assets, the Group determines EAD by modeling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

Where a relationship to macroeconomic indicators is statistically sound and in line with economic expectations, the parameters are modeled accordingly, incorporating the Group's forward-looking forecasts and applying regional segmentations where appropriate.

The ability to forecast credit losses over the reasonable and supportable period is based on the ability to forecast economic activity over a reasonable and supportable time window. The Group's macroeconomic and market variable forecasts for the CECL scenarios cover a five-year time horizon. For periods beyond that reasonable and supportable forecast period, the Group immediately reverts to average economic environment variables as model input factors. In the downside and upside scenarios, mean reversion to the base case projected paths will commence in year three, with full convergence occurring in years four and five for certain macroeconomic factors.

Alternative qualitative estimation approaches are used for certain products. For lombard loans (including share-backed loans), the PD/LGD approach used does not consider the Group's forward-looking forecasts as these are not meaningful for the estimate of expected credit losses in light of the short time-frame considered for closing out positions under daily margining arrangements. For international private residential mortgages and securitizations, the Group applies qualitative approaches where credit specialists follow a structured process and use their expertise and judgment to determine the amounts of expected credit losses.

The Group measures expected credit losses considering the risk of default over the maximum contractual period (including any borrower's extension options) during which it is exposed to credit risk, even if the Group considers a longer period for risk management purposes. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate an irrevocable loan commitment or a credit guarantee.

Expected credit losses on impaired credit exposures

Expected credit losses for individually impaired credit exposures are measured by performing an in-depth review and analysis of these exposures, considering factors such as recovery and exit options as well as collateral and the risk profile of the borrower. The individual measurement of expected credit losses for impaired financial assets also considers reasonable and supportable forward-looking information that is relevant to the individual counterparty (idiosyncratic information) and reflective of the macroeconomic environment that the borrower is exposed to, apart from any historical loss information and current conditions. If there are different scenarios relevant for the individual expected credit loss measurement, they are considered on a probability-weighted basis. The related allowance for credit losses is revalued by the recovery management function, at least annually or more frequently, depending on the risk profile of the borrower or credit-relevant events.

For credit-impaired financial assets, the expected credit loss is measured using (i) the present value of estimated future cash flows discounted at the contractual interest rate of the loan and (ii) the fair market value of collateral where the loan is collateral-dependent. The impaired credit exposures and related allowance are revalued to reflect the passage of time.

For all classes of financial assets, the trigger to detect an impaired credit exposure is non-payment of interest, principal amounts or other contractual payment obligations, or when, for example, the Group may become aware of specific adverse information relating to a counterparty's ability to meet its contractual obligations, despite the current repayment status of its particular credit facility. For credit exposures where repayment is dependent on collateral, a decrease in collateral values can be an additional trigger to detect an impairment. Additional procedures may apply to specific classes of financial assets as described further below.

Troubled debt restructurings, also referred to as restructured loans, are considered impaired credit exposures in line with the Group's policies and subject to individual assessment and provisioning for expected credit losses by the Group's recovery functions. Restructured loans that defaulted again within 12 months from the last restructuring remain impaired or are impaired if they were considered non-impaired at the time of the subsequent default.

Macroeconomic scenarios

The estimation and application of forward-looking information requires quantitative analysis and significant expert judgment. The Group's estimation of expected credit losses is based on a discounted probability-weighted estimate that considers three future macroeconomic scenarios: a baseline scenario, an upside scenario and a downside scenario. The baseline scenario represents the most likely outcome. The two other scenarios represent more optimistic and more pessimistic outcomes, with the downside scenario being more severe than the upside scenario. The scenarios are probability-weighted according to the Group's best estimate of their relative likelihood based on historical frequency, an assessment of the current business and credit cycles as well as the macroeconomic factor trends.

The scenario design team within the Group's Enterprise Risk Management (ERM) function determines the macroeconomic factors (MEFs) and market projections that are relevant for the Group's three scenarios across the overall credit portfolio subject to the CECL accounting guidance. The scenario design team formulates the baseline scenario projections used for the calculation of expected credit losses from the Group's global chief investment office in-house economic research forecasts and, where deemed appropriate, from external sources such as the Bloomberg consensus of economist forecasts (covering the views of other investment banks and external economic consultancies), forecasts from nonpartisan think tanks, major central banks and multilateral institutions, such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD) and the World Bank. For factors where no in-house or credible external forecasts are available, an internal model is used to calibrate the baseline scenario projections. The downside and upside scenarios are derived from these baseline scenario projections. These three scenario projections are subject to a review and challenge process and any feedback from this process is incorporated into the scenario projections by the ERM scenario design team. The CECL scenario design working group is the governance forum. The working group performs an additional review and challenge and subsequently recommends approval of the MEFs and related market projections as well as the occurrence probability weights that are allocated to the baseline, downside and upside scenarios. MEFs and related market projections as well as the scenario occurrence probability weights used for the calculation of expected credit losses are approved by the Senior Management Approval Committee.

Current-period estimate of expected credit losses on non-impaired credit exposures

One of the most significant judgments involved in estimating the Group's allowance for credit losses relates to the macroeconomic forecasts used to estimate credit losses over the forecast period, with modeled credit losses being driven primarily by a set of 37 MEFs. The key MEFs used in each of the macroeconomic scenarios for the calculation of the expected credit losses include, but are not limited to, GDP and industrial production growth rates. These MEFs are used in the portfolio- and region-specific CECL models and have been selected based on statistical criteria and expert judgment to explain expected credit losses. The table "Selected macroeconomic factors" includes the Group's forecast of selected MEFs for 2023 and 2024, as estimated as of December 31, 2022. The comparative information includes the forecast of MEFs selected and estimated as of December 31, 2021.

As of December 31, 2022, the forecast macroeconomic scenarios were weighted 50% for the baseline, 40% for the downside and 10% for the upside scenario, unchanged compared to the scenario weightings applicable as of December 31, 2021. The MEFs included in the table represent the four-quarter average forecasts for 2023 and 2024 at the end of each reporting period. These MEFs forecasts are recalibrated on a monthly basis and certain CECL models consume data with a time lag or are influenced by statistical base effects from an earlier period. The quarterly series for China real GDP and world industrial production returned to pre-pandemic levels (i.e., the fourth quarter of 2019) in the second and third quarter of 2020, respectively, while the quarterly series for US real GDP returned to pre-pandemic levels in the first quarter of 2021. The quarterly series for Swiss nominal GDP and EU nominal GDP returned to pre-pandemic levels in the second quarter of 2021, based on the latest published statistical data available. The macroeconomic and market variable projections incorporate adjustments to reflect the impact of accelerated monetary policy tightening by the world's major central banks in response to high inflation rates, the impact of Russia's invasion of Ukraine on energy and food prices as well as the macroeconomic impact of the property sector slowdown in China. While GDP and industrial production growth rates are significant inputs to the forecast models, a range of other inputs are also incorporated for all three scenarios to provide projections for future economic and market conditions. Given the complex nature of the forecasting process, no single economic variable is viewed in isolation or independently of other inputs.

Selected macroeconomic factors

December 31, 2022	Forecast 2023	Forecast 2024
US real GDP growth rate (%)		
Downside	(1.7)	0.5
Baseline	0.9	1.5
Upside	1.2	2.0
World industrial production (%)		
Downside	(6.8)	0.4
Baseline	1.2	1.9
Upside	3.9	3.9
China real GDP growth rate (%)		
Downside	(0.9)	2.1
Baseline	4.5	4.9
Upside	6.2	5.8
EU nominal GDP growth rate (%)		
Downside	3.4	2.3
Baseline	5.2	4.1
Upside	5.5	3.8
Swiss nominal GDP growth rate (%)		
Downside	0.0	1.0
Baseline	2.7	2.0
Upside	3.2	2.1

Forecasts represent the four-quarter average estimate of the respective macroeconomic factor as determined at the end of each reporting period.

Selected macroeconomic factors (continued)

December 31, 2021	Forecast 2022	Forecast 2023
Swiss real GDP growth rate (%)		
Downside	(0.4)	0.3
Baseline	2.5	1.9
Upside	4.3	2.8
Eurozone real GDP growth rate (%)		
Downside	(0.7)	1.4
Baseline	3.8	2.3
Upside	4.2	2.7
US real GDP growth rate (%)		
Downside	0.1	1.4
Baseline	3.8	1.9
Upside	4.5	2.4
UK real GDP growth rate (%)		
Downside	(0.9)	1.0
Baseline	5.0	3.3
Upside	7.8	3.9
World industrial production (%)		
Downside	0.0	2.0
Baseline	3.0	3.0
Upside	4.4	3.7

Forecasts represent the four-quarter average estimate of the respective macroeconomic factor as determined at the end of each reporting period.

Expected credit losses are not solely derived from MEF projections. Model overlays based on expert judgment are also applied, considering historical loss experience and industry and counterparty reviews, and primarily impacting certain corporate and institutional loans portfolios. Such overlays are designed to address circumstances where in management's judgment the CECL model outputs are overly sensitive to the effect of economic inputs that exhibit significant deviation from their long-term historical averages. Overlays may also be used to capture judgment on the economic uncertainty from global or regional developments with severe impacts on economies. The Group's non-specific allowance for expected credit losses on balance sheet and off-balance sheet credit exposures as of December 31, 2022 decreased compared to December 31, 2021. Model overlays were recalibrated during the year to take into account updated input elements based on expert judgment which led to a release. This release of overlays was outweighing the impact of additional stress from macroeconomic factors observable during the year. Overlays continued to be closely aligned with the macroeconomic forecasts and associated scenario weightings.

Interest income attributable to passage of time

For financial assets held at amortized cost for which the Group measures expected credit losses based on the discounted cash flow methodology the entire change in present value is reported in provision for credit losses.

Loans held at amortized cost

The Group's loan portfolio is classified into two portfolio segments, consumer loans and corporate & institutional loans. The main risk characteristics are described by individual class of financing receivable for each of these portfolio segments:

Consumer loans:
- Mortgages: includes lending instruments secured by residential real estate; such credit exposure is sensitive to the level of interest rates and unemployment as well as real estate valuation.
- Loans collateralized by securities: primarily includes lending secured by marketable financial collateral (e.g., equities, bonds, investment funds and precious metals); such credit exposure is sensitive to market prices for securities which impact the value of financial collateral.
- Consumer finance: includes lending to private individuals such as credit cards, personal loans and leases; such credit exposure is sensitive to MEFs including economic growth, unemployment and interest rates.

Corporate & institutional loans:
- Real estate: includes lending backed by commercial or income-producing real estate; such credit exposure is sensitive to MEFs including economic growth, unemployment, interest rates and industrial production as well as real estate valuation.
- Commercial and industrial loans: includes lending to corporate clients including small and medium-sized enterprises, large corporates and multinational clients; such credit exposure is sensitive to MEFs including economic growth, unemployment and industrial production.
- Financial institutions: includes lending to financial institutions such as banks and insurance companies; such credit exposure is sensitive to MEFs including economic growth.
- Governments and public institutions: includes lending to central government and state-owned enterprises; such credit exposure is sensitive to MEFs including economic growth.

Expected credit losses on impaired loans

In addition to the triggers described further above, loans managed on the Swiss platform are reviewed depending on event-driven developments. All corporate and institutional loans are reviewed at least annually based on the borrower's financial statements and any indications of difficulties they may experience. Loans that are not impaired, but which are of special concern due to changes in covenants, downgrades, negative financial news and other adverse developments, are either transferred to recovery management or included on a watch list. All loans on the watch list are reviewed at least quarterly to determine whether they should be released, remain on the watch list or be moved to recovery management. For loans in recovery management from the Swiss platform, larger positions are reviewed on a quarterly basis for any event-driven changes. Otherwise, these loans are reviewed at least annually. All loans in recovery management on international platforms are reviewed on at least a monthly basis.

Allowance for credit losses – loans held at amortized cost

	2022			2021			2020		
	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total
Allowance for credit losses (CHF million)									
Balance at beginning of period	**357**	**940**	**1,297**	**318**	**1,218**	**1,536**	**241**	**808**	**1,049** [1]
Current-period provision for expected credit losses	55	184	239	78	(53)	25	191	709	900
of which methodology changes	0	0	0	0	(1)	(1)	0	(19)	(19)
of which provisions for interest [2]	22	29	51	25	23	48	22	15	37
Gross write-offs	(65)	(116)	(181)	(55)	(242)	(297)	(87)	(238)	(325)
Recoveries	12	3	15	9	5	14	8	5	13
Net write-offs	(53)	(113)	(166)	(46)	(237)	(283)	(79)	(233)	(312)
Foreign currency translation impact and other adjustments, net	0	(7)	(7)	7	12	19	(35)	(66)	(101)
Balance at end of period	**359**	**1,004**	**1,363**	**357**	**940**	**1,297**	**318**	**1,218**	**1,536**
of which individually evaluated	273	572	845	273	512	785	230	636	866
of which collectively evaluated	86	432	518	84	428	512	88	582	670

1 Included a net impact of CHF 103 million from the adoption of the new CECL guidance and the related election of the fair value option for certain loans on January 1, 2020, of which CHF 55 million was reflected in consumer loans and CHF 48 million in corporate & institutional loans.
2 Represents the current-period net provision for accrued interest on non-accrual loans and lease financing transactions which is recognized as a reversal of interest income.

Gross write-offs of CHF 181 million in 2022 compared to gross write-offs of CHF 297 million in 2021 and were primarily related to corporate & institutional loans in both years. In 2022, gross write-offs in corporate & institutional loans reflected the sale of a facility relating to a coal mining company and write-offs of a loan to a consulting services company, an exposure to a financial institution impacted by sanctions imposed in connection with Russia's invasion of Ukraine and individual positions in small and medium-sized enterprises, Swiss large corporates and ship finance. Write-offs in consumer loans were mainly related to Swiss consumer finance loans and a European mortgage. In 2021, gross write-offs in corporate & institutional loans were mainly related to positions in commodity trade finance, ship finance, corporate lending, the sale of a real estate-related loan and a position in the US health care sector. Write-offs in consumer loans were mainly related to consumer finance.

Purchases, reclassifications and sales – loans held at amortized cost

	2022			2021			2020		
in	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total
CHF million									
Purchases [1]	17	4,603	**4,620**	22	4,361	**4,383**	45	2,756	**2,801**
Reclassifications from loans held-for-sale [2]	0	95	**95**	0	133	**133**	0	6	**6**
Reclassifications to loans held-for-sale [3]	0	9,516	**9,516**	0	4,780	**4,780**	18	2,007	**2,025**
Sales [3]	0	2,485	**2,485**	0	4,442	**4,442**	18	1,626	**1,644**

Reclassifications from loans held-for-sale and reclassifications to loans held-for-sale represent non-cash transactions.
1 Includes drawdowns under purchased loan commitments.
2 Reflects loans previously reclassified to held-for-sale that were not sold and were reclassified back to loans held at amortized cost.
3 All loans held at amortized cost which are sold are reclassified to loans held-for-sale on or prior to the date of the sale.

Debt securities held-to-maturity

In 2022, the Group purchased foreign government debt securities held-to-maturity amounting to CHF 971 million, all related to a portfolio of US Treasury securities.

The Group's debt securities held-to-maturity with a carrying value of CHF 921 million as of December 31, 2022 represent a portfolio of US Treasury securities, all rated "AAA" based on the Group's internal counterparty rating. US Treasury securities have a history of no credit losses and market price movements mainly reflect changes in market interest rates. Based on this history of no credit losses and the Group's view of the current and forecasted economic environment, the Group expects the risk of non-payment for US Treasuries to be zero and does not have an allowance for credit losses for these securities. The credit quality of these securities is monitored on an ongoing basis and the Group's zero-loss expectation is validated on at least a quarterly basis through the Group's governance structure involving the Credit Risk and Treasury functions.

→ Refer to "Note 17 – Investment securities" for further information.

Other financial assets

The Group's other financial assets include certain balance sheet positions held at amortized cost, each representing its own portfolio segment. They have the following risk characteristics:

- Cash and due from banks and interest-bearing deposits with banks: includes balances held with banks, primarily cash balances with central banks and nostro accounts; such credit exposure is sensitive to the credit rating and profile of the bank or central bank. Cash and due from banks also includes short-term, highly liquid debt instruments with original maturities of three months or less, which are held for cash management purposes; such credit exposure is sensitive to the credit rating and profile of the issuer of the related instrument.
- Reverse repurchase agreements and securities borrowing transactions: includes lending and borrowing of securities against cash or other financial collateral; such credit exposure is sensitive to the credit rating and profile of the counterparty and relative changes in the valuation of securities and financial collateral.
- Brokerage receivables: includes mainly settlement accounts with brokers and margin accounts; such credit exposure is sensitive to the credit rating and profile of the counterparty.
- Other assets: includes mainly cash collateral, accrued interest, fees receivable, mortgage servicing advances and failed purchases; such credit exposure is sensitive to the credit rating and profile of the related counterparty.

Allowance for credit losses – other financial assets held at amortized cost

	2022	2021	2020
Allowance for credit losses (CHF million)			
Balance at beginning of period	**4,216**	**55**	**45**
Current-period provision for expected credit losses	(132)	4,291	24
Gross write-offs	(8)	(9)	(12)
Recoveries	0	0	2
Net write-offs	(8)	(9)	(10)
Foreign currency translation impact and other adjustments, net	45	(121)	(4)
Balance at end of period	**4,121**	**4,216**	**55**
of which individually evaluated	4,099	4,202	17
of which collectively evaluated	22	14	38

The current-period provision for expected credit losses on other financial assets held at amortized cost included a release of CHF 155 million in 2022 and a provision of CHF 4,307 million in 2021 related to Archegos Capital Management (Archegos). As of December 31, 2022 and 2021, the allowance for credit losses on brokerage receivables of CHF 4,081 million and CHF 4,186 million, respectively, were primarily related to Archegos.

In 2022 and 2021, the Group purchased other financial assets held at amortized cost amounting to CHF 931 million and CHF 196 million, respectively, primarily related to mortgage servicing advances.

Credit quality information

Monitoring of credit quality and internal ratings – Overview
The Group monitors the credit quality of financial assets held at amortized cost through its credit risk management framework, which provides for the consistent evaluation, measurement and management of credit risk across the Group. Assessments of credit risk exposures for internal risk estimates and risk-weighted assets are calculated based on PD, LGD and EAD models.

→ Refer to "Expected credit losses on non-impaired credit exposures" for further information on PD, LGD and EAD.

The credit risk management framework incorporates the following core elements:

- Counterparty and transaction assessments: application of internal credit ratings (using PD), assignment of LGD and EAD values in relation to counterparties and transactions;
- Credit limits: establishment of credit limits, including limits based on notional exposure, potential future exposure and stress exposure, subject to approval by delegated authority holders, to serve as primary risk controls on exposures and to prevent undue risk concentrations;
- Credit monitoring, impairments and provisions: processes to support the ongoing monitoring and management of credit exposures, supporting the early identification of deterioration and any subsequent impact; and
- Risk mitigation: active management of risk mitigation provided in relation to credit exposures, including through the use of cash sales, participations, collateral or guarantees or hedging instruments.

In addition to traditional credit exposure measurement, monitoring and management using current and potential future exposure metrics, Credit Risk performs counterparty and portfolio credit risk assessments of the impact of various internal stress test scenarios. Credit Risk assesses the impact to credit risk exposures arising from market movements in accordance with the scenario narrative, which can further support the identification of concentration or tail risks. The scenario suite includes historical scenarios as well as forward-looking scenarios which are used across the Risk function.

Credit Risk evaluates and assesses counterparties and clients to whom the Group has credit exposures, primarily using internal rating models. Credit Risk uses these models to determine internal credit ratings which are intended to reflect the PD of each counterparty.

For a majority of counterparties and clients, internal ratings are based on internally developed statistical models that have been backtested against internal experience and validated by a function independent of model development. Findings from backtesting serve as a key input for any future rating model developments. The Group's internally developed statistical rating models are based on a combination of quantitative factors (e.g., financial fundamentals, such as balance sheet information for corporates and loan-to-value (LTV) ratio and the borrower's income level for mortgage lending, and market data) and qualitative factors (e.g., credit histories from credit reporting bureaus and economic trends).

For the remaining counterparties where statistical rating models are not used, internal credit ratings are assigned on the basis of a structured expert approach using a variety of inputs, such as peer analyses, industry comparisons, external ratings and research as well as the judgment of senior credit officers.

In addition to counterparty ratings, Credit Risk also assesses the risk profile of individual transactions and assigns transaction ratings which reflect specific contractual terms such as seniority, security and collateral.

Internal credit ratings may differ from external credit ratings, where available, and are subject to periodic review depending on exposure type, client segment, collateral or event-driven developments. The Group's internal ratings are mapped to a PD band associated with each rating which is calibrated to historical default experience using internal data and external data sources. The Group's internal rating bands are reviewed on an annual basis with reference to extended historical default data and are therefore based on stable long-run averages. Adjustments to PD bands are only made where significant deviations to existing values are detected. The last update was made in 2012 and since then no significant changes to the robust long-run averages have been detected.

For the purpose of the credit quality disclosures included in these financial statements, an equivalent rating based on the Standard & Poor's rating scale is assigned to the Group's internal ratings based on the PD band associated with each rating. These internal ratings are used consistently across all classes of financial assets and are aggregated to the credit quality indicators "investment grade" and "non-investment grade".

The Group uses internal rating methodologies consistently for the purposes of approval, establishment and monitoring of credit limits and credit portfolio management, credit policy, management reporting, risk-adjusted performance measurement, economic risk capital measurement and allocation and financial accounting.

A credit quality monitoring process is performed to provide for early identification of possible changes in the creditworthiness of clients and includes regular asset and collateral quality reviews, business and financial statement analysis and relevant economic and industry studies. Credit Risk maintains regularly updated watch lists and holds review meetings to re-assess counterparties that could be subject to adverse changes in creditworthiness. The review of the credit quality of clients and counterparties does not depend on the accounting treatment of the asset or commitment.

→ Refer to "Expected credit losses on impaired credit exposures" for further information on credit monitoring.

Credit quality of loans held at amortized cost

The following table presents the Group's carrying value of loans held at amortized cost by aggregated internal counterparty credit ratings "investment grade" and "non-investment grade" that are used as credit quality indicators for the purpose of this disclosure, by year of origination. Within the line items relating to the origination year, the first year represents the origination year of the current reporting period and the second year represents the origination year of the comparative reporting period.

Consumer loans held at amortized cost by internal counterparty rating

	2022				2021			
	Investment grade	Non-investment grade			Investment grade	Non-investment grade		
end of	AAA to BBB	BB to C	D	**Total**	AAA to BBB	BB to C	D	**Total**
CHF million								
Mortgages								
2022 / 2021	12,501	1,540	8	14,049	24,257	2,134	40	26,431
2021 / 2020	21,627	1,396	45	23,068	14,743	1,402	13	16,158
2020 / 2019	12,869	1,111	19	13,999	11,308	1,639	48	12,995
2019 / 2018	10,029	1,271	67	11,367	7,287	812	88	8,187
2018 / 2017	6,609	650	36	7,295	5,318	698	74	6,090
Prior years	34,525	1,931	210	36,666	36,790	2,359	317	39,466
Total term loans	98,160	7,899	385	106,444	99,703	9,044	580	109,327
Revolving loans	229	807	4	1,040	276	930	0	1,206
Total	**98,389**	**8,706**	**389**	**107,484**	**99,979**	**9,974**	**580**	**110,533**
Loans collateralized by securities								
2022 / 2021	562	552	0	1,114	2,627	685	0	3,312
2021 / 2020	1,496	381	0	1,877	649	848	0	1,497
2020 / 2019	307	721	0	1,028	61	167	0	228
2019 / 2018	35	143	0	178	32	26	106	164
2018 / 2017	16	25	0	41	55	19	0	74
Prior years	803	188	0	991	804	681	0	1,485
Total term loans	3,219	2,010	0	5,229	4,228	2,426	106	6,760
Revolving loans [1]	30,023	2,124	263	32,410	41,275	3,063	155	44,493
Total	**33,242**	**4,134**	**263**	**37,639**	**45,503**	**5,489**	**261**	**51,253**
Consumer finance								
2022 / 2021	2,135	1,005	8	3,148	1,688	823	5	2,516
2021 / 2020	650	334	15	999	538	288	15	841
2020 / 2019	307	200	15	522	285	234	19	538
2019 / 2018	120	183	18	321	98	169	18	285
2018 / 2017	26	87	15	128	21	75	13	109
Prior years	14	80	44	138	13	76	43	132
Total term loans	3,252	1,889	115	5,256	2,643	1,665	113	4,421
Revolving loans	318	42	69	429	348	21	90	459
Total	**3,570**	**1,931**	**184**	**5,685**	**2,991**	**1,686**	**203**	**4,880**
Consumer – total								
2022 / 2021	15,198	3,097	16	18,311	28,572	3,642	45	32,259
2021 / 2020	23,773	2,111	60	25,944	15,930	2,538	28	18,496
2020 / 2019	13,483	2,032	34	15,549	11,654	2,040	67	13,761
2019 / 2018	10,184	1,597	85	11,866	7,417	1,007	212	8,636
2018 / 2017	6,651	762	51	7,464	5,394	792	87	6,273
Prior years	35,342	2,199	254	37,795	37,607	3,116	360	41,083
Total term loans	104,631	11,798	500	116,929	106,574	13,135	799	120,508
Revolving loans	30,570	2,973	336	33,879	41,899	4,014	245	46,158
Total	**135,201**	**14,771**	**836**	**150,808**	**148,473**	**17,149**	**1,044**	**166,666**

1 Lombard loans are generally classified as revolving loans.

Corporate & institutional loans held at amortized cost by internal counterparty rating

				2022				2021
	Investment grade	Non-investment grade			Investment grade	Non-investment grade		
end of	AAA to BBB	BB to C	D	**Total**	AAA to BBB	BB to C	D	**Total**
CHF million								
Real estate								
2022 / 2021	3,601	2,499	5	6,105	9,568	4,682	2	14,252
2021 / 2020	7,001	2,441	0	9,442	3,709	1,355	5	5,069
2020 / 2019	3,071	855	4	3,930	1,849	706	2	2,557
2019 / 2018	959	297	56	1,312	925	340	1	1,266
2018 / 2017	698	219	1	918	475	101	0	576
Prior years	2,109	217	24	2,350	2,469	376	30	2,875
Total term loans	17,439	6,528	90	24,057	18,995	7,560	40	26,595
Revolving loans	694	281	125	1,100	778	297	135	1,210
Total	**18,133**	**6,809**	**215**	**25,157**	**19,773**	**7,857**	**175**	**27,805**
Commercial and industrial loans								
2022 / 2021	7,858	11,181	263	19,302	8,284	11,985	136	20,405
2021 / 2020	3,576	4,204	212	7,992	3,242	4,468	62	7,772
2020 / 2019	1,810	2,251	178	4,239	2,110	3,903	105	6,118
2019 / 2018	1,566	2,359	130	4,055	1,003	2,256	177	3,436
2018 / 2017	742	1,343	161	2,246	697	937	60	1,694
Prior years	1,619	2,355	214	4,188	2,013	2,848	90	4,951
Total term loans	17,171	23,693	1,158	42,022	17,349	26,397	630	44,376
Revolving loans	10,277	6,799	278	17,354	13,941	7,458	372	21,771
Total	**27,448**	**30,492**	**1,436**	**59,376**	**31,290**	**33,855**	**1,002**	**66,147**
Financial institutions								
2022 / 2021	4,482	1,026	90	5,598	6,360	2,012	51	8,423
2021 / 2020	2,850	856	0	3,706	2,081	201	30	2,312
2020 / 2019	1,034	67	0	1,101	660	127	1	788
2019 / 2018	602	7	0	609	522	151	1	674
2018 / 2017	521	2	1	524	87	19	0	106
Prior years	(940)	71	1	(868)	499	85	1	585
Total term loans	8,549	2,029	92	10,670	10,209	2,595	84	12,888
Revolving loans	10,111	822	110	11,043	7,542	485	1	8,028
Total	**18,660**	**2,851**	**202**	**21,713**	**17,751**	**3,080**	**85**	**20,916**
Governments and public institutions								
2022 / 2021	147	22	0	169	521	26	0	547
2021 / 2020	458	35	0	493	157	114	0	271
2020 / 2019	126	40	0	166	94	19	19	132
2019 / 2018	97	1	10	108	46	11	0	57
2018 / 2017	55	0	0	55	28	0	0	28
Prior years	171	15	1	187	199	21	0	220
Total term loans	1,054	113	11	1,178	1,045	191	19	1,255
Revolving loans	9	0	0	9	32	0	0	32
Total	**1,063**	**113**	**11**	**1,187**	**1,077**	**191**	**19**	**1,287**
Corporate & institutional – total								
2022 / 2021	16,088	14,728	358	31,174	24,733	18,705	189	43,627
2021 / 2020	13,885	7,536	212	21,633	9,189	6,138	97	15,424
2020 / 2019	6,041	3,213	182	9,436	4,713	4,755	127	9,595
2019 / 2018	3,224	2,664	196	6,084	2,496	2,758	179	5,433
2018 / 2017	2,016	1,564	163	3,743	1,287	1,057	60	2,404
Prior years	2,959	2,658	240	5,857	5,180	3,330	121	8,631
Total term loans	44,213	32,363	1,351	77,927	47,598	36,743	773	85,114
Revolving loans	21,091	7,902	513	29,506	22,293	8,240	508	31,041
Total	**65,304**	**40,265**	**1,864**	**107,433**	**69,891**	**44,983**	**1,281**	**116,155**

Total loans held at amortized cost by internal counterparty rating

end of	2022 Investment grade AAA to BBB	Non-investment grade BB to C	Non-investment grade D	2022 Total	2021 Investment grade AAA to BBB	Non-investment grade BB to C	Non-investment grade D	2021 Total
CHF million								
Loans held at amortized cost – total								
2022 / 2021	31,286	17,825	374	49,485	53,305	22,347	234	75,886
2021 / 2020	37,658	9,647	272	47,577	25,119	8,676	125	33,920
2020 / 2019	19,524	5,245	216	24,985	16,367	6,795	194	23,356
2019 / 2018	13,408	4,261	281	17,950	9,913	3,765	391	14,069
2018 / 2017	8,667	2,326	214	11,207	6,681	1,849	147	8,677
Prior years	38,301	4,857	494	43,652	42,787	6,446	481	49,714
Total term loans	148,844	44,161	1,851	194,856	154,172	49,878	1,572	205,622
Revolving loans	51,661	10,875	849	63,385	64,192	12,254	753	77,199
Total	**200,505**	**55,036**	**2,700**	**258,241** [1]	**218,364**	**62,132**	**2,325**	**282,821** [1]

1 Excluded accrued interest on loans held at amortized cost of CHF 534 million and CHF 295 million as of December 31, 2022 and 2021, respectively.

Credit quality of other financial assets held at amortized cost

The following table presents the Group's carrying value of other financial assets held at amortized cost by aggregated internal counterparty credit ratings "investment grade" and "non-investment grade", by year of origination. Within the line items relating to the origination year, the first year represents the origination year of the current reporting period and the second year represents the origination year of the comparative reporting period.

Other financial assets held at amortized cost by internal counterparty rating

end of	2022 Investment grade AAA to BBB	Non-investment grade BB to C	Non-investment grade D	2022 Total	2021 Investment grade AAA to BBB	Non-investment grade BB to C	Non-investment grade D	2021 Total
CHF million								
Other financial assets held at amortized cost								
2022 / 2021	0	0	0	0	0	5	0	5
2021 / 2020	0	7	0	7	0	0	0	0
2020 / 2019	0	0	0	0	0	0	0	0
2019 / 2018	0	0	0	0	0	63	0	63
2018 / 2017	0	47	0	47	0	2	0	2
Prior years	0	0	0	0	0	2	0	2
Total term positions	0	54	0	54	0	72	0	72
Revolving positions	0	1,711	0	1,711	0	970	0	970
Total	**0**	**1,765**	**0**	**1,765**	**0**	**1,042**	**0**	**1,042**

Includes primarily mortgage servicing advances and failed purchases.

Past due financial assets

Generally, a financial asset is deemed past due if the principal and/or interest payment has not been received on its due date.

Loans held at amortized cost – past due

end of	Current	Past due					
		Up to 30 days	31–60 days	61–90 days	More than 90 days	Total	**Total**
2022 (CHF million)							
Mortgages	107,033	66	43	8	334	451	107,484
Loans collateralized by securities	37,308	43	4	3	281	331	37,639
Consumer finance	5,147	248	82	63	145	538	5,685
Consumer	149,488	357	129	74	760	1,320	150,808
Real estate	24,946	35	49	0	127	211	25,157
Commercial and industrial loans	58,267	320	42	24	723	1,109	59,376
Financial institutions	21,482	72	0	0	159	231	21,713
Governments and public institutions	1,171	5	0	0	11	16	1,187
Corporate & institutional	105,866	432	91	24	1,020	1,567	107,433
Total loans held at amortized cost	**255,354**	**789**	**220**	**98**	**1,780**	**2,887**	**258,241** [1]
2021 (CHF million)							
Mortgages	109,877	123	73	61	399	656	110,533
Loans collateralized by securities	51,069	42	0	0	142	184	51,253
Consumer finance	4,449	144	70	60	157	431	4,880
Consumer	165,395	309	143	121	698	1,271	166,666
Real estate	27,628	6	4	0	167	177	27,805
Commercial and industrial loans	65,327	166	13	12	629	820	66,147
Financial institutions	20,807	60	7	1	41	109	20,916
Governments and public institutions	1,252	16	0	0	19	35	1,287
Corporate & institutional	115,014	248	24	13	856	1,141	116,155
Total loans held at amortized cost	**280,409**	**557**	**167**	**134**	**1,554**	**2,412**	**282,821** [1]

1 Excluded accrued interest on loans held at amortized cost of CHF 534 million and CHF 295 million as of December 31, 2022 and 2021, respectively.

As of December 31, 2022 and 2021, the Group did not have any loans that were more than 90 days past due and still accruing interest. Also, the Group did not have any debt securities held-to-maturity or other financial assets held at amortized cost that were past due.

Non-accrual financial assets

Overview

Generally, a financial asset is deemed non-accrual and recognition of any interest in the statement of operations is discontinued when the contractual payments of principal and/or interest are more than 90 days past due.

Payments collected on non-accrual financial assets are accounted for using the cash basis or the cost recovery method or a combination of both.

Generally, non-accrual financial assets may be restored to performing status only when delinquent principal and interest are brought up to date in accordance with the terms of the contractual arrangement and when certain performance criteria are met.

→ Refer to “Note 1 – Summary of significant accounting policies” for further information on the recognition of write-offs of financial assets and related recoveries.

For loans held at amortized cost, non-accrual loans are comprised of non-performing loans and non-interest-earning loans.

Non-accrual loans held at amortized cost

	2022				2021			
	Amortized cost of non-accrual assets at beginning of period	Amortized cost of non-accrual assets at end of period	Interest income recognized	Amortized cost of non-accrual assets with no specific allowance at end of period	Amortized cost of non-accrual assets at beginning of period	Amortized cost of non-accrual assets at end of period	Interest income recognized	Amortized cost of non-accrual assets with no specific allowance at end of period
CHF million								
Mortgages	572	383	4	64	418	572	2	111
Loans collateralized by securities	262	283	4	2	105	262	8	2
Consumer finance	205	188	3	8	201	205	3	1
Consumer	1,039	854	11	74	724	1,039	13	114
Real estate	167	127	1	1	324	167	6	0
Commercial and industrial loans	698	812	9	30	925	698	11	96
Financial institutions	41	159	7	0	68	41	0	0
Governments and public institutions	19	11	1	0	0	19	0	0
Corporate & institutional	925	1,109	18	31	1,317	925	17	96
Total loans held at amortized cost	**1,964**	**1,963**	**29**	**105**	**2,041**	**1,964**	**30**	**210**

In the Group's recovery management function covering the Investment Bank and parts of Wealth Management, once the credit provision is greater than 90% of the loan's notional amount, a position may be written down to its net carrying value in the subsequent quarter if all recovery options are exhausted. In the Group's recovery management functions for the Swiss Bank and the remaining parts of Wealth Management, write-offs are made based on an individual counterparty assessment. An evaluation is performed on the need for write-offs on impaired loans individually and on an ongoing basis if it is likely that parts of a loan or the entire loan will not be recoverable. Write-offs of residual loan balances are executed once available debt enforcement procedures are exhausted or, in certain cases, upon a restructuring.

Collateral-dependent financial assets

The Group's collateral-dependent financial assets are managed by a global recovery management function which is divisionally aligned to cover the Investment Bank, Wealth Management and the Swiss Bank.

Collateral-dependent financial assets managed by the recovery management function covering the Investment Bank and parts of Wealth Management mainly include mortgages (including aircraft mortgages), revolving corporate loans, securities borrowing, trade finance exposures and lombard loans. For mortgages, property, aircraft, guarantees and life insurance policies are the main collateral types. For revolving corporate loans, collateral includes mainly cash, inventory, oil and gas reserves and receivables. Securities borrowing exposures are mainly secured by pledged shares, bonds, investment fund units and money market instruments. Trade finance exposures are secured by cash and guarantees. For lombard loans, the Group holds collateral in the form of pledged shares, bonds, investment fund units and money market instruments as well as cash and life insurance policies. The overall collateral coverage ratio increased from 92% as of December 31, 2021 to 94% as of December 31, 2022, mainly driven by newly impaired highly collateralized securitization exposures relating to aircraft companies.

Collateral-dependent financial assets managed by the recovery management function for the remaining parts of Wealth Management mainly include ship finance exposures, commercial loans, lombard loans, residential mortgages as well as aviation and yacht finance exposures. Ship finance exposures are collateralized by vessel mortgages, corporate guarantees, insurance assignments as well as cash balances, securities deposits or other assets held with the Group. Collateral held against commercial loans include primarily guarantees issued by export credit agencies, other guarantees, private risk insurance, asset pledges and assets held with the Group (e.g., cash, securities deposits and others). Lombard loans are collateralized by pledged financial assets mainly in the form of cash, shares, bonds, investment fund units and money market instruments as well as life insurance policies and bank guarantees. Residential mortgages are secured by mortgage notes on residential real estate, life insurance policies as well as cash balances, securities deposits or other assets held with the Group. Aviation and yacht finance exposures are collateralized by aircraft mortgages of business jets and vessel mortgages on yachts, respectively, as well as corporate and/or personal guarantees, cash balances, securities deposits or other assets held with the Group. Collateral-dependent loans increased in 2022, mainly driven by increases in export finance, yacht finance and aviation finance, partially offset by a decrease in lombard loans. The overall collateral coverage increased from 87% as of December 31, 2021 to 92% as of December 31, 2022, mainly driven by increases in higher collateralized exposures.

Collateral-dependent financial assets managed by the recovery management function for Swiss Bank mainly include residential mortgages and commercial mortgages. Collateral held against residential mortgages includes mainly mortgage notes on residential real estate, pledged capital awards in retirement plans and life insurance policies. For commercial mortgages, collateral held includes primarily mortgage notes on commercial real estate and cash balances, securities deposits or other assets held with the Group. The overall collateral coverage ratio in relation to the collateral-dependent financial assets increased from 86% as of December 31, 2021 to 88% as of December 31, 2022 for residential and commercial mortgages, mainly reflecting portfolio replacements with higher collateralized exposures as well as write-offs related to lower collateralized exposures.

Off-balance sheet credit exposures

The Group portfolio comprises off-balance sheet exposures with credit risk in the form of irrevocable commitments, guarantees and similar instruments which are subject to the CECL accounting guidance. The main risk characteristics are as follows:

- Irrevocable commitments are primarily commitments made to corporate and institutional borrowers to provide loans under approved, but undrawn, credit facilities. In addition, the Group has irrevocable commitments under documentary credits for corporate and institutional clients that facilitate international trade. The related credit risk exposure is to corporate clients, including small and medium-sized enterprises, large corporates and multinational clients who are impacted by macroeconomic and industry-specific factors such as economic growth, unemployment and industrial production.
- Guarantees are provided to third parties which contingently obligate the Group to make payments in the event that the underlying counterparty fails to fulfill its obligation under a borrowing or other contractual arrangement. The credit risk associated with guarantees is primarily to corporate and institutional clients and financial institutions, which are sensitive to MEFs including economic growth and interest rates.

For off-balance sheet credit exposures, methodology, scenarios and MEFs used to estimate the provision for expected credit losses are the same as those used to estimate the allowance for credit losses for financial assets held at amortized cost. For the EAD models, a credit conversion factor or similar methodology is applied to off-balance sheet credit exposures in order to project the additional drawn amount between current utilization and the committed facility amount.

→ Refer to "Allowance for credit losses" for further information on methodology, scenarios and MEFs used to estimate expected credit losses.

Troubled debt restructurings and modifications

Restructured financing receivables held at amortized cost

			2022			2021			2020
in	Number of contracts	Recorded investment – pre-modification	Recorded investment – post-modification	Number of contracts	Recorded investment – pre-modification	Recorded investment – post-modification	Number of contracts	Recorded investment – pre-modification	Recorded investment – post-modification
CHF million, except where indicated									
Loans collateralized by securities	0	0	0	1	33	25	3	165	165
Real estate	1	102	82	1	2	2	0	0	0
Commercial and industrial loans	15	204	182	18	402	394	17	127	95
Financial institutions	0	0	0	1	44	44	0	0	0
Total loans	**16**	**306**	**264**	**21**	**481**	**465**	**20**	**292**	**260**

Restructured financing receivables held at amortized cost that defaulted within 12 months from restructuring

		2022		2021		2020
in	Number of contracts	Recorded investment	Number of contracts	Recorded investment	Number of contracts	Recorded investment
CHF million, except where indicated						
Loans collateralized by securities	0	0	3	156	0	0
Commercial and industrial loans	0	0	1	14	4	13
Total loans	**0**	**0**	**4**	**170**	**4**	**13**

In 2022, the loan modifications of the Group mainly included extended loan repayment terms, including postponed loan amortizations and extended maturity dates, interest rate concessions, a waiver of interest, a reduction of a loan commitment, a subordination of loans and changes in collateral coverage terms.

As of December 31, 2022 and 2021, the Group did not have any commitments to lend additional funds to debtors whose loan terms had been modified in troubled debt restructurings.

In March 2020, US federal banking regulators issued the "Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus (Revised)" (Interagency Statement). According to the Interagency Statement, short-term modifications made on a good faith basis in response to the COVID-19 crisis to borrowers that were otherwise current prior to the relief being granted would not be considered to be troubled debt restructurings. This includes short-term modifications such as payment deferrals, fee waivers, repayment term extensions or payment delays that are insignificant. The Interagency Statement was developed in consultation with the FASB and the Group applied this guidance until December 31, 2022. The Group had granted short-term modifications to certain borrowers due to the COVID-19 crisis in the form of deferrals of capital and interest payments that were within the scope of this guidance and the loans subject to those deferrals were not reported as troubled debt restructurings in restructured loans.

21 Goodwill

2022	Wealth Management	Investment Bank	Swiss Bank	Asset Management	**Credit Suisse Group** [1]
Gross amount of goodwill (CHF million)					
Balance at beginning of period	**1,323**	**5,502**	**487**	**1,107**	**8,431**
Foreign currency translation impact	4	0	1	4	**9**
Other	(23)	23	0	0	**0**
Balance at end of period	**1,304**	**5,525**	**488**	**1,111**	**8,440**
Accumulated impairment (CHF million)					
Balance at beginning of period	**0**	**5,502**	**0**	**0**	**5,514**
Impairment losses	0	23	0	0	**23**
Balance at end of period	**0**	**5,525**	**0**	**0**	**5,537**
Net book value (CHF million)					
Net book value	**1,304**	**0**	**488**	**1,111**	**2,903**

2021	Wealth Management	Investment Bank	Swiss Bank	Asset Management	Credit Suisse Group [1]
Gross amount of goodwill (CHF million)					
Balance at beginning of period	**1,299**	**5,459**	**479**	**1,068**	**8,317**
Foreign currency translation impact	27	43	8	39	**117**
Other	(3)	0	0	0	**(3)**
Balance at end of period	**1,323**	**5,502**	**487**	**1,107**	**8,431**
Accumulated impairment (CHF million)					
Balance at beginning of period	**0**	**3,879**	**0**	**0**	**3,891**
Impairment losses	0	1,623	0	0	1,623
Balance at end of period	**0**	**5,502**	**0**	**0**	**5,514**
Net book value (CHF million)					
Net book value	**1,323**	**0**	**487**	**1,107**	**2,917**

1 Gross amount of goodwill and accumulated impairment included CHF 12 million related to legacy business transferred to the former Strategic Resolution Unit in 4Q15 and fully written off at the time of transfer, in addition to the divisions disclosed.

In accordance with US GAAP, the Group continually assesses whether or not there has been a triggering event requiring a review of goodwill.

Subsequent to the creation of the new segment structure, effective January 1, 2022, a portion of the Wealth Management business was transferred to the Investment Bank in the second quarter of 2022. Goodwill is reallocated between reporting units on a relative fair value basis. The Group concluded that the goodwill transferred to the Investment Bank reporting unit of CHF 23 million was fully impaired.

The announcement on October 27, 2022 of the strategy and organizational changes as well as adverse market and economic conditions represent triggering events for the third quarter of 2022 for goodwill impairment testing purposes, and under US GAAP, goodwill has to be tested for impairment both before and immediately after a reorganization of reporting units. The review of the Group's five-year financial plan to reflect the announced strategy was finalized in the fourth quarter of 2022.

The Group concluded that the estimated fair value for all of the reporting units with goodwill exceeded their related carrying values and no further impairment was necessary as of December 31, 2022.

The fair values of the Asset Management and Wealth Management reporting units both exceeded their related carrying values by less than 10%. During the fourth quarter of 2022, Credit Suisse experienced a significant level of deposit and assets under management outflows. The goodwill allocated to these reporting units became more sensitive to an impairment due to these outflows and subdued client activity. There is a significant risk of a future goodwill impairment for these reporting units if their future performances do not achieve the financial projections contained within the five-year financial plan.

As a result of the announced strategy and organizational changes, the Private Fund Group business in the Asset Management reporting unit was transferred to the Investment Bank reporting unit effective January 1, 2023, resulting in an initial transfer of approximately CHF 30 million of goodwill between the reporting units. The Group expects a full impairment in the first quarter of 2023 of the goodwill transferred to the Investment Bank.

As a result of the previously announced acquisition of The Klein Group LLC that is expected to close in the first half of 2023, the Investment Bank will initially recognize a goodwill balance of approximately CHF 60 million, which it expects to fully impair upon the closing of the acquisition.

The carrying value of each reporting unit for the purpose of the goodwill impairment test is determined by considering the reporting units' risk-weighted assets usage, leverage ratio exposure, deferred tax assets, goodwill, intangible assets and other common equity tier 1 (CET1) capital relevant adjustments. The residual value between the total of these elements and the Group's shareholders' equity is allocated to the carrying value of the reporting units on a pro-rata basis.

In estimating the fair value of its reporting units, the Group applied a combination of the market approach and the income approach. Under the market approach, consideration is given to price to projected earnings multiples and price to book value multiples for similarly traded companies and prices paid in recent transactions that have occurred in its industry or in related industries. Under the income approach, a discount rate is applied that reflects the risk and uncertainty related to the reporting unit's projected cash flows, which were determined from the Group's financial plan.

In determining the estimated fair value, the Group relied upon its latest five-year financial plan, which included significant management assumptions and estimates based on its view of current and future economic conditions and regulatory changes.

Estimates of the Group's future earnings potential, and that of the reporting units, involve considerable judgment, including management's view on future changes in market cycles, the regulatory environment and the anticipated result of the implementation of business strategies, competitive factors and assumptions concerning the retention of key employees.

The results of the impairment evaluation of each reporting unit's goodwill would be significantly impacted by adverse changes in the underlying parameters used in the valuation process. If actual outcomes or the future outlook adversely differ from management's best estimates of the key economic assumptions and associated cash flows applied in the valuation of the reporting unit, the Group could potentially incur material impairment charges in the future.

22 Other intangible assets

end of	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
			2022			2021
Other intangible assets (CHF million)						
Trade names/trademarks	25	(25)	0	25	(25)	0
Client relationships	29	(9)	20	31	(7)	24
Other	5	(3)	2	5	(3)	2
Total amortizing other intangible assets	**59**	**(37)**	**22**	**61**	**(35)**	**26**
Non-amortizing other intangible assets	436	–	436	250	–	250
of which mortgage servicing rights, at fair value	403	–	403	224	–	224
Total other intangible assets	**495**	**(37)**	**458**	**311**	**(35)**	**276**

Additional information

in	**2022**	2021	2020
Aggregate amortization and impairment (CHF million)			
Aggregate amortization	4	8	6
Impairment	0	0	2

Estimated amortization

Estimated amortization (CHF million)	
2023	3
2024	3
2025	2
2026	2
2027	2

23 Other assets and other liabilities

end of	2022	2021
Other assets (CHF million)		
Cash collateral on derivative instruments	7,723	7,659
Cash collateral on non-derivative transactions	647	395
Derivative instruments used for hedging [1]	0	212
Assets held-for-sale	16,112	8,020
of which loans [2]	16,090	7,924
allowance for loans held-for-sale	(101)	(44)
of which real estate [3]	22	94
of which long-lived assets	0	2
Premises and equipment, net and right-of-use assets	6,929	7,305
Assets held for separate accounts	64	98
Interest and fees receivable	2,583	2,884
Deferred tax assets	305	3,707
Prepaid expenses	927	509
of which cloud computing arrangement implementation costs	72	52
Failed purchases	801	1,307
Defined benefit pension and post-retirement plan assets	4,117	4,215
Other	6,400	4,920
of which digital asset safeguarding assets	102	–
Other assets	**46,608**	**41,231**

1 Amounts shown after counterparty and cash collateral netting.
2 Included as of December 31, 2022 and 2021 were CHF 458 million and CHF 391 million, respectively, in restricted loans, which represented collateral on secured borrowings.
3 As of December 31, 2022 and 2021, real estate held-for-sale included foreclosed or repossessed real estate of CHF 21 million and CHF 8 million, respectively, of which CHF 21 million and CHF 8 million, respectively, were related to residential real estate.

end of	2022	2021
Other liabilities (CHF million)		
Cash collateral on derivative instruments	2,036	5,533
Cash collateral on non-derivative transactions	431	528
Derivative instruments used for hedging [1]	154	10
Operating leases liabilities	2,419	2,591
Provisions	1,552	1,925
of which expected credit losses on off-balance sheet credit exposure	217	257
Restructuring liabilities	122	19
Liabilities held for separate accounts	64	98
Interest and fees payable	3,839	3,969
Current tax liabilities	537	685
Deferred tax liabilities	1,378	754
Failed sales	1,471	1,736
Defined benefit pension and post-retirement plan liabilities	269	353
Other	3,928	4,443
of which digital asset safeguarding liabilities	102	–
Other liabilities	**18,200**	**22,644**

Premises, equipment and right-of-use assets

end of	2022	2021
Premises and equipment (CHF million)		
Buildings and improvements	859	1,107
Land	215	241
Leasehold improvements	1,601	1,722
Software	8,809	8,146
Equipment	1,831	1,806
Premises and equipment	**13,315**	**13,022**
Accumulated depreciation	(8,717)	(8,129)
Total premises and equipment, net	**4,598**	**4,893**
Right-of-use assets (CHF million)		
Right-of-use assets-operating leases	2,331	2,412
Total premises and equipment, net and right-of-use assets	**6,929**	**7,305**

Depreciation, amortization and impairment

in	2022	2021	2020
CHF million			
Depreciation on premises and equipment	1,129	1,020	964
Impairment on premises and equipment	265	21	10
Amortization and impairment on right-of-use assets	304	361	331

→ Refer to "Note 24 – Leases" for further information on right-of-use assets.

24 Leases

The Group enters into both lessee and lessor arrangements.

→ Refer to "Note 1 – Summary of significant accounting policies" and "Note 23 – Other assets and other liabilities" for further information.

Lessee arrangements

The Group primarily enters into operating leases. When a real estate lease has both lease and non-lease components, the Group allocates the consideration in the contract based on the relative standalone selling price. For all leases other than real estate leases, the Group does not separate lease and non-lease components. The Group's finance leases are not material.

The Group has entered into leases for real estate, equipment and vehicles.

Certain equipment and real estate have subsequently been subleased. Sublease income is recognized in other revenues.

Lease costs

end of	2022	2021	2020
Lease costs (CHF million)			
Operating lease costs	340	357	369
Variable lease costs	46	52	50
Sublease income	(52)	(57)	(71)
Net lease costs	**334**	**352**	348

From time to time, the Group enters into sale-leaseback transactions in which an asset is sold and immediately leased back. If specific criteria are met, the asset is derecognized from the balance sheet and an operating lease is recognized.

During 2022, the Group entered into 12 sale-leaseback transactions with lease terms ranging from 5 to 10 years. During 2021, the Group entered into 13 sale-leaseback transactions with lease terms ranging from 3 to 10 years. During 2020, the Group entered into one sale-leaseback transaction with a lease term of one year.

Other information

end of	2022	2021	2020
Other information (CHF million)			
Gains/(losses) on sale and leaseback transactions	336	225	15
Cash paid for amounts included in the measurement of operating lease liabilities recorded in operating cash flows	(402)	(399)	(403)
Right-of-use assets obtained in exchange of new operating lease liabilities [1]	165	107	32
Changes to right-of-use assets due to lease modifications for operating leases	68	29	32

1 Represents non-cash transactions and includes right-of-use assets relating to changes in classification of scope of variable interest entities.

The weighted average remaining lease terms and discount rates are based on all outstanding operating leases as well as their respective lease terms and remaining lease obligations.

Weighted average remaining lease term and discount rate

end of	2022	2021
Operating leases		
Remaining lease term (years)	10.5	11.1
Discount rate (%)	2.7	2.6

The following table reflects the undiscounted cash flows from leases for the next five years and thereafter, based on the expected lease term.

Maturities relating to operating lease arrangements

end of	2022	2021
Maturity (CHF million)		
Due within 1 year	372	374
Due between 1 and 2 years	318	339
Due between 2 and 3 years	293	293
Due between 3 and 4 years	276	293
Due between 4 and 5 years	241	255
Thereafter	1,284	1,450
Operating lease obligations	**2,784**	**3,004**
Future interest payable	(365)	(413)
Operating lease liabilities	**2,419**	**2,591**

Lessor arrangements

The Group enters into sales-type, direct financing and operating leases for real estate, equipment and vehicles. When a real estate lease has both lease and non-lease components, the Group allocates the consideration in the contract based on the relative standalone selling price. For all leases other than real estate leases, the Group does not separate lease and non-lease components.

As of December 31, 2022 and 2021, the Group had approximately CHF 1.3 billion and CHF 1.1 billion, respectively, of residual value guarantees associated with lessor arrangements.

The Group's risk of loss relating to the residual value of leased assets is mitigated through contractual arrangements with manufactures or suppliers. Leased assets are also monitored through projections of the residual values at lease origination and periodic reviews of residual values.

Net investments

end of	2022 Sales-type leases	2022 Direct financing leases	2021 Sales-type leases	2021 Direct financing leases
Net investments (CHF million)				
Lease receivables	1,324	2,473	1,107	2,395
Unguaranteed residual values	129	25	119	80
Valuation allowances	(10)	(20)	(7)	(18)
Total net investments	**1,443**	**2,478**	**1,219**	**2,457**

Maturities relating to lessor arrangements

end of	2022 Sales-type leases	2022 Direct financing leases	2022 Operating leases	2021 Sales-type leases	2021 Direct financing leases	2021 Operating leases
Maturity (CHF million)						
Due within 1 year	550	738	43	467	727	46
Due between 1 and 2 years	317	694	43	263	641	43
Due between 2 and 3 years	224	627	40	179	583	42
Due between 3 and 4 years	149	460	38	113	458	40
Due between 4 and 5 years	88	115	29	62	125	37
Thereafter	93	19	22	83	31	34
Total	**1,421**	**2,653**	**215**	**1,167**	**2,565**	**242**
Future interest receivable	(97)	(180)	–	(60)	(170)	–
Lease receivables	**1,324**	**2,473**	–	**1,107**	**2,395**	–

The Group elected the practical expedient to not evaluate whether certain sales taxes and other similar taxes are lessor cost or lessee cost and excludes these costs from being reported as lease income with an associated expense.

The Group enters into leases with fixed or variable lease payments, or with lease payments that depend on an index or a referenced rate which are included in the net investment in the lease at lease commencement, as such payments are considered unavoidable. Other variable lease payments, as well as subsequent changes in an index or referenced rate, are excluded from the net investment in the lease. Lease payments are recorded when due and payable by the lessee.

Lease income

end of	2022	2021	2020
Lease income (CHF million)			
Interest income on sales-type leases	33	25	19
Interest income on direct financing leases	70	68	74
Lease income from operating leases	67	76	93
Variable lease income	3	1	0
Total lease income	**173**	**170**	186

Certain leases include i) termination options that allow lessees to terminate the leases within three months of the commencement date, with a notice period of 30 days; ii) termination options that allow the Group to terminate the lease but do not provide the lessee with the same option; iii) termination penalties; iv) options to prepay the payments for the remaining lease term; or v) options that permit the lessee to purchase the leased asset at market value or at the greater of market value and the net present value of the remaining payments.

The Group may enter into vehicle leases as a lessor with members of the Board of Directors or the Executive Board. The terms of such leases with members of the Board of Directors are similar to those with third parties and the terms of such leases with members of the Executive Board reflect standard employee conditions.

25 Deposits

end of	Switzer-land	Foreign	2022 Total	Switzer-land	Foreign	2021 Total
Deposits (CHF million)						
Non-interest-bearing demand deposits	2,589	1,462	4,051	2,703	2,556	5,259
Interest-bearing demand deposits	102,202	16,150	118,352	152,993	47,200	200,193
Savings deposits	42,437	1,459	43,896	60,027	8,474	68,501
Time deposits	18,467	60,374	78,841 [1]	35,602	102,229	137,831 [1]
Total deposits	**165,695**	**79,445**	**245,140** [2]	**251,325**	**160,459**	**411,784** [2]
of which due to banks	–	–	11,905	–	–	18,965
of which customer deposits	–	–	233,235	–	–	392,819

The designation of deposits in Switzerland versus foreign deposits is based upon the location of the office where the deposit is recorded.

1 Included uninsured time deposits of CHF 74,736 million and CHF 128,526 million as of December 31, 2022 and 2021, respectively, which were in excess of any country-specific insurance limit or which are not covered by an insurance regime.

2 Not included as of December 31, 2022 and 2021 were CHF 55 million and CHF 86 million, respectively, of overdrawn deposits reclassified as loans.

26 Long-term debt

end of	2022	2021
Long-term debt (CHF million)		
Senior	140,572	141,402
Subordinated	14,567	24,103
Non-recourse liabilities from consolidated VIEs	2,096	1,391
Long-term debt	**157,235**	**166,896**
of which reported at fair value	58,721	68,722
of which structured notes	38,925	43,126

end of	2022	2021
Structured notes by product (CHF million)		
Equity	21,437	28,681
Fixed income	14,407	11,678
Credit	2,815	2,363
Other	266	404
Total structured notes	**38,925**	**43,126**

Total long-term debt includes debt issuances managed by Treasury that do not contain derivative features (vanilla debt), as well as hybrid debt instruments with embedded derivatives, which are issued as part of the Group's structured product activities. Long-term debt includes both Swiss franc and foreign exchange denominated fixed and variable rate bonds.

The interest rate ranges presented in the table below are based on the contractual terms of the Group's vanilla debt. Interest rate ranges for future coupon payments on structured products for which fair value has been elected are not included in the table below as these coupons are dependent upon the embedded derivative and prevailing market conditions at the time each coupon is paid. In addition, the effects of derivatives used for hedging are not included in the interest rate ranges on the associated debt.

Long-term debt by maturities

end of	2023	2024	2025	2026	2027	Thereafter	**Total**
Group parent company (CHF million)							
Senior debt							
Fixed rate	2,849	1,192	6,420	8,029	2,270	25,860	46,620
Variable rate	1,001	803	0	1,485	1,476	0	4,765
Interest rate (range in %) [1]	1.0–5.5	3.5–6.0	1.3–3.8	2.1–6.4	0.9–7.0	0.6–9.0	–
Subordinated debt							
Fixed rate	3,496	2,464	1,504	1,153	2,221	1,270	12,108
Interest rates (range in %) [1]	3.9–7.5	3.5–6.3	3.0–7.3	6.4	5.3–9.8	4.5–5.1	–
Subtotal – Group parent company	**7,346**	**4,459**	**7,924**	**10,667**	**5,967**	**27,130**	**63,493**
Subsidiaries (CHF million)							
Senior debt							
Fixed rate	4,396	6,516	6,574	5,264	2,237	13,608	38,595
Variable rate	13,297	11,451	7,171	3,961	4,010	10,702	50,592
Interest rates (range in %) [1]	0.0–2.2	0.0–4.8	0.0–7.3	0.0–3.3	0.0–5.0	0.0–7.3	–
Subordinated debt							
Fixed rate	2,201	21	15	37	14	171	2,459
Interest rates (range in %) [1]	6.5	6.9	5.9	6.4	5.8	8.5	–
Non-recourse liabilities from consolidated VIEs							
Fixed rate	804	0	219	0	0	0	1,023
Variable rate	110	9 [2]	127	0	41 [2]	786	1,073
Interest rates (range in %) [1]	2.3–6.6	–	1.9	–	–	0.0–10.4	–
Subtotal – Subsidiaries	**20,808**	**17,997**	**14,106**	**9,262**	**6,302**	**25,267**	**93,742**
Total long-term debt	**28,154**	**22,456**	**22,030**	**19,929**	**12,269**	**52,397**	**157,235**
of which structured notes	9,380	7,860	5,241	2,893	3,076	10,475	38,925

The maturity of perpetual debt was based on the earliest callable date. The maturity of all other debt is based on contractual maturity and includes certain structured notes that have mandatory early redemption features based on stipulated movements in markets or the occurrence of a market event. Within this population there are approximately CHF 0.8 billion of such notes with a contractual maturity of greater than one year that have an observable likelihood of redemption occurring within one year based on a modelling assessment.

1 Excludes structured notes for which fair value has been elected as the related coupons are dependent upon the embedded derivatives and prevailing market conditions at the time each coupon is paid.

2 Reflects equity linked notes, where the payout is not fixed.

The Group and the Bank maintain a shelf registration statement with the SEC, which allows each entity to issue, from time to time, senior and subordinated debt securities, warrants and guarantees.

The Group maintains three senior debt programs that allow the Group to issue senior debt securities with certain features that are designed to allow for statutory bail-in by the Swiss Financial Market Supervisory Authority FINMA (FINMA) under the Swiss banking laws and regulations.

The Bank maintains a euro medium-term note program that allows the Bank to issue senior debt securities.

The Bank maintains a JPY 500 billion Samurai shelf registration statement that allows the Bank to issue, from time to time, senior and subordinated debt securities.

27 Accumulated other comprehensive income and additional share information

Accumulated other comprehensive income

	Gains/ (losses) on cash flow hedges	Cumulative translation adjustments	Unrealized gains/ (losses) on securities [1]	Actuarial gains/ (losses)	Net prior service credit/ (cost)	Gains/ (losses) on liabilities relating to credit risk	AOCI
2022 (CHF million)							
Balance at beginning of period	**(95)**	**(16,739)**	**13**	**(2,705)**	**365**	**(2,165)**	**(21,326)**
Increase/(decrease)	(455)	(278)	(21)	(184)	(73)	6,122	5,111
Reclassification adjustments, included in net income/(loss)	(767)	0	(5)	248	(80)	(31)	(635)
Total increase/(decrease)	(1,222)	(278)	(26)	64	(153)	6,091	4,476
Balance at end of period	**(1,317)**	**(17,017)**	**(13)**	**(2,641)**	**212**	**3,926**	**(16,850)**
2021 (CHF million)							
Balance at beginning of period	**206**	**(17,528)**	**13**	**(3,727)**	**456**	**(2,570)**	**(23,150)**
Increase/(decrease)	(260)	783	0	707	4	302	1,536
Reclassification adjustments, included in net income/(loss)	(41)	6	0	315	(95)	103	288
Total increase/(decrease)	(301)	789	0	1,022	(91)	405	1,824
Balance at end of period	**(95)**	**(16,739)**	**13**	**(2,705)**	**365**	**(2,165)**	**(21,326)**
2020 (CHF million)							
Balance at beginning of period	**28**	**(14,469)**	**30**	**(3,690)**	**604**	**(2,772)**	**(20,269)**
Increase/(decrease)	91	(3,076)	(49)	(327)	(5)	45	(3,321)
Reclassification adjustments, included in net income/(loss)	87	17	32	290	(143)	157	440
Total increase/(decrease)	178	(3,059)	(17)	(37)	(148)	202	(2,881)
Balance at end of period	**206**	**(17,528)**	**13**	**(3,727)**	**456**	**(2,570)**	**(23,150)**

1 No impairments on available-for-sale debt securities were recognized in net income/(loss) in 2022, 2021 and 2020.

→ Refer to "Note 29 – Tax" and "Note 32 – Pension and other post-retirement benefits" for income tax expense/(benefit) on the movements of accumulated other comprehensive income/(loss).

Details of significant reclassification adjustments

in	2022	2021	2020
Reclassification adjustments, included in net income/(loss) (CHF million)			
Gains/(losses) on cash flow hedges			
Gross gains/(losses)	(958) [1]	(40) [1]	101 [2]
Tax expense/(benefit)	191	(1)	(14)
Net of tax	**(767)**	**(41)**	**87**
Actuarial gains/(losses)			
Amortization of recognized actuarial losses [3]	307	388	355
Tax expense/(benefit)	(59)	(73)	(65)
Net of tax	**248**	**315**	**290**
Net prior service credit/(cost)			
Amortization of recognized prior service credit/(cost) [3]	(98)	(118)	(176)
Tax expense/(benefit)	18	23	33
Net of tax	**(80)**	**(95)**	**(143)**

1 Included in interest and dividend income as well as operating expenses. Refer to "Note 33 – Derivatives and hedging activities" for further information.
2 Included in interest and dividend income, trading revenues as well as operating expenses. Refer to "Note 33 – Derivatives and hedging activities" for further information.
3 These components are included in the computation of total benefit costs. Refer to "Note 32 – Pension and other post-retirement benefits" for further information.

Additional share information

	2022	2021	2020
Common shares issued			
Balance at beginning of period	**2,650,747,720**	**2,447,747,720**	**2,556,011,720**
Issuance of common shares	1,351,410,342	203,000,000	0
Cancellation of repurchased shares	0	0	(108,264,000)
Balance at end of period	**4,002,158,062**	**2,650,747,720**	**2,447,747,720**
Treasury shares			
Balance at beginning of period	**(81,063,211)**	**(41,602,841)**	**(119,761,811)**
Sale/(repurchase) of treasury shares	(40,403,860)	(98,065,361)	(80,914,296)
Cancellation of repurchased shares	0	0	108,264,000
Issuance of common shares relating to mandatory convertible notes	0	(203,000,000)	0
Conversion of mandatory convertible notes	0	202,998,491	0
Share-based compensation	60,559,090	58,606,500	50,809,266
Balance at end of period	**(60,907,981)**	**(81,063,211)**	**(41,602,841)**
Common shares outstanding			
Balance at end of period	**3,941,250,081** [1]	**2,569,684,509** [2]	**2,406,144,879**

1 At par value CHF 0.04 each, fully paid. In addition to the treasury shares, a maximum of 575,000,000 unissued shares (conditional, conversion and authorized capital) were available for issuance without further approval of the shareholders. None of these shares were reserved for capital instruments.
2 At par value CHF 0.04 each, fully paid. In addition to the treasury shares, a maximum of 450,000,000 unissued shares (conditional, conversion and authorized capital) were available for issuance without further approval of the shareholders. 111,524,164 of these shares were reserved for capital instruments.

28 Offsetting of financial assets and financial liabilities

The disclosures set out in the tables below include derivatives, reverse repurchase and repurchase agreements, and securities lending and borrowing transactions that:

- are offset in the Group's consolidated balance sheets; or
- are subject to an enforceable master netting agreement or similar agreement (enforceable master netting agreements), irrespective of whether they are offset in the Group's consolidated balance sheets.

Similar agreements include derivative clearing agreements, global master repurchase agreements and global master securities lending agreements.

The Group uses master netting agreements to mitigate counterparty credit risk in certain transactions, including derivative contracts and securities borrowed, lent and subject to repurchase agreements.

Derivatives

The Group transacts bilateral OTC derivatives (OTC derivatives) mainly under International Swaps and Derivatives Association (ISDA) Master Agreements and Swiss Master Agreements for OTC derivative instruments. These agreements provide for the net settlement of all transactions under the agreement through a single payment in the event of default or termination under the agreement. They allow the Group to offset balances from derivative assets and liabilities as well as the receivables and payables to related cash collateral transacted with the same counterparty. Collateral for OTC derivatives is received and provided in the form of cash and marketable securities. Such collateral may be subject to the standard industry terms of an ISDA Credit Support Annex. The terms of an ISDA Credit Support Annex provide that securities received or provided as collateral may be pledged or sold during the term of the transactions and must be returned upon maturity of the transaction. These terms also give each counterparty the right to terminate the related transactions upon the other counterparty's failure to post collateral. Financial collateral received or pledged for OTC derivatives may also be subject to collateral agreements which restrict the use of financial collateral.

For derivatives transacted with exchanges (exchange-traded derivatives) and central clearing counterparties (OTC-cleared derivatives), positive and negative replacement values (PRV/NRV) and related cash collateral may be offset if the terms of the rules and regulations governing these exchanges and central clearing counterparties permit such netting and offset.

Where no such agreements or terms exist, fair values are recorded on a gross basis.

Exchange-traded derivatives or OTC-cleared derivatives, which are fully margined and for which the daily margin payments constitute settlement of the outstanding exposure, are not included in the offsetting disclosures because they are not subject to offsetting due to the daily settlement. The daily margin payments, which are not settled until the next settlement cycle is conducted, are presented in brokerage receivables or brokerage payables. The notional amount for these daily settled derivatives is included in the fair value of derivative instruments table in "Note 33 – Derivatives and hedging activities".

Under US GAAP, the Group elected to account for substantially all financial instruments with an embedded derivative that is not considered clearly and closely related to the host contract at fair value. There is an exception for certain bifurcatable hybrid debt instruments which the Group did not elect to account for at fair value. However, these bifurcated embedded derivatives are generally not subject to enforceable master netting agreements and are not recorded as derivative instruments under trading assets and liabilities or other assets and other liabilities. Information on bifurcated embedded derivatives has therefore not been included in the offsetting disclosures.

The following table presents the gross amount of derivatives subject to enforceable master netting agreements by contract and transaction type, the amount of offsetting, the amount of derivatives not subject to enforceable master netting agreements and the net amount presented in the consolidated balance sheets.

Offsetting of derivatives

end of	2022 Derivative assets	2022 Derivative liabilities	2021 Derivative assets	2021 Derivative liabilities
Gross derivatives subject to enforceable master netting agreements (CHF billion)				
OTC-cleared	8.6	9.8	4.4	4.0
OTC	24.2	23.5	44.4	40.3
Exchange-traded	0.0	0.0	0.1	0.0
Interest rate products	**32.8**	**33.3**	**48.9**	**44.3**
OTC-cleared	0.3	0.3	0.2	0.2
OTC	24.9	25.5	20.9 [1]	22.9 [1]
Exchange-traded	0.0	0.1	0.0	0.0
Foreign exchange products	**25.2**	**25.9**	**21.1**	**23.1**
OTC	4.3	7.1	8.2	13.0
Exchange-traded	18.6	18.3	22.7	21.4
Equity/index-related products	**22.9**	**25.4**	**30.9**	**34.4**
OTC-cleared	0.6	0.6	1.3	1.4
OTC	2.4	2.6	3.3	4.3
Credit derivatives	**3.0**	**3.2**	**4.6**	**5.7**
OTC-cleared	0.1	0.1	0.0	0.0
OTC	0.9	0.4	1.4	0.5
Exchange-traded	0.0	0.0	0.1	0.1
Other products [2]	**1.0**	**0.5**	**1.5**	**0.6**
OTC-cleared	9.6	10.8	5.9	5.6
OTC	56.7	59.1	78.2	81.0
Exchange-traded	18.6	18.4	22.9	21.5
Total gross derivatives subject to enforceable master netting agreements	**84.9**	**88.3**	**107.0**	**108.1**
Offsetting (CHF billion)				
OTC-cleared	(9.5)	(10.7)	(5.6)	(5.3)
OTC	(49.6)	(52.9)	(69.3) [1]	(75.5) [1]
Exchange-traded	(18.0)	(18.2)	(21.0)	(21.0)
Offsetting	**(77.1)**	**(81.8)**	**(95.9)**	**(101.8)**
of which counterparty netting	(68.3)	(68.3)	(83.9) [1]	(83.9) [1]
of which cash collateral netting	(8.8)	(13.5)	(12.0)	(17.9)
Net derivatives presented in the consolidated balance sheets (CHF billion)				
OTC-cleared	0.1	0.1	0.3	0.3
OTC	7.1	6.2	8.9	5.5
Exchange-traded	0.6	0.2	1.9	0.5
Total net derivatives subject to enforceable master netting agreements	**7.8**	**6.5**	**11.1**	**6.3**
Total derivatives not subject to enforceable master netting agreements [3]	**3.3**	**2.6**	**6.7**	**4.3**
Total net derivatives presented in the consolidated balance sheets	**11.1**	**9.1**	**17.8**	**10.6**
of which recorded in trading assets and trading liabilities	11.1	8.9	17.6	10.6
of which recorded in other assets and other liabilities	0.0	0.2	0.2	0.0

1 Prior period has been revised.
2 Primarily precious metals, commodity and energy products.
3 Represents derivatives where a legal opinion supporting the enforceability of netting in the event of default or termination under the agreement is not in place.

Reverse repurchase and repurchase agreements and securities lending and borrowing transactions

Reverse repurchase and repurchase agreements are generally covered by master repurchase agreements. In certain situations, for example, in the event of default, all contracts under the agreements are terminated and are settled net in one single payment. Master repurchase agreements also include payment or settlement netting provisions in the normal course of business that state that all amounts in the same currency payable by each party to the other under any transaction or otherwise under the master repurchase agreement on the same date shall be set off.

As permitted by US GAAP the Group has elected to net transactions under such agreements in the consolidated balance sheet when specific conditions are met. Transactions are netted if, among other conditions, they are executed with the same counterparty, have the same explicit settlement date specified at the inception of the transactions, are settled through the same securities transfer system and are subject to the same enforceable master netting agreement. The amounts offset are measured on the same basis as the underlying transaction (i.e., on an accrual basis or fair value basis).

Securities lending and borrowing transactions are generally executed under master securities lending agreements with netting terms similar to ISDA Master Agreements. In certain situations, for example in the event of default, all contracts under the agreement are terminated and are settled net in one single payment. Transactions under these agreements are netted in the consolidated balance sheets if they meet the same right of offset criteria as for reverse repurchase and repurchase agreements. In general, most securities lending and borrowing transactions do not meet the criterion of having the same settlement date specified at inception of the transaction, and therefore they are not eligible for netting in the consolidated balance sheets. However, securities lending and borrowing transactions with explicit maturity dates may be eligible for netting in the consolidated balance sheets.

Reverse repurchase and repurchase agreements are collateralized principally by government securities and corporate bonds and have terms ranging from overnight to a longer or unspecified period of time. In the event of counterparty default, the reverse repurchase agreement or securities lending agreement provides the Group with the right to liquidate the collateral held. As is the case in the Group's normal course of business, a significant portion of the collateral received that may be sold or repledged was sold or repledged as of December 31, 2022 and December 31, 2021. In certain circumstances, financial collateral received may be restricted during the term of the agreement (e.g., in tri-party arrangements).

The following table presents the gross amount of securities purchased under resale agreements and securities borrowing transactions subject to enforceable master netting agreements, the amount of offsetting, the amount of securities purchased under resale agreements and securities borrowing transactions not subject to enforceable master netting agreements and the net amount presented in the consolidated balance sheets.

Offsetting of securities purchased under resale agreements and securities borrowing transactions

			2022			2021
end of	Gross	Offsetting	Net book value	Gross	Offsetting	Net book value
Securities purchased under resale agreements and securities borrowing transactions (CHF billion)						
Securities purchased under resale agreements	47.9	(10.7)	37.2	74.1	(16.6)	57.5
Securities borrowing transactions	4.5	0.0	4.5	22.2	0.0	22.2
Total subject to enforceable master netting agreements	**52.4**	**(10.7)**	**41.7**	**96.3**	**(16.6)**	**79.7**
Total not subject to enforceable master netting agreements [1]	**17.1**	**–**	**17.1**	**24.2**	**–**	**24.2**
Total	**69.5**	**(10.7)**	**58.8** [2]	**120.5**	**(16.6)**	**103.9** [2]

1 Represents securities purchased under resale agreements and securities borrowing transactions where a legal opinion supporting the enforceability of netting in the event of default or termination under the agreement is not in place.
2 CHF 40,793 million and CHF 68,623 million of the total net amount as of the end of 2022 and 2021, respectively, were reported at fair value.

The following table presents the gross amount of securities sold under repurchase agreements and securities lending transactions subject to enforceable master netting agreements, the amount of offsetting, the amount of securities sold under repurchase agreements and securities lending transactions not subject to enforceable master netting agreements and the net amount presented in the consolidated balance sheets.

Offsetting of securities sold under repurchase agreements and securities lending transactions

	2022			2021		
end of	Gross	Offsetting	Net book value	Gross	Offsetting	Net book value
Securities sold under repurchase agreements and securities lending transactions (CHF billion)						
Securities sold under repurchase agreements	27.8	(10.7)	17.1	32.2	(16.6)	15.6
Securities lending transactions	0.9	0.0	0.9	15.4	0.0	15.4
Obligation to return securities received as collateral, at fair value	2.9	0.0	2.9	14.7	0.0	14.7
Total subject to enforceable master netting agreements	**31.6**	**(10.7)**	**20.9**	**62.3**	**(16.6)**	**45.7**
Total not subject to enforceable master netting agreements [1]	**2.4**	**–**	**2.4**	**4.6**	**–**	**4.6**
Total	**34.0**	**(10.7)**	**23.3**	**66.9**	**(16.6)**	**50.3**
of which securities sold under repurchase agreements and securities lending transactions	31.0	(10.7)	20.3 [2]	51.9	(16.6)	35.3 [2]
of which obligation to return securities received as collateral, at fair value	3.0	0.0	3.0	15.0	0.0	15.0

1 Represents securities sold under repurchase agreements and securities lending transactions where a legal opinion supporting the enforceability of netting in the event of default or termination under the agreement is not in place.
2 CHF 14,042 million and CHF 13,213 million of the total net amount as of the end of 2022 and 2021, respectively, were reported at fair value.

The following table presents the net amount presented in the consolidated balance sheets of financial assets and liabilities subject to enforceable master netting agreements and the gross amount of financial instruments and cash collateral not offset in the consolidated balance sheets. The table excludes derivatives, reverse repurchase and repurchase agreements and securities lending and borrowing transactions not subject to enforceable master netting agreements where a legal opinion supporting the enforceability of netting in the event of default or termination under the agreement is not in place. Net exposure reflects risk mitigation in the form of collateral.

Amounts not offset in the consolidated balance sheets

	2022				2021			
end of	Net book value	Financial instruments [1]	Cash collateral received/ pledged [1]	Net exposure	Net book value	Financial instruments [1]	Cash collateral received/ pledged [1]	Net exposure
Financial assets subject to enforceable master netting agreements (CHF billion)								
Derivatives	7.8	3.2	0.0	4.6	11.1	4.5	0.0	6.6
Securities purchased under resale agreements	37.2	37.1	0.1	0.0	57.5	57.5	0.0	0.0
Securities borrowing transactions	4.5	4.3	0.0	0.2	22.2	21.9	0.0	0.3
Total financial assets subject to enforceable master netting agreements	**49.5**	**44.6**	**0.1**	**4.8**	**90.8**	**83.9**	**0.0**	**6.9**
Financial liabilities subject to enforceable master netting agreements (CHF billion)								
Derivatives	6.5	1.2	0.0	5.3	6.3	1.3	0.0	5.0
Securities sold under repurchase agreements	17.1	17.1	0.0	0.0	15.6	15.5	0.1	0.0
Securities lending transactions	0.9	0.8	0.0	0.1	15.4	15.3	0.0	0.1
Obligation to return securities received as collateral, at fair value	2.9	2.7	0.0	0.2	14.7	13.0	0.0	1.7
Total financial liabilities subject to enforceable master netting agreements	**27.4**	**21.8**	**0.0**	**5.6**	**52.0**	**45.1**	**0.1**	**6.8**

1 The total amount reported in financial instruments (recognized financial assets and financial liabilities and non-cash financial collateral) and cash collateral is limited to the amount of the related instruments presented in the consolidated balance sheets and therefore any over-collateralization of these positions is not included.

Net exposure is subject to further credit mitigation through the transfer of the exposure to other market counterparties by the use of credit default swaps (CDS) and credit insurance contracts. Therefore the net exposure presented in the table above is not representative of the Group's counterparty exposure.

29 Tax

Details of current and deferred taxes

in	2022	2021	2020
Current and deferred taxes (CHF million)			
Switzerland	314	316	163
Foreign	(76)	485	204
Current income tax expense	**238**	**801**	**367**
Switzerland	120	222	450
Foreign	3,690	3	(16)
Deferred income tax expense	**3,810**	**225**	**434**
Income tax expense	**4,048**	**1,026**	**801**
Income tax expense/(benefit) reported in shareholders' equity related to:			
Gains/(losses) on cash flow hedges	(266)	(63)	25
Cumulative translation adjustment	(10)	4	0
Unrealized gains/(losses) on debt securities	(9)	0	(6)
Actuarial gains/(losses)	(34)	228	(18)
Net prior service credit/(cost)	(35)	(23)	(33)
Share-based compensation and treasury shares	(4)	(4)	(4)

Reconciliation of taxes computed at the Swiss statutory rate

in	2022	2021	2020
Income/(loss) before taxes (CHF million)			
Switzerland	(988)	257	1,770
Foreign	(2,270)	(857)	1,697
Income/(loss) before taxes	**(3,258)**	**(600)**	**3,467**
Reconciliation of taxes computed at the Swiss statutory rate (CHF million)			
Income tax expense/(benefit) computed at the statutory tax rate [1]	(603)	(111)	693
Increase/(decrease) in income taxes resulting from			
Foreign tax rate differential	(93)	370	(62)
Non-deductible amortization of other intangible assets and goodwill impairment	0	(300)	0
Other non-deductible expenses	306	386	254
Additional taxable income	4	15	8
Lower taxed income	(147)	(146)	(234)
(Income)/loss taxable to noncontrolling interests	11	11	18
Changes in tax law and rates	23	(33)	(6)
Changes in deferred tax valuation allowance	4,545	621	322
Change in recognition of outside basis difference	(2)	2	(9)
(Windfall tax benefits) /shortfall tax charges on share-based compensation	84	37	76
Other	(80)	174	(259)
Income tax expense	**4,048**	**1,026**	**801**

1 The statutory tax rate was 18.5% in 2022 and 2021 and 20% in 2020.

2022

Foreign tax rate differential of CHF 93 million reflected a foreign tax benefit, primarily driven by losses in higher tax jurisdictions, mainly in the US and the UK, partially offset by profits made in higher tax jurisdictions, mainly in Brazil. The foreign tax rate expense of CHF 3,614 million comprised not only the foreign tax expense based on statutory tax rates but also the tax impacts related to the following reconciling items.

Other non-deductible expenses of CHF 306 million included the impact of CHF 189 million relating to non-deductible interest expenses and non-deductible funding costs, CHF 154 million relating to non-deductible legacy litigation provisions, CHF 75 million relating to other non-deductible expenses, CHF 15 million relating to non-deductible UK bank levy costs and various smaller items. These expenses were partially offset by a net benefit of CHF 138 million for the reassessment of the interest cost deductibility relating to the recognition of previously unrecognized tax benefits of non-deductible funding.

Lower taxed income of CHF 147 million included a tax benefit of CHF 65 million related to non-taxable life insurance income, CHF 39 million related to non-taxable dividend income, CHF 37 million related to concessionary and lower taxed income and various smaller items.

Changes in deferred tax valuation allowances of CHF 4,545 million primarily related to the reassessment of deferred tax assets as a result of the comprehensive strategic review announced on October 27, 2022, primarily due to the limited future taxable income against which deferred tax assets could be utilized. Management considered both positive and negative evidence and concluded that it is more likely than not that a significant portion of the Group's deferred tax assets will not be realized. This resulted in an increase in the valuation allowance of CHF 3,655 million, mainly in respect of two of the Group's operating entities in the US. The net impact also included valuation allowances on deferred tax assets of CHF 850 million related to current year results, mainly in respect of two of the Group's operating entities in Switzerland, three of the Group's operating entities in the US and two of the Group's operating entities in the UK. This also included an increase in the valuation allowance of CHF 40 million relating to year-end reassessments of deferred tax assets.

Other of CHF 80 million included an income tax benefit of CHF 180 million relating to return-to-provision adjustments and CHF 36 million relating to tax credits. These benefits were partially offset by CHF 57 million relating to the current year US base erosion and anti-abuse tax (BEAT) provision, CHF 45 million relating to the tax impact of an accounting standard implementation transition adjustment for own credit movements and CHF 27 million relating to unrealized mark-to-market results on share-based compensation. The remaining balance included various smaller items.

2021

Foreign tax rate differential of CHF 370 million reflected a foreign tax charge primarily driven by losses in higher tax jurisdictions, mainly in the UK, partially offset by profits made in higher tax jurisdictions, such as the US. The foreign tax rate expense of CHF 488 million comprised not only the foreign tax expense based on statutory tax rates but also the tax impacts related to the following reconciling items.

Other non-deductible expenses of CHF 386 million included the impact of CHF 200 million relating to non-deductible interest expenses and non-deductible costs related to funding and capital (including a contingency accrual of CHF 11 million), CHF 93 million relating to non-deductible legacy litigation provisions, including amounts relating to the Mozambique matter, CHF 43 million relating to other non-deductible expenses, CHF 39 million relating to non-deductible bank levy costs and other non-deductible compensation expenses and management costs and various other small items.

Lower taxed income of CHF 146 million included a tax benefit of CHF 77 million related to non-taxable life insurance income, CHF 41 million related to non-taxable dividend income, CHF 15 million related to concessionary and lower taxed income, CHF 15 million related to exempt income and various smaller items.

Changes in deferred tax valuation allowances of CHF 621 million included a tax charge from the increase in valuation allowances on deferred tax assets of CHF 781 million, mainly in respect of two of the Group's operating entities in the UK. This mainly reflected the impact of the loss related to Archegos attributable to the UK operations. Also included was the net impact of the release of valuation allowances on deferred tax assets of CHF 160 million, mainly in respect of one of the Group's operating entities in Switzerland and another of the Group's operating entities in Hong Kong.

Other of CHF 174 million included an income tax charge of CHF 100 million relating to withholding taxes, CHF 51 million relating to the tax impact of an accounting standard implementation transition adjustment for own credit movements, CHF 29 million relating to the current year BEAT provision and CHF 14 million relating to own credit valuation movements. These benefits were partially offset by CHF 24 million relating to prior years' adjustments. The remaining balance included various smaller items.

2020

Foreign tax rate differential of CHF 62 million reflected a foreign tax benefit primarily driven by losses in higher tax jurisdictions, mainly in the UK, and profits incurred in lower tax jurisdictions, mainly in Singapore, partially offset by profits made in higher tax jurisdictions, such as the US. The foreign tax rate expense of CHF 188 million comprised not only the foreign tax expense based on statutory tax rates but also the tax impacts related to the following reconciling items.

Other non-deductible expenses of CHF 254 million included the impact of CHF 117 million relating to non-deductible interest expenses and non-deductible costs related to funding and capital (including the impact of a previously unrecognized tax benefit of CHF 157 million relating to the resolution of interest cost deductibility with and between international tax authorities, partially offset by a contingency accrual of CHF 41 million), CHF 68 million relating to non-deductible bank levy costs and other non-deductible compensation expenses and management costs, CHF 46 million relating to non-deductible legacy litigation provisions and CHF 23 million relating to other non-deductible expenses.

Lower taxed income of CHF 234 million included a tax benefit of CHF 79 million related to the revaluations of the equity investments in SIX Group AG, Allfunds Group and Pfandbriefbank in Switzerland, CHF 67 million related to concessionary and lower taxed income, CHF 67 million related to non-taxable life insurance income, CHF 19 million related to the transfer of the Investlab fund platform to Allfunds Group and various smaller items.

Changes in deferred tax valuation allowances of CHF 322 million included a tax charge from the increase in valuation allowances on deferred tax assets of CHF 353 million, mainly in respect of the re-assessment of deferred tax assets reflecting changes in the forecasted future profitability of two of the Group's operating entities in Switzerland of CHF 252 million, and also in respect of one of the Group's operating entities in the UK. Also included was the net impact of the release of valuation allowances on deferred tax assets of CHF 31 million, mainly in respect of one of the Group's operating entities in Hong Kong and another of the Group's operating entities in the UK.

Other of CHF 259 million included an income tax benefit from the re-assessment of the BEAT provision for 2019 of CHF 180 million and the impact of a change in US tax rules relating to federal net operating losses (NOL), where federal NOL generated in tax years 2018, 2019 or 2020 can be carried back for five years instead of no carry back before and also the deductible interest expense limitations for the years 2019 and 2020 have been increased from 30% to 50% of adjusted taxable income for the year, which in aggregate resulted in a benefit of CHF 141 million. Additionally, this included an income tax benefit of CHF 82 million relating to prior years' adjustments and a tax benefit of CHF 34 million relating to the beneficial earnings mix of one of the Group's operating entities in Switzerland. These benefits were partially offset by CHF 78 million relating to the tax impact of an accounting standard implementation transition adjustment for own credit movements, CHF 61 million relating to withholding taxes, CHF 26 million relating to the current year BEAT provision and CHF 14 million relating to own credit valuation movements. The remaining balance included various smaller items.

The US tax reform enacted in December 2017 introduced the BEAT tax regime, effective as of January 1, 2018, for which final regulations were issued by the US Department of Treasury on December 2, 2019. Following the publication of the 2019 financial statements, Credit Suisse continued its analysis of the final regulations, resulting in a revision to the technical application of the prior BEAT estimate. This new information was not available or reasonably knowable at the time of the publication of the 2019 financial statements and resulted in a change of accounting estimate reflected in 2020.

Deferred tax assets and liabilities

end of	**2022**	2021
Deferred tax assets and liabilities (CHF million)		
Compensation and benefits	654	844
Loans	1,151	485
Investment securities	992	1,257
Provisions	648	1,358
Leases	357	367
Derivatives	184	58
Real estate	241	258
Net operating loss carry-forwards	9,435	7,120
Goodwill and intangible assets	67	135
Other	437	171
Gross deferred tax assets before valuation allowance	**14,166**	**12,053**
Less valuation allowance	(10,208)	(6,072)
Gross deferred tax assets net of valuation allowance	**3,958**	**5,981**
Compensation and benefits	(878)	(973)
Loans	(2,298)	(305)
Investment securities	(744)	(722)
Provisions	(282)	(298)
Leases	(351)	(358)
Derivatives	(286)	(218)
Real estate	(46)	(46)
Other	(146)	(108)
Gross deferred tax liabilities	**(5,031)**	**(3,028)**
Net deferred tax assets/(liabilities)	**(1,073)**	**2,953**
of which deferred tax assets	305	3,707
of which net operating losses	141	881
of which deductible temporary differences	164	2,826
of which deferred tax liabilities	(1,378)	(754)

Net deferred tax liabilities of CHF 1,073 million as of December 31, 2022 decreased CHF 4,026 million compared to net deferred tax assets of CHF 2,953 million as of December 31, 2021, primarily reflecting the valuation allowances relating to the reassessment of the deferred tax assets as a result of the comprehensive strategic review announced on October 27, 2022, as well as valuation allowances relating to current period results. The movement also reflected tax impacts directly recorded in other comprehensive income, mainly related to own credit movements, partially offset by the impact of foreign exchange translation gains, which were included within the currency translation adjustments, and a pension plan re-measurement.

The Group's valuation allowance against gross deferred tax assets was CHF 10.2 billion as of December 31, 2022 compared to CHF 6.1 billion as of December 31, 2021. This was due to the uncertainty concerning the Group's ability to generate the necessary amount and mix of taxable income in future periods. The valuation allowance also reflected an increase due to participation impairments in one of the Group's operating entities in Switzerland and a decrease due to valuation allowance adjustments recorded in other comprehensive income, mainly related to own credit movements.

Unrecognized deferred tax liabilities

As of December 31, 2022, the Group had accumulated undistributed earnings from foreign subsidiaries of CHF 18.2 billion. No deferred tax liability was recorded in respect of those amounts, as these earnings are considered indefinitely reinvested. The Group would need to accrue and pay taxes on these undistributed earnings if such earnings were repatriated. It is not practicable to estimate the amount of unrecognized deferred tax liabilities for these undistributed foreign earnings.

Amounts and expiration dates of net operating loss carry-forwards

end of 2022	Total
Net operating loss carry-forwards (CHF million)	
Due to expire within 1 year	4,081
Due to expire within 2 to 5 years	4,772
Due to expire within 6 to 10 years	12,780
Due to expire within 11 to 20 years	9,118
Amount due to expire	**30,751**
Amount not due to expire	24,834
Total net operating loss carry-forwards	**55,585**

Movements in the valuation allowance

in	2022	2021	2020
Movements (CHF million)			
Balance at beginning of period	**6,072**	**4,465**	**4,136**
Net changes	4,136	1,607	329
Balance at end of period	**10,208**	**6,072**	**4,465**

As part of its normal practice, the Group conducted a detailed evaluation of its expected future results. This evaluation was dependent on management estimates and assumptions in developing the expected future results, which were based on a strategic business planning process influenced by current economic conditions and assumptions of future economic conditions that are subject to change. This evaluation took into account both positive and negative evidence related to expected future taxable income and also considered stress scenarios.

This evaluation has indicated the expected future results that are likely to be earned in jurisdictions where the Group has significant gross deferred tax assets, primarily in the US, Switzerland and the UK. The Group then compared those expected future results with the applicable law governing the utilization of deferred tax assets.

Based on the expected future results in two of the Group's operating entities in Switzerland and given that the Swiss tax law allows for a seven-year carry-forward period for NOLs, a valuation allowance is still required on the deferred tax assets of these entities.

UK tax law allows for an unlimited carry-forward for NOLs, while US tax law allows for a 20-year carry-forward period for NOLs arising prior to 2017, federal NOLs generated in tax years from 2018, 2019 and 2020 to be carried back for five years and no expiry limitations for NOLs that arose in 2018 and subsequent years. However, unlimited and long expiry limitations for NOLs are not expected to have a material impact on the recoverability of the net deferred tax assets as management concluded that there was limited recoverability of the net deferred tax assets in the US and the UK as a result of the comprehensive strategic review announced on October 27, 2022, primarily due to limited future taxable income against which deferred tax assets could be utilized.

Tax benefits associated with share-based compensation

in	2022	2021	2020
Tax benefits (CHF million)			
Tax benefits recorded in the consolidated statements of operations [1]	221	234	264

1 Calculated at the statutory tax rate before valuation allowance considerations.

→ Refer to "Note 30 – Employee deferred compensation" for further information on share-based compensation.

If, upon settlement of share-based compensation, the tax deduction exceeds the cumulative compensation cost that the Group has recognized in the consolidated financial statements, the utilized tax benefit associated with any excess deduction is considered a "windfall" and recognized in the consolidated statements of operations and reflected as an operating cash inflow in the consolidated statements of cash flows. If, upon settlement, the tax deduction is lower than the cumulative compensation cost that the Group has recognized in the consolidated financial statements, the tax charge associated with the lower deduction is considered a "shortfall". Tax charges arising on shortfalls are recognized in the consolidated statements of operations.

Uncertain tax positions

US GAAP requires a two-step process in evaluating uncertain income tax positions. In the first step, an enterprise determines whether it is more likely than not that an income tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Income tax positions meeting the more-likely-than-not recognition threshold are then measured to determine the amount of benefit eligible for recognition in the consolidated financial statements. Each income tax position is measured at the largest amount of tax benefit that is more likely than not to be realized upon ultimate settlement.

Reconciliation of gross unrecognized tax benefits

	2022	2021	2020
Movements in gross unrecognized tax benefits (CHF million)			
Balance at beginning of period	**425**	**382**	**595**
Increases in unrecognized tax benefits as a result of tax positions taken during a prior period	239	23	14
Decreases in unrecognized tax benefits as a result of tax positions taken during a prior period	(434)	(35)	(249)
Increases in unrecognized tax benefits as a result of tax positions taken during the current period	46	54	90
Decreases in unrecognized tax benefits as a result of tax positions taken during the current period	(41)	0	0
Decreases in unrecognized tax benefits relating to settlements with tax authorities	(4)	0	(3)
Reductions to unrecognized tax benefits as a result of a lapse of the applicable statute of limitations	(15)	(6)	(17)
Other (including foreign currency translation)	11	7	(48)
Balance at end of period	**227**	**425**	**382**
of which, if recognized, would affect the effective tax rate	227	425	382

Interest and penalties

in	2022	2021	2020
Interest and penalties (CHF million)			
Interest and penalties recognized in the consolidated statements of operations	(5)	3	(16)
Interest and penalties recognized in the consolidated balance sheets	59	64	61

Interest and penalties are reported as tax expense. The Group is currently subject to ongoing tax audits, inquiries and litigation with the tax authorities in a number of jurisdictions, including Brazil, Germany, Switzerland, the UK and the US. Although the timing of completion is uncertain, it is reasonably possible that some of these will be resolved within 12 months of the reporting date. It is reasonably possible that there will be a decrease of between zero and CHF 14 million in unrecognized tax benefits within 12 months of the reporting date.

The Group remains open to examination from federal, state, provincial or similar local jurisdictions from the following years onward in these major countries: Switzerland – 2020 (federal and Zurich cantonal level); Brazil – 2017; the UK – 2012; and the US – 2010.

30 Employee deferred compensation

Payment of deferred compensation to employees is determined by the nature of the business, role, location and performance of the employee. Unless there is a contractual obligation, granting deferred compensation is solely at the discretion of the Compensation Committee and senior management. Replacement awards granted as part of a contractual obligation are typically used to compensate new senior employees for forfeited awards from previous employers upon joining the Group. It is the Group's policy not to make multi-year guarantees. The Group fully covered its share delivery obligations through market purchases in 2022, 2021 and 2020.

Compensation expense recognized in the consolidated statement of operations for share-based and other awards that were granted as deferred compensation is recognized in accordance with the specific terms and conditions of each respective award and is primarily recognized over the future requisite service and vesting period, which is determined by the plan, retirement eligibility of employees and certain other terms. All deferred compensation plans are subject to restrictive covenants, which generally include non-compete and non-solicit provisions. Compensation expense for share-based and other awards that were granted as deferred compensation also includes the current estimated outcome of applicable performance criteria, estimated future forfeitures and mark-to-market adjustments for certain cash awards that are still outstanding.

Deferred compensation expense

The following tables show the compensation expense for deferred compensation awards granted in 2022 and prior years that was recognized in the consolidated statements of operations during 2022, 2021 and 2020, the total shares delivered, the estimated unrecognized compensation expense for deferred compensation awards granted in 2022 and prior years outstanding as of December 31, 2022 and the remaining requisite service period over which the estimated unrecognized compensation expense will be recognized. The recognition of compensation expense for the deferred compensation awards granted in February 2023 began in 2023 and thus had no impact on the 2022 consolidated financial statements.

Deferred compensation expense

in	**2022**	2021	2020
Deferred compensation expense (CHF million)			
Share awards	307	482	573
Performance share awards	(3) [1]	290	448
Strategic Delivery Plan	248	–	–
Contingent Capital Awards	(3)	202	255
Cash awards	637	350	398
Retention awards	174	123	43
Total deferred compensation expense	**1,360**	**1,447**	**1,717**
Total shares delivered (million)			
Total shares delivered	60.3	58.5	50.7

1 Included downward adjustment applied to outstanding performance share awards.

The estimated unrecognized compensation expense was based on the fair value of each award on the grant date and included the current estimated outcome of relevant performance criteria and estimated future forfeitures but no estimate for future mark-to-market adjustments.

Estimated unrecognized deferred compensation

end of	**2022**
Estimated unrecognized compensation expense (CHF million)	
Share awards	203
Performance share awards	52
Strategic Delivery Plan	254
Contingent Capital Awards	55
Cash awards	586
Retention awards	343
Total	**1,493**
Aggregate remaining weighted-average requisite service period (years)	
Aggregate remaining weighted-average requisite service period	1.3

Does not include the estimated unrecognized compensation expense relating to grants made in 2023 for 2022.

Share awards

Deferred compensation awards are awarded to employees with total compensation of CHF/USD 250,000 or the local currency equivalent or higher. Each share award granted entitles the holder of the award to receive one Group share, subject to service conditions. Share awards vest over three years with one third of the share awards vesting on each of the three anniversaries of the grant date (ratable vesting), with the exception of awards granted to individuals classified as material risk takers (MRTs), risk manager MRTs or senior managers or equivalents under the requirements of EU Capital Requirements Directive V and UK Investment Firms Prudential Regime. Share awards granted to MRTs vest over four years with one quarter of the award vesting on each of the four anniversaries of the grant date. Share awards granted to risk manager MRTs vest over five years with one fifth of the award vesting on each of the five anniversaries of the grant date. Share awards granted to senior managers vest over seven years, with one fifth of the award vesting on each of the third to seventh anniversaries of the grant date. Share awards are expensed over the service period of the awards. The value of the share awards is solely dependent on the Group share price at the time of delivery.

The Group's share awards include other awards, such as blocked shares and special awards, which may be granted to new employees. Other share awards entitle the holder to receive one Group share and are generally subject to continued employment with the Group, contain restrictive covenants and cancellation provisions and generally vest between zero and five years.

In order to comply with the requirements of EU Capital Requirements Directive V and UK Investment Firms Prudential Regime and other applicable remuneration regulations, employees who hold key roles in respect of certain Group subsidiaries receive shares that are subject to transfer restrictions for 50% of the amount that would have been paid to them in cash. These shares are vested at the time of grant but remain blocked, that is, subject to transfer restrictions, for either six months or one year from the date of grant, depending on the location.

Share award activities

	2022		2021		2020	
	Number of share awards in million	Weighted-average grant-date fair value in CHF	Number of share awards in million	Weighted-average grant-date fair value in CHF	Number of share awards in million	Weighted-average grant-date fair value in CHF
Share awards						
Balance at beginning of period	**143.8**	**11.27**	**126.3**	**11.86**	**110.5**	**13.46**
Granted	79.8 [1]	6.07	86.4	11.17	69.1	10.61
Settled	(61.1)	11.20	(53.3)	12.44	(47.9)	13.76
Forfeited	(15.1)	10.32	(15.6)	11.52	(5.4)	11.72
Balance at end of period	**147.4**	**8.58**	**143.8**	**11.27**	**126.3**	**11.86**
of which vested	25.9	–	13.1	–	13.5	–
of which unvested	121.5	–	130.7	–	112.8	–

1 Included an adjustment for share awards granted in the fourth quarter of 2022 to compensate for the proportionate dilution of Group shares resulting from the rights offering approved on November 28, 2022. The number of deferred share-based awards held by each individual was increased by 5.64%. The terms and conditions of the adjusted shares were the same as the existing share-based awards, thereby ensuring that holders of the awards were neither advantaged nor disadvantaged by the additional shares granted.

Performance share awards

Performance share awards will no longer be used as a form of deferred compensation award for the 2022 performance year and onwards. In prior years, managing directors and all material risk takers and controllers (employees whose activities are considered to have a potentially material impact on the Group's risk profile) received a portion of their deferred variable compensation in the form of performance share awards. Performance share awards are similar to share awards, except that the full balance of outstanding performance share awards, are subject to performance-based malus provisions.

Outstanding performance share awards granted for prior years are subject to a downward adjustment in the event of a divisional loss by the division in which the employees worked as of December 31, 2022, or a negative ROE of the Group, whichever results in a larger adjustment. For employees in corporate functions and the Asset Resolution Unit, the downward 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. A downward adjustment has been applied to outstanding performance share awards, reflecting the negative Group ROE and full year divisional loss in the Investment Bank for 2022.

Performance share awards granted for previous years

For compensation year	**2022**	2021	2020
Performance shares awarded (million)	0.0	19.4	37.8
Value of performance shares awarded (CHF million)	0	161	493
Fair value of each performance share awarded (CHF) [1]	0.00	8.61	12.59

1 Based on the Group's share price on the grant date.

Performance share award activities

	2022		2021		2020	
	Number of performance share awards in million	Weighted-average grant-date fair value in CHF	Number of performance share awards in million	Weighted-average grant-date fair value in CHF	Number of performance share awards in million	Weighted-average grant-date fair value in CHF
Performance share awards						
Balance at beginning of period	**77.2**	**11.66**	**91.7**	**11.66**	**72.4**	**13.38**
Granted	3.5 [1,2]	(10.66) [2]	28.5	12.70	50.9	10.63
Settled	(31.0)	11.70	(34.5)	12.50	(29.0)	14.13
Forfeited	(5.1)	10.96	(8.5)	11.78	(2.6)	11.62
Balance at end of period	**44.6**	**9.94**	**77.2**	**11.66**	**91.7**	**11.66**
of which vested	14.2	–	11.2	–	10.4	–
of which unvested	30.4	–	66.0	–	81.3	–

1 Included an adjustment for performance share awards granted in the fourth quarter of 2022 to compensate for the proportionate dilution of Group shares resulting from the rights offering approved on November 28, 2022. The number of deferred share-based awards held by each individual was increased by 5.64%. The terms and conditions of the adjusted shares were the same as the existing share-based awards, thereby ensuring that holders of the awards were neither advantaged nor disadvantaged by the additional performance shares granted.
2 Included downward adjustment applied to outstanding performance share awards.

Strategic Delivery Plan

The Strategic Delivery Plan (SDP) was a one-time share-based award granted in February 2022 to most managing directors and directors to incentivize the longer-term delivery of the Group's strategic plan. SDP awards are subject to service conditions and performance-based metrics over the course of 2022-2024. SDP awards are scheduled to vest on the third anniversary of the grant date, with the exception of awards granted to individuals classified as MRTs, risk manager MRTs or senior managers or equivalents under the requirements of EU Capital Requirements Directive V and UK Investment Firms Prudential Regime. SDP awards granted to MRTs vest in equal annual installments over two years, commencing on the third anniversary from the grant date. SDP awards granted to risk manager MRTs vest in equal annual installments over three years, while SDP awards granted to senior managers vest in equal annual installments over five years, both commencing on the third anniversary from the grant date. Prior to settlement, the principal amount of the SDP awards will be written down to zero and forfeited if any of the following triggering events exist at the end of 2022, 2023 or 2024:

- The Group's reported common equity tier 1 (CET1) capital ratio below the FINMA-prescribed minimum + 50 basis points; or
- The Group's reported CET1 leverage ratio falls below 3.7%.

In addition, the Compensation Committee will review and assess the overall success of the delivery of the strategic plan at a Group level over the three-year period (2022-2024) and may increase the SDP awards up to a maximum of 50% of the initial award amount. Half of the potential uplift would be granted if a predetermined average Group return on tangible equity threshold is achieved, measured over 2023 and 2024. The other half of the uplift may be awarded based on the Compensation Committee's assessment of risk management and other strategic non-financial achievements.

Strategic Delivery Plan activities

	2022	
	Number of Strategic Delivery Plan awards in million	Weighted-average grant-date fair value in CHF
Share Delivery Plan		
Balance at beginning of period	**–**	**–**
Granted	65.9 [1]	8.11
Settled	0.0	0.00
Forfeited	(4.0)	8.40
Balance at end of period	**61.9**	**8.09**
of which vested	7.0	–
of which unvested	54.9	–

1 Included an adjustment for Strategic Delivery Plan awards granted in the fourth quarter of 2022 to compensate for the proportionate dilution of Group shares resulting from the rights offering approved on November 28, 2022. The number of deferred share-based awards held by each individual was increased by 5.64%. The terms and conditions of the adjusted shares were the same as the existing share-based awards, thereby ensuring that holders of the awards were neither advantaged nor disadvantaged by the additional Strategic Delivery Plan shares granted.

Contingent Capital Awards

Contingent Capital Awards (CCA) will no longer be used as a form of deferred compensation award for the 2022 performance year and onwards. The Group granted CCA of CHF 75 million and CHF 253 million in 2022 and 2021, respectively, to managing directors and directors as part of the 2021 and 2020 deferred variable compensation and have rights and risks similar to those of certain contingent capital instruments issued by the Group in the market. CCA are scheduled to vest on the third anniversary of the grant date, other than those granted to individuals classified as MRTs, risk manager MRTs or senior managers or equivalents under the requirements of EU Capital Requirements Directive V and UK Investment Firms Prudential Regime. CCA granted to MRTs, risk manager MRTs and senior managers vest on the fourth, fifth and seventh anniversaries of the grant date, respectively. CCA awards will be expensed over the vesting period. CCA generally provide a conditional right to receive semi-annual cash payments of interest equivalents until settled, with rates being dependent upon the vesting period and currency of denomination. CCA granted in 2022 and 2021 that vest four, five or seven years from the date of grant are not eligible for semi-annual cash payments of interest equivalents. CCA granted to certain regulated employees that vest over three years are not eligible for semi-annual cash payments of interest equivalents.

- CCA granted in 2022 and 2021 that are denominated in US dollars and vest three years from the date of grant receive interest equivalents at a rate of 4.18% and 3.60% respectively, per annum plus the daily compounded (spread exclusive) US dollar Secured Overnight Financing Rate (SOFR); and
- CCA granted in 2022 and 2021 that are denominated in Swiss francs and vest three years from the date of grant receive interest equivalents at a rate of 3.44% and 3.06% respectively, per annum plus the daily compounded (spread exclusive) Swiss franc Swiss Average Rate Overnight (SARON).

The rates were set in line with market conditions at the time of grant and existing high-trigger and low-trigger contingent capital instruments that the Group has issued.

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 will be converted into the local currency of each respective employee.

CCA have loss-absorbing features such that prior to settlement, the principal amount of the CCA would be written down to zero and forfeited 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.

Cash awards

Cash awards include certain special awards as well as voluntary deferred compensation plans and employee investment plans. For certain special awards, compensation expense was primarily driven by their vesting schedule; for other cash awards, compensation expense was driven by mark to market and performance adjustments, as the majority of the awards are fully vested.

Deferred fixed cash awards

The Group granted deferred fixed cash compensation during 2022, 2021 and 2020 of CHF 294 million, CHF 259 million and CHF 120 million, respectively, in the Investment Bank, Wealth Management and Asset Management divisions. This compensation has been expensed over a three-year vesting period from the grant date. Amortization of this compensation in 2022 totaled CHF 214 million, of which CHF 125 million was related to awards granted in 2022.

Upfront cash awards

The Group granted upfront cash awards (UCA) of CHF 799 million and CHF 59 million in 2022 and 2021, respectively. These awards are subject to repayment (clawback) by the employee in the event of voluntary resignation, termination for cause or in connection with other specified events or conditions within three years of the award grant. The amount subject to repayment is reduced in equal monthly installments during the three-year period following the grant date. The expense recognition will occur over the three-year vesting period, subject to service conditions. Amortization of this compensation in 2022 totaled CHF 387 million, of which CHF 355 million was related to awards granted in 2022.

Retention awards

The Group granted deferred cash and share retention awards during 2022 of CHF 367 million, mainly in the Investment Bank division. During 2021 and 2020, the Group granted deferred cash and share retention awards of CHF 395 million and CHF 40 million, respectively. These awards are expensed over the applicable vesting period from the grant date. Amortization of these awards in 2022 totaled CHF 174 million, of which CHF 69 million was related to awards granted in 2022.

Awards granted for the compensation year 2022

Share awards

On February 10, 2023, the Group granted 102.8 million share awards with a total value of CHF 288 million. The estimated unrecognized compensation expense of CHF 262 million was determined based on the fair value of the awards on the grant date, includes the current estimated future forfeitures and will be recognized over the vesting period, subject to early retirement rules. The majority of share awards granted include the right to receive dividend equivalents on vested shares.

The number of share awards granted to employees was generally determined by dividing the deferred component of variable compensation being granted as share awards by the average price of a Group share over the ten consecutive trading days which ended on February 23, 2023. The fair value of each share award was CHF 2.87, the Group share price on the grant date.

Share awards granted for previous years

For compensation year	**2022**	2021	2020
Shares awarded (million)	102.8	27.7	44.6
Value of shares awarded (CHF million)	288	216	592
Fair value of each share awarded (CHF) [1]	2.87	8.61	12.59

1 Based on the Group's share price on the grant date.

On February 10, 2023, the Group granted 6.1 million blocked shares with a total value of CHF 16 million that vested immediately upon grant, have no future service requirements and were attributed to services performed in 2022.

Blocked share awards granted for previous years

For compensation year	**2022**	2021	2020
Blocked shares awarded (million)	6.1	5.0	2.6
Value of shares awarded (CHF million)	16	41	35

Upfront cash awards

In February 2023, certain managing directors and directors were granted CHF 344 million of UCA as part of their 2022 variable compensation.

Awards granted in 2023

Transformation Awards

In February 2023, the Group granted Transformation Awards, with a total award value of CHF 350 million, to employees identified as being critical to the delivery of the transformation strategy. Of the total award value, CHF 70 million relates to the Executive Board and is subject to approval at the AGM 2023.

For employees other than the Executive Board, the Transformation Award was granted in the form of both a deferred cash award and a deferred share award subject to performance conditions. For Executive Board members, the Transformation Award, subject to shareholder approval, was granted as 100% in the form of a deferred shares.

Transformation Awards are expensed over the service period of the award.

Transformation cash awards vest over two years with one half of the cash awards vesting on each of first and second anniversaries of the grant date (ratable vesting), with the exception of awards granted to individuals classified as MRTs, risk manager MRTs or senior managers or equivalents under the requirements of EU Capital Requirements Directive V and UK Investment Firms Prudential Regime. Transformation Awards granted to MRTs vest over four years with one quarter of the award vesting on each of the four anniversaries of the grant date. Transformation Awards granted to risk manager MRTs vest over five years with one fifth of the award vesting on each of the five anniversaries of the grant date. Transformation Awards granted to senior managers vest over seven years, with one fifth of the award vesting on each of the third to seventh anniversaries of the grant date.

Transformation share-based awards are scheduled to vest if the share price is at CHF 3.82 or higher on December 31, 2025, subject to a cap of three times the initial award grant value. This is applied after taking into account the performance targets, the reported return on tangible equity and cost base for the Group.

Other awards

In the first quarter of 2023, the Group granted additional compensation awards to certain employees. Share-based awards of CHF 38 million and deferred fixed cash compensation of CHF 30 million were granted to key employees. These awards will be expensed over a three-year vesting period from the grant date. In addition, Supplemental Cash Allowance Awards of CHF 114 million were granted to certain employees and will be expensed over a nine-month vesting period from the grant date.

31 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or if another party controls both. The Group's related parties include key management personnel, close family members of key management personnel and entities that are controlled, significantly influenced, or for which significant voting power is held, by key management personnel or their close family members. Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Group, that is, members of the Executive Board and the Board of Directors.

Banking relationships

The Group is a global financial services provider. Many of the members of the Executive Board and the Board of Directors, their close family members or companies associated with them maintain banking relationships with the Group. The Group or any of its banking subsidiaries may from time to time enter into financing and other banking agreements with companies in which current members of the Executive Board or the Board of Directors have a significant influence as defined by the SEC, such as holding executive and/or board level roles in these companies. With the exception of the transactions described below, relationships with members of the Executive Board or the Board of Directors and such companies were in the ordinary course of business and are entered into at prevailing market conditions. Also, unless otherwise noted, all loans to members of the Executive Board, members of the Board of Directors, their close family members or companies associated with them were made in the ordinary course of business, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of collectability or present other unfavorable features. As of December 31, 2022, 2021 and 2020, there were no loan exposures to such related parties that were not made in the ordinary course of business and at prevailing market conditions.

CS First Boston

On February 9, 2023, the Group announced that it had taken further important steps to progress the carve-out of CS First Boston as a leading capital markets and advisory business through the acquisition of The Klein Group LLC, the investment banking business as well as the registered broker-dealer of M. Klein & Company LLC (the seller). The Group also announced the appointment of former Board of Directors member Michael Klein as CEO of Banking and regional CEO of Americas, as well as designated CEO of CS First Boston and a member of the Executive Board. Both Michael Klein's appointment to the Executive Board and the acquisition of The Klein Group LLC are subject to regulatory approval. The purchase price is USD 175 million. To align interests with the Group, the seller will receive a convertible note and a warrant. The note will provide annual payments and convert into, and the warrant entitles the seller to subscribe to, CS First Boston shares at a qualified IPO or other liquidity event, at the then-valuation of CS First Boston, less a customary discount. The principal amount of the convertible note is expected to be USD 100 million, with the balance being paid in cash, dependent on the amount of taxes to be paid by the seller at closing. The net present value of the transaction to the Group is expected to be approximately USD 210 million, which also includes interest cost, annual payments on the note and other payments that may in the future become payable in respect of this transaction. Deutsche Bank AG provided a fairness opinion to the Board of Directors in connection with the acquisition. The transaction is expected to close in the first half of 2023. Following the acquisition's closing, The Klein Group LLC is expected to be fully integrated into CS First Boston. The Group will retain control over the ultimate scope and structure of CS First Boston, including options to attract third-party capital in the future, as announced at the strategy update on October 27, 2022.

In addition, on October 27, 2022, the Group and The Klein Group LLC entered into an engagement letter, under which The Klein Group LLC has been engaged to provide strategic advice and assistance to the Group in connection with the proposed carve-out of CS First Boston, whereby it was agreed that Michael Klein would devote significant time and attention to the services to be provided by The Klein Group LLC to the Group. The purpose of this engagement was to secure Michael Klein's services in relation to the establishment of CS First Boston in the time gap between October 27, 2022 and the effective date of his employment contract as a member of the Executive Board (which is contingent on regulatory approval) and to obtain the support of The Klein Group LLC until closing of the acquisition. The advisory fee under such engagement was USD 10 million.

Related party loans

Executive Board and Board of Directors loans
The majority of loans outstanding to members of the Executive Board and the Board of Directors are mortgages or loans against securities.

All mortgage loans to members of the Executive Board 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 members of the Executive Board as for other employees. The highest loan outstanding to an Executive Board member was CHF 4 million to Ulrich Körner as of December 31, 2022.

Executive Board and Board of Directors loans

in	2022	2021	2020
Executive Board loans (CHF million)			
Balance at beginning of period	**18** [1]	**13**	**32**
Additions	1	10 [2]	5
Reductions	(13)	(5) [2]	(24)
Balance at end of period	**6** [1]	**18** [2]	**13**
Board of Directors loans (CHF million)			
Balance at beginning of period	**7** [3]	**9**	**9**
Additions	0	2	0
Reductions	(3)	(4)	0
Balance at end of period	**4** [3]	**7**	**9**

1 The number of individuals with outstanding loans was eight at the beginning of the year and four at the end of the year.
2 Revised.
3 The number of individuals with outstanding loans was three at the beginning of the year and two at the end of the year.

Equity method investees loans

The Group or its subsidiaries grant loans to equity method investees in the normal course of business.

→ Refer to "Note 41 – Significant subsidiaries and equity method investments" for a list of equity method investments.

Loans made by the Group or any subsidiaries to equity method investees

in	2022	2021	2020
Loans to equity method investees (CHF million)			
Balance at beginning of period	**378**	**414**	**299**
Net borrowings/(repayments)	29	(36)	115
Balance at end of period	**407**	**378**	**414**

Liabilities due to own pension plans

Liabilities due to the Group's own defined benefit pension plans as of December 31, 2022 and 2021 of CHF 254 million and CHF 331 million, respectively, were reflected in various liability accounts in the Group's consolidated balance sheets.

32 Pension and other post-retirement benefits

The Group sponsors defined contribution pension plans, defined benefit pension plans and other post-retirement defined benefit plans.

Defined contribution pension plans

Defined contribution plans provide each participant with an individual account. The benefits to be provided to a participant are solely based on the contributions made to that employee's account and are affected by income, expenses and gains and losses allocated to the account. As such, there are no stipulations of a defined annuity benefit at retirement and the participants bear the full actuarial as well as investment risk.

The Group contributes to various defined contribution pension plans primarily in Switzerland, the US and the UK as well as other countries throughout the world. During 2022, 2021 and 2020, the Group contributed to these plans and recognized as expense CHF 241 million, CHF 263 million and CHF 299 million, respectively. This includes expenses of CHF 81 million, CHF 100 million and CHF 143 million in 2022, 2021 and 2020, respectively, related to the Swiss defined contribution pension plan which took effect on January 1, 2020. Contributions to the Swiss defined contribution plan are made by employees and the Group. Assets from this plan are paid out as a lump sum on retirement.

Defined benefit pension and other post-retirement defined benefit plans

Defined benefit pension plans

Defined benefit pension plans are pension plans that define specific benefits for an employee upon that employee's retirement. These benefits are usually determined by taking into account the employee's salary, years of service and age of retirement. Retirees bear neither the actuarial risk (for example, the risk that the retirees of the plan live longer than expected), nor the investment risk (that is, that plan assets invested and associated returns will be insufficient to meet the expected benefits due to low or negative returns on contributions). The Group's funding policy for these plans is in accordance with local laws and tax requirements.

Swiss pension plan

The Group's most significant defined benefit pension plan, the Credit Suisse Swiss Pension Plan (Swiss pension plan), is located and covers its employees in Switzerland and is set up as a trust domiciled in Zurich. The Swiss pension plan provides benefits in the event of retirement, death and disability and meets or exceeds the minimum benefits required under the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). Benefits in the Swiss pension plan are determined on the basis of the accumulated employer and employee contributions and accumulated interest credited. The Swiss pension plan is treated as a defined benefit plan under US GAAP, mainly due to a guaranteed minimum return on contributions and guaranteed payment of lifetime pensions. As of December 31, 2022 and 2021, the Swiss pension plan comprised 62% and 64%, respectively, of all the Group's employees participating in defined benefit plans, 88% and 84%, respectively, of the fair value of plan assets, and 87% and 84%, respectively, of the pension benefit obligation of the Group's defined benefit plans.

Employee contributions in the savings section depend on their age and are determined as a percentage of the pensionable salary. The employees can select between three different levels of contributions which vary between 5% and 14% depending on their age. The Group's contribution varies between 7.5% and 25% of the pensionable salary depending on the employee's age.

The Swiss Federal council sets the minimum statutory interest rate on savings balances on an annual basis that applies to the BVG minimum pensionable salary (1.0% as of January 1, 2023 and 2022). The statutory interest rate on savings balances does not apply to extra mandatory benefits. The Board of Trustees of the Swiss pension fund sets the interest rate to be applied on the accumulated savings balance on an annual basis.

When employees retire, their savings balance is converted into an annuity and the conversion rate is the percentage used to convert the assets accrued in the Swiss pension plan to an annual lifetime retirement pension. The level of the conversion rate depends on the life expectancy of future retirees and on the long-term potential for returns in the capital markets. The Board of Trustees of the Swiss pension plan has the responsibility to set the conversion rates for the plan. Decisions on conversion rates are to be set for a planning horizon of at least eight years.

International pension plans

Various defined benefit pension plans cover the Group's employees outside Switzerland. These plans provide benefits in the event of retirement, death, disability or termination of employment. Retirement benefits under the international pension plans depend on age, contributions and salary. The Group's principal defined benefit pension plans outside Switzerland are located in the US and in the UK. Both of these plans are funded, closed to new participants and have ceased accruing new benefits. Smaller defined benefit pension plans, both funded and unfunded, are operated in other locations.

Other post-retirement defined benefit plan

In the US, the Group has a defined benefit plan that provides post-retirement benefits other than pension benefits that primarily focus on health and welfare benefits for certain retired employees. In exchange for the current services provided by the employee, the Group promises to provide health and welfare benefits after the employee retires. The Group's obligation for that compensation is incurred as employees render the services necessary to earn their post-retirement benefits.

Components of net periodic benefit costs

	Defined benefit pension plans						Other post-retirement defined benefit plan		
	Switzerland			International			International		
in	**2022**	2021	2020	**2022**	2021	2020	**2022**	2021	2020
Net periodic benefit costs (CHF million)									
Service costs on benefit obligation	242	224	203	17	16	15	0	0	0
Interest costs on benefit obligation	41	10	20	59	51	68	3	2	4
Expected return on plan assets	(439)	(421)	(352)	(67)	(65)	(85)	0	0	0
Amortization of recognized prior service cost/(credit)	(88)	(121)	(167)	1	1	1	0	0	0
Amortization of recognized actuarial losses/(gains)	280	355	334	9	14	13	1	1	1
Settlement losses/(gains)	6	10	8	11	8	(1)	0	0	0
Curtailment losses/(gains)	(11)	2	(10)	0	0	0	0	0	0
Special termination benefits	7	16	8	0	0	0	0	0	0
Net periodic benefit costs/(credits)	**38**	**75**	**44**	**30**	**25**	**11**	**4**	**3**	**5**

Service costs on benefit obligation are reflected in compensation and benefits. Other components of net periodic benefit costs are reflected in general and administrative expenses or in restructuring expenses.

Net periodic benefit costs of defined benefit plans

The net periodic benefit costs for defined benefit pension and other post-retirement defined benefit plans are the costs of the respective plan for a period during which an employee renders services. The actual amount to be recognized is determined using the standard actuarial methodology which considers, among other factors, current service cost, interest cost, expected return on plan assets and the amortization of both prior service costs/(credits) and actuarial losses/(gains) recognized in AOCI.

Service costs on benefit obligation reflected in compensation and benefits – other for 2022, 2021 and 2020 were CHF 259 million, CHF 240 million and CHF 218 million, respectively.

As part of its strategic plan, the Group has launched a number of cost efficiency measures, including headcount reduction. This resulted in curtailment gains of CHF 11 million in 2022, curtailment losses of CHF 2 million in 2021 and curtailment gains of CHF 10 million in 2020. Additional costs of CHF 6 million, CHF 10 million and CHF 8 million in 2022, 2021 and 2020, respectively, related to the settlement of the pension obligation for employees in Switzerland whose employment has effectively been terminated or who have left the Group due to a sale of their business. Special termination benefit costs of CHF 7 million, CHF 16 million and CHF 8 million have been recognized in 2022, 2021 and 2020, respectively, relating to early retirements in Switzerland in the context of the cost efficiency measures.

Benefit obligation

The benefit obligation is expressed as either accumulated benefit obligation (ABO) or PBO. While the ABO refers to the actuarial present value based on employee services rendered prior to that date and takes into account current and past compensation levels, the PBO also applies an assumption as to future compensation levels.

The "Obligations and funded status of the plans" table shows the changes in the PBO, the ABO, the fair value of plan assets and the amounts recognized in the consolidated balance sheets for the defined benefit pension and other post-retirement defined benefit plans.

US GAAP requires an employer to recognize the funded status of the defined benefit pension and other post-retirement defined benefit plans on the balance sheet. The funded status of these plans is determined as the difference between the fair value of plan assets and the PBO. The funded status may vary from year to year due to changes in the fair value of plan assets and variations of the PBO following changes in the underlying assumptions and membership data used to determine the PBO. In 2022 and 2021, the curtailments, settlements and special termination benefits in Switzerland, which impacted the PBO, related to the headcount reduction in the context of the cost efficiency measures.

Obligations and funded status of the plans

in / end of	Defined benefit pension plans Switzerland 2022	2021	International 2022	2021	Other post-retirement defined benefit plan International 2022	2021
PBO (CHF million) [1]						
Beginning of the measurement period	**16,055**	**16,102**	**3,032**	**3,482**	**140**	**156**
Plan participant contributions	150	146	0	0	0	0
Service cost	242	224	17	16	0	0
Interest cost	41	10	59	51	3	2
Plan amendments	86	0	4	(4)	0	0
Settlements	(33)	(48)	(37)	(448)	0	0
Curtailments	(17)	8	0	0	0	0
Special termination benefits	7	16	0	0	0	0
Actuarial losses/(gains)	(1,975)	321	(907)	(100)	(27)	(14)
Benefit payments	(783)	(724)	(72)	(66)	(11)	(10)
Exchange rate losses/(gains)	0	0	(187)	101	2	6
End of the measurement period	**13,773**	**16,055**	**1,909**	**3,032**	**107**	**140**
Fair value of plan assets (CHF million)						
Beginning of the measurement period	**19,296**	**18,000**	**3,802**	**4,212**	**0**	**0**
Actual return on plan assets	(1,565)	1,610	(1,132)	(45)	0	0
Employer contributions	266	312	17	17	11	10
Plan participant contributions	150	146	0	0	0	0
Settlements	(33)	(48)	(37)	(448)	0	0
Benefit payments	(783)	(724)	(72)	(66)	(11)	(10)
Exchange rate gains/(losses)	0	0	(262)	132	0	0
End of the measurement period	**17,331**	**19,296**	**2,316**	**3,802**	**0**	**0**
Funded status recognized (CHF million)						
Funded status of the plan – overfunded/(underfunded)	3,558	3,241	407	770	(107)	(140)
Funded status recognized in the consolidated balance sheet as of December 31	**3,558**	**3,241**	**407**	**770**	**(107)**	**(140)**
Total amount recognized (CHF million)						
Noncurrent assets	3,558	3,241	559	974	0	0
Current liabilities	0	0	(9)	(7)	(10)	(10)
Noncurrent liabilities	0	0	(143)	(197)	(97)	(130)
Net amount recognized in the consolidated balance sheet as of December 31	**3,558**	**3,241**	**407**	**770**	**(107)**	**(140)**
ABO (CHF million) [2]						
End of the measurement period	**13,523**	**15,275**	**1,887**	**3,001**	**107**	**140**

1 Including estimated future salary increases.
2 Excluding estimated future salary increases.

The net amount recognized in the consolidated balance sheets as of December 31, 2022 and 2021 for the defined benefit pension plans was an overfunding of CHF 3,965 million and CHF 4,011 million, respectively.

The remeasurement loss on the Swiss pension plan recorded as of December 31, 2022 consisted of losses on the asset portfolio of CHF 2,004 million, partially offset by gains on the PBO of CHF 1,975 million due to changes in financial and demographic assumptions, primarily an increase in the discount rate. The remeasurement gain on the Swiss pension plan recorded as of December 31, 2021 consisted of gains on the asset portfolio of CHF 1,189 million, partially offset by losses on the PBO of CHF 321 million due to changes in financial and demographic assumptions, primarily an increase in the interest rate on savings balances.

The remeasurement loss on the international pension plans recorded as of December 31, 2022 consisted of losses on the asset portfolio of CHF 1,199 million, partially offset by gains on the PBO of CHF 907 million due to changes in financial and demographic assumptions, primarily an increase in the discount rate and updates on the membership data. The remeasurement loss on the international pension plans recorded as of December 31, 2021 consisted of losses on the asset portfolio of CHF 110 million, partially offset by gains on the PBO of CHF 100 million due to changes in financial and demographic assumptions, primarily an increase in the discount rate and updates on the membership data.

The settlements of CHF 448 million on the international plans recorded as of December 31, 2021 mainly related to settlements in the UK, reflecting an enhanced transfer value exercise, and settlements in the US, reflecting a partial sale of pension obligations sold to a third party insurer.

In 2023, the Group expects to contribute CHF 271 million to the Swiss pension plan, CHF 15 million to the international defined benefit pension plans and CHF 10 million to other post-retirement defined benefit plans.

PBO or ABO in excess of plan assets

The following table shows the aggregate PBO and ABO, as well as the aggregate fair value of plan assets for those plans with PBO in excess of plan assets and those plans with ABO in excess of plan assets as of December 31, 2022 and 2021, respectively.

Defined benefit pension plans in which PBO or ABO exceeded plan assets

	International			
	PBO exceeds fair value of plan assets		ABO exceeds fair value of plan assets	
December 31	**2022**	2021	**2022**	2021
PBO/ABO exceeded plan assets (CHF million)				
PBO	820	412	157	403
ABO	804	387	142	380
Fair value of plan assets	669	208	6	200

There were no defined benefit pension plans in Switzerland in which the PBO or the ABO exceeded the plan assets.

Amounts recognized in AOCI and OCI

The following table shows the actuarial gains/(losses) and the prior service credits/(costs), which were recorded in AOCI and subsequently recognized as components of net periodic benefit costs.

Amounts recognized in AOCI, net of tax

	Defined benefit pension plans		Other post-retirement defined benefit plan		**Total**	
end of	**2022**	2021	**2022**	2021	**2022**	2021
Amounts recognized in AOCI (CHF million)						
Actuarial gains/(losses)	(2,635)	(2,678)	(6)	(27)	(2,641)	(2,705)
Prior service credits/(costs)	209	362	3	3	212	365
Total	**(2,426)**	**(2,316)**	**(3)**	**(24)**	**(2,429)**	**(2,340)**

The following table shows the changes in OCI due to actuarial gains/(losses), the prior service credits/(costs) recognized in AOCI during 2022 and 2021 as well as the amortization of the aforementioned items as components of net periodic benefit costs for these periods.

Amounts recognized in OCI

in	Defined benefit pension plans Gross	Tax	Net	Other post-retirement defined benefit plan Gross	Tax	Net	Total net
2022 (CHF million)							
Actuarial gains/(losses)	(321)	101	(220)	27	(7)	20	(200)
Prior service credits/(costs)	(90)	17	(73)	0	0	0	(73)
Amortization of actuarial losses/(gains)	289	(55)	234	1	0	1	235
Amortization of prior service costs/(credits)	(87)	19	(68)	0	0	0	(68)
Immediate recognition due to curtailment/settlement	23	(6)	17	0	0	0	17
Total	**(186)**	**76**	**(110)**	**28**	**(7)**	**21**	**(89)**
2021 (CHF million)							
Actuarial gains/(losses)	858	(153)	705	14	(3)	11	716
Prior service credits/(costs)	4	(1)	3	0	0	0	3
Amortization of actuarial losses/(gains)	369	(67)	302	1	0	1	303
Amortization of prior service costs/(credits)	(120)	23	(97)	0	0	0	(97)
Immediate recognition due to curtailment/settlement	11	(5)	6	0	0	0	6
Total	**1,122**	**(203)**	**919**	**15**	**(3)**	**12**	**931**

Assumptions

The measurement of both the net periodic benefit costs and the benefit obligation is determined using explicit assumptions, each of which individually represents the best estimate of a particular future event.

Net periodic benefit cost and benefit obligation assumptions

The assumptions used to determine the benefit obligation as of the measurement date are also used to calculate the net periodic benefit costs for the 12-month period following this date.

The discount rates are determined based on yield curves, constructed from high-quality corporate bonds currently available and observable in the market and are expected to be available during the period to maturity of the pension benefits. In countries where there is no deep market in high-quality corporate bonds with longer durations, the best available market information, including governmental bond yields and risk premiums, is used to construct the yield curve. Credit Suisse uses the spot rate approach for valuations, whereby individual spot rates on the yield curve are applied to each year's cash flow in measuring the plan's benefit obligation as well as future service costs and interest costs. The assumption pertaining to salary increases is used to calculate the PBO, which is measured using an assumption as to future compensation levels. Credit Suisse estimates the future interest rate on savings balances taking into consideration actions and rates approved by the Board of Trustees of the Swiss pension plan and expected future changes in the interest rate environment. The expected long-term rate of return on plan assets assumption is applied to the market-related value of assets to calculate the expected return on plan assets as a component of the net periodic benefit costs. It is based on long-term expected returns, inflation, interest rates, risk premiums and the pension plan's asset allocation. The estimates take into consideration historical asset category returns.

Weighted-average assumptions used to determine net periodic benefit costs and benefit obligation

	Defined benefit pension plans						Other post-retirement defined benefit plan		
	Switzerland			International			International		
December 31	**2022**	2021	2020	**2022**	2021	2020	**2022**	2021	2020
Net periodic benefit cost (%)									
Discount rate – service costs	0.74	0.63	0.69	3.60	3.22	3.04	–	–	–
Discount rate – interest costs	0.26	0.06	0.13	2.16	1.62	2.39	2.23	1.74	2.77
Salary increases	1.50	1.50	1.50	3.33	2.98	2.84	–	–	–
Interest rate on savings balances	1.50	1.25	0.45	–	–	–	–	–	–
Expected long-term rate of return on plan assets	2.50	2.50	2.10	2.01	1.79	2.37	–	–	–
Benefit obligation (%)									
Discount rate	2.14	0.56	0.40	4.77	2.15	1.67	5.18	2.89	2.55
Salary increases	1.50	1.50	1.50	3.20	3.33	2.98	–	–	–
Interest rate on savings balances	2.50	1.50	1.25	–	–	–	–	–	–

Mortality tables and life expectancies for major plans

		Life expectancy at age 65 for a male member currently				Life expectancy at age 65 for a female member currently			
		aged 65		aged 45		aged 65		aged 45	
December 31		**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Life expectancy (years)									
Switzerland	BVG 2020 tables [1]	21.7	21.7	23.4	23.3	23.5	23.4	25.1	25.0
UK	SAPS S3 light tables [2]	23.5	23.5	24.8	24.7	25.1	25.0	26.5	26.4
US	Pri-2012 mortality tables [3]	20.7	20.6	21.9	21.8	22.6	22.5	23.7	23.7

1 The BVG 2020 tables were used, which included CMI projections, with a long-term rate of improvement of 1.25% per annum.
2 102% of Self-Administered Pension Scheme (SAPS) S3 light tables were used, which included CMI projections, with a long-term rate of improvement of 1.25% per annum.
3 The Private retirement plan 2012 (Pri-2012) mortality tables were used, with projections based on the Social Security Administration's intermediate improvement scale.

Mortality assumptions are based on standard mortality tables and standard models and methodologies for projecting future improvements to mortality as developed and published by external independent actuarial societies and actuarial organizations.

Under US GAAP, the assumptions used to value the PBO should always represent the best estimate as of the measurement date. Credit Suisse regularly reviews the actuarial assumptions used to value and measure the defined benefit obligation on a periodic basis as required by US GAAP.

Health care cost assumptions

The health care cost trend is used to determine the appropriate other post-retirement defined benefit costs. In determining those costs, an annual weighted-average rate is assumed in the cost of covered health care benefits.

The following table provides an overview of the assumed health care cost trend rates.

Health care cost trend rates

in / end of	**2022**	2021	2020
Health care cost trend rate (%)			
Annual weighted-average health care cost trend rate [1]	6.3	6.5	7.0

1 The annual health care cost trend rate is assumed to decrease gradually to achieve the long-term health care cost trend rate of 4.5% by 2030.

The annual health care cost trend rate used to determine the net periodic defined benefit costs for 2023 is 6.3%.

Plan assets and investment strategy

Plan assets, which are assets that have been segregated and restricted to provide for plan benefits, are measured at their fair value as of the measurement date.

The Swiss defined benefit pension plan employs a total return investment approach, whereby a diversified mix of debt and equity securities, real estate and alternative investments is used to maximize the long-term return of plan assets while incurring a prudent level of risk. The international plans employ asset liability matching strategies, where the portfolios are mostly invested in debt securities with maturity profiles similar to that of the pension plans' expected future cash flows, with the aim of minimizing interest rate and inflation risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status and corporate financial conditions. Investment risk is measured and monitored on an ongoing basis through periodic asset/liability studies and investment portfolio reviews.

As of December 31, 2022 and 2021, the total fair value of Group debt securities included in plan assets of the Group's defined benefit pension plans was CHF 6 million and CHF 5 million, respectively, and the total fair value of Group equity securities and options was CHF 2 million and CHF 3 million, respectively.

Fair value hierarchy of plan assets

→ Refer to "Fair value measurement" in Note 36 – Financial instruments for discussion of the fair value hierarchy.

Fair value of plan assets

The following tables present the plan assets measured at fair value on a recurring basis as of December 31, 2022 and 2021 for the Group's defined benefit pension plans.

Plan assets measured at fair value on a recurring basis

	2022					2021				
end of	Level 1	Level 2	Level 3	Assets measured at net asset value per share	**Total**	Level 1	Level 2	Level 3	Assets measured at net asset value per share	**Total**
Plan assets at fair value (CHF million)										
Cash and cash equivalents	235	0	0	0	235	313	0	0	0	313
Debt securities	0	7,535	0	0	7,535	0	6,315	0	469	6,784
of which corporates	0	7,535	0	0	7,535	0	6,315	0	469	6,784
Equity securities	0	2,799	0	0	2,799	0	5,264	0	0	5,264
Real estate	0	2,125	1,568	0	3,693	0	2,040	1,514	0	3,554
of which direct	0	0	1,568	0	1,568	0	0	1,514	0	1,514
of which indirect	0	2,125	0	0	2,125	0	2,040	0	0	2,040
Alternative investments	167	309	0	2,593	3,069	491	327	0	2,563	3,381
of which private equity	0	0	0	2,526	2,526	0	0	0	2,431	2,431
of which hedge funds	0	0	0	0	0	0	221	0	0	221
of which other	167	309	0	67	543	491	106	0	132	729
Switzerland	**402**	**12,768**	**1,568**	**2,593**	**17,331**	**804**	**13,946**	**1,514**	**3,032**	**19,296**
Cash and cash equivalents	28	90	0	0	118	9	101	0	0	110
Debt securities	1,222	522	0	326	2,070	2,328	769	0	434	3,531
of which governments	1,222	44	0	0	1,266	2,328	4	0	0	2,332
of which corporates	0	478	0	326	804	0	765	0	434	1,199
Equity securities	0	61	0	45	106	0	44	0	57	101
Alternative investments	0	(59)	0	0	(59)	0	(27)	0	0	(27)
of which other	0	(59) [1]	0	0	(59)	0	(27) [1]	0	0	(27)
Other investments	0	81	0	0	81	0	87	0	0	87
International	**1,250**	**695**	**0**	**371**	**2,316**	**2,337**	**974**	**0**	**491**	**3,802**
Total plan assets at fair value	**1,652**	**13,463**	**1,568**	**2,964**	**19,647**	**3,141**	**14,920**	**1,514**	**3,523**	**23,098**

The Swiss pension fund uses exchange-traded futures and swaps to manage the economic exposure of the portfolio. These futures and swaps decreased the economic exposure to cash and cash equivalents by CHF 223 million and CHF 59 million in 2022 and 2021, respectively, increased the economic exposure to debt securities – corporate bonds by CHF 121 million and CHF 245 million in 2022 and 2021, respectively, increased/(decreased) the economic exposure to equity securities by CHF 21 million and CHF (186) million in 2022 and 2021, respectively, and increased the economic exposure to alternative investments – other by CHF 81 million in 2022.

1 Primarily related to derivative instruments.

Plan assets measured at fair value on a recurring basis for level 3

				Actual return on plan assets				
	Balance at beginning of period	Transfers in	Transfers out	On assets still held at reporting date	On assets sold during the period	Purchases, sales, settlements	Foreign currency translation impact	**Balance at end of period**
2022 (CHF million)								
Real estate	1,514	0	0	49	0	5	0	1,568
of which direct	1,514	0	0	49	0	5	0	1,568
Total plan assets at fair value	**1,514**	**0**	**0**	**49**	**0**	**5**	**0**	**1,568**
of which Switzerland	1,514	0	0	49	0	5	0	1,568
2021 (CHF million)								
Real estate	1,444	0	0	65	0	5	0	1,514
of which direct	1,444	0	0	65	0	5	0	1,514
Total plan assets at fair value	**1,444**	**0**	**0**	**65**	**0**	**5**	**0**	**1,514**
of which Switzerland	1,444	0	0	65	0	5	0	1,514

Qualitative disclosures of valuation techniques used to measure fair value

Cash and cash equivalents

Cash and cash equivalents includes money market instruments such as bankers' acceptances, certificates of deposit, CP, book claims, treasury bills, other rights and commingled funds. Valuations of money market instruments and commingled funds are generally based on observable inputs.

Debt securities

Debt securities include government and corporate bonds which are generally quoted in active markets or as units in mutual funds. Debt securities for which market prices are not available, are valued based on yields reflecting the perceived risk of the issuer and the maturity of the security, recent disposals in the market or other modeling techniques, which may involve judgment. Units in mutual funds which are not directly quoted on a public stock exchange and/or for which a fair value is not readily determinable are measured at fair value using NAV.

Equity securities

Equity securities held include common equity shares, convertible bonds and shares in investment companies and units in mutual funds. The common equity shares are generally traded on public stock exchanges for which quoted prices are regularly available. Convertible bonds are generally valued using observable pricing sources. Shares in investment companies and units in mutual funds, which are not directly quoted on a public stock exchange and/or for which a fair value is not readily determinable, are measured at fair value using NAV.

Real estate

Real estate includes direct real estate as well as investments in real estate investment companies, trusts or mutual funds. Direct real estate is initially measured at its transaction price, which is the best estimate of fair value. Thereafter, direct real estate is individually measured at fair value based on a number of factors that include any recent rounds of financing involving third-party investors, comparable company transactions, multiple analyses of cash flows or book values, or discounted cash flow analyses. The availability of information used in these modeling techniques is often limited and involves significant judgment in evaluating these different factors over time. Real estate investment companies, trusts and mutual funds which are not directly quoted on a public stock exchange and/or for which a fair value is not readily determinable are measured at fair value using NAV.

Alternative investments

Private equity includes direct investments, investments in partnerships that make private equity and related investments in various portfolio companies and funds and fund of funds partnerships. Private equity consists of both publicly traded securities and private securities. Publicly traded investments that are restricted or that are not quoted in active markets are valued based on publicly available quotes with appropriate adjustments for liquidity or trading restrictions. Private equity is valued taking into account a number of factors, such as the most recent round of financing involving unrelated new investors, earnings multiple analyses using comparable companies or discounted cash flow analyses. Private equity for which a fair value is not readily determinable is measured at fair value using NAV provided by the general partner.

Hedge funds that are not directly quoted on a public stock exchange and/or for which a fair value is not readily determinable are measured at fair value using NAV provided by the fund administrator.

Derivatives

Derivatives include both OTC and exchange-traded derivatives. The fair value of OTC derivatives is determined on the basis of inputs that include those characteristics of the derivative that have a bearing on the economics of the instrument. The determination of the fair value of many derivatives involves only a limited degree of subjectivity since the required inputs are generally observable in the marketplace. Other more complex derivatives may use unobservable inputs. Such inputs include long-dated volatility assumptions on OTC option transactions and recovery rate assumptions for credit derivative transactions. The fair value of exchange-traded derivatives is typically derived from the observable exchange prices and/or observable inputs.

Plan asset allocation

The following table shows the plan asset allocation as of the measurement date calculated based on the fair value at that date.

Plan asset allocation

	Switzerland		International	
December 31	**2022**	2021	**2022**	2021
Weighted-average (%)				
Cash and cash equivalents	1.4	1.6	5.1	2.9
Debt securities	43.4	35.2	89.4	92.9
Equity securities	16.2	27.3	4.5	2.6
Real estate	21.3	18.4	0.0	0.0
Alternative investments	17.7	17.5	(2.5)	(0.7)
Insurance	0.0	0.0	3.5	2.3
Total	**100.0**	**100.0**	**100.0**	**100.0**

The following table shows the target plan asset allocation for 2023 in accordance with the Group's investment strategy.

2023 target plan asset allocation

	Switzerland	International
Weighted-average (%)		
Cash and cash equivalents	3.0	1.1
Debt securities	40.5	91.7
Equity securities	20.5	3.7
Real estate	24.0	0.0
Alternative investments	12.0	0.0
Insurance	0.0	3.5
Total	**100.0**	**100.0**

Estimated future benefit payments

The following table shows the estimated future benefit payments for defined benefit pension and other post-retirement defined benefit plans.

Estimated future benefit payments

	Defined benefit pension plans	Other post-retirement defined benefit plan
Payments (CHF million)		
2023	1,343	10
2024	1,067	10
2025	1,055	10
2026	1,035	9
2027	1,014	9
For five years thereafter	4,679	36

33 Derivatives and hedging activities

Derivatives are generally either privately negotiated OTC contracts or standard contracts transacted through regulated exchanges. The Group's most frequently used freestanding derivative products, entered into for trading and risk management purposes, include interest rate, credit default and cross-currency swaps, interest rate and foreign exchange options, interest rate and foreign exchange forward contracts and foreign exchange and interest rate futures.

The Group also enters into contracts that are not considered derivatives in their entirety but include embedded derivative features. Such transactions primarily include issued and purchased structured debt instruments where the return may be calculated by reference to an equity security, index or third-party credit risk, or that have non-standard interest or foreign exchange terms.

On the date a derivative contract is entered into, the Group designates it as belonging to one of the following categories:
- trading activities;
- a risk management transaction that does not qualify as a hedge under accounting standards (referred to as an economic hedge);
- a hedge of the fair value of a recognized asset or liability;
- a hedge of the variability of cash flows to be received or paid relating to a recognized asset or liability or a forecasted transaction; or
- a hedge of a net investment in a foreign operation.

Trading activities

The Group is active in most of the principal trading markets and transacts in many trading and hedging products. As noted above, this includes the use of swaps, futures, options and structured products, such as custom transactions using combinations of derivatives, in connection with its sales and trading activities. Trading activities include market-making, positioning and arbitrage activities. The majority of the Group's derivatives were used for trading activities.

Economic hedges

Economic hedges arise when the Group enters into derivative contracts for its own risk management purposes, but the contracts entered into do not qualify for hedge accounting under US GAAP. These economic hedges include the following types:
- interest rate derivatives to manage net interest rate risk on certain core banking business assets and liabilities;
- foreign exchange derivatives to manage foreign exchange risk on certain core banking business revenue and expense items, as well as on core banking business assets and liabilities;
- credit derivatives to manage credit risk on certain loan portfolios;
- futures to manage risk on equity positions including convertible bonds; and
- equity derivatives to manage equity/index risks on certain structured products.

Derivatives used in economic hedges are included as trading assets or trading liabilities in the consolidated balance sheets.

Hedge accounting

Fair value hedges

The Group designates fair value hedges as part of an overall interest rate risk management strategy that incorporates the use of derivative instruments to minimize fluctuations in earnings that are caused by interest rate volatility. The Group uses derivatives to hedge for changes in fair value as a result of the interest rate risk associated with loans, debt securities held as available-for-sale and long-term debt instruments.

Cash flow hedges

The Group hedges the variability in interest cash flows mainly on mortgages, loans and reverse repurchase agreements by using interest rate swaps to convert variable rate assets to fixed rates. Further, the Group uses foreign currency forwards to hedge the foreign currency risk associated with certain forecasted transactions. As of the end of 2022, the maximum length of time over which the Group hedged its exposure to the variability in future cash flows for forecasted transactions, excluding those forecasted transactions related to the payment of variable interest on existing financial instruments, was 12 months.

Net investment hedges

The Group designates net investment hedges as part of its strategy to hedge selected net investments in foreign operations against adverse movements in foreign exchange rates, typically using forward foreign exchange contracts.

Hedge effectiveness assessment

The Group assesses the effectiveness of hedging relationships both prospectively and retrospectively. The prospective assessment is made both at the inception of a hedging relationship and on an ongoing basis, and requires the Group to justify its expectation that the relationship will be highly effective over future periods. The retrospective assessment is also performed on an ongoing basis and requires the Group to determine whether or not the hedging relationship has actually been effective.

Fair value of derivative instruments

The tables below present gross derivative replacement values by type of contract and whether the derivative is used for trading purposes or in a qualifying hedging relationship. Notional amounts have also been provided as an indication of the volume of derivative activity within the Group.

Information on bifurcated embedded derivatives has not been included in these tables. Under US GAAP, the Group elected to account for substantially all financial instruments with an embedded derivative that is not considered clearly and closely related to the host contract at fair value.

→ Refer to "Note 36 – Financial instruments" for further information.

Fair value of derivative instruments

			Trading			Hedging [1]
end of 2022	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)
Derivative instruments (CHF billion)						
Forwards and forward rate agreements	2,088.2	1.7	1.7	0.0	0.0	0.0
Swaps	9,128.3	23.4	21.7	135.7	0.1	1.8
Options bought and sold (OTC)	644.4	8.2	8.6	0.0	0.0	0.0
Futures	144.9	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	35.9	0.0	0.0	0.0	0.0	0.0
Interest rate products	**12,041.7**	**33.3**	**32.0**	**135.7**	**0.1**	**1.8**
Forwards	701.4	8.7	10.0	17.7	0.1	0.2
Swaps	334.9	14.3	13.5	0.0	0.0	0.0
Options bought and sold (OTC)	167.5	2.5	2.7	0.0	0.0	0.0
Futures	4.1	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	2.8	0.0	0.0	0.0	0.0	0.0
Foreign exchange products	**1,210.7**	**25.5**	**26.2**	**17.7**	**0.1**	**0.2**
Forwards	0.3	0.0	0.0	0.0	0.0	0.0
Swaps	22.8	0.9	0.7	0.0	0.0	0.0
Options bought and sold (OTC)	181.4	5.2	7.5	0.0	0.0	0.0
Futures	42.0	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	469.3	18.9	18.5	0.0	0.0	0.0
Equity/index-related products	**715.8**	**25.0**	**26.7**	**0.0**	**0.0**	**0.0**
Credit derivatives [2]	**352.0**	**3.2**	**3.4**	**0.0**	**0.0**	**0.0**
Forwards	6.9	0.1	0.1	0.0	0.0	0.0
Swaps	9.5	0.7	0.4	0.0	0.0	0.0
Options bought and sold (OTC)	8.8	0.1	0.1	0.0	0.0	0.0
Futures	12.6	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	2.7	0.1	0.0	0.0	0.0	0.0
Other products [3]	**40.5**	**1.0**	**0.6**	**0.0**	**0.0**	**0.0**
Total derivative instruments	**14,360.7**	**88.0**	**88.9**	**153.4**	**0.2**	**2.0**

The notional amount, PRV and NRV (trading and hedging) was CHF 14,514.1 billion, CHF 88.2 billion and CHF 90.9 billion, respectively, as of December 31, 2022.

1 Relates to derivative contracts that qualify for hedge accounting under US GAAP.

2 Primarily credit default swaps.

3 Primarily precious metals, commodity and energy products.

Fair value of derivative instruments (continued)

	Trading			Hedging [1]		
end of 2021	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)
Derivative instruments (CHF billion)						
Forwards and forward rate agreements	1,736.0	0.9	0.9	0.0	0.0	0.0
Swaps	8,810.0	36.8	33.0	131.4	0.4	0.2
Options bought and sold (OTC)	779.0	11.5	10.9	0.0	0.0	0.0
Futures	144.5	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	71.6	0.1	0.0	0.0	0.0	0.0
Interest rate products	**11,541.1**	**49.3**	**44.8**	**131.4**	**0.4**	**0.2**
Forwards	1,052.9	7.6	8.2	21.1	0.1	0.1
Swaps	345.3	11.3	12.4	0.0	0.0	0.0
Options bought and sold (OTC)	235.4 [2]	2.9 [2]	3.1 [2]	0.0	0.0	0.0
Futures	10.3	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	1.6	0.0	0.0	0.0	0.0	0.0
Foreign exchange products	**1,645.5**	**21.8**	**23.7**	**21.1**	**0.1**	**0.1**
Forwards	0.9	0.1	0.0	0.0	0.0	0.0
Swaps	94.7	1.4	2.6	0.0	0.0	0.0
Options bought and sold (OTC)	243.9	11.1	12.5	0.0	0.0	0.0
Futures	46.3	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	535.8	22.9	21.5	0.0	0.0	0.0
Equity/index-related products	**921.6**	**35.5**	**36.6**	**0.0**	**0.0**	**0.0**
Credit derivatives [3]	**506.8**	**5.0**	**6.3**	**0.0**	**0.0**	**0.0**
Forwards	9.9	0.2	0.1	0.0	0.0	0.0
Swaps	12.0	1.1	0.4	0.0	0.0	0.0
Options bought and sold (OTC)	11.1	0.2	0.1	0.0	0.0	0.0
Futures	11.1	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	9.2	0.1	0.1	0.0	0.0	0.0
Other products [4]	**53.3**	**1.6**	**0.7**	**0.0**	**0.0**	**0.0**
Total derivative instruments	**14,668.3**	**113.2**	**112.1**	**152.5**	**0.5**	**0.3**

The notional amount, PRV and NRV (trading and hedging) was CHF 14,820.8 billion, CHF 113.7 billion and CHF 112.4 billion, respectively, as of December 31, 2021.
1 Relates to derivative contracts that qualify for hedge accounting under US GAAP.
2 Prior period has been revised.
3 Primarily credit default swaps.
4 Primarily precious metals, commodity and energy products.

Gains or (losses) on fair value hedges

in	2022	2021	2020
Interest rate products (CHF million)			
Hedged items [1]	5,346	1,673	(1,679)
Derivatives designated as hedging instruments [1]	(5,020)	(1,597)	1,564

The accrued interest on fair value hedges is recorded in net interest income and is excluded from this table.
1 Included in net interest income.

Hedged items in fair value hedges

			2022			2021
	Hedged items			Hedged items		
end of	Carrying amount	Hedging adjustments [1]	Discontinued hedges [2]	Carrying amount	Hedging adjustments [1]	Discontinued hedges [2]
Assets (CHF billion)						
Investment securities	0.8	(0.1)	0.0	0.8	0.0	0.0
Net loans	29.0	(1.3)	(0.7)	16.6	(0.2)	0.2
Liabilities (CHF billion)						
Long-term debt	77.2	(1.2)	(4.9)	69.4	(0.2)	0.8

1 Relates to the cumulative amount of fair value hedging adjustments included in the carrying amount.
2 Relates to the cumulative amount of fair value hedging adjustments remaining for any hedged items for which hedge accounting has been discontinued.

Cash flow hedges

in	2022	2021	2020
Interest rate products (CHF million)			
Gains/(losses) recognized in AOCI on derivatives	(474)	(314)	134
Gains/(losses) reclassified from AOCI into interest and dividend income	1,018	7	(70)
Foreign exchange products (CHF million)			
Gains/(losses) recognized in AOCI on derivatives	(56)	(9)	(33)
Trading revenues	0	0	(30)
Total other operating expenses	(60)	34	(2)
Gains/(losses) reclassified from AOCI into income	(60)	34	(32)
Gains/(losses) excluded from the assessment of effectiveness reported in trading revenues [1]	0	0	1

1 Relates to the forward points of a foreign currency forward.

The net loss associated with cash flow hedges expected to be reclassified from AOCI within the next 12 months was CHF 538 million.

Net investment hedges

in	2022	2021	2020
Foreign exchange products (CHF million)			
Gains/(losses) recognized in the cumulative translation adjustments section of AOCI	(12)	47	458
Gains/(losses) reclassified from the cumulative translation adjustments section of AOCI into other revenues	0	0	10

The Group includes all derivative instruments not included in hedge accounting relationships in its trading activities.

→ Refer to "Note 7 – Trading revenues" for gains and losses on trading activities by product type.

Disclosures relating to contingent credit risk

Certain of the Group's derivative instruments contain provisions that require the maintenance of contractually specified credit ratings from each of the major credit rating agencies. If the ratings fall below the level specified in the contract, the counterparties to the agreement could request payment of additional collateral on those derivative instruments that are in a net liability position. Certain of the derivative contracts also provide for termination of the contract, generally upon a downgrade of the contractually specified credit ratings. Such derivative contracts are reflected at close-out costs.

The following table provides the Group's current net exposure from contingent credit risk relating to derivative contracts with bilateral counterparties and SPEs that include credit support agreements, the related collateral posted and the additional collateral that could be called by counterparties in the event of a one, two or three-notch downgrade in the contractually specified credit ratings. The table also includes derivative contracts with contingent credit risk features without credit support agreements that have accelerated termination event conditions. The current net exposure for derivative contracts with bilateral counterparties and contracts with accelerated termination event conditions is the aggregate fair value of derivative instruments that were in a net liability position. For SPEs, the current net exposure is the contractual amount that is used to determine the collateral payable in the event of a downgrade. The contractual amount could include both the NRV and a percentage of the notional value of the derivative.

Contingent credit risk

end of	Bilateral counterparties	Special purpose entities	Accelerated terminations	**Total** 2022	Bilateral counterparties	Special purpose entities	Accelerated terminations	**Total** 2021
Contingent credit risk (CHF billion)								
Current net exposure	1.2	0.1	0.1	**1.4**	2.3	0.0	0.3	**2.6**
Collateral posted	1.0	0.1	–	**1.1**	1.9	0.0	–	**1.9**
Impact of a one-notch downgrade event	0.4	0.0	0.1	**0.5**	0.1	0.0	0.0	**0.1**
Impact of a two-notch downgrade event	0.5	0.1	0.2	**0.8**	0.2	0.0	0.0	**0.2**
Impact of a three-notch downgrade event	0.5	0.1	0.2	**0.8**	0.7	0.0	0.1	**0.8**

The impact of a downgrade event reflectes the amount of additional collateral required for bilateral counterparties and special purpose entities and the amount of additional termination expenses for accelerated terminations, respectively. Excludes contracts with specified conditions and clauses which, when triggered, would result in a receivable position for the Group.

Credit derivatives

Credit derivatives are contractual agreements in which the buyer generally pays a fee in exchange for a contingent payment by the seller if there is a credit event on the underlying referenced entity or asset. They are generally privately negotiated OTC contracts, with numerous settlement and payment terms, and most are structured so that they specify the occurrence of an identifiable credit event, which can include bankruptcy, insolvency, receivership, material adverse restructuring of debt or failure to meet obligations when due.

The Group enters into credit derivative contracts in the normal course of business, buying and selling protection to facilitate client transactions and as a market maker. This includes providing structured credit products for its clients to enable them to hedge their credit risk. The referenced instruments of these structured credit products are both investment grade and non-investment grade and could include corporate bonds, sovereign debt, asset-backed securities (ABS) and loans. These instruments can be formed as single items (single-named instruments) or combined on a portfolio basis (multi-named instruments). The Group purchases protection to economically hedge various forms of credit exposure, for example, the economic hedging of loan portfolios or other cash positions. Finally, the Group also takes proprietary positions which can take the form of either purchased or sold protection.

The credit derivatives most commonly transacted by the Group are CDS and credit swaptions. CDSs are contractual agreements in which the buyer of the swap pays an upfront and/or a periodic fee in return for a contingent payment by the seller of the swap following a credit event of the referenced entity or asset. Credit swaptions are options with a specified maturity to buy or sell protection under a CDS on a specific referenced credit event.

In addition, to reduce its credit risk, the Group enters into legally enforceable netting agreements with its derivative counterparties. Collateral on these derivative contracts is usually posted on a net counterparty basis and cannot be allocated to a particular derivative contract.

→ Refer to "Note 28 – Offsetting of financial assets and financial liabilities" for further information on netting.

Credit protection sold

Credit protection sold is the maximum potential payout, which is based on the notional value of derivatives and represents the amount of future payments that the Group would be required to make as a result of credit risk-related events. The Group believes that the maximum potential payout is not representative of the actual loss exposure based on historical experience. This amount has not been reduced by the Group's rights to the underlying assets and the related cash flows. In accordance with most credit derivative contracts, should a credit event (or settlement trigger) occur, the Group is usually liable for the difference between the credit protection sold and the recourse it holds in the value of the underlying assets. The maximum potential amount of future payments has not been reduced for any cash collateral paid to a given counterparty as such payments would be calculated after netting all derivative exposures, including any credit derivatives with that counterparty in accordance with a related master netting agreement. Due to such netting processes, determining the amount of collateral that corresponds to credit derivative exposures only is not possible.

To reflect the quality of the payment risk on credit protection sold, the Group assigns an internally generated rating to those instruments referenced in the contracts. Internal ratings are assigned by experienced credit analysts based on expert judgment that incorporates analysis and evaluation of both quantitative and qualitative factors. The specific factors analyzed, and their relative importance, are dependent on the type of counterparty. The analysis emphasizes a forward-looking approach, concentrating on economic trends and financial fundamentals, and making use of peer analysis, industry comparisons and other quantitative tools. External ratings and market information are also used in the analysis process where available.

Credit protection purchased

Credit protection purchased represents those instruments where the underlying reference instrument is identical to the reference instrument of the credit protection sold. The maximum potential payout amount of credit protection purchased for each individual identical underlying reference instrument may be greater or lower than the notional amount of protection sold.

The Group also considers estimated recoveries that it would receive if the specified credit event occurred, including both the anticipated value of the underlying referenced asset that would, in most instances, be transferred to the Group and the impact of any purchased protection with an identical reference instrument and product type.

Other protection purchased

In the normal course of business, the Group purchases protection to offset the risk of credit protection sold that may have similar, but not identical, reference instruments, and may use similar, but not identical, products, which reduces the total credit derivative exposure. Other protection purchased is based on the notional value of the instruments.

The Group purchases its protection from banks and broker dealers, other financial institutions and other counterparties.

Fair value of credit protection sold

The fair values of the credit protection sold give an indication of the amount of payment risk, as the negative fair values increase when the potential payment under the derivative contracts becomes more probable.

Credit protection sold/purchased

The following tables do not include all credit derivatives and differ from the credit derivatives in the "Fair value of derivative instruments" table. This is due to the exclusion of certain credit derivative instruments under US GAAP, which defines a credit derivative as a derivative instrument (a) in which one or more of its underlyings are related to the credit risk of a specified entity (or a group of entities) or an index based on the credit risk of a group of entities and (b) that exposes the seller to potential loss from credit risk-related events specified in the contract.

Total return swaps (TRS) of CHF 5.9 billion and CHF 12.0 billion as of December 31, 2022 and 2021, respectively, were also excluded because a TRS does not expose the seller to potential loss from credit risk-related events specified in the contract. A TRS only provides protection against a loss in asset value and not against additional amounts as a result of specific credit events.

Credit protection sold/purchased

					2022					2021
end of	Credit protection sold	Credit protection purchased [1]	**Net credit protection (sold)/ purchased**	Other protection purchased	Fair value of credit protection sold	Credit protection sold	Credit protection purchased [1]	**Net credit protection (sold)/ purchased**	Other protection purchased	Fair value of credit protection sold
Single-name instruments (CHF billion)										
Investment grade [2]	(52.8)	48.6	(4.2)	10.6	0.2	(60.2)	55.6	(4.6)	10.1	0.6
Non-investment grade	(22.3)	20.7	(1.6)	4.9	(0.2)	(31.5)	28.9	(2.6)	7.9	0.4
Total single-name instruments	**(75.1)**	**69.3**	**(5.8)**	**15.5**	**0.0**	**(91.7)**	**84.5**	**(7.2)**	**18.0**	**1.0**
of which sovereign	(12.8)	11.3	(1.5)	4.4	(0.1)	(13.5)	12.2	(1.3)	4.0	(0.1)
of which non-sovereign	(62.3)	58.0	(4.3)	11.1	0.1	(78.2)	72.3	(5.9)	14.0	1.1
Multi-name instruments (CHF billion)										
Investment grade [2]	(54.3)	50.8	(3.5)	8.9	0.1	(102.9)	96.0	(6.9)	20.2	0.7
Non-investment grade	(30.9)	28.4	(2.5)	9.5 [3]	(0.6)	(35.7)	33.2	(2.5)	12.6 [3]	(0.5)
Total multi-name instruments	**(85.2)**	**79.2**	**(6.0)**	**18.4**	**(0.5)**	**(138.6)**	**129.2**	**(9.4)**	**32.8**	**0.2**
of which non-sovereign	(85.2)	79.2	(6.0)	18.4	(0.5)	(138.6)	129.2	(9.4)	32.8	0.2
Total instruments (CHF billion)										
Investment grade [2]	(107.1)	99.4	(7.7)	19.5	0.3	(163.1)	151.6	(11.5)	30.3	1.3
Non-investment grade	(53.2)	49.1	(4.1)	14.4	(0.8)	(67.2)	62.1	(5.1)	20.5	(0.1)
Total instruments	**(160.3)**	**148.5**	**(11.8)**	**33.9**	**(0.5)**	**(230.3)**	**213.7**	**(16.6)**	**50.8**	**1.2**
of which sovereign	(12.8)	11.3	(1.5)	4.4	(0.1)	(13.5)	12.2	(1.3)	4.0	(0.1)
of which non-sovereign	(147.5)	137.2	(10.3)	29.5	(0.4)	(216.8)	201.5	(15.3)	46.8	1.3

1 Represents credit protection purchased with identical underlyings and recoveries.
2 Based on internal ratings of BBB and above.
3 Includes synthetic securitized loan portfolios.

The following table reconciles the notional amount of credit derivatives included in the table "Fair value of derivative instruments" to the table "Credit protection sold/purchased".

Credit derivatives

end of	2022	2021
Credit derivatives (CHF billion)		
Credit protection sold	160.3	230.3
Credit protection purchased	148.5	213.7
Other protection purchased	33.9	50.8
Other instruments [1]	9.3	12.0
Total credit derivatives	**352.0**	**506.8**

1 Consists of total return swaps and other derivative instruments.

The segregation of the future payments by maturity range and underlying risk gives an indication of the current status of the potential for performance under the derivative contracts.

Maturity of credit protection sold

end of	Maturity less than 1 year	Maturity between 1 to 5 years	Maturity greater than 5 years	Total
2022 (CHF billion)				
Single-name instruments	10.0	61.8	3.3	75.1
Multi-name instruments	6.5	71.5	7.2	85.2
Total instruments	**16.5**	**133.3**	**10.5**	**160.3**
2021 (CHF billion)				
Single-name instruments	14.4	73.6	3.7	91.7
Multi-name instruments	39.9	88.3	10.4	138.6
Total instruments	**54.3**	**161.9**	**14.1**	**230.3**

34 Guarantees and commitments

Guarantees

In the ordinary course of business, guarantees are provided that contingently obligate the Group to make payments to third parties if the counterparty fails to fulfill its obligation under a borrowing or other contractual arrangement. The total gross amount disclosed within the Guarantees table reflects the maximum potential payment under the guarantees. The carrying value represents the higher of the initial fair value (generally the related fee received or receivable) less cumulative amortization and the Group's current best estimate of payments that will be required under existing guarantee arrangements.

Guarantees provided by the Group are classified as follows: credit guarantees and similar instruments, performance guarantees and similar instruments, derivatives and other guarantees.

Guarantees

end of	Maturity less than 1 year	Maturity between 1 to 3 years	Maturity between 3 to 5 years	Maturity greater than 5 years	**Total gross amount**	Total net amount [1]	Carrying value	Collateral received
2022 (CHF million)								
Credit guarantees and similar instruments	2,257	451	127	471	3,306	3,193	22	2,068
Performance guarantees and similar instruments	4,280	1,750	729	513	7,272	6,527	61	3,778
Derivatives [2]	2,646	1,702	520	374	5,242	5,242	101	–
Other guarantees	4,455	859	182	1,144	6,640	6,640	56	3,292
Total guarantees	**13,638**	**4,762**	**1,558**	**2,502**	**22,460**	**21,602**	**240**	**9,138**
2021 (CHF million)								
Credit guarantees and similar instruments	2,124	1,049	197	561	3,931	3,874	25	2,014
Performance guarantees and similar instruments	3,982	2,253	555	528	7,318	6,299	40	3,605
Derivatives [2]	5,374	2,567	561	419	8,921	8,921	289	–
Other guarantees	4,012	1,040	307	1,151	6,510	6,469	71	3,789
Total guarantees	**15,492**	**6,909**	**1,620**	**2,659**	**26,680**	**25,563**	**425**	**9,408**

1 Total net amount is computed as the gross amount less any participations.

2 Excludes derivative contracts with certain active commercial and investment banks and certain other counterparties, as such contracts can be cash settled and the Group had no basis to conclude it was probable that the counterparties held, at inception, the underlying instruments.

Credit guarantees and similar instruments
Credit guarantees and similar instruments are contracts that require the Group to make payments should a third party fail to do so under a specified existing credit obligation. The position includes standby letters of credit, commercial and residential mortgage guarantees, credit guarantees to clearing and settlement networks and exchanges and other guarantees associated with VIEs.

Standby letters of credit are made in connection with the corporate lending business and other corporate activities, where the Group provides guarantees to counterparties in the form of standby letters of credit, which represent obligations to make payments to third parties if the counterparties fail to fulfill their obligations under a borrowing arrangement or other contractual obligation.

Commercial and residential mortgage guarantees are made in connection with the Group's commercial mortgage activities in the US, where the Group sells certain commercial and residential mortgages to Fannie Mae and agrees to bear a percentage of the losses triggered by the borrowers failing to perform on the mortgage. The Group also issues guarantees that require it to reimburse Fannie Mae for losses on certain whole loans underlying mortgage-backed securities issued by Fannie Mae, which are triggered by borrowers failing to perform on the underlying mortgages.

The Group also provides guarantees to VIEs and other counterparties under which it may be required to buy assets from such entities upon the occurrence of certain triggering events such as rating downgrades and/or substantial decreases in the fair value of those assets.

Performance guarantees and similar instruments
Performance guarantees and similar instruments are arrangements that require contingent payments to be made when certain performance-related targets or covenants are not met. Such covenants may include a customer's obligation to deliver certain products and services or to perform under a construction contract. Performance guarantees are frequently executed as part of project finance transactions. The position includes private equity fund guarantees and guarantees related to residential mortgage securitization activities.

For private equity fund guarantees, the Group has provided investors in private equity funds sponsored by a Group entity guarantees on potential obligations of certain general partners to return amounts previously paid as carried interest to those general partners if the performance of the remaining investments declines. To manage its exposure, the Group generally withholds a portion of carried interest distributions to cover any repayment obligations. In addition, pursuant to certain contractual arrangements, the Group is obligated to make cash payments to certain investors in certain private equity funds if specified performance thresholds are not met.

Further, as part of the Group's residential mortgage securitization activities in the US, the Group may guarantee the collection by the servicer and remittance to the securitization trust of prepayment penalties. The Group will have to perform under these guarantees in the event the servicer fails to remit the prepayment penalties.

Derivatives
Derivatives which may also have the characteristics of a guarantee are issued in the ordinary course of business, generally in the form of written put options. Such derivative contracts do not meet the characteristics of a guarantee if they are cash settled and the Group has no basis to conclude it is probable that the counterparties held, at inception, the underlying instruments related to the derivative contracts. The Group has concluded that these conditions were met for certain active commercial and investment banks and certain other counterparties, and accordingly, the Group has reported such contracts as derivatives only.

The Group manages its exposure to these derivatives by engaging in various hedging strategies to reduce its exposure. For some contracts, such as written interest rate caps or foreign exchange options, the maximum payout is not determinable as interest rates or exchange rates could theoretically rise without limit. For these contracts, notional amounts were disclosed in the table above in order to provide an indication of the underlying exposure. In addition, the Group carries all derivatives at fair value in the consolidated balance sheets and has considered the performance triggers and probabilities of payment when determining those fair values. It is more likely than not that written put options that are in-the-money to the counterparty will be exercised, for which the Group's exposure was limited to the carrying value reflected in the table.

Other guarantees
Other guarantees include bankers' acceptances, residual value guarantees, deposit insurance, contingent considerations in business combinations, the minimum value of an investment in mutual funds or private equity funds and all other guarantees that were not allocated to one of the categories above.

Deposit-taking banks and securities dealers in Switzerland and certain other European countries are required to ensure the payout of protected deposits in case of specified restrictions or compulsory liquidation of a deposit-taking bank. In Switzerland, deposit-taking banks and securities dealers jointly guaranteed an amount of up to CHF 6 billion under the regulation applicable until December 31, 2022. Upon occurrence of a payout event triggered by a specified restriction of business imposed by FINMA or by the compulsory liquidation of another deposit-taking bank, the Group's contribution will be calculated based on its share of privileged deposits in proportion to total privileged deposits. Based on FINMA's estimate for the Group's banking subsidiaries in Switzerland, the Group's share in the deposit insurance guarantee program for the period July 1, 2022 to December 31, 2022 was CHF 0.5 billion. These deposit insurance guarantees were reflected in other guarantees.

On January 1, 2023, a partial revision of the Swiss Federal Law on Banks and Savings Banks (Bank Law) became effective, which included changes to the Swiss deposit insurance guarantee program. Under the revised program, among other changes, the jointly guaranteed amount is now determined as the higher of CHF 6 billion or 1.6% of all protected deposits. The Group's respective share will be approximately CHF 0.6 billion for the period January 1 to June 30, 2023, as per notifications from the administrator of the Swiss deposit insurance program to the Group's Swiss bank subsidiaries. With a transition period until November 30, 2023, banks will have to provide half of the maximum payment obligation as collateral to the administrator of the Swiss deposit insurance program, while the other half will remain subject to the bank's liquidity requirements and will be reflected in other guarantees. Collateral will have to be provided to the Swiss National Bank (SNB) or the SIX Swiss Exchange in the form of high quality liquid securities or Swiss franc cash deposits or to the administrator of the Swiss deposit insurance program in the form of a loan.

Representations and warranties on residential mortgage loans sold

In connection with the Investment Bank division's sale of US residential mortgage loans, the Group has provided certain representations and warranties relating to the loans sold. The Group has provided these representations and warranties relating to sales of loans to institutional investors, primarily banks, and non-agency, or private label, securitizations. The loans sold are primarily loans that the Group has purchased from other parties. The scope of representations and warranties, if any, depends on the transaction, but can include: ownership of the mortgage loans and legal capacity to sell the loans; loan-to-value ratios and other characteristics of the property, the borrower and the loan; validity of the liens securing the loans and absence of delinquent taxes or related liens; conformity to underwriting standards and completeness of documentation; and origination in compliance with law. If it is determined that representations and warranties were breached, the Group may be required to repurchase the related loans or indemnify the investors to make them whole for losses. Whether the Group will incur a loss in connection with repurchases and make whole payments depends on: the extent to which claims are made; the validity of such claims made within the statute of limitations (including the likelihood and ability to enforce claims); whether the Group can successfully claim against parties that sold loans to the Group and made representations and warranties to the Group; the residential real estate market, including the number of defaults; and whether the obligations of the securitization vehicles were guaranteed or insured by third parties.

Repurchase claims on residential mortgage loans sold that are subject to arbitration or litigation proceedings, or become so during the reporting period, are not included in this Guarantees and commitments disclosure but are addressed in litigation and related loss contingencies and provisions. The Group is involved in litigation relating to representations and warranties on residential mortgages sold.

→ Refer to "Note 40 – Litigation" for further information.

Disposal-related contingencies and other indemnifications

The Group has certain guarantees for which its maximum contingent liability cannot be quantified. These guarantees are not reflected in the "Guarantees" table and are discussed below.

Disposal-related contingencies

In connection with the sale of assets or businesses, the Group sometimes provides the acquirer with certain indemnification provisions. These indemnification provisions vary by counterparty in scope and duration and depend upon the type of assets or businesses sold. They are designed to transfer the potential risk of certain unquantifiable and unknowable loss contingencies, such as litigation, tax and intellectual property matters, from the acquirer to the seller. The Group closely monitors all such contractual agreements in order to ensure that indemnification provisions are adequately provided for in the Group's consolidated financial statements.

Other indemnifications

The Group provides indemnifications to certain counterparties in connection with its normal operating activities for which it is not possible to estimate the maximum amount that it could be obligated to pay. As a normal part of issuing its own securities, the Group typically agrees to reimburse holders for additional tax withholding charges or assessments resulting from changes in applicable tax laws or the interpretation of those laws. Securities that include these agreements to pay additional amounts generally also include a related redemption or call provision if the obligation to pay the additional amounts results from a change in law or its interpretation and the obligation cannot be avoided by the issuer taking reasonable steps to avoid the payment of additional amounts. Since such potential obligations are dependent on future changes in tax laws, the related liabilities the Group may incur as a result of such changes cannot be reasonably estimated. In light of the related call provisions typically included, the Group does not expect any potential liabilities in respect of tax gross-ups to be material.

The Group is a member of numerous securities exchanges and clearing houses and may, as a result of its membership arrangements, be required to perform if another member defaults and available amounts as defined in the relevant exchange's or clearing house's default waterfalls are not sufficient to cover losses of another member's default. The exchange's or clearing house's default management procedures may provide for cash calls to non-defaulting members which may be limited to the amount (or a multiple of the amount) of the Group's contribution to the guarantee fund. However, if these cash calls are not sufficient to cover losses, the default waterfall and default management procedures may foresee further loss allocation. Furthermore, some clearing house arrangements require members to assume a proportionate share of non-default losses, if such losses exceed the specified resources allocated for such purpose by the clearing house. Non-default losses result from the clearing house's investment of guarantee fund contributions and initial margin or are other losses unrelated to the default of a clearing member. The Group has determined that it is not possible to reasonably estimate the maximum potential amount of future payments due under the membership arrangements. In addition, the Group believes that any potential requirement to make payments under these membership arrangements is remote.

Other commitments

Irrevocable commitments under documentary credits

Irrevocable commitments under documentary credits include exposures from trade finance related to commercial letters of credit under which the Group guarantees payments to exporters against presentation of shipping and other documents.

Irrevocable loan commitments

Irrevocable loan commitments are irrevocable credit facilities extended to clients and include fully or partially undrawn commitments that are legally binding and cannot be unconditionally cancelled by the Group. Commitments to originate mortgage loans that will be held for sale are considered derivatives for accounting purposes and are not included in this disclosure. Such commitments are reflected as derivatives in the consolidated balance sheets.

Forward reverse repurchase agreements

Forward reverse repurchase agreements represent transactions in which the initial cash exchange of the reverse repurchase transactions takes place on specified future dates. The Group enters into forward reverse repurchase agreements with counterparties that may have existing funded reverse repurchase agreements. Depending on the details of the counterparty contract with Credit Suisse, both a counterparty's existing funded reverse repurchase agreement and any forward reverse repurchase agreements under contract with the same counterparty are considered.

Other commitments

Other commitments include contracts that require the Group to make payments should a third party fail to do so under a specified future credit obligation, such as commitments arising from deferred payment letters of credit, e.g., with re-insurance clients. Other commitments also include private equity commitments, firm commitments in underwriting securities as well as commitments from acceptances in circulation and liabilities for call and put options on shares and other equity instruments.

Other commitments

end of	Maturity less than 1 year	Maturity between 1 to 3 years	Maturity between 3 to 5 years	Maturity greater than 5 years	**Total gross amount**	Total net amount [1]
2022 (CHF million)						
Irrevocable commitments under documentary credits	3,378	41	0	1	3,420	3,233
Irrevocable loan commitments [2]	19,272	33,512	44,563	14,782	112,129	108,118
Forward reverse repurchase agreements	1,021	0	0	0	1,021	1,021
Other commitments	212	16	2	268	498	498
Total other commitments	**23,883**	**33,569**	**44,565**	**15,051**	**117,068**	**112,870**
2021 (CHF million)						
Irrevocable commitments under documentary credits	4,796	116	0	0	4,912	4,602
Irrevocable loan commitments [2]	22,959	44,143	43,848	11,609	122,559	118,281
Forward reverse repurchase agreements	466	0	0	0	466	466
Other commitments	121	16	11	248	396	396
Total other commitments	**28,342**	**44,275**	**43,859**	**11,857**	**128,333**	**123,745**

1 Total net amount is computed as the gross amount less any participations.
2 Irrevocable loan commitments did not include a total gross amount of CHF 129,165 million and CHF 143,992 million of unused credit limits as of the end of 2022 and 2021 respectively, which were revocable at the Group's sole discretion upon notice to the client.

35 Transfers of financial assets and variable interest entities

In the normal course of business, the Group enters into transactions with, and makes use of, SPEs. An SPE is an entity in the form of a trust or other legal structure designed to fulfill a specific limited need of the company that organized it and is generally structured to isolate the SPE's assets from creditors of other entities, including the Group. The principal uses of SPEs are to assist the Group and its clients in securitizing financial assets and creating investment products. The Group also uses SPEs for other client-driven activity, such as to facilitate financings, and for Group tax or regulatory purposes.

Transfers of financial assets

Securitizations

The majority of the Group's securitization activities involve mortgages and mortgage-related securities and are predominantly transacted using SPEs. In a typical securitization, the SPE purchases assets financed by proceeds received from the SPE's issuance of debt and equity instruments, certificates, CP and other notes of indebtedness. These assets and liabilities are recorded on the balance sheet of the SPE and not reflected on the Group's consolidated balance sheet, unless either the Group sold the assets to the entity and the accounting requirements for sale were not met or the Group consolidates the SPE.

The Group purchases commercial and residential mortgages for the purpose of securitization and sells these mortgage loans to SPEs. These SPEs issue commercial mortgage-backed securities (CMBS), residential mortgage-backed securities (RMBS) and ABS that are collateralized by the assets transferred to the SPE and that pay a return based on the returns on those assets. Investors in these mortgage-backed securities or ABS typically have recourse to the assets in the SPEs. Third-party guarantees may further enhance the creditworthiness of the assets. The investors and the SPEs have no recourse to the Group's assets. The Group is typically an underwriter of, and makes a market in, these securities.

The Group also transacts in re-securitizations of previously issued RMBS securities. Typically, certificates issued out of an existing securitization vehicle are sold into a newly created and separate securitization vehicle. Often, these re-securitizations are initiated in order to re-securitize an existing security to give the investor an investment with different risk ratings or characteristics.

The Group also uses SPEs for other asset-backed financings relating to client-driven activity and for Group tax or regulatory purposes. Types of structures included in this category include managed collateralized loan obligations (CLOs), CLOs, leveraged finance, repack and other types of transactions, including life insurance structures, emerging market structures set up for financing, loan participation or loan origination purposes, and other alternative structures created for the purpose of investing in venture capital-like investments. CLOs are collateralized by loans transferred to the CLO vehicle and pay a return based on the returns on the loans. Leveraged finance structures are used to assist in the syndication of certain loans held by the Group, while repack structures are designed to give a client collateralized exposure to specific cash flows or credit risk backed by collateral purchased from the Group. In these asset-backed financing structures, investors typically only have recourse to the collateral of the SPE and do not have recourse to the Group's assets.

When the Group transfers assets into an SPE, it must assess whether that transfer is accounted for as a sale of the assets. Transfers of assets may not meet sale requirements if the assets have not been legally isolated from the Group and/or if the Group's continuing involvement is deemed to give it effective control over the assets. If the transfer is not deemed a sale, it is instead accounted for as a secured borrowing, with the transferred assets as collateral.

Gains and losses on securitization transactions depend, in part, on the carrying values of mortgages and loans involved in the transfer and are allocated between the assets sold and any beneficial interests retained according to the relative fair values at the date of sale. Since the Group generally accounts for assets pending transfer, i.e., prior to securitization, at fair value, the Group does not typically recognize significant gains or losses upon the transfer of assets.

The Group does not retain material servicing responsibilities from securitization activities.

The following table provides the gains or losses and proceeds from the transfer of assets relating to 2022, 2021 and 2020 securitizations of financial assets that qualify for sale accounting and subsequent derecognition, along with the cash flows between the Group and the SPEs used in any securitizations in which the Group still has continuing involvement, regardless of when the securitization occurred.

Securitizations

in	2022	2021	2020
Gains/(losses) and cash flows (CHF million)			
CMBS			
Net gain/(loss) [1]	6	(7)	85
Proceeds from transfer of assets [2]	3,401	3,525	9,209
Cash received on interests that continue to be held	49	42	52
RMBS			
Net gain/(loss) [1]	(2)	70	32
Proceeds from transfer of assets [3]	7,534	37,048	23,358
Purchases of previously transferred financial assets or its underlying collateral	0	(1,604)	0
Servicing fees	24	2	2
Cash received on interests that continue to be held	675	1,088	864
Other asset-backed financings			
Net gain [1]	16	65	105
Proceeds from transfer of assets [4]	6,740	12,129	9,564
Purchases of previously transferred financial assets or its underlying collateral	(1,479)	(1,323)	(1,606)
Fees [5]	192	165	148
Cash received on interests that continue to be held	153	14	17

1 Includes primarily underwriting revenues, deferred origination fees and gains or losses on the sale of newly issued securities to third parties, but excludes net interest income on assets prior to the securitization.
2 Included the receipt of non-cash beneficial interests (including risk retention securities) of CHF 512 million, CHF 180 million and CHF 161 million in 2022, 2021 and 2020, respectively.
3 Included the receipt of non-cash beneficial interests (including risk retention securities) of CHF 1,081 million, CHF 3,072 million and CHF 3,030 million in 2022, 2021 and 2020, respectively.
4 Included the receipt of non-cash beneficial interests (including risk retention securities) of CHF 168 million, CHF 54 million and CHF 9 million in 2022, 2021 and 2020, respectively.
5 Represents primarily management fees and performance fees earned for investment management services provided to managed CLOs.

Continuing involvement in transferred financial assets

The Group may have continuing involvement in the financial assets that are transferred to an SPE, which may take several forms, including, but not limited to, servicing, recourse and guarantee arrangements, agreements to purchase or redeem transferred assets, derivative instruments, pledges of collateral and beneficial interests in the transferred assets. Beneficial interests, which are valued at fair value, include rights to receive all or portions of specified cash inflows received by an SPE, including, but not limited to, senior and subordinated shares of interest, principal, or other cash inflows to be "passed through" or "paid through", premiums due to guarantors, CP obligations, and residual interests, whether in the form of debt or equity.

The Group's exposure resulting from continuing involvement in transferred financial assets is generally limited to beneficial interests typically held by the Group in the form of instruments issued by SPEs that are senior, subordinated or residual tranches. These instruments are held by the Group typically in connection with its underwriting and market-making activities, primarily reflecting risk retention requirements applicable to certain securitization activities, and are included in trading assets in the consolidated balance sheets. Any changes in the fair value of these beneficial interests are recognized in the consolidated statements of operations.

Investors usually have recourse to the assets in the SPE and often benefit from other credit enhancements, such as collateral accounts, or from liquidity facilities, such as lines of credit or liquidity put option of asset purchase agreements. The SPE may also enter into a derivative contract in order to convert the yield or currency of the underlying assets to match the needs of the SPE investors, or to limit or change the credit risk of the SPE. The Group may be the provider of certain credit enhancements as well as the counterparty to any related derivative contract.

The following table provides the outstanding principal balance of assets to which the Group continued to be exposed after the transfer of the financial assets to SPEs and the total assets of the SPEs as of December 31, 2022 and 2021, regardless of when the transfer of assets occurred.

Principal amounts outstanding and total assets of SPEs resulting from continuing involvement

end of	2022	2021
CHF million		
CMBS		
Principal amount outstanding	17,193	15,428
Total assets of SPEs	24,625	23,205
RMBS		
Principal amount outstanding	41,552	56,990
Total assets of SPEs	41,552	56,990
Other asset-backed financings		
Principal amount outstanding	21,939	24,856
Total assets of SPEs	54,609	57,797

Principal amount outstanding relates to assets transferred from the Group and does not include principal amounts for assets transferred from third parties.

Fair value of beneficial interests

The fair value measurement of the beneficial interests held at the time of transfer and as of the reporting date that result from any continuing involvement is determined using fair value estimation techniques, such as the present value of estimated future cash flows that incorporate assumptions that market participants customarily use in these valuation techniques. The fair value of the assets or liabilities that result from any continuing involvement does not include any benefits from financial instruments that the Group may utilize to hedge the inherent risks.

Key economic assumptions at the time of transfer

→ Refer to "Fair value measurement" in Note 36 – Financial instruments for further information on the fair value hierarchy.

Key economic assumptions used in measuring fair value of beneficial interests at time of transfer

		2022		2021		2020
at time of transfer, in	CMBS	RMBS	CMBS	RMBS	CMBS	RMBS
CHF million, except where indicated						
Fair value of beneficial interests	486	847	196	2,594	342	2,692
of which level 2	415	762	170	2,126	305	2,398
of which level 3	71	85	26	468	37	294
Weighted-average life, in years	4.1	9.5	5.2	5.3	6.4	3.8
Prepayment speed assumption (rate per annum), in % [1]	– [2]	5.0–22.2	– [2]	3.0–37.7	– [2]	1.0–47.0
Cash flow discount rate (rate per annum), in % [3]	3.5–15.7	2.8–53.8	1.8–5.0	1.0–33.4	1.4–20.9	0.2–40.8
Expected credit losses (rate per annum), in % [4]	2.7–5.6	1.3–49.8	0.9–4.3	0.1–32.5	1.9–8.6	1.6–22.9

Transfers of assets in which the Group does not have beneficial interests are not included in this table.

1 Prepayment speed assumption (PSA) is an industry standard prepayment speed metric used for projecting prepayments over the life of a residential mortgage loan. PSA utilizes the constant prepayment rate (CPR) assumptions. A 100% prepayment assumption assumes a prepayment rate of 0.2% per annum of the outstanding principal balance of mortgage loans in the first month. This increases by 0.2 percentage points thereafter during the term of the mortgage loan, leveling off to a CPR of 6% per annum beginning in the 30th month and each month thereafter during the term of the mortgage loan. 100 PSA equals 6 CPR.
2 To deter prepayment, commercial mortgage loans typically have prepayment protection in the form of prepayment lockouts and yield maintenances.
3 The rate is based on the weighted-average yield on the beneficial interests.
4 The range of expected credit losses only reflects instruments with an expected credit loss greater than zero unless all of the instruments have an expected credit loss of zero.

Key economic assumptions as of the reporting date

The following table provides the sensitivity analysis of key economic assumptions used in measuring the fair value of beneficial interests held in SPEs as of December 31, 2022 and 2021.

Key economic assumptions used in measuring fair value of beneficial interests held in SPEs

			2022			2021
end of	CMBS [1]	RMBS	Other asset-backed financing activities [2]	CMBS [1]	RMBS	Other asset-backed financing activities [2]
CHF million, except where indicated						
Fair value of beneficial interests	517	1,050	519	281	2,310	402
of which non-investment grade	111	137	34	55	370	27
Weighted-average life, in years	2.8	9.0	5.1	3.9	4.7	5.5
Prepayment speed assumption (rate per annum), in % [3]	–	2.4–21.4	–	–	5.1–41.9	–
Impact on fair value from 10% adverse change	–	(16.5)	–	–	(31.1)	–
Impact on fair value from 20% adverse change	–	(32.7)	–	–	(59.8)	–
Cash flow discount rate (rate per annum), in % [4]	5.4–42.1	4.4–29.6	4.1–41.9	1.7–50.7	0.7–35.5	0.3–14.7
Impact on fair value from 10% adverse change	(8.2)	(41.6)	(10.5)	(3.5)	(38.1)	(4.9)
Impact on fair value from 20% adverse change	(16.1)	(79.6)	(20.5)	(6.8)	(73.3)	(9.7)
Expected credit losses (rate per annum), in % [5]	1.1–29.2	1.5–25.5	0.5–37.9	0.6–8.4	0.4–34.2	0.7–13.3
Impact on fair value from 10% adverse change	(4.6)	(19.7)	(5.7)	(2.5)	(28.5)	(4.3)
Impact on fair value from 20% adverse change	(9.1)	(38.2)	(11.1)	(4.9)	(54.8)	(8.4)

1 To deter prepayment, commercial mortgage loans typically have prepayment protection in the form of prepayment lockouts and yield maintenances.
2 CDOs and CLOs within this category are generally structured to be protected from prepayment risk.
3 PSA is an industry standard prepayment speed metric used for projecting prepayments over the life of a residential mortgage loan. PSA utilizes the CPR assumptions. A 100% prepayment assumption assumes a prepayment rate of 0.2% per annum of the outstanding principal balance of mortgage loans in the first month. This increases by 0.2 percentage points thereafter during the term of the mortgage loan, leveling off to a CPR of 6% per annum beginning in the 30th month and each month thereafter during the term of the mortgage loan. 100 PSA equals 6 CPR.
4 The rate is based on the weighted-average yield on the beneficial interests.
5 The range of expected credit losses only reflects instruments with an expected credit loss greater than zero unless all of the instruments have an expected credit loss of zero.

These sensitivities are hypothetical and do not reflect economic hedging activities. Changes in fair value based on a 10% or 20% variation in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, the effect of a variation in a particular assumption on the fair value of the beneficial interests is calculated without changing any other assumption. In practice, changes in one assumption may result in changes in other assumptions (for example, increases in market interest rates may result in lower prepayments and increased credit losses), which might magnify or counteract the sensitivities.

Transfers of financial assets where sale treatment was not achieved

The following table provides the carrying amounts of transferred financial assets and the related liabilities where sale treatment was not achieved as of December 31, 2022 and 2021.

→ Refer to "Note 37 – Assets pledged and collateral" for further information.

Carrying amounts of transferred financial assets and liabilities where sale treatment was not achieved

end of	2022	2021
CHF million		
RMBS		
Other assets	0	257
Liability to SPEs, included in other liabilities	0	(257)
Other asset-backed financings		
Trading assets	366	557
Other assets	154	200
Liability to SPEs, included in other liabilities	(520)	(757)

Securities sold under repurchase agreements and securities lending transactions accounted for as secured borrowings

For securities sold under repurchase agreements and securities lending transactions accounted for as secured borrowings, US GAAP requires the disclosure of the collateral pledged and the associated risks to which a transferor continues to be exposed after the transfer. This provides an understanding of the nature and risks of short-term collateralized financing obtained through these types of transactions.

Securities sold under repurchase agreements and securities lending transactions represent collateralized financing transactions used to earn net interest income, increase liquidity or facilitate trading activities. These transactions are collateralized principally by government debt securities, corporate debt securities, asset-backed securities, equity securities and other collateral and have terms ranging from on demand to a longer period of time.

In the event of the Group's default or a decline in fair value of collateral pledged, the repurchase agreement provides the counterparty with the right to liquidate the collateral held or request additional collateral. Similarly, in the event of the Group's default, the securities lending transaction provides the counterparty the right to liquidate the securities borrowed.

The following tables provide the gross obligation relating to securities sold under repurchase agreements, securities lending transactions and obligation to return securities received as collateral by the class of collateral pledged and by remaining contractual maturity as of December 31, 2022 and 2021.

Securities sold under repurchase agreements, securities lending transactions and obligation to return securities received as collateral – by class of collateral pledged

end of	2022	2021
CHF billion		
Government debt securities	17.0	15.9
Corporate debt securities	6.9	9.6
Asset-backed securities	0.9	4.6
Equity securities	0.2	0.5
Other	5.1	5.6
Securities sold under repurchase agreements	**30.1**	**36.2**
Government debt securities	0.2	13.9
Corporate debt securities	0.3	0.3
Asset-backed securities	0.2	0.3
Equity securities	0.1	1.0
Other	0.1	0.2
Securities lending transactions	**0.9**	**15.7**
Government debt securities	1.2	3.6
Corporate debt securities	0.4	0.6
Asset-backed securities	0.1	0.0
Equity securities	1.3	10.8
Obligation to return securities received as collateral, at fair value	**3.0**	**15.0**
Total	**34.0**	**66.9**

Securities sold under repurchase agreements, securities lending transactions and obligation to return securities received as collateral – by remaining contractual maturity

		Remaining contractual maturities			
end of	No stated maturity [1]	Up to 30 days [2]	31–90 days	More than 90 days	Total
2022 (CHF billion)					
Securities sold under repurchase agreements	4.0	12.7	5.9	7.5	30.1
Securities lending transactions	0.5	0.2	0.0	0.2	0.9
Obligation to return securities received as collateral, at fair value	3.0	0.0	0.0	0.0	3.0
Total	**7.5**	**12.9**	**5.9**	**7.7**	**34.0**
2021 (CHF billion)					
Securities sold under repurchase agreements	5.2	15.7	6.0	9.3	36.2
Securities lending transactions	2.3	1.7	1.6	10.1	15.7
Obligation to return securities received as collateral, at fair value	15.0	0.0	0.0	0.0	15.0
Total	**22.5**	**17.4**	**7.6**	**19.4**	**66.9**

1 Includes contracts with no contractual maturity that may contain termination arrangements subject to a notice period.
2 Includes overnight transactions.

→ Refer to "Note 28 – Offsetting of financial assets and financial liabilities" for further information on the gross amount of securities sold under repurchase agreements, securities lending transactions and obligation to return securities received as collateral and the net amounts disclosed in the consolidated balance sheets.

Variable interest entities

As a normal part of its business, the Group engages in various transactions that include entities that are considered VIEs and are grouped into three primary categories: collateralized debt obligations (CDOs)/CLOs, CP conduits and financial intermediation. VIEs are SPEs that typically either lack sufficient equity to finance their activities without additional subordinated financial support or are structured such that the holders of the voting rights do not substantively participate in the gains and losses of the entity. VIEs may be sponsored by the Group or third parties. Such entities are required to be assessed for consolidation, compelling the primary beneficiary to consolidate the VIE. The consolidation assessment requires an entity to determine whether it has the power to direct the activities that most significantly affect the economics of the VIE as well as whether the reporting entity has potentially significant benefits or losses in the VIE. The primary beneficiary assessment must be re-evaluated on an ongoing basis.

Application of the requirements for consolidation of VIEs may require the exercise of significant judgment. In the event consolidation of a VIE is required, the exposure to the Group is limited to that portion of the VIE's assets attributable to any variable interest held by the Group prior to any risk management activities to hedge the Group's net exposure. Any interests held in the VIE by third parties, even though consolidated by the Group, will not typically impact its results of operations.

Transactions with VIEs are generally executed to facilitate securitization activities or to meet specific client needs, such as providing liquidity or investing opportunities, and, as part of these activities, the Group may hold interests in the VIEs. Securitization-related transactions with VIEs involve selling or purchasing assets as well as possibly entering into related derivatives with those VIEs, providing liquidity, credit or other support. Other transactions with VIEs include derivative transactions in the Group's capacity as the prime broker. The Group also enters into lending arrangements with VIEs for the purpose of financing projects or the acquisition of assets. Typically, the VIE's assets are restricted in nature in that they are held primarily to satisfy the obligations of the entity. Further, the Group is involved with VIEs which were formed for the purpose of offering alternative investment solutions to clients. Such VIEs relate primarily to private equity investments, fund-linked vehicles or funds of funds, where the Group acts as structurer, manager, distributor, broker, market maker or liquidity provider.

As a consequence of these activities, the Group holds variable interests in VIEs. Such variable interests consist of financial instruments issued by VIEs and which are held by the Group, certain derivatives with VIEs or loans to VIEs. Guarantees issued by the Group to or on behalf of VIEs may also qualify as variable interests. For such guarantees, including derivatives that act as guarantees, the notional amount of the respective guarantees is presented to represent the exposure. In general, investors in consolidated VIEs do not have recourse to the Group in the event of a default, except where a guarantee was provided to the investors or where the Group is the counterparty to a derivative transaction involving VIEs.

Total assets of consolidated and non-consolidated VIEs for which the Group has involvement represent the total assets of the VIEs even though the Group's involvement may be significantly less due to interests held by third-party investors. The asset balances for non-consolidated VIEs where the Group has significant involvement represent the most current information available to the Group regarding the remaining principal balance of assets owned. In most cases, the asset balances represent an amortized cost basis without regards to impairments in fair value, unless fair value information is readily available.

The Group's maximum exposure to loss is different from the carrying value of the assets of the VIE. This maximum exposure to loss consists of the carrying value of the Group variable interests held as trading assets, derivatives and loans, the notional amount of guarantees and off-balance sheet commitments to VIEs, rather than the amount of total assets of the VIEs. The maximum exposure to loss does not reflect the Group's risk management activities, including effects from financial instruments that the Group may utilize to economically hedge the risks inherent in these VIEs. The economic risks associated with VIE exposures held by the Group, together with all relevant risk mitigation initiatives, are included in the Group's risk management framework.

The Group has not provided financial or other support to consolidated or non-consolidated VIEs that it was not contractually required to provide.

Collateralized debt and loan obligations

The Group engages in CDO/CLO transactions to meet client and investor needs, earn fees and sell financial assets and, for CLOs, loans. The Group may act as underwriter, placement agent or asset manager and may warehouse assets prior to the closing of a transaction. As part of its structured finance business, the Group purchases loans and other debt obligations from and on behalf of clients for the purpose of securitization. The loans and other debt obligations are sold to VIEs, which in turn issue CDO/CLOs to fund the purchase of assets such as investment grade and high yield corporate debt instruments.

Typically, the collateral manager in a managed CDO/CLO is deemed to be the entity that has the power to direct the activities that most affect the economics of the entity. In a static CDO/CLO this "power" role is more difficult to analyze and may be the sponsor of the entity or the CDS counterparty.

CDO/CLOs provide credit risk exposure to a portfolio of ABS or loans (cash CDO/CLOs) or a reference portfolio of securities or loans (synthetic CDO/CLOs). Cash CDO/CLO transactions hold actual securities or loans whereas synthetic CDO/CLO transactions use CDS to exchange the underlying credit risk instead of using cash assets. The Group may also act as a derivative counterparty to the VIEs, which are typically not variable interests, and may invest in portions of the notes or equity issued by the VIEs. The CDO/CLO entities may have actively managed portfolios or static portfolios.

The securities issued by these VIEs are payable solely from the cash flows of the related collateral, and third-party creditors of these VIEs do not have recourse to the Group in the event of default.

The Group's exposure in CDO/CLO transactions is typically limited to interests retained in connection with its underwriting or market-making activities. Unless the Group has been deemed to have "power" over the entity and these interests are potentially significant, the Group is not the primary beneficiary of the vehicle and does not consolidate the entity. The Group's maximum exposure to loss does not include any effects from financial instruments used to economically hedge the risks of the VIEs.

Commercial paper conduit

The Group acts as the administrator and provider of liquidity and credit enhancement facilities for Alpine Securitization Ltd (Alpine), a multi-seller asset-backed CP conduit used for client and Group financing purposes. Alpine discloses to CP investors certain portfolio and asset data and submits its portfolio to rating agencies for public ratings on its CP. This CP conduit purchases assets such as loans and receivables or enters into reverse repurchase agreements and finances such activities through the issuance of CP backed by these assets. In addition to CP, Alpine may also issue term notes with maturities up to 30 months. The Group (including Alpine) can enter into liquidity facilities with third-party entities pursuant to which it may be required to purchase assets from these entities to provide them with liquidity and credit support. The financing transactions are structured to provide credit support in the form of over-collateralization and other asset-specific enhancements. Alpine is a separate legal entity that is wholly owned by the Group. However, its assets are available to satisfy only the claims of its creditors. In addition, the Group, as administrator and liquidity facility provider, has significant exposure to and power over the activities of Alpine. Alpine is considered a VIE for accounting purposes and the Group is deemed the primary beneficiary and consolidates this entity.

The overall average maturity of Alpine's outstanding CP was approximately 249 days as of December 31, 2022, Alpine's CP had exposures mainly in reverse repurchase agreements with a Group entity, solar loans and leases, consumer loans and car loans and leases.

The Group's financial commitment to this CP conduit consists of obligations under liquidity agreements. The liquidity agreements are asset-specific arrangements, which require the Group to provide short-term financing to the CP conduit or to purchase assets from the CP conduit in certain circumstances, including, but not limited to, a lack of liquidity in the CP market such that the CP conduit cannot refinance its obligations or a default of an underlying asset. In such circumstances, the Group may be viewed as the primary beneficiary of specified assets referenced under liquidity agreements, resulting in consolidation of specified assets, which are included as part of the consolidated VIEs table. The asset-specific credit enhancements provided by the client seller of the assets remain unchanged as a result of such a purchase. In entering into such agreements, the Group reviews the credit risk associated with these transactions on the same basis that would apply to other extensions of credit.

The Group enters into liquidity facilities with CP conduits administrated and sponsored by third parties. These third-party CP conduits are considered to be VIEs for accounting purposes. The Group is not the primary beneficiary and generally does not consolidate these third-party CP conduits. The Group's financial commitment to these third-party CP conduits consists of obligations under liquidity agreements. The liquidity agreements are asset-specific arrangements, which require the Group to provide short-term financing to the third-party CP conduits or to purchase assets from these CP conduits in certain circumstances, including, but not limited to, a lack of liquidity in the CP market such that the CP conduits cannot refinance their obligations or a default of an underlying asset. As of December 31, 2022, certain liquidity facilities with third-party CP conduits referenced groups of specified assets and liabilities within a VIE for which the Group is the primary beneficiary which required consolidation. The asset-specific credit enhancements, if any, provided by the client seller of the assets remain unchanged as a result of such a purchase. In entering into such agreements, the Group reviews the credit risk associated with these transactions on the same basis that would apply to other extensions of credit. In some situations, the Group can enter into liquidity facilities with these third-party CP conduits through Alpine.

The Group's economic risks associated with the Alpine CP conduit and the third-party CP conduits are included in the Group's risk management framework including counterparty, economic risk capital and scenario analysis.

Financial intermediation

The Group has significant involvement with VIEs in its role as a financial intermediary on behalf of clients.

The Group considers the likelihood of incurring a loss equal to the maximum exposure to be remote because of the Group's risk mitigation efforts, including, but not limited to, economic hedging strategies and collateral arrangements. The Group's economic risks associated with consolidated and non-consolidated VIE exposures arising from financial intermediation, together with all relevant risk mitigation initiatives, are included in the Group's risk management framework.

Financial intermediation consists of securitizations, funds, loans, and other vehicles.

Securitizations
Securitizations are primarily CMBS, RMBS and ABS vehicles. The Group acts as an underwriter, market maker, liquidity provider, derivative counterparty and/or provider of credit enhancements to VIEs related to certain securitization transactions.

The maximum exposure to loss is the carrying value of the loan securities and derivative positions that are variable interests, if any, plus the exposure arising from any credit enhancements the Group provided. The Group's maximum exposure to loss does not include any effects from financial instruments used to economically hedge the risks of the VIEs.

The activities that have the most significant impact on the securitization vehicle are the decisions relating to defaulted loans, which are controlled by the servicer. The party that controls the servicing has the ability to make decisions that significantly affect the result of the activities of the securitization vehicle. If a securitization vehicle has multiple parties that control servicing over specific assets, the Group determines it has power when it has control over the servicing of greater than 50% of the assets in the securitization vehicle. When a servicer or its related party also has an economic interest that has the potential to absorb a significant portion of the gains and/or losses, it will be deemed the primary beneficiary and consolidate the vehicle. If the Group determines that it controls the relevant servicing, it then determines if it has the obligation to absorb losses from, or the right to receive benefits of, the securitization vehicle that could potentially be significant to the vehicle, primarily by evaluating the amount and nature of securities issued by the vehicle that it holds. Factors considered in this analysis include the level of subordination of the securities held as well as the size of the position, based on the percentage of the class of securities and the total deal classes of securities issued. The more subordinated the level of securities held, the more likely it is that the Group will be the primary beneficiary. This consolidation analysis is performed each reporting period based on changes in inventory and the levels of assets remaining in the securitization. The Group typically consolidates securitization vehicles when it is the servicer and has holdings stemming from its role as underwriter. Short-term market-making holdings in vehicles are not typically considered to be potentially significant for the purposes of this assessment.

In the case of re-securitizations of previously issued RMBS securities, the re-securitization vehicles are passive in nature and do not have any significant ongoing activities that require management, and decisions relating to the design of the securitization transaction at its inception are the key power relating to the vehicle. Activities at inception include selecting the assets and determining the capital structure. The power over a re-securitization vehicle is typically shared between the Group and the investor(s) involved in the design and creation of the vehicle. The Group concludes that it is the primary beneficiary of a re-securitization vehicle when it owns substantially all of the bonds issued from the vehicle.

Funds
Funds include investment structures such as mutual funds, funds of funds, private equity funds and fund-linked products where the investors' interest is typically in the form of debt rather than equity, thereby making them VIEs. The Group may have various relationships with such VIEs in the form of structurer, investment advisor, investment manager, administrator, custodian, underwriter, placement agent, market maker and/or as prime broker. These activities include the use of VIEs in structuring fund-linked products, hedge funds of funds or private equity investments to provide clients with investment opportunities in alternative investments. In such transactions, a VIE holds underlying investments and issues securities that provide the investors with a return based on the performance of those investments.

The maximum exposure to loss consists of the fair value of instruments issued by such structures that are held by the Group as a result of underwriting or market-making activities, financing provided to the vehicles and the Group's exposure resulting from principal protection and redemptions features. The investors typically retain the risk of loss on such transactions, but for certain fund types, the Group may provide principal protection on the securities to limit the investors' exposure to downside market risk. The Group's maximum exposure to loss does not include any effects from financial instruments used to economically hedge the risk of the VIEs.

Another model is used to assess funds for consolidation under US GAAP. Rather than the consolidation model which incorporates power and the potential to absorb significant risk and rewards, a previous consolidation model is used which results in the Group being the primary beneficiary and consolidating the funds if it holds more than 50% of their outstanding issuances.

Loans

The Group provides loans to financing vehicles owned or sponsored by clients or third-parties. These tailored lending arrangements are established to purchase, lease or otherwise finance and manage clients' assets and include financing of specified client assets, of an individual single-asset used by the client or business ventures. The respective owner of the assets or manager of the businesses provides the equity in the vehicle.

The maximum exposure to loss is the carrying value of the Group's loan exposure, which is subject to the same credit risk management procedures as loans issued directly to clients. The clients' creditworthiness is carefully reviewed, loan-to-value ratios are strictly set and, in addition, clients provide equity, additional collateral or guarantees, all of which significantly reduce the Group's exposure. The Group considers the likelihood of incurring a loss equal to the maximum exposure to be remote because of the Group's risk mitigation efforts, which includes over-collateralization and effective monitoring to ensure that a sufficient loan-to-value ratio is maintained.

The third-party sponsor of the VIE will typically have control over the assets during the life of the structure and have the potential to absorb significant gains and losses; the Group is typically not the primary beneficiary of these structures and will not have to consolidate them. However, a change in the structure, such as a default of the sponsor, may result in the Group gaining control over the assets. If the Group's lending is significant, it may then be required to consolidate the entity.

Other

Other includes additional vehicles where the Group provides financing and trust preferred issuance vehicles. Trust preferred issuance vehicles are utilized to assist the Group in raising capital-efficient financing. The VIE issues preference shares which are guaranteed by the Group and uses the proceeds to purchase the debt of the Group. The Group's guarantee of its own debt is not considered a variable interest and, as it has no holdings in these vehicles, the Group has no maximum exposure to loss. Non-consolidated VIEs include only the total assets of trust preferred issuance vehicles, as the Group has no variable interests with these entities.

Consolidated VIEs

The Group has significant involvement with VIEs in its role as a financial intermediary on behalf of clients. The Group consolidates all VIEs related to financial intermediation for which it is the primary beneficiary.

The consolidated VIEs table provides the carrying amounts and classifications of the assets and liabilities of consolidated VIEs as of December 31, 2022 and 2021.

Consolidated VIEs in which the Group was the primary beneficiary

end of	CDO/ CLO	CP Conduit	Financial intermediation Securi- tizations	Funds	Loans	Other	**Total**
2022 (CHF million)							
Cash and due from banks	15	94	68	17	24	11	229
Trading assets	0	954	1,154	23	457	0	2,588
Other investments	0	0	0	58	587	136	781
Net loans	0	3,260	0	0	16	134	3,410
Other assets	281	2,466	1,349	39	53	417	4,605
of which loans held-for-sale	279	2,445	119	21	0	0	2,864
of which premises and equipment	0	0	0	0	12	0	12
Total assets of consolidated VIEs	**296**	**6,774**	**2,571**	**137**	**1,137**	**698**	**11,613**
Trading liabilities	0	1,057	0	0	6	0	1,063
Short-term borrowings	0	3,124	0	13	0	0	3,137
Long-term debt	84	0	1,860	0	0	152	2,096
Other liabilities	0	49	2	19	50	70	190
Total liabilities of consolidated VIEs	**84**	**4,230**	**1,862**	**32**	**56**	**222**	**6,486**
2021 (CHF million)							
Cash and due from banks	0	1	42	25	27	13	108
Trading assets	0	0	1,158	54	610	0	1,822
Other investments	0	0	0	65	789	161	1,015
Net loans	0	1,022	317	0	28	33	1,400
Other assets	0	31	604	78	108	675	1,496
of which loans held-for-sale	0	0	50	23	0	1	74
of which premises and equipment	0	0	0	0	27	0	27
Total assets of consolidated VIEs	**0**	**1,054**	**2,121**	**222**	**1,562**	**882**	**5,841**
Trading liabilities	0	0	0	0	8	0	8
Short-term borrowings	0	4,337	0	15	0	0	4,352
Long-term debt	0	0	1,342	0	3	46	1,391
Other liabilities	0	67	1	20	60	83	231
Total liabilities of consolidated VIEs	**0**	**4,404**	**1,343**	**35**	**71**	**129**	**5,982**

Non-consolidated VIEs

The non-consolidated VIEs table provides the carrying amounts and classification of the assets of variable interests recorded in the Group's consolidated balance sheets, maximum exposure to loss and total assets of the non-consolidated VIEs.

Total variable interest assets for which the company has involvement represent the carrying value of the variable interests in non-consolidated VIEs that are recorded in the consolidated balance sheet of the Group (for example, direct holdings in investment funds, loans and other receivables).

Maximum exposure to loss represents the carrying value of total variable interest assets in non-consolidated VIEs of the Group and the notional amounts of guarantees and off-balance sheet commitments which are variable interests that have been extended to non-consolidated VIEs. Such amounts, particularly notional amounts of derivatives, guarantees and off-balance sheet commitments, do not represent the anticipated losses in connection with these transactions as they do not take into consideration the effect of collateral, recoveries or the probability of loss. In addition, they exclude the effect of offsetting financial instruments that are held to mitigate these risks and have not been reduced by unrealized losses previously recorded by the Group in connection with guarantees, off-balance sheet commitments or derivatives.

Total assets of non-consolidated VIEs are the assets of the non-consolidated VIEs themselves and are typically unrelated to the exposures the Group has with these entities due to variable interests held by third-party investors. Accordingly, these amounts are not considered for risk management purposes.

Certain VIEs have not been included in the following table, including VIEs structured by third parties in which the Group's interest is in the form of securities held in the Group's inventory, certain repurchase financings to funds and single-asset financing vehicles not sponsored by the Group to which the Group provides financing but has very little risk of loss due to over-collateralization and/or guarantees, failed sales where the Group does not have any other holdings and other entities out of scope.

Non-consolidated VIEs

			Financial intermediation				
end of	CDO/ CLO	CP Conduit [1]	Securi- tizations	Funds	Loans	Other	**Total**
2022 (CHF million)							
Trading assets	214	0	3,877	750	7	1,816	6,664
Net loans	314	1,440	2,521	1,934	7,617	2,201	16,027
Other assets	6	0	3	124	4	884	1,021
Total variable interest assets	**534**	**1,440**	**6,401**	**2,808**	**7,628**	**4,901**	**23,712**
Maximum exposure to loss	**547**	**4,374**	**9,514**	**2,808**	**9,999**	**5,490**	**32,732**
Total assets of non-consolidated VIEs	**9,713**	**7,297**	**79,322**	**116,010**	**38,632**	**14,620**	**265,594**
2021 (CHF million)							
Trading assets	257	0	4,526	932	13	5,494	11,222
Net loans	268	1,005	940	2,403	8,774	1,986	15,376
Other assets	6	0	22	112	0	628	768
Total variable interest assets	**531**	**1,005**	**5,488**	**3,447**	**8,787**	**8,108**	**27,366**
Maximum exposure to loss	**774**	**7,625**	**8,036**	**3,447**	**13,068**	**8,637**	**41,587**
Total assets of non-consolidated VIEs	**10,266**	**14,948**	**108,942**	**103,179**	**36,428**	**24,945**	**298,708**

1 Includes liquidity facilities provided to third-party CP conduits through Alpine.

36 Financial instruments

The disclosure of the Group's financial instruments includes the following sections:

- Concentration of credit risk;
- Fair value measurement (including fair value hierarchy, level 3 reconciliation; transfers in and out of level 3; qualitative and quantitative disclosures of valuation techniques; qualitative discussion of the range of significant unobservable inputs; and investment funds measured at net asset value per share);
- Fair value option; and
- Financial instruments not carried at fair value.

Concentration of credit risk

Credit risk concentrations arise when a number of counterparties are engaged in similar business activities, are located in the same geographic region or when there are similar economic features that would cause their ability to meet contractual obligations to be similarly impacted by changes in economic conditions.

The Group has in place a credit risk appetite framework which provides for the oversight and control of concentrations of credit exposures by single name, product, industry, and country. The Group Credit Portfolio Management function under the Global Chief Credit Officer is responsible for monitoring the portfolio and assessing compliance with the framework and the portfolio limits and controls in place. Credit risk concentrations are identified and measured using a range of quantitative tools and metrics and are reported to the Credit Risk Appetite Committee on a monthly basis. The Group Credit Portfolio Management function performs portfolio reviews and detailed analyses of selected segments of the portfolio which are presented to the Credit Risk Appetite Committee and to other governance forums, including the Executive Board Risk Management Committee and the Board's Risk Committee, where appropriate.

From an industry point of view, the combined credit exposure of the Group is diversified. A substantial portion of the credit exposure is with individual clients, particularly through residential mortgages in Switzerland, corporate credit exposures and lombard lending arrangements, or relates to derivative and other financial transactions with financial institutions. In both cases, the customer base is extensive and the number and variety of transactions are broad. For transactions with financial institutions and corporations, the business is also geographically diverse, with operations focused in the Americas, Europe and, to a lesser extent, Asia Pacific.

Fair value measurement

A significant portion of the Group's financial instruments is carried at fair value. Deterioration of financial markets could significantly impact the fair value of these financial instruments and the results of operations.

The fair value of the majority of the Group's financial instruments is based on quoted prices in active markets or observable inputs. These instruments include government and agency securities, certain short-term borrowings, most investment grade corporate debt, certain high yield debt securities, exchange-traded and certain OTC derivatives and most listed equity securities.

In addition, the Group holds financial instruments for which no prices are available and which have significant unobservable inputs. For these instruments, the determination of fair value requires subjective assessment and judgment, depending on liquidity, pricing assumptions, the current economic and competitive environment and the risks affecting the specific instrument. In such circumstances, valuation is determined based on management's own judgments about the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. These instruments include certain OTC derivatives, including interest rate, foreign exchange, equity and credit derivatives, certain corporate equity-linked securities, mortgage-related securities, private equity investments and certain loans and credit products, including leveraged finance, certain syndicated loans and certain high yield bonds, and life finance instruments. The fair value measurement disclosures exclude derivative transactions that are daily settled.

The fair value of financial instruments is impacted by factors such as benchmark interest rates, prices of financial instruments issued by third parties, commodity prices, foreign exchange rates and index prices or rates. In addition, valuation adjustments are an integral part of the valuation process when market prices are not indicative of the credit quality of a counterparty, and are applied to both OTC derivatives and debt instruments. The impact of changes in a counterparty's credit spreads (known as credit valuation adjustments) is considered when measuring the fair value of assets, and the impact of changes in the Group's own credit spreads (known as debit valuation adjustments) is considered when measuring the fair value of its liabilities. For OTC derivatives, the impact of changes in both the Group's and the counterparty's credit standing is considered when measuring their fair value, based on current CDS prices. The adjustments also take into account contractual factors designed to reduce the Group's credit exposure to a counterparty, such as collateral held and master netting agreements. For hybrid debt instruments with embedded derivative features, the impact of changes in the Group's credit standing is considered when measuring their fair value, based on current funded debt spreads.

US GAAP permits a reporting entity to measure the fair value of a group of financial assets and financial liabilities on the basis of the price that would be received to sell a net long position or paid to transfer a net short position for a particular risk exposure in an orderly transaction between market participants at the measurement date. As such, the Group continues to apply bid and offer adjustments to net portfolios of cash securities and/or derivative instruments to adjust the value of the net position from a mid-market price to the appropriate bid or offer level that would be realized under normal market conditions for the net long or net short position for a specific market risk. In addition, the Group reflects the net exposure to credit risk for its derivative instruments where the Group has legally enforceable agreements with its counterparties that mitigate credit risk exposure in the event of default.

Valuation adjustments are recorded in a reasonable and consistent manner that results in an allocation to the relevant disclosures in the notes to the financial statements as if the valuation adjustment had been allocated to the individual unit of account.

Fair value hierarchy

The levels of the fair value hierarchy are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group has the ability to access. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.
- Level 2*:* Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include: (i) quoted prices for similar assets or liabilities in active markets; (ii) quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current or price quotations vary substantially either over time or among market makers, or in which little information is publicly available; (iii) inputs other than quoted prices that are observable for the asset or liability; or (iv) inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3: Significant unobservable inputs for the asset or liability. These inputs reflect the Group's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available in the circumstances, which include the Group's own data. The Group's own data used to develop unobservable inputs is adjusted if information indicates that market participants would use different assumptions.

The Group records net open positions at bid prices if long, or at ask prices if short, unless the Group is a market maker in such positions, in which case mid-pricing is utilized. Fair value measurements are not adjusted for transaction costs.

Qualitative disclosures of valuation techniques

Overview

The Group has implemented and maintains a valuation control framework, which is supported by policies and procedures that define the principles for controlling the valuation of the Group's financial instruments. Control functions such as Product Control and Risk Management review and approve significant valuation policies and procedures. The framework includes three main internal processes: (i) valuation governance; (ii) independent price verification and significant unobservable inputs review; and (iii) a cross-functional pricing model review. Through this framework, the Group determines the reasonableness of the fair value of its financial instruments.

On a monthly basis, meetings are held for each business line with senior representatives of the Front Office and Product Control to discuss independent price verification results, valuation adjustments, and other significant valuation issues. On a quarterly basis, a review of significant changes in the fair value of financial instruments is undertaken by Product Control and conclusions are reached regarding the reasonableness of those changes. Additionally, on a quarterly basis, meetings are held for each business line with senior representatives of the Front Office and control functions such as Product Control and Risk Management to discuss independent price verification results, valuation issues, business and market updates, as well as a review of significant changes in fair value from the prior quarter, significant unobservable inputs and prices used in valuation techniques, and valuation adjustments.

The valuation results are aggregated for reporting to the Valuation Risk Management Committee (VARMC) and the Audit Committee. The VARMC, which is comprised of Executive Board members and the heads of the business and control functions, meets to review and ratify valuation review conclusions, and to resolve significant valuation issues for the Group. Oversight of the valuation control framework is through specific and regular reporting on valuation directly to the Group's Executive Board through the VARMC.

One of the key components of the governance process is the segregation of duties between the Front Office and Product Control. The Front Office is responsible for measuring inventory at fair value on a daily basis, while Product Control is responsible for independently reviewing and validating those valuations on a periodic basis. The Front Office values the inventory using, wherever possible, observable market data which may include executed transactions, dealer quotes or broker quotes for the same or similar instruments. Product Control validates this inventory using independently sourced data that also includes executed transactions, dealer quotes, and broker quotes.

In general, Product Control utilizes independent pricing service data as part of its review process. Independent pricing service data is analyzed to ensure that it is representative of fair value, including confirming that the data corresponds to executed transactions or executable broker quotes, review and assessment of contributors to ensure they are active market participants, review of statistical data and utilization of pricing challenges. The analysis also includes understanding the sources of the pricing service data and any models or assumptions used in determining the results. The purpose of the review is to judge the quality and reliability of the data for fair value measurement purposes and its appropriate level of usage within the Product Control independent valuation review.

For certain financial instruments the fair value is estimated in full or in part using valuation techniques based on assumptions that are not supported by market observable prices, rates or other inputs. In addition, there may be uncertainty about a valuation resulting from the choice of valuation technique or model used, the assumptions embedded in those models, the extent to which inputs are not market observable, or as a consequence of other elements affecting the valuation technique or model. Model calibration is performed when significant new market information becomes available or at a minimum on a quarterly basis as part of the business review of significant unobservable inputs for level 3 instruments. For models that have been deemed to be significant to the overall fair value of the financial instrument, model validation is performed as part of the periodic review of the related model.

The following information on the valuation techniques and significant unobservable inputs of the various financial instruments and the section "Uncertainty of fair value measurements at the reporting date from the use of significant unobservable inputs" should be read in conjunction with the tables "Assets and liabilities measured at fair value on a recurring basis", "Quantitative information about level 3 assets measured at fair value on a recurring basis" and "Quantitative information about level 3 liabilities measured at fair value on a recurring basis".

Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions

Securities purchased under resale agreements and securities sold under repurchase agreements are measured at fair value using discounted cash flow analysis. Future cash flows are discounted using observable market interest rate repurchase/resale curves for the applicable maturity and underlying collateral of the instruments. As such, the significant majority of both securities purchased under resale agreements and securities sold under repurchase agreements are included in level 2 of the fair value hierarchy. Structured resale and repurchase agreements include embedded derivatives, which are measured using the same techniques as described below for stand-alone derivative contracts held for trading purposes or used in hedge accounting relationships. If the value of the embedded derivative is determined using significant unobservable inputs, those structured resale and repurchase agreements included are classified as level 3 in the fair value hierarchy. The significant unobservable input is funding spread.

Securities purchased under resale agreements are usually fully collateralized or over-collateralized by government securities, money market instruments, corporate bonds, or other debt instruments. In the event of counterparty default, the collateral service agreement provides the Group with the right to liquidate the collateral held.

Debt securities

Foreign governments

Foreign government debt securities typically have quoted prices in active markets and are mainly categorized as level 1 instruments. Valuations of foreign government debt securities for which market prices are not available are based on yields reflecting credit rating, historical performance, delinquencies, loss severity, the maturity of the security, recent transactions in the market or other modeling techniques, which may involve judgment. Those securities where the price or model inputs are observable in the market are categorized as level 2 instruments, while those securities where prices are not observable and significant model inputs are unobservable are categorized as level 3 of the fair value hierarchy.

Corporates

Corporate bonds are priced to reflect current market levels either through recent market transactions or broker or dealer quotes. Where a market price for the particular security is not directly available, valuations are obtained based on yields reflected by other instruments in the specific or similar entity's capital structure and adjusting for differences in seniority and maturity, benchmarking to a comparable security where market data is available (taking into consideration differences in credit, liquidity and maturity), or through the application of cash flow modeling techniques utilizing observable inputs, such as current interest rate curves and observable CDS spreads. Significant unobservable inputs may include correlation and price. For securities using market comparable price, the differentiation between level 2 and level 3 is based upon the relative significance of any yield adjustments as well as the accuracy of the comparison characteristics (i.e., the observable comparable security may be in the same country but a different industry and may have a different seniority level – the lower the comparability the more likely the security will be level 3).

RMBS, CMBS and CDO securities

Fair values of RMBS, CMBS and CDO may be available through quoted prices, which are often based on the prices at which similarly structured and collateralized securities trade between dealers and to and from customers. Fair values of RMBS, CMBS and CDO for which there are significant unobservable inputs are valued using capitalization rate and discount rate. Price may not be observable for fair value measurement purposes for many reasons, such as the length of time since the last executed transaction for the related security, use of a price from a similar instrument, or use of a price from an indicative quote. Fair values determined by market comparable price may include discounted cash flow models using the inputs credit spread, default rate, discount rate, prepayment rate and loss severity. Prices from similar observable instruments are used to calculate implied inputs which are then used to value unobservable instruments using discounted cash flow. The discounted cash flow price is then compared to the unobservable prices and assessed for reasonableness.

For most structured debt securities, determination of fair value requires subjective assessment depending on liquidity, ownership concentration, and the current economic and competitive environment. Valuation is determined based on the Front Office's own assumptions about how market participants would price the asset. Collateralized bond and loan obligations are split into various structured tranches and each tranche is valued based upon its individual rating and the underlying collateral supporting the structure. Valuation models are used to value both cash and synthetic CDOs.

Equity securities
The majority of the Group's positions in equity securities are traded on public stock exchanges for which quoted prices are readily and regularly available and are therefore categorized as level 1 instruments. Level 2 and level 3 equities include fund-linked products, convertible bonds or equity securities with restrictions that are not traded in active markets. Significant unobservable inputs may include earnings before interest, taxes, depreciation and amortization (EBITDA) multiple and market comparable price.

Derivatives
Derivatives held for trading purposes or used in hedge accounting relationships include both OTC and exchange-traded derivatives. The fair values of exchange-traded derivatives measured using observable exchange prices are included in level 1 of the fair value hierarchy. For exchange-traded derivatives where the volume of trading is low, the observable exchange prices may not be considered executable at the reporting date. These derivatives are valued in the same manner as similar OTC derivatives with observable inputs to valuation and are included in level 2 of the fair value hierarchy. If the significant inputs used to determine the fair value of the similar OTC derivative are not observable, the exchange-traded derivative is included in level 3 of the fair value hierarchy.

The fair values of OTC derivatives are determined on the basis of either industry standard models or internally developed proprietary models. Both model types use various observable and unobservable inputs in order to determine fair value. The inputs include those characteristics of the derivative that have a bearing on the economics of the instrument. The determination of the fair value of many derivatives involves only a limited degree of subjectivity because the required inputs are observable in the marketplace, while more complex derivatives may use unobservable inputs that rely on specific proprietary modeling assumptions. Where observable inputs (prices from exchanges, dealers, brokers or market consensus data providers) are not available, attempts are made to infer values from observable prices through model calibration (spot and forward rates, mean reversion, benchmark interest rate curves and volatility inputs for commonly traded option products). For inputs that cannot be derived from other sources, estimates from historical data may be made. OTC derivatives where the majority of the value is derived from market observable inputs are categorized as level 2 instruments, while those where the majority of the value is derived from unobservable inputs are categorized as level 3 of the fair value hierarchy.

The valuation of derivatives includes an adjustment for the cost of funding uncollateralized OTC derivatives.

Interest rate derivatives
OTC vanilla interest rate products, such as interest rate swaps, swaptions and caps and floors are valued by discounting the anticipated future cash flows. The future cash flows and discounting are derived from market standard yield curves and industry standard volatility inputs. Where applicable, exchange-traded prices are also used to value exchange-traded futures and options and can be used in yield curve construction. For more complex products, inputs include, but are not limited to basis spread, correlation, credit spread, prepayment rate and volatility skew.

Foreign exchange derivatives
Foreign exchange derivatives include vanilla products such as spot, forward and option contracts where the anticipated discounted future cash flows are determined from foreign exchange forward curves and industry standard optionality modeling techniques. Where applicable, exchange-traded prices are also used for futures and option prices. For more complex products inputs include, but are not limited to, contingent probability, correlation and prepayment rate.

Equity and index-related derivatives
Equity derivatives include a variety of products ranging from vanilla options and swaps to exotic structures with bespoke payoff profiles. The main inputs in the valuation of equity derivatives may include buyback probability, correlation, gap risk, price and volatility.

Generally, the interrelationship between the correlation and volatility is positively correlated.

Credit derivatives
Credit derivatives include index, single-name and multi-name CDS in addition to more complex structured credit products. Vanilla products are valued using industry standard models and inputs that are generally market observable including credit spread and recovery rate.

Complex structured credit derivatives are valued using proprietary models requiring inputs such as correlation, credit spread, funding spread, loss severity, prepayment rate and recovery rate. These inputs are generally implied from available market observable data.

Other trading assets
Other trading assets primarily include life settlement and premium finance instruments and RMBS loans. Life settlement and premium finance instruments are valued using proprietary models with several inputs. The significant unobservable inputs of the fair

value for life settlement and premium finance instruments is the estimate of market implied life expectancy, while for RMBS loans it is market comparable price.

For life settlement and premium finance instruments, individual life expectancy rates are typically obtained by multiplying a base mortality curve for the general insured population provided by a professional actuarial organization together with an individual-specific multiplier. Individual-specific multipliers are determined based on data from third-party life expectancy data providers, which examine the insured individual's medical conditions, family history and other factors to arrive at a life expectancy estimate.

For RMBS loans, the use of market comparable price varies depending upon each specific loan. For some loans, similar to unobservable RMBS securities, prices from similar observable instruments are used to calculate implied inputs which are then used to value unobservable instruments using discounted cash flow. The discounted cash flow price is then compared to the unobservable prices and assessed for reasonableness. For other RMBS loans, the loans are categorized by specific characteristics, such as loan-to-value ratio, average account balance, loan type (single or multi-family), lien, seasoning, coupon, FICO score, locality, delinquency status, cash flow velocity, roll rates, loan purpose, occupancy, servicers advance agreement type, modification status, Federal Housing Administration insurance, property value and documentation quality. Loans with unobservable prices are put into consistent buckets which are then compared to market observable comparable prices in order to assess the reasonableness of those unobservable prices.

Other investments

Private equity funds, hedge funds and equity method investment funds

Equity method investment funds principally include equity investments in the form of a) direct investments in third-party hedge funds, private equity funds and funds of funds, b) equity method investments where the Group has the ability to significantly influence the operating and financial policies of the investee, and c) direct investments in non-marketable equity securities.

Direct investments in third-party hedge funds, private equity funds and funds of funds are measured at fair value based on their published NAVs as permitted by ASC Topic 820 – Fair Value Measurement. In some cases, NAVs may be adjusted where there is sufficient evidence that the NAV published by the investment manager is not in line with the fund's observable market data, it is probable that the investment will be sold for an amount other than NAV or other circumstances exist that would require an adjustment to the published NAV. Although rarely adjusted, significant judgment is involved in making any adjustments to the published NAVs. The investments for which the fair value is measured using the NAV practical expedient are not categorized within the fair value hierarchy.

Direct investments in non-marketable equity securities consist of both real estate investments and non-real estate investments. Equity-method investments and direct investments in non-marketable equity securities are initially measured at their transaction price, as this is the best estimate of fair value. Thereafter, these investments are individually measured at fair value based upon a number of factors that include any recent rounds of financing involving third-party investors, comparable company transactions, multiple analyses of cash flows or book values, or discounted cash flow analyses. The availability of information used in these modeling techniques is often limited and involves significant judgment in evaluating these different factors over time. As a result, these investments are included in level 3 of the fair value hierarchy.

Life finance instruments

Life finance instruments include single premium immediate annuities (SPIA) and other premium finance instruments. Life finance instruments are valued in a similar manner as described for life settlement and premium finance instruments under the other trading assets section above.

Loans

The Group's loan portfolio which is measured at fair value primarily consists of commercial and industrial loans and loans to financial institutions. Within these categories, loans measured at fair value include commercial loans, real estate loans, corporate loans, leverage finance loans and emerging market loans. Fair value is based on recent transactions and quoted prices, where available. Where recent transactions and quoted prices are not available, fair value may be determined by relative value benchmarking (which includes pricing based upon another position in the same capital structure, other comparable loan issues, generic industry credit spreads, implied credit spreads derived from CDS for the specific borrower, and enterprise valuations) or calculated based on the exit price of the collateral, based on current market conditions.

Both the funded and unfunded portion of revolving credit lines on the corporate lending portfolio are valued using a loan pricing model, which requires estimates of significant inputs including credit conversion factors, credit spreads, recovery rates and weighted average life of the loan. Significant unobservable inputs may include credit spread and price.

The Group's other assets and liabilities include mortgage loans held in conjunction with securitization activities and assets and liabilities of VIEs and mortgage securitizations that do not meet the criteria for sale treatment under US GAAP. The fair value of mortgage loans held in conjunction with securitization activities is determined on a whole-loan basis and is consistent with the valuation of RMBS loans discussed in "Other trading assets" above. Whole-loan valuations are calculated based on the exit price reflecting the current market conditions. The fair value of assets and liabilities of VIEs and mortgage securitizations that do not meet the criteria for sale treatment under US GAAP are determined based on the quoted prices for securitized bonds, where available, or on cash flow analyses for securitized bonds, when quoted prices are not available. The fair value of the consolidated financial assets of RMBS and CMBS securitization vehicles, which qualify as collateralized financing entities, are measured on the basis of the more observable fair value of the VIEs' financial liabilities.

Short-term borrowings and long-term debt

The Group's short-term borrowings and long-term debt include structured notes (hybrid financial instruments that are both bifurcatable and non-bifurcatable) and vanilla debt. The fair value of structured notes is based on quoted prices, where available. When quoted prices are not available, fair value is determined by using a discounted cash flow model incorporating the Group's credit spreads, the value of derivatives embedded in the debt and the residual term of the issuance based on call options. Derivatives structured into the issued debt are valued consistently with the Group's stand-alone derivative contracts held for trading purposes or used in hedge accounting relationships as discussed above. The fair value of structured debt is heavily influenced by the combined call options and performance of the underlying derivative returns. Significant unobservable inputs for short-term borrowings and long-term debt include buyback probability, correlation, credit spread, gap risk, mean reversion, price, recovery rate and volatility.

Generally, the interrelationships between correlation, credit spread, gap risk and volatility inputs are positively correlated.

Other liabilities

Failed sales

These liabilities represent the financing of assets that did not achieve sale accounting treatment under US GAAP. Failed sales are valued in a manner consistent with the related underlying financial instruments.

Assets and liabilities measured at fair value on a recurring basis

end of 2022	Level 1	Level 2	Level 3	Netting impact [1]	Assets measured at net asset value per share [2]	Total
Assets (CHF million)						
Cash and due from banks	0	198	0	–	–	198
Interest-bearing deposits with banks	0	14	0	–	–	14
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	100	40,693	0	–	–	40,793
Securities received as collateral	2,318	660	0	–	–	2,978
Trading assets	33,697	104,234	3,828	(76,841)	543	65,461
of which debt securities	13,084	22,862	1,211	–	31	37,188
of which foreign governments	10,117	5,597	86	–	–	15,800
of which corporates	2,718	4,572	413	–	31	7,734
of which RMBS	5	10,417	444	–	–	10,866
of which CDO	197	941	216	–	–	1,354
of which equity securities	11,745	676	222	–	512	13,155
of which derivatives	7,571	78,710	1,661	(76,841)	–	11,101
of which interest rate products	1,617	31,051	671	–	–	–
of which foreign exchange products	24	25,466	17	–	–	–
of which equity/index-related products	5,927	18,669	295	–	–	–
of which credit derivatives	0	3,059	130	–	–	–
of which other derivatives	0	196	548	–	–	–
of which other trading assets	1,297	1,986	734	–	–	4,017
Investment securities	2	795	0	–	–	797
Other investments	0	17	3,312	–	401	3,730
of which other equity investments	0	17	2,724	–	328	3,069
of which life finance instruments	0	0	587	–	–	587
Loans	0	6,318	1,040	–	–	7,358
of which commercial and industrial loans	0	2,381	300	–	–	2,681
of which financial institutions	0	2,591	398	–	–	2,989
of which government and public institutions	0	1,112	254	–	–	1,366
Other intangible assets (mortgage servicing rights)	0	44	359	–	–	403
Other assets	78	8,315	773	(220)	–	8,946
of which failed purchases	54	664	12	–	–	730
of which loans held-for-sale	0	7,165	648	–	–	7,813
Total assets at fair value	**36,195**	**161,288**	**9,312**	**(77,061)**	**944**	**130,678**

1 Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable master netting agreements.
2 In accordance with US GAAP, certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheet.

Assets and liabilities measured at fair value on a recurring basis (continued)

end of 2022	Level 1	Level 2	Level 3	Netting impact [1]	Liabilities measured at net asset value per share [2]	Total
Liabilities (CHF million)						
Due to banks	0	490	0	–	–	490
Customer deposits	0	2,212	252	–	–	2,464
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	14,042	0	–	–	14,042
Obligation to return securities received as collateral	2,318	660	0	–	–	2,978
Trading liabilities	13,131	83,348	1,881	(80,022)	–	18,338
of which short positions	6,557	2,595	16	–	–	9,168
of which debt securities	3,229	2,232	1	–	–	5,462
of which foreign governments	3,150	272	0	–	–	3,422
of which corporates	53	1,957	1	–	–	2,011
of which equity securities	3,328	363	15	–	–	3,706
of which derivatives	6,574	80,753	1,640	(80,022)	–	8,945
of which interest rate products	1,566	30,288	118	–	–	–
of which foreign exchange products	20	26,176	1	–	–	–
of which equity/index-related products	4,981	20,731	1,083	–	–	–
of which credit derivatives	0	3,157	242	–	–	–
of which other derivatives	4	211	196	–	–	–
of which other trading liabilities	0	0	225	–	–	225
Short-term borrowings	0	6,330	453	–	–	6,783
Long-term debt	0	52,014	6,707	–	–	58,721
of which structured notes over one year and up to two years	0	10,697	439	–	–	11,136
of which structured notes over two years	0	23,409	4,307	–	–	27,716
of which other debt instruments over two years	0	2,961	1,728	–	–	4,689
of which high-trigger instruments	0	7,528	0	–	–	7,528
Other liabilities	133	3,808	203	(1,844)	–	2,300
Total liabilities at fair value	**15,582**	**162,904**	**9,496**	**(81,866)**	**–**	**106,116**

1 Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable master netting agreements.
2 In accordance with US GAAP, certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheet.

Assets and liabilities measured at fair value on a recurring basis (continued)

end of 2021	Level 1	Level 2	Level 3	Netting impact [1]	Assets measured at net asset value per share [2]	Total
Assets (CHF million)						
Cash and due from banks	0	308	0	–	–	308
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	68,623	0	–	–	68,623
Securities received as collateral	13,848	1,155	14	–	–	15,017
Trading assets	54,085	146,521	4,503	(94,633)	665	111,141
of which debt securities	12,191	40,700	1,225	–	82	54,198
of which foreign governments	11,996	11,377	35	–	–	23,408
of which corporates	72	8,958	478	–	82	9,590
of which RMBS	0	17,033	424	–	–	17,457
of which equity securities	34,282	1,486	195	–	583	36,546
of which derivatives	6,224	103,781	2,187	(94,633)	–	17,559
of which interest rate products	721	47,934	624	–	–	–
of which foreign exchange products	123	20,686	53	–	–	–
of which equity/index-related products	5,348	29,808	212	–	–	–
of which other derivatives	0	196	1,034	–	–	–
of which other trading assets	1,388	554	896	–	–	2,838
Investment securities	2	1,003	0	–	–	1,005
Other investments	0	23	3,666	–	405	4,094
of which other equity investments	0	23	2,863	–	351	3,237
of which life finance instruments	0	0	789	–	–	789
Loans	0	8,709	1,534	–	–	10,243
of which commercial and industrial loans	0	2,267	717	–	–	2,984
of which financial institutions	0	3,840	465	–	–	4,305
of which government and public institutions	0	1,747	289	–	–	2,036
Other intangible assets (mortgage servicing rights)	0	57	167	–	–	224
Other assets	121	8,750	694	(381)	–	9,184
of which failed purchases	98	1,135	11	–	–	1,244
of which loans held-for-sale	0	6,818	562	–	–	7,380
Total assets at fair value	**68,056**	**235,149**	**10,578**	**(95,014)**	**1,070**	**219,839**

1 Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable master netting agreements.
2 In accordance with US GAAP, certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheet.

Assets and liabilities measured at fair value on a recurring basis (continued)

end of 2021	Level 1	Level 2	Level 3	Netting impact [1]	Liabilities measured at net asset value per share [2]	Total
Liabilities (CHF million)						
Due to banks	0	477	0	–	–	477
Customer deposits	0	3,306	394	–	–	3,700
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	13,213	0	–	–	13,213
Obligation to return securities received as collateral	13,848	1,155	14	–	–	15,017
Trading liabilities	19,419	105,828	2,809	(100,522)	1	27,535
of which short positions	11,689	4,974	25	–	1	16,689
of which debt securities	2,809	4,865	3	–	–	7,677
of which foreign governments	2,667	968	0	–	–	3,635
of which corporates	113	3,839	3	–	–	3,955
of which equity securities	8,880	109	22	–	1	9,012
of which derivatives	7,730	100,854	2,542	(100,522)	–	10,604
of which interest rate products	776	44,003	26	–	–	–
of which foreign exchange products	133	22,646	57	–	–	–
of which equity/index-related products	6,812	27,919	1,787	–	–	–
of which other trading liabilities	0	0	242	–	–	242
Short-term borrowings	0	9,658	1,032	–	–	10,690
Long-term debt	0	59,046	9,676	–	–	68,722
of which structured notes over one year and up to two years	0	11,036	1,464	–	–	12,500
of which structured notes over two years	0	24,168	6,318	–	–	30,486
of which other debt instruments over two years	0	3,223	1,854	–	–	5,077
of which high-trigger instruments	0	10,702	0	–	–	10,702
Other liabilities	348	2,031	518	(305)	–	2,592
Total liabilities at fair value	**33,615**	**194,714**	**14,443**	**(100,827)**	**1**	**141,946**

1 Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable master netting agreements.

2 In accordance with US GAAP, certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheet.

Assets and liabilities measured at fair value on a recurring basis for level 3

2022	Balance at beginning of period	Transfers in	Transfers out	Purchases	Sales	Issuances	Settlements
Assets (CHF million)							
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	0	0	0	0	3	(3)
Securities received as collateral	14	0	0	0	(14)	0	0
Trading assets	4,503	1,818	(2,057)	5,563	(5,184)	967	(1,076)
of which debt securities	1,225	1,206	(1,090)	4,622	(4,185)	0	0
of which corporates	478	452	(582)	3,933	(3,342)	0	0
of which RMBS	424	312	(179)	306	(564)	0	0
of which CDO	245	201	(138)	103	(148)	0	0
of which derivatives	2,187	406	(824)	0	0	967	(918)
of which interest rate products	624	11	(182)	0	0	89	(66)
of which equity/index-related products	212	262	(416)	0	0	473	(284)
of which credit derivatives	264	115	(189)	0	0	65	(142)
of which other derivatives	1,034	9	(4)	0	0	330	(317)
of which other trading assets	896	27	(51)	827	(923)	0	(158)
Other investments	3,666	69	(13)	65	(207)	0	0
of which other equity investments	2,863	69	0	37	(17)	0	0
of which life finance instruments	789	0	0	28	(182)	0	0
Loans	1,534	566	(470)	16	(45)	63	(667)
of which commercial and industrial loans	717	163	(327)	0	(18)	4	(218)
of which financial institutions	465	141	(41)	15	(15)	58	(293)
of which government and public institutions	289	91	(39)	1	0	1	(72)
Other intangible assets (mortgage servicing rights)	167	187	0	0	0	0	0
Other assets	694	452	(289)	743	(593)	157	(417)
of which loans held-for-sale	562	379	(232)	724	(591)	157	(415)
Total assets at fair value	**10,578**	**3,092**	**(2,829)**	**6,387**	**(6,043)**	**1,190**	**(2,163)**
Liabilities (CHF million)							
Customer deposits	394	0	0	0	0	0	(18)
Obligation to return securities received as collateral	14	0	0	0	(14)	0	0
Trading liabilities	2,809	1,784	(1,381)	33	(106)	844	(2,066)
of which derivatives	2,542	1,651	(1,353)	0	0	844	(2,066)
of which equity/index-related products	1,787	615	(1,027)	0	0	476	(520)
of which credit derivatives	374	991	(201)	0	0	176	(1,329)
of which other derivatives	298	0	(5)	0	0	143	(174)
Short-term borrowings	1,032	204	(684)	0	0	785	(815)
Long-term debt	9,676	3,088	(6,609)	0	0	7,730	(5,575)
of which structured notes over two years	6,318	2,502	(4,930)	0	0	6,589	(4,729)
of which other debt instruments over two years	1,854	0	0	0	0	166	(279)
Other liabilities	518	126	(305)	22	(89)	110	(136)
Total liabilities at fair value	**14,443**	**5,202**	**(8,979)**	**55**	**(209)**	**9,469**	**(8,610)**
Net assets/(liabilities) at fair value	**(3,865)**	**(2,110)**	**6,150**	**6,332**	**(5,834)**	**(8,279)**	**6,447**

1 Changes in unrealized gains/(losses) on total assets at fair value and changes in unrealized (gains)/losses on total liabilities at fair value relating to assets and liabilities held at period end are included in net revenues or accumulated other comprehensive income. As of 2022, changes in net unrealized gains/(losses) of CHF (472) million and CHF (50) million were recorded in trading revenues and other revenues, respectively, and changes in unrealized (gains)/losses of CHF 413 million were recorded in gains/(losses) on liabilities relating to credit risk in accumulated other comprehensive income/(loss).

	Trading revenues		Other revenues		Accumulated other comprehensive income				
	On transfers out	On all other	On transfers out	On all other	On transfers out	On all other	Foreign currency translation impact	**Balance at end of period**	Changes in unrealized gains/losses [1]
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	83	(847)	0	(9)	0	0	67	3,828	(193)
	(106)	(499)	0	(9)	0	0	47	1,211	215
	(97)	(464)	0	0	0	0	35	413	226
	3	133	0	0	0	0	9	444	4
	(5)	(39)	0	(9)	0	0	6	216	(6)
	144	(301)	0	0	0	0	0	1,661	(328)
	(5)	229	0	0	0	0	(29)	671	166
	106	(55)	0	0	0	0	(3)	295	2
	31	(19)	0	0	0	0	5	130	1
	4	(537)	0	0	0	0	29	548	(489)
	6	94	0	0	0	0	16	734	(123)
	0	(253)	0	(57)	0	0	42	3,312	(95)
	0	(190)	0	(65)	0	0	27	2,724	(50)
	0	(63)	0	0	0	0	15	587	(45)
	39	(46)	0	(6)	0	0	56	1,040	(92)
	12	(50)	0	(6)	0	0	23	300	(74)
	16	29	0	0	0	0	23	398	9
	1	(24)	0	0	0	0	6	254	(25)
	0	4	0	0	0	0	1	359	4
	46	(49)	0	3	0	0	26	773	(31)
	15	26	0	0	0	0	23	648	(15)
	168	**(1,191)**	**0**	**(69)**	**0**	**0**	**192**	**9,312**	**(407)**
	0	(49)	0	0	0	(57)	(18)	252	(120)
	0	0	0	0	0	0	0	0	0
	52	(165)	0	0	0	0	77	1,881	224
	51	(98)	0	0	0	0	69	1,640	216
	(5)	(273)	0	0	0	0	30	1,083	(38)
	26	172	0	0	0	0	33	242	152
	3	(79)	0	0	0	0	10	196	(5)
	(75)	(8)	0	0	0	0	14	453	9
	(557)	(785)	0	0	(51)	(350)	140	6,707	(422)
	(418)	(737)	0	0	(49)	(344)	105	4,307	(487)
	0	(38)	0	0	0	0	25	1,728	83
	82	(90)	(46)	1	0	0	10	203	11
	(498)	**(1,097)**	**(46)**	**1**	**(51)**	**(407)**	**223**	**9,496**	**(298)**
	666	**(94)**	**46**	**(70)**	**51**	**407**	**(31)**	**(184)**	**(109)**

Assets and liabilities measured at fair value on a recurring basis for level 3 (continued)

2021	Balance at beginning of period	Transfers in	Transfers out	Purchases	Sales	Issuances	Settlements
Assets (CHF million)							
Securities received as collateral	101	0	0	73	(164)	0	0
Trading assets	7,535	1,345	(3,413)	4,867	(5,685)	874	(1,629)
of which debt securities	2,253	878	(1,701)	3,668	(4,141)	0	0
of which corporates	1,270	471	(747)	2,753	(3,483)	0	0
of which RMBS	557	158	(615)	654	(385)	0	0
of which derivatives	3,911	314	(1,551)	0	0	874	(1,514)
of which interest rate products	733	58	(222)	0	0	175	(79)
of which other derivatives	1,079	1	0	0	0	311	(325)
of which other trading assets	1,247	31	(90)	1,035	(1,371)	0	(115)
Other investments	3,054	99	(758)	1,517	(663)	0	0
of which other equity investments	2,132	65	(757)	1,482	(448)	0	0
of which life finance instruments	920	0	0	33	(188)	0	0
Loans	3,669	257	(1,315)	362	(194)	207	(1,620)
of which commercial and industrial loans	1,347	213	(364)	10	(133)	162	(643)
of which financial institutions	1,082	43	(340)	0	(42)	34	(409)
of which government and public institutions	729	1	(298)	0	(1)	(1)	(68)
Other intangible assets (mortgage servicing rights)	180	0	0	22	0	0	0
Other assets	1,825	370	(902)	3,447	(3,269)	120	(924)
of which loans held-for-sale	1,576	360	(855)	3,394	(3,222)	120	(921)
Total assets at fair value	**16,364**	**2,071**	**(6,388)**	**10,288**	**(9,975)**	**1,201**	**(4,173)**
Liabilities (CHF million)							
Customer deposits	448	0	0	0	0	0	0
Obligation to return securities received as collateral	101	0	0	73	(164)	0	0
Trading liabilities	4,246	1,007	(2,703)	45	(56)	1,135	(1,498)
of which derivatives	3,937	838	(2,553)	0	0	1,135	(1,498)
of which equity/index-related products	2,010	562	(1,498)	0	0	581	(644)
Short-term borrowings	701	359	(550)	0	0	1,766	(1,363)
Long-term debt	7,268	4,767	(6,677)	0	0	11,323	(6,863)
of which structured notes over one year and up to two years	1,133	1,802	(1,979)	0	0	2,052	(1,663)
of which structured notes over two years	5,526	2,965	(4,314)	0	0	7,540	(5,038)
of which other debt instruments over two years	165	0	(2)	0	0	1,616	(36)
Other liabilities	1,271	21	(556)	51	(89)	116	(501)
Total liabilities at fair value	**14,035**	**6,154**	**(10,486)**	**169**	**(309)**	**14,340**	**(10,225)**
Net assets/(liabilities) at fair value	**2,329**	**(4,083)**	**4,098**	**10,119**	**(9,666)**	**(13,139)**	**6,052**

1 Changes in unrealized gains/(losses) on total assets at fair value and changes in unrealized (gains)/losses on total liabilities at fair value relating to assets and liabilities held at period end are included in net revenues or accumulated other comprehensive income. As of 2021, changes in net unrealized gains/(losses) of CHF (841) million and CHF 82 million were recorded in trading revenues and other revenues, respectively, and changes in unrealized (gains)/losses of CHF 3 million were recorded in gains/(losses) on liabilities relating to credit risk in accumulated other comprehensive income/(loss).

	Trading revenues		Other revenues		Accumulated other comprehensive income				
	On transfers out	On all other	On transfers out	On all other	On transfers out	On all other	Foreign currency translation impact	**Balance at end of period**	Changes in unrealized gains/losses [1]
	0	0	0	0	0	0	4	14	0
	(133)	509	0	(1)	0	0	234	4,503	52
	(331)	509	0	(1)	0	0	91	1,225	103
	(321)	472	0	0	0	0	63	478	154
	(25)	59	0	0	0	0	21	424	(15)
	79	(16)	0	0	0	0	90	2,187	116
	(8)	(14)	0	0	0	0	(19)	624	141
	0	(73)	0	0	0	0	41	1,034	(81)
	62	49	0	0	0	0	48	896	(96)
	0	86	0	267	0	0	64	3,666	120
	0	96	0	263	0	0	30	2,863	80
	0	(10)	0	0	0	0	34	789	39
	7	55	0	(3)	0	0	109	1,534	(59)
	19	74	0	(3)	0	0	35	717	6
	1	70	0	0	0	0	26	465	27
	(12)	(88)	0	0	0	0	27	289	(87)
	0	0	0	(42)	0	0	7	167	(42)
	14	(41)	0	0	0	0	54	694	(137)
	25	41	0	0	0	0	44	562	(104)
	(112)	**609**	**0**	**221**	**0**	**0**	**472**	**10,578**	**(66)**
	0	(18)	0	0	0	(14)	(22)	394	(29)
	0	0	0	0	0	0	4	14	0
	340	138	0	0	0	0	155	2,809	653
	340	201	0	0	0	0	142	2,542	644
	353	352	0	0	0	0	71	1,787	712
	(35)	128	0	0	0	0	26	1,032	72
	(38)	(316)	0	(5)	0	(50)	267	9,676	(32)
	(26)	104	0	0	(1)	(1)	43	1,464	(2)
	11	(528)	0	0	1	(47)	202	6,318	(312)
	0	105	0	0	0	0	6	1,854	306
	10	(28)	113	66	0	0	44	518	26
	277	**(96)**	**113**	**61**	**0**	**(64)**	**474**	**14,443**	**690**
	(389)	**705**	**(113)**	**160**	**0**	**64**	**(2)**	**(3,865)**	**(756)**

Both observable and unobservable inputs may be used to determine the fair value of positions that have been classified within level 3. As a result, the unrealized gains and losses for assets and liabilities within level 3 presented in the table above may include changes in fair value that were attributable to both observable and unobservable inputs.

The Group employs various economic hedging techniques in order to manage risks, including risks in level 3 positions. Such techniques may include the purchase or sale of financial instruments that are classified in levels 1 and/or 2. The realized and unrealized gains and losses for assets and liabilities in level 3 presented in the table above do not reflect the related realized or unrealized gains and losses arising on economic hedging instruments classified in levels 1 and/or 2.

The Group typically uses nonfinancial assets measured at fair value on a recurring or nonrecurring basis in a manner that reflects their highest and best use.

Transfers in and out of level 3

Transfers into level 3 assets during 2022 were CHF 3,092 million, primarily from trading assets, loans and loans held-for-sale. The transfers were primarily in the GTS, securitized products and APAC Financing Group businesses due to limited observability of pricing data and reduced pricing information from external providers. Transfers out of level 3 assets during 2022 were CHF 2,829 million, primarily in trading assets, loans and loans held-for-sale. The transfers out of level 3 assets were primarily in the GTS and securitized products businesses due to improved observability of pricing data and increased availability of pricing information from external providers.

Transfers into level 3 liabilities during 2022 were CHF 5,202 million, primarily from long-term debt and trading liabilities. These transfers were primarily in structured notes over two years and derivatives arising from a change in the observability of pricing data. Transfers out of level 3 liabilities of CHF 8,979 million in 2022 were primarily from long-term debt and trading liabilities. These transfers were primarily in structured notes over two years and derivatives arising from a change in the observability of pricing data.

Transfers into level 3 assets during 2021 were CHF 2,071 million, primarily from trading assets and loans held-for-sale. The transfers were primarily in the GTS, credit and securitized products businesses due to limited observability of pricing data and reduced pricing information from external providers. Transfers out of level 3 assets during 2021 were CHF 6,388 million, primarily in trading assets, loans and loans held-for-sale. The transfers out of level 3 assets were primarily in the GTS, securitized products and Asia Pacific strategic products businesses due to improved observability of pricing data and increased availability of pricing information from external providers.

Uncertainty of fair value measurements at the reporting date from the use of significant unobservable inputs

For level 3 assets with a significant unobservable input of buyback probability, contingent probability, dividend yield, funding spread, mortality rate, price, recovery rate, UK mortality, unadjusted NAV and volatility, in general, an increase in the significant unobservable input would increase the fair value. For level 3 assets with a significant unobservable input of correlation, credit spread, default rate, discount rate, fund gap risk, gap risk, market implied life expectancy (for life settlement and premium finance instruments), mean reversion, prepayment rate and tax swap rate, in general, an increase in the significant unobservable input would decrease the fair value.

For level 3 liabilities, in general, an increase in the related significant unobservable inputs would have the inverse impact on fair value. An increase in the significant unobservable input contingent probability, credit spread, fund gap risk, gap risk, market implied life expectancy (for life settlement and premium finance instruments), mortality rate and price would increase the fair value. An increase in the significant unobservable input buyback probability, correlation, discount rate, dividend yield, mean reversion, prepayment rate, recovery rate, UK mortality, unadjusted NAV and volatility would decrease the fair value.

Interrelationships between significant unobservable inputs

Except as noted above, there are no material interrelationships between the significant unobservable inputs for the financial instruments. As the significant unobservable inputs move independently, generally an increase or decrease in one significant unobservable input will have no impact on the other significant unobservable inputs.

Quantitative disclosures of valuation techniques

The following tables provide the representative range of minimum and maximum values and the associated weighted averages of each significant unobservable input for level 3 assets and liabilities by the related valuation technique most significant to the related financial instrument.

Quantitative information about level 3 assets measured at fair value on a recurring basis

end of 2022	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average [1]
CHF million, except where indicated						
Trading assets	3,828					
of which debt securities	1,211					
of which corporates	413					
of which	118	Discounted cash flow	Credit spread, in bp	10	7,589	620
			Price, in %	0	101	53
of which	75	Market comparable	Price, in %	0	101	51
			Price, in actuals	1	218	29
of which	216	Price	Price, in %	30	126	87
			Price, in actuals	0	11,640	2,203
of which RMBS	444	Discounted cash flow	Discount rate, in %	3	33	12
of which derivatives	1,661					
of which interest rate products	671					
of which	1	Discounted cash flow	Volatility, in %	95	110	103
of which	662	Option model	Contingent probability, in %	95	95	95
			Correlation, in %	(4)	100	73
			Mean reversion, in % [2]	25	25	25
			Prepayment rate, in %	14	19	17
			Volatility, in %	(3)	1	(1)
of which other derivatives	548	Discounted cash flow	Market implied life expectancy, in years	2	13	6
			UK Mortality, in %	74	139	99
of which other trading assets	734					
of which	458	Discounted cash flow	Market implied life expectancy, in years	3	13	6
			Tax swap rate, in %	30	30	30
of which	251	Market comparable	Price, in %	0	109	27
of which	25	Option model	Mortality rate, in %	0	70	6
Other investments	3,312					
of which other equity investments	2,724					
of which	2,443	Market comparable	Price, in actuals	0	275	109
of which	174	Price	Price, in actuals	1	15	13
of which	46	Discounted cash flow	Discount rate, in %	8	8	8
of which life finance instruments	587	Discounted cash flow	Market implied life expectancy, in years	2	15	6
Loans	1,040					
of which commercial and industrial loans	300					
of which	124	Discounted cash flow	Credit spread, in bp	280	2,596	756
of which	22	Market comparable	Price, in %	74	74	74
of which	153	Price	Price, in %	6	100	53
of which financial institutions	398					
of which	282	Discounted cash flow	Credit spread, in bp	242	1,278	497
of which	115	Price	Price, in %	22	72	66
of which government and public institutions	254					
of which	158	Discounted cash flow	Credit spread, in bp	534	1,339	680
of which	96	Price	Price, in %	35	42	36
Other assets	773					
of which loans held-for-sale	648					
of which	258	Discounted cash flow	Credit spread, in bp	299	594	368
			Recovery rate, in %	55	55	55
of which	363	Market comparable	Price, in %	0	145	78
of which	14	Price	Price, in %	0	79	59

1 Weighted average is calculated based on the fair value of the instruments.
2 Management's best estimate of the speed at which interest rates will revert to the long-term average.

Quantitative information about level 3 assets measured at fair value on a recurring basis (continued)

end of 2021	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average [1]
CHF million, except where indicated						
Trading assets	4,503					
of which debt securities	1,225					
of which corporates	478					
of which	124	Discounted cash flow	Credit spread, in bp	50	1,290	701
			Price, in %	0	100	47
			Recovery rate, in %	39	39	1
of which	107	Market comparable	Price, in %	0	110	63
of which	55	Option model	Correlation, in %	(50)	100	68
			Fund gap risk, in % [2]	0	3	1
			Volatility, in %	0	163	17
of which	69	Price	Price, in %	35	120	92
of which	145	Vendor price	Price, in actuals	0	123	79
of which RMBS	424	Discounted cash flow	Discount rate, in %	1	29	13
of which derivatives	2,187					
of which interest rate products	624					
of which	6	Discounted cash flow	Funding spread, in bp	109	166	127
			Volatility, in %	0	100	97
of which	612	Option model	Correlation, in %	(4)	100	9
			Mean reversion, in % [3]	(55)	(8)	0
			Prepayment rate, in %	0	21	17
			Volatility, in %	(3)	1	0
of which other derivatives	1,034	Discounted cash flow	Market implied life expectancy, in years	2	14	6
			Mortality rate, in %	73	138	99
of which other trading assets	896					
of which	611	Discounted cash flow	Market implied life expectancy, in years	3	14	7
			Tax swap rate, in %	30	30	30
of which	189	Market comparable	Price, in %	0	130	34
of which	93	Option model	Mortality rate, in %	0	70	6
Other investments	3,666					
of which other equity investments	2,863					
of which	929	Adjusted NAV	Price, in actuals	287	287	287
of which	1,919	Price	Price, in actuals	1	1,292	54
of which life finance instruments	789	Discounted cash flow	Market implied life expectancy, in years	2	16	6
Loans	1,534					
of which commercial and industrial loans	717					
of which	474	Discounted cash flow	Credit spread, in bp	184	3,325	809
of which	6	Market comparable	Price, in %	19	19	19
of which	209	Price	Price, in %	0	100	50
of which financial institutions	465					
of which	327	Discounted cash flow	Credit spread, in bp	0	3,212	921
of which	158	Price	Price, in %	14	76	31
Other assets	694					
of which loans held-for-sale	562					
of which	281	Discounted cash flow	Credit spread, in bp	0	563	314
of which	254	Market comparable	Price, in %	0	139	67
of which	16	Price	Price, in %	0	75	54

1 Weighted average is calculated based on the fair value of the instruments.
2 Risk of unexpected large declines in the underlying values occurring between collateral settlement dates.
3 Management's best estimate of the speed at which interest rates will revert to the long-term average.

Quantitative information about level 3 liabilities measured at fair value on a recurring basis

end of 2022	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average [1]
CHF million, except where indicated						
Trading liabilities	1,881					
of which derivatives	1,640					
of which equity/index-related products	1,083					
of which	1,040	Option model	Correlation, in %	(50)	100	71
			Dividend yield, in %	0	13	5
			Fund gap risk, in % [2]	0	2	0
			Volatility, in %	5	148	29
of which	31	Price	Price, in actuals	0	1,197	34
of which credit derivatives	242					
of which	162	Discounted cash flow	Credit spread, in bp	3	2,149	341
			Discount rate, in %	6	17	11
			Recovery rate, in %	10	100	69
of which	9	Market comparable	Price, in %	71	101	86
of which	10	Option model	Credit spread, in bp	47	1,528	194
of which	3	Price	Price, in %	74	102	101
of which other derivatives	196	Discounted cash flow	Market implied life expectancy, in years	2	18	6
			UK Mortality, in %	74	103	97
Short-term borrowings	453					
of which	8	Discounted cash flow	Credit spread, in bp	142	276	267
of which	338	Option model	Correlation, in %	(50)	100	75
			Buyback probability, in % [3]	50	100	76
			Volatility, in %	5	148	27
of which	94	Price	Price, in %	20	20	20
			Price, in actuals	1,296	1,296	1,296
Long-term debt	6,707					
of which structured notes over two years	4,307					
of which	508	Discounted cash flow	Credit spread, in bp	10	430	142
of which	3,793	Option model	Buyback probability, in % [3]	50	100	76
			Correlation, in %	(50)	100	75
			Credit spread, in bp	27	358	326
			Fund gap risk, in % [2]	0	2	0
			Mean reversion, in % [4]	25	25	25
			Unadjusted NAV, in actuals	389	416	412
			Volatility, in %	0	148	27
of which	6	Price	Price, in %	17	17	17
of which other debt instruments over two years	1,728					
of which	358	Option model	Buyback probability, in % [3]	50	100	76
			Credit spread, in bp	50	770	317
			Price, in actuals	8	8	8
of which	1,370	Price	Price, in actuals	8	8	8

1 Weighted average is calculated based on the fair value of the instruments.
2 Risk of unexpected large declines in the underlying values occurring between collateral settlement dates.
3 Estimate of probability of structured notes being put back to the Group at the option of the investor over the remaining life of the financial instruments.
4 Management's best estimate of the speed at which interest rates will revert to the long-term average.

Quantitative information about level 3 liabilities measured at fair value on a recurring basis (continued)

end of 2021	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average [1]
CHF million, except where indicated						
Trading liabilities	2,809					
of which derivatives	2,542					
of which equity/index-related products	1,787					
of which	1,696	Option model	Buyback probability, in % [2]	50	100	72
			Correlation, in %	(50)	100	67
			Dividend yield, in %	0	7	4
			Unadjusted NAV, in actuals	101	440	358
			Volatility, in %	(1)	163	17
of which	63	Price	Price, in actuals	0	849	2
Short-term borrowings	1,032					
of which	24	Discounted cash flow	Credit spread, in bp	0	181	51
of which	905	Option model	Buyback probability, in % [2]	50	100	72
			Correlation, in %	(50)	100	70
			Fund gap risk, in % [3]	0	3	1
			Gap risk, in % [3]	0	3	1
			Unadjusted NAV, in actuals	101	440	358
			Volatility, in %	0	163	16
of which	73	Price	Price, in %	34	120	94
Long-term debt	9,676					
of which structured notes over one year and up to two years	1,464	Option model	Buyback probability, in % [2]	50	100	72
			Correlation, in %	(50)	100	69
			Fund gap risk, in % [3]	0	3	1
			Gap risk, in % [3]	0	3	1
			Unadjusted NAV, in actuals	101	440	358
			Volatility, in %	0	163	16
of which structured notes over two years	6,318					
of which	474	Discounted cash flow	Credit spread, in bp	8	702	72
of which	5,813	Option model	Buyback probability, in % [2]	50	100	72
			Correlation, in %	(50)	100	75
			Credit spread, in bp	3	92	75
			Fund gap risk, in % [3]	0	3	1
			Unadjusted NAV, in actuals	101	440	358
			Volatility, in %	0	163	19
of which	9	Price	Price, in %	26	26	26
of which other debt instruments over two years	1,854					
of which	382	Option model	Buyback probability, in % [2]	50	100	72
			Correlation, in %	16	30	24
			Price, in actuals	9	9	9
of which	1,472	Price	Price, in actuals	9	35	9

1 Weighted average is calculated based on the fair value of the instruments.
2 Estimate of probability of structured notes being put back to the Group at the option of the investor over the remaining life of the financial instruments.
3 Risk of unexpected large declines in the underlying values occurring between collateral settlement dates.

Qualitative discussion of the ranges of significant unobservable inputs

The following sections provide further information about the ranges of significant unobservable inputs included in the tables above. The level of aggregation and diversity within the financial instruments disclosed in the tables above results in certain ranges of significant inputs being wide and unevenly distributed across asset and liability categories.

Basis spread
Basis spread is the primary significant unobservable input for non-callable constant maturity treasury-constant maturity swap (CMS) products and is used to determine interest rate risk as a result of differing lending and borrowing rates.

Buyback probability
Buyback probability is the probability assigned to structured notes being unwound prior to their legal maturity.

CDS scale
CDS scale is a valuation parameter which scales the referenced credit curve (base currency) to reflect a new credit curve representing the currency of the trade.

Contingent probability
Contingent probability is the primary significant unobservable input for contingent foreign exchange forward trades where the delivery or exercise and the premium payment are contingent on an event such as completion of an M&A deal or regulatory approval for a product.

Correlation
There are many different types of correlation inputs, including credit correlation, cross-asset correlation (such as equity-interest rate correlation) and same-asset correlation (such as interest rate-interest rate correlation). Correlation inputs are generally used to value hybrid and exotic instruments. Due to the complex and unique nature of these instruments, the ranges for correlation inputs can vary widely across portfolios.

Credit spread and recovery rate
For financial instruments where credit spread is the significant unobservable input, the wide range represents positions with varying levels of risk. The lower end of the credit spread range typically represents shorter-dated instruments and/or those with better perceived credit risk. The higher end of the range typically comprises longer-dated financial instruments or those referencing non-performing, distressed or impaired reference credits. Similarly, the spread between the reference credit and an index can vary significantly based on the risk of the instrument. The spread will be positive for instruments that have a higher risk of default than the index (which is based on a weighted average of its components) and negative for instruments that have a lower risk of default than the index.

Similarly, recovery rates can vary significantly depending upon the specific assets and terms of each transaction. Transactions with higher seniority or more valuable collateral will have higher recovery rates, while those transactions which are more subordinated or with less valuable collateral will have lower recovery rates.

Default rate and loss severity
For financial instruments backed by residential real estate or other assets, diversity in the portfolio is reflected in a wide range for loss severity due to varying levels of default. The lower end of the range represents high performing or government guaranteed collateral with a low PD or guaranteed timely payment of principal and interest, while the higher end of the range relates to collateral with a greater risk of default.

Discount rate
The discount rate is the rate of interest used to calculate the present value of the expected cash flows of a financial instrument. There are multiple factors that will impact the discount rate for any given financial instrument including the coupon on the instrument, the term and the underlying risk of the expected cash flows. Two instruments of similar term and expected cash flows may have significantly different discount rates because the coupons on the instruments are different.

Dividend yield
An equity forward price is a material component for measuring the fair value of a contract using forward, swap or option pricing models. The forward is generally constructed from expected future dividend payments and their timing, as well as the relevant funding rate for the given asset. Dividend yields are generally quoted as annualized percentages.

EBITDA multiple
EBITDA multiple is a primary significant unobservable input for some equity deals which are benchmarked using industry comparables. The EBITDA multiple may be preferred over other measures because it is normalized for differences between the accounting policies of similar companies.

Funding gap risk and gap risk
Gap risk is a significant unobservable input for structures that exhibit market risk to jumps in a reference asset, generally related to certain financing or principal protection trade features.

Funding spread
Funding spread is the primary significant unobservable input for special purpose vehicle funding facilities. Synthetic funding curves which represent the assets pledged as collateral are used to value structured financing transactions. The curves provide an estimate of where secured funding can be sourced and are expressed as a basis point spread in relation to the referenced benchmark rate.

Market implied life expectancy
Market implied life expectancy is the primary significant unobservable input on such products as life settlement, premium finance and SPIA, and represents the estimated mortality rate for the underlying insured for each contract. This estimate may vary depending upon multiple factors including the age and specific health characteristics of the insured.

Market price of risk
The market price of risk (MPR) is a significant unobservable input for synthetic credit products where the trades are valued using the rating-based historical default probabilities. MPR is an exponent applied to the historic default probabilities in order to bring the initial swap valuation to zero.

Mean reversion
Mean reversion is the primary significant unobservable input for callable CMS spread exotics and represents the idea that prices and returns eventually move back towards the historical average.

Mortality rate
Mortality rate is the primary significant unobservable input for pension swaps. The expected present value of future cash flow of the trades depend on the mortality of individuals in the pension fund who are grouped into categories such as gender, age, pension amount and other factors. In some cases mortality rates include a "scaler" (also referred to as a loading or multiplier) that align mortality projections with historical experience and calibrate to exit level.

Pre-IPO intrinsic option
Pre-IPO intrinsic option represents the share price of a company in advance of its listing on a public exchange. It is typically a discounted price from the IPO price.

Prepayment rate
Prepayment rates may vary from collateral pool to collateral pool, and are driven by a variety of collateral-specific factors, including the type and location of the underlying borrower, the remaining tenor of the obligation and the level and type (e.g., fixed or floating) of interest rate being paid by the borrower.

Price
Bond equivalent price is a primary significant unobservable input for multiple products. Where market prices are not available for an instrument, benchmarking may be utilized to identify comparable issues (same industry and similar product mixes) while adjustments are considered for differences in deal terms and performance.

Settlement lag extension
For synthetic ABS CDO single tranche trades, settlement lag extension is an unobservable input that represents the delay that may occur between protection buyer calling a credit event and physically receiving the settlement cash from the swap counterparty.

Tax swap rate
The tax swap rate parameter is the interest rate applicable to tax refunds from the Italian tax office, determined annually by the Italian tax authorities and payable to the claimant when refund is made.

Terminal growth rate
The terminal growth rate is the rate at which free cash flows are expected to grow in perpetuity as part of an overall firm valuation process. The terminal growth rate typically parallels the historical inflation rate (2-3%) and is applied to the discounted cash flow model to represent mature stage company valuation.

UK Mortality
UK Mortality is marked using Day-1 Mortality improvements, Mortality Base Tables, and Mortality floor calibrated to reinsurance exit PV by set of Qx Scalars or Multipliers. UK Mortality is updated annually based on changes to 'Multipliers' calibrated to actual vs expected pensioner maturities observed for respective pension scheme.

Unadjusted NAV
NAV values are used to price fund units and as an input into fund derivatives. They are considered unobservable when based on NAV statements or estimates received directly from the fund, as opposed to published on a broad market platform, or with a lag to the reporting date.

Volatility and volatility skew
Volatility and its skew are both impacted by the underlying risk, term and strike price of the derivative. In the case of interest rate derivatives, volatility may vary significantly between different underlying currencies and expiration dates on the options. Similarly, in the case of equity derivatives, the volatility attributed to a structure may vary depending upon the underlying reference name on the derivative.

Investment funds measured at net asset value per share

Investments in funds held in trading assets and trading liabilities primarily include positions held in equity funds of funds as an economic hedge for structured notes and derivatives issued to clients that reference the same underlying risk and liquidity terms of the fund. A majority of these funds have limitations imposed on the amount of withdrawals from the fund during the redemption period due to illiquidity of the investments. In other instances, the withdrawal amounts may vary depending on the redemption notice period and are usually larger for the longer redemption notice periods. In addition, penalties may apply if redemption is within a certain time period from initial investment.

Investments in funds held in other investments principally involves private equity securities and, to a lesser extent, publicly traded securities and fund of funds. Several of these investments have redemption restrictions subject to the discretion of the board of directors of the fund and/or redemption is permitted without restriction, but is limited to a certain percentage of total assets or only after a certain date.

The following table pertains to investments in certain entities that calculate NAV per share or its equivalent, primarily private equity and hedge funds. These investments do not have a readily determinable fair value and are measured at fair value using NAV.

Fair value, unfunded commitments and term of redemption conditions of investment funds measured at NAV per share

				2022				2021
end of	Non-redeemable	Redeemable	**Total fair value**	**Unfunded commit-ments**	Non-redeemable	Redeemable	**Total fair value**	**Unfunded commit-ments**
Fair value of investment funds and unfunded commitments (CHF million)								
Funds held in trading assets and trading liabilities	**128**	**415**	**543**	**14**	**193**	**471**	**664**	**24**
Private equity funds	59	0	59	48	40	0	40	42
Hedge funds	13	1	14	1	12	2	14	1
Equity method investment funds	315	13	328	114	336	15	351	124
Funds held in other investments	**387**	**14**	**401**	**163**	**388**	**17**	**405**	**167**
Total fair value of investment funds and unfunded commitments	**515** [1]	**429** [2]	**944**	**177**	**581** [3]	**488** [4]	**1,069**	**191**

1 CHF 276 million of the underlying assets had known liquidation periods and for CHF 239 million, the timing of liquidation was unknown.
2 CHF 234 million was redeemable on demand with a notice period of primarily less than 30 days.
3 CHF 339 million of the underlying assets had known liquidation periods and for CHF 242 million, the timing of liquidation was unknown.
4 CHF 304 million was redeemable on demand with a notice period of primarily less than 30 days.

Assets and liabilities measured at fair value on a nonrecurring basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, they are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances. Nonrecurring measurements reported are as of the end of the period, unless otherwise stated. The market value for loans held-for-sale and commitments held-for-sale is determined by benchmarking to comparable instruments.

The following table provides the fair value and the fair value hierarchy of all assets and liabilities that were held as of December 31, 2022 and 2021, for which a nonrecurring fair value measurement was recorded.

Assets and liabilities measured at fair value on a nonrecurring basis

end of 2022	Level 1	Level 2	Level 3	**Total**
Assets (CHF million)				
Other investments	0	259	106	365
of which equity method investments	0	0	78	78
of which equity securities (without a readily determinable fair value)	0	259	28	287
Net loans	0	14	1	15
Other assets	0	39	44	83
of which loans held-for-sale	0	39	32	71
of which real estate held-for-sale	0	0	12	12
Total assets recorded at fair value on a nonrecurring basis	**0**	**312**	**151**	**463**
Liabilities (CHF million)				
Other liabilities	0	2	21	23
of which commitments held-for-sale	0	2	21	23
Total liabilities recorded at fair value on a nonrecurring basis	**0**	**2**	**21**	**23**
end of 2021				
Assets (CHF million)				
Other investments	0	0	152	152
of which equity method investments	0	0	118	118
of which equity securities (without a readily determinable fair value)	0	0	21	21
Net loans	0	12	5	17
Other assets	0	29	110	139
of which loans held-for-sale	0	28	45	73
of which premises, equipment and right-of-use assets	0	1	60	61
Total assets recorded at fair value on a nonrecurring basis	**0**	**41**	**267**	**308**
Liabilities (CHF million)				
Other liabilities	0	0	21	21
of which commitments held-for-sale	0	0	21	21
Total liabilities recorded at fair value on a nonrecurring basis	**0**	**0**	**21**	**21**

The following table provides the representative range of minimum and maximum values and the associated weighted averages of each significant unobservable input for level 3 assets and liabilities by the related valuation technique most significant to the related financial instrument that were held as of December 31, 2022 and 2021, for which a nonrecurring fair value measurement was recorded.

Quantitative information about level 3 assets and liabilities measured at fair value on a nonrecurring basis

end of 2022	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average [1]
Assets (CHF million, except where indicated)						
Other investments	106					
of which equity method investments	78	Discounted cash flow	Discount rate, in %	8	18	15
of which equity securities (without a readily determinable fair value)	28					
of which	13	Discounted cash flow	Discount rate, in %	12	16	14
of which	13	Market comparable	Price, in actuals	3	6,181	1,310
Other assets	44					
of which loans held-for-sale	32	Market comparable	Price, in %	90	90	90
of which real estate held-for-sale	12	Market comparable	Price, in actuals	0	144	55
Liabilities (CHF million, except where indicated)						
Other liabilities	21					
of which commitments held-for-sale	21	Market comparable	Price, in %	87	96	90
end of 2021						
Assets (CHF million, except where indicated)						
Other investments	152					
of which equity method investments	118	Discounted cash flow	Discount rate, in %	8	13	13
of which equity securities (without a readily determinable fair value)	21					
of which	16	Discounted cash flow	Discount rate, in %	12	16	14
of which	5	Market comparable	Price per share, in actuals	5	6,003	2,441
Other assets	110					
of which loans held-for-sale	45	Market comparable	Price, in %	80	100	88
of which premises, equipment and right-of-use assets	60	Market comparable	Price, in actuals	60	60	60
Liabilities (CHF million, except where indicated)						
Other liabilities	21					
of which commitments held-for-sale	21	Market comparable	Price, in %	80	97	83

1 Weighted average is calculated based on the fair value of the instruments.

Fair value option

The Group has availed itself of the simplification in accounting offered under the fair value option. This has been accomplished generally by electing the fair value option, both at initial adoption and for subsequent transactions, on items impacted by the hedge accounting requirements of US GAAP. For instruments for which hedge accounting could not be achieved but for which the Group is economically hedged, the Group has generally elected the fair value option. Where the Group manages an activity on a fair value basis but previously has been unable to achieve fair value accounting, the Group has generally utilized the fair value option to align its financial accounting to its risk management reporting.

The Group elected fair value for certain of its financial statement captions as follows:

Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions

The Group has elected to account for structured resale agreements and most matched book resale agreements at fair value. These activities are managed on a fair value basis; thus, fair value accounting is deemed more appropriate for reporting purposes. The Group did not elect the fair value option for firm financing resale agreements as these agreements are generally overnight agreements which approximate fair value, but which are not managed on a fair value basis.

Other investments

The Group has elected to account for certain equity method investments at fair value. These activities are managed on a fair value basis; thus, fair value accounting is deemed more appropriate for reporting purposes.

Loans

The Group has elected to account for substantially all commercial loans and loan commitments from the investment banking businesses and certain emerging market loans from the investment banking businesses at fair value. These activities are managed on a fair value basis and fair value accounting was deemed more appropriate for reporting purposes. Additionally, recognition on a fair value basis eliminates the mismatch that existed due to the economic hedging the Group employs to manage these loans. Certain similar loans, such as project finance, lease finance, cash collateralized and some bridge loans, which were eligible for the fair value option, were not elected due to the lack of currently available infrastructure to fair value such loans and/or the inability to economically hedge such loans. Additionally, the Group elected not to account for loans granted by its private, corporate and institutional banking businesses at fair value, such as domestic consumer lending, mortgages and corporate loans, as these loans are not managed on a fair value basis.

Other assets

The Group elected the fair value option for loans held-for-sale, due to the short period over which such loans are held and the intention to sell such loans in the near term. Other assets also include assets of VIEs and mortgage securitizations which do not meet the criteria for sale treatment under US GAAP. The Group did elect the fair value option for these types of transactions.

Due to banks and customer deposits

The Group elected the fair value option for certain time deposits associated with its emerging markets activities. The Group's customer deposits include fund-linked deposits. The Group elected the fair value option for these fund-linked deposits. Fund-linked products are managed on a fair value basis and fair value accounting was deemed more appropriate for reporting purposes.

Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions

The Group has elected to account for structured repurchase agreements and most matched book repurchase agreements at fair value. These activities are managed on a fair value basis and fair value accounting was deemed more appropriate for reporting purposes. The Group did not elect the fair value option for firm financing repurchase agreements as these agreements are generally overnight agreements which approximate fair value, but which are not managed on a fair value basis.

Short-term borrowings

The Group's short-term borrowings include hybrid debt instruments with embedded derivative features. Some of these embedded derivative features create bifurcatable debt instruments. The Group elected the fair value option for some of these instruments as of January 1, 2006, in accordance with the provisions of US GAAP. New bifurcatable debt instruments which were entered into in 2006 are carried at fair value. Some hybrid debt instruments do not result in bifurcatable debt instruments. US GAAP permits the Group to elect fair value accounting for non-bifurcatable hybrid debt instruments. With the exception of certain bifurcatable hybrid debt instruments which the Group did not elect to account for at fair value, the Group has elected to account for all hybrid debt instruments held as of January 1, 2007, and hybrid debt instruments originated after January 1, 2007, at fair value. These activities are managed on a fair value basis and fair value accounting was deemed appropriate for reporting purposes. There are two main populations of similar instruments for which fair value accounting was not elected. The first relates to the lending business transacted by the Group's private, corporate and institutional banking businesses, which includes structured deposits and similar investment products. These are managed on a bifurcated or accrual basis and fair value accounting was not considered appropriate. The second is where the instruments were or will be maturing in the near term and their fair value will be realized at that time.

Long-term debt

The Group's long-term debt includes hybrid debt instruments with embedded derivative features as described above in short-term borrowings. The Group's long-term debt also includes debt issuances managed by the Treasury department that do not contain derivative features (vanilla debt). The Group actively manages the interest rate risk on these instruments with derivatives. In particular, fixed-rate debt is hedged with receive-fixed, pay-floating interest rate swaps. The Group elected to fair value fixed-rate debt upon implementation of the fair value option on January 1, 2007, with changes in fair value recognized as a component of trading revenues. The Group did not elect to apply the fair value option to fixed-rate debt issued by the Group since January 1, 2008, but instead applies hedge accounting.

Other liabilities

Other liabilities include liabilities of VIEs and mortgage securitizations that do not meet the criteria for sale treatment under US GAAP. The Group elected the fair value option for these types of transactions.

Difference between the aggregate fair value and unpaid principal balances of fair value option-elected financial instruments

			2022			2021
end of	Aggregate fair value	Aggregate unpaid principal	Difference	Aggregate fair value	Aggregate unpaid principal	Difference
Financial instruments (CHF million)						
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	40,793	40,665	128	68,623	68,565	58
Loans	7,358	8,241	(883)	10,243	11,035	(792)
Other assets [1]	8,544	10,937	(2,393)	8,624	10,777	(2,153)
Due to banks and customer deposits	(458)	(562)	104	(493)	(442)	(51)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(14,042)	(13,933)	(109)	(13,213)	(13,212)	(1)
Short-term borrowings	(6,783)	(6,892)	109	(10,690)	(10,996)	306
Long-term debt [2]	(58,721)	(72,788)	14,067	(68,722)	(71,833)	3,111
Other liabilities	(888)	(1,043)	155	(1,170)	(1,403)	233
Non-accrual loans [3, 4]	733	2,213	(1,480)	843	2,657	(1,814)

1 Primarily loans held-for-sale.
2 Long-term debt includes both principal-protected and non-principal protected instruments. For non-principal-protected instruments, the original notional amount has been reported in the aggregate unpaid principal.
3 Generally, a loan is deemed non-accrual when the contractual payments of principal and/or interest are more than 90 days past due.
4 Included in loans or other assets.

Gains and losses on financial instruments

	2022	2021	2020
in	Net gains/ (losses)	Net gains/ (losses)	Net gains/ (losses)
Financial instruments (CHF million)			
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,450 [1]	638 [1]	1,198 [1]
Other investments	(51) [2]	304 [2]	397 [2]
of which related to credit risk	(3)	2	1
Loans	163 [1]	443 [1]	510 [1]
of which related to credit risk	(239)	(13)	(181)
Other assets	246 [1]	519 [1]	489 [1]
of which related to credit risk	(202)	133	(106)
Due to banks and customer deposits	(44) [3]	(22) [3]	(10) [3]
of which related to credit risk	(1)	0	0
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(156) [1]	(43) [1]	(58) [1]
Short-term borrowings	1,916 [3]	98 [3]	(687) [3]
of which related to credit risk	1	2	0
Long-term debt	6,935 [3]	(3,005) [3]	(2,294) [3]
of which related to credit risk	3	0	11
Other liabilities	54 [2]	171 [3]	(20) [3]
of which related to credit risk	(164)	71	(15)

1 Primarily recognized in net interest income.
2 Primarily recognized in other revenues.
3 Primarily recognized in trading revenues.

The impact of credit risk on assets presented in the table above has been calculated as the component of the total change in fair value, excluding the impact of changes in base or risk-free interest rates. The impact of changes in own credit risk on liabilities presented in the table above has been calculated as the difference between the fair values of those instruments as of the reporting date and the theoretical fair values of those instruments calculated by using the yield curve prevailing at the end of the reporting period, adjusted up or down for changes in the Group's own credit spreads from the transition date to the reporting date.

Interest income and expense, which are calculated based on contractual rates specified in the transactions, are recorded in the consolidated statements of operations depending on the nature of the instrument and its related market convention. When interest is included as a component of the change in the instrument's fair value, it is included in trading revenues. Otherwise, it is included in interest and dividend income or interest expense. Interest and dividend income is recognized separately from trading revenues.

Gains and losses attributable to changes in instrument-specific credit risk on fair value option elected liabilities

The following table provides additional information regarding the gains and losses attributable to changes in instrument-specific credit risk on fair value option elected liabilities, which have been recorded in AOCI. The table includes both the amount of change during the period and the cumulative amount that were attributable to the changes in instrument-specific credit risk. In addition, the table includes the gains and losses related to instrument-specific credit risk, which were previously recorded in AOCI but have been transferred to net income during the period.

Gains/(losses) attributable to changes in instrument-specific credit risk

	Gains/(losses) recorded into AOCI [1]			Gains/(losses) recorded in AOCI transferred to net income [1]	
in	**2022**	**Cumulative**	2021	**2022**	2021
Financial instruments (CHF million)					
Customer deposits	57	0	14	0	0
Short-term borrowings	19	(25)	19	0	0
Long-term debt	6,934	4,751	266	(31)	103
of which treasury debt over two years	3,670	2,742	(129)	0	0
of which structured notes over two years	2,666	1,501	359	(31)	103
Total	**7,010**	**4,726**	**299**	**(31)**	**103**

1 Amounts are reflected gross of tax.

Financial instruments not carried at fair value

The following table provides the carrying value and fair value of financial instruments, which are not carried at fair value in the consolidated balance sheet. The disclosure excludes all non-financial instruments such as lease transactions, real estate, premises and equipment, equity method investments and pension and benefit obligations.

Carrying value and fair value of financial instruments not carried at fair value

	Carrying value				Fair value
end of		Level 1	Level 2	Level 3	**Total**
2022 (CHF million)					
Financial assets					
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	18,005	0	18,005	0	18,005
Investment securities	921	911	0	0	911
Loans	252,886	0	237,101	12,743	249,844
Other financial assets [1]	92,215	68,836	20,311	2,928	92,075
Financial liabilities					
Due to banks and customer deposits	242,188	148,770	93,326	0	242,096
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	6,238	0	6,238	0	6,238
Short-term borrowings	5,631	0	5,629	0	5,629
Long-term debt	98,515	0	83,381	9,834	93,215
Other financial liabilities [2]	8,411	0	7,866	527	8,393
2021 (CHF million)					
Financial assets					
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	35,283	0	35,283	0	35,283
Loans	277,766	0	272,527	13,722	286,249
Other financial assets [1]	180,024	164,097	15,469	503	180,069
Financial liabilities					
Due to banks and customer deposits	407,607	243,324	164,289	0	407,613
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	22,061	0	22,061	0	22,061
Short-term borrowings	8,703	0	8,702	0	8,702
Long-term debt	98,174	0	98,841	1,716	100,557
Other financial liabilities [2]	12,460	1	12,021	443	12,465

1 Primarily includes cash and due from banks, interest-bearing deposits with banks, loans held-for-sale, cash collateral on derivative instruments, interest and fee receivables and non-marketable equity securities.
2 Primarily includes cash collateral on derivative instruments and interest and fee payables.

37 Assets pledged and collateral

Assets pledged

The Group pledges assets mainly for repurchase agreements and other securities financing. Certain pledged assets may be encumbered, meaning they have the right to be sold or repledged. The encumbered assets are parenthetically disclosed on the consolidated balance sheet.

Assets pledged

end of	**2022**	2021
CHF million		
Total assets pledged or assigned as collateral	63,111	88,721
of which encumbered	25,445	39,105

Collateral

The Group receives cash and securities in connection with resale agreements, securities borrowing and loans, derivative transactions and margined broker loans. A significant portion of the collateral and securities received by the Group was sold or repledged in connection with repurchase agreements, securities sold not yet purchased, securities borrowings and loans, pledges to clearing organizations, segregation requirements under securities laws and regulations, derivative transactions and bank loans.

Collateral

end of	**2022**	2021
CHF million		
Fair value of collateral received with the right to sell or repledge	150,198	289,898
of which sold or repledged	75,819	144,747

Other information

end of	**2022**	2021
CHF million		
Swiss National Bank required minimum liquidity reserves	2,258	2,246
Other restricted cash, securities and receivables [1]	1,247	3,868

1 Includes cash, securities and receivables recorded on the Group's consolidated balance sheets and restricted under Swiss or foreign regulations for financial institutions; excludes restricted cash, securities and receivables held on behalf of clients which are not recorded on the Group's consolidated balance sheet.

38 Capital adequacy

The Group is subject to the Basel framework, as implemented in Switzerland, as well as Swiss legislation and regulations for systemically important banks, which include capital, liquidity, leverage and large exposure requirements and rules for emergency plans designed to maintain systemically relevant functions in the event of threatened insolvency. The legislation implementing the Basel framework in Switzerland in respect of capital requirements for systemically important banks, including Credit Suisse, goes beyond the Basel minimum standards for systemically important banks. The Group, which is subject to regulation by FINMA, has based its capital adequacy calculations on US GAAP financial statements, as permitted by FINMA Circular 2013/1.

Under the Capital Adequacy Ordinance, Swiss banks classified as systemically important banks operating internationally, such as Credit Suisse, are subject to two different minimum requirements for loss-absorbing capacity: such banks must hold sufficient capital that absorbs losses to ensure continuity of service (going concern requirement), and they must issue sufficient debt instruments to fund an orderly resolution without recourse to public resources (gone concern requirement). Going concern capital and gone concern capital together form the Group's total loss-absorbing capacity (TLAC). The going concern and gone concern requirements are generally aligned with the Financial Stability Board's total loss-absorbing capacity standard. Under the Capital Adequacy Ordinance's grandfathering provisions, additional tier 1 capital instruments with a low trigger qualify as going concern capital until their first call date. Additionally, there are FINMA decrees that apply to Credit Suisse as a systemically important bank operating internationally, including capital adequacy requirements as well as liquidity and risk diversification requirements. Banks that do not maintain the minimum requirements may be limited in their ability to pay dividends and make discretionary bonus payments and other earnings distributions.

The Group's balance sheet positions and off-balance sheet exposures translate into risk-weighted assets, which are categorized as credit, market and operational risk-weighted assets. When assessing risk-weighted assets, it is not the nominal size, but rather the nature (including risk mitigation such as collateral or hedges) of the balance sheet positions or off-balance sheet exposures that determines the risk-weighted assets.

Leverage exposure consists of period-end balance sheet assets and prescribed regulatory adjustments, such as derivative financial instruments, securities financing transactions and off-balance sheet exposures.

Capital ratios measure the Group's capital components against risk-weighted assets and leverage ratios measure them against the end-of-period leverage exposure.

As of December 31, 2022 and 2021, the Group's capital position exceeded its capital requirements under the regulatory provisions outlined under Swiss Requirements.

Broker-dealer operations

Certain of the Group's broker-dealer subsidiaries are also subject to capital adequacy requirements. As of December 31, 2022 and 2021, the Group and its subsidiaries complied with all applicable regulatory capital adequacy requirements.

Dividend restrictions

Certain of the Group's subsidiaries are subject to legal restrictions governing the amount of dividends they can pay (for example, pursuant to corporate law as defined by the Swiss Code of Obligations).

Under the Swiss Code of Obligations, dividends may be paid out only if and to the extent the corporation has distributable profits or distributable reserves. For holding companies, legal reserves may be distributed if they exceed, after deduction of any accumulated losses, treasury shares and reserves for own shares held by subsidiaries, 20% of the share capital registered in the commercial register. Furthermore, dividends may be paid out only after shareholder approval.

As of December 31, 2022 and 2021, Credit Suisse Group AG was not subject to restrictions on its ability to pay the proposed dividends.

Swiss metrics

end of	**2022**	2021
Swiss capital (CHF million)		
Swiss CET1 capital	35,290	38,529
Going concern capital	50,026	54,372
Gone concern capital	49,117	46,648 [1]
Total loss-absorbing capacity (TLAC)	99,143	101,020
Swiss risk-weighted assets and leverage exposure (CHF million)		
Swiss risk-weighted assets	250,963	268,418
Leverage exposure	650,551	889,137
Swiss capital ratios (%)		
Swiss CET1 ratio	14.1	14.4
Going concern capital ratio	19.9	20.3
Gone concern capital ratio	19.6	17.4
TLAC ratio	39.5	37.6
Swiss leverage ratios (%)		
Swiss CET1 leverage ratio	5.4	4.3
Going concern leverage ratio	7.7	6.1
Gone concern leverage ratio	7.6	5.2
TLAC leverage ratio	15.2	11.4
Swiss capital ratio requirements (%)		
Swiss CET1 ratio requirement	9.28	10.0
Going concern capital ratio requirement	13.58 [2]	14.3
Gone concern capital ratio requirement	13.58	14.3
TLAC ratio requirement	27.16	28.6
Swiss leverage ratio requirements (%)		
Swiss CET1 leverage ratio requirement	3.25	3.5
Going concern leverage ratio requirement	4.75 [2]	5.0
Gone concern leverage ratio requirement	4.75	5.0
TLAC leverage ratio requirement	9.5	10.0

1 Amounts are shown on a look-through basis. Certain tier 2 instruments and their related tier 2 amortization components were subject to phase out and are no longer eligible as of January 1, 2022. As of 2021, gone concern capital was CHF 46,897 million, including CHF 249 million of such instruments.

2 The total requirement excluded the FINMA Pillar 2 capital add-on of CHF 1,850 million relating to the supply chain finance funds matter. This Pillar 2 capital add-on equated to an additional Swiss CET1 capital ratio requirement of 74 basis points and an additional Swiss CET1 leverage ratio requirement of 28 basis points.

39 Assets under management

The following disclosure provides information regarding client assets, assets under management and net new assets as regulated by FINMA.

Assets under management

Assets under management include assets for which the Group provides investment advisory or discretionary asset management services, investment fund assets and assets invested in other investment fund-like pooled investment vehicles managed by the Group. The classification of assets under management is conditional upon the nature of the services provided by the Group and the clients' intentions. Assets are individually assessed on the basis of each client's intentions and objectives and the nature of the banking services provided to that client. In order to be classified as assets under management, the Group must currently or in the foreseeable future expect to provide a service where the involvement of the Group's banking or investment expertise (e.g. as asset manager or investment advisor) is not purely executional or custodial in nature.

Assets under custody are client assets held mainly for execution-related or safekeeping/custody purposes only and therefore are not considered assets under management since the Group does not generally provide asset allocation or financial advice.

Assets of corporate clients and public institutions that are used primarily for cash management or transaction executional purposes for which no investment advice is provided are classified as commercial assets or assets under custody and therefore do not qualify as assets under management.

For the purpose of classifying assets under management, clients with multiple accounts are assessed from an overall relationship perspective. Accounts that are clearly separate from the remainder of the client relationship and represent assets held for custody purposes only are not included as assets under management.

The initial classification of the assets may not be permanent as the nature of the client relationship is reassessed on an on-going basis. If changes in client intent or activity warrant reclassification between client asset categories, the required reclassification adjustments are made immediately when the change in intent or activity occurs. Reclassifications between assets under management and assets held for transaction-related or custodial purposes result in corresponding net asset inflows or outflows.

A portion of the Group's assets under management results from double counting. Double counting arises when assets under management are subject to more than one level of asset management services. Each separate advisory or discretionary service provides additional benefits to the client and represents additional income for the Group. Specifically, double counting primarily results from the investment of assets under management in collective investment instruments managed by the Group. The extent of double counting is disclosed in the following table.

Assets under management

end of	2022	2021
CHF billion		
Assets in collective investment instruments managed by Credit Suisse	196.7	231.8
Assets with discretionary mandates	244.1	294.8
Other assets under management	852.8	1,087.4
Assets under management (including double counting)	**1,293.6**	**1,614.0**
of which double counting	32.1	46.2

Changes in assets under management

	2022	2021
Assets under management (CHF billion)		
Balance at beginning of period [1]	**1,614.0**	**1,511.9**
Net new assets/(net asset outflows)	(123.2) [2]	30.9
Market movements, interest, dividends and foreign exchange	(170.0)	92.6
of which market movements, interest and dividends [3]	(165.9)	80.8
of which foreign exchange	(4.1)	11.8
Other effects	(27.2)	(21.4)
Balance at end of period	**1,293.6**	**1,614.0**

1 Including double counting.
2 Refer to "Outflows in assets under management in the fourth quarter of 2022" in Note 3 – Business developments, significant shareholders and subsequent events for further information on net asset outflows.
3 Net of commissions and other expenses and net of interest expenses charged.

Net new assets

Net new assets measure the degree of success in acquiring assets under management or changes in assets under management through warranted reclassifications. The calculation is based on the direct method, taking into account individual cash payments, security deliveries and cash flows resulting from loan increases or repayments.

Interest and dividend income credited to clients and commissions, interest and fees charged for banking services as well as changes in assets under management due to currency and market volatility are not taken into account when calculating net new assets, as such charges or market movements are not directly related to the Group's success in acquiring assets under management. Similarly other effects mainly relate to asset inflows and outflows due to acquisition or divestiture, exit from businesses or markets or exits due to new regulatory requirements and are not taken into account when calculating net new assets. The Group reviews relevant policies regarding client assets on a regular basis.

Divisional allocation

Assets under management and net new assets for Wealth Management and Swiss Bank are allocated based on the management areas (business areas) that effectively manage the assets. The distribution of net new assets resulting from internal referral arrangements is governed under the net new asset referral framework, which includes preset percentages for the allocation of net new assets to the businesses.

The allocation of assets under management and net new assets for Asset Management reflects the location where the investment vehicles are managed and where the costs of managing the funds are incurred.

40 Litigation

The Group is involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of its businesses, including those disclosed below. Some of these proceedings have been brought on behalf of various classes of claimants and seek damages of material and/or indeterminate amounts.

The Group accrues loss contingency litigation provisions and takes a charge to income in connection with certain proceedings when losses, additional losses or ranges of loss are probable and reasonably estimable. The Group also accrues litigation provisions for the estimated fees and expenses of external lawyers and other service providers in relation to such proceedings, including in cases for which it has not accrued a loss contingency provision. The Group accrues these fee and expense litigation provisions and takes a charge to income in connection therewith when such fees and expenses are probable and reasonably estimable. The Group reviews its legal proceedings each quarter to determine the adequacy of its litigation provisions and may increase or release provisions based on management's judgment and the advice of counsel. This review includes consideration of management's strategy for resolution of matters through settlement or trial, as well as changes in such strategy. The establishment of additional provisions or releases of litigation provisions may be necessary in the future as developments in such proceedings warrant.

The specific matters described below include (a) proceedings where the Group has accrued a loss contingency provision, given that it is probable that a loss may be incurred and such loss is reasonably estimable; and (b) proceedings where the Group has not accrued such a loss contingency provision for various reasons, including, but not limited to, the fact that any related losses are not reasonably estimable. The description of certain of the matters below includes a statement that the Group has established a loss contingency provision and discloses the amount of such provision; for the other matters no such statement is made. With respect to the matters for which no such statement is made, either (a) the Group has not established a loss contingency provision, in which case the matter is treated as a contingent liability under the applicable accounting standard, or (b) the Group has established such a provision but believes that disclosure of that fact would violate confidentiality obligations to which the Group is subject or otherwise compromise attorney-client privilege, work product protection or other protections against disclosure or compromise the Group's management of the matter. The future outflow of funds in respect of any matter for which the Group has accrued loss contingency provisions cannot be determined with certainty based on currently available information, and accordingly may ultimately prove to be substantially greater (or may be less) than the provision that is reflected on the Group's balance sheet.

It is inherently difficult to determine whether a loss is probable or even reasonably possible or to estimate the amount of any loss or loss range for many of the Group's legal proceedings. Estimates, by their nature, are based on judgment and currently available information and involve a variety of factors, including, but not limited to, the type and nature of the proceeding, the progress of the matter, the advice of counsel, the Group's defenses and its experience in similar matters, as well as its assessment of matters, including settlements, involving other defendants in similar or related cases or proceedings. Factual and legal determinations, many of which are complex, must be made before a loss, additional losses or ranges of loss can be reasonably estimated for any proceeding.

Most matters pending against the Group seek damages of an indeterminate amount. While certain matters specify the damages claimed, such claimed amount may not represent the Group's reasonably possible losses. For certain of the proceedings discussed below the Group has disclosed the amount of damages claimed and certain other quantifiable information that is publicly available.

The following table presents a roll forward of the Group's aggregate litigation provisions.

Litigation provisions

	2022
CHF million	
Balance at beginning of period	**1,539**
Increase in litigation accruals	1,907
Decrease in litigation accruals	(347)
Decrease for settlements and other cash payments	(1,999)
Foreign exchange translation	72
Balance at end of period	**1,172**

The Group's aggregate litigation provisions include estimates of losses, additional losses or ranges of loss for proceedings for which such losses are probable and can be reasonably estimated. The Group does not believe that it can estimate an aggregate range of reasonably possible losses for certain of its proceedings because of their complexity, the novelty of some of the claims, the early stage of the proceedings, the limited amount of discovery that has occurred and/or other factors. The Group's estimate of the aggregate range of reasonably possible losses that are not covered by existing provisions for the proceedings discussed below for which the Group believes an estimate is possible is zero to CHF 1.2 billion.

After taking into account its litigation provisions, the Group believes, based on currently available information and advice of counsel, that the results of its legal proceedings, in the aggregate, will not have a material adverse effect on the Group's financial condition. However, in light of the inherent uncertainties of such proceedings, including those brought by regulators or other governmental authorities, the ultimate cost to the Group of resolving such proceedings may exceed current litigation provisions and any excess may be material to its operating results for any particular period, depending, in part, upon the operating results for such period.

Mortgage-related matters

Government and regulatory related matters

Various financial institutions, including Credit Suisse Securities (USA) LLC (CSS LLC) and certain of its affiliates, have received requests for information from, and/or have been defending civil actions by, certain regulators and/or government entities, including the US Department of Justice (DOJ) and other members of the Residential Mortgage-Backed Securities (RMBS) Working Group of the US Financial Fraud Enforcement Task Force, regarding the origination, purchase, securitization, servicing and trading of subprime and non-subprime residential and commercial mortgages and related issues. CSS LLC and its affiliates are cooperating with such requests for information.

DOJ RMBS settlement

As previously disclosed, on January 18, 2017, CSS LLC and its current and former US subsidiaries and US affiliates reached a settlement with the DOJ related to its legacy RMBS business, a business conducted through 2007. The settlement resolved potential civil claims by the DOJ related to certain of those Credit Suisse entities' packaging, marketing, structuring, arrangement, underwriting, issuance and sale of RMBS. Pursuant to the terms of the settlement a civil monetary penalty was paid to the DOJ in January 2017. The settlement also required the above-mentioned entities to provide certain levels of consumer relief measures, including affordable housing payments and loan forgiveness, and the DOJ and Credit Suisse agreed to the appointment of an independent monitor to oversee the completion of the consumer relief requirements of the settlement. Credit Suisse continues to evaluate its approach toward satisfying its remaining consumer relief obligations in light of its business reassessment and anticipated related transactions, and Credit Suisse currently anticipates that it will take much longer than the five-year period provided in the settlement to satisfy in full its obligations in respect of these consumer relief measures and that it may only complete them by 2026 or later, subject to market conditions and the Group's risk appetite. Credit Suisse expects to incur costs in relation to satisfying those obligations. The amount of consumer relief Credit Suisse must provide also increases after 2021 pursuant to the original settlement by 5% per annum of the outstanding amount due until these obligations are settled. The monitor publishes reports periodically on these consumer relief matters.

NJAG litigation

On December 18, 2013, the New Jersey Attorney General (NJAG), on behalf of the State of New Jersey, filed a civil action in the Superior Court of New Jersey, Chancery Division, Mercer County (SCNJ), against CSS LLC and affiliated entities in their roles as issuer, sponsor, depositor and/or underwriter of RMBS transactions prior to 2008. The complaint, which referenced approximately USD 10 billion of original unpaid principal balance across 13 RMBS issued, sponsored, deposited and underwritten by CSS LLC and its affiliates in 2006 and 2007, alleged that CSS LLC and its affiliates misled investors and engaged in fraud or deceit in connection with the offer and sale of RMBS, and sought an unspecified amount of damages. On October 25, 2022, following a settlement in the amount of USD 495 million, for which Credit Suisse was fully reserved, the SCNJ dismissed with prejudice all claims against CSS LLC and affiliated entities.

Civil litigation

CSS LLC and/or certain of its affiliates have also been named as defendants in various civil litigation matters related to their roles as issuer, sponsor, depositor, underwriter and/or servicer of RMBS transactions. These cases include or have included class action lawsuits, actions by individual investors in RMBS, actions by monoline insurance companies that guaranteed payments of principal and interest for certain RMBS, and repurchase actions by RMBS trusts, trustees and/or investors. Although the allegations vary by lawsuit, plaintiffs in the class actions and individual investor actions generally allege that the offering documents of securities issued by various RMBS securitization trusts contained material misrepresentations and omissions, including statements regarding the underwriting standards pursuant to which the underlying mortgage loans were issued; monoline insurers generally allege that loans that collateralize RMBS they insured breached representations and warranties made with respect to the loans at the time of securitization and that they were fraudulently induced to enter into the transactions; and repurchase action plaintiffs generally allege breached representations and warranties in respect of mortgage loans and failure to repurchase such mortgage loans as required under the applicable agreements. The amounts disclosed below do not reflect actual realized plaintiff losses to date or anticipated future litigation exposure. Rather, unless otherwise stated, these amounts reflect the original unpaid principal balance amounts as alleged in these actions and do not include any reduction in principal amounts since issuance. Further, unless otherwise stated, amounts attributable to an "operative pleading" for the individual investor actions are not altered for settlements, dismissals or other occurrences, if any, that may have caused the amounts to change subsequent to the operative pleading. In addition to the mortgage-related actions discussed below, a number of other entities have threatened to assert claims against CSS LLC and/or its affiliates in connection with various RMBS issuances.

Individual investor actions

CSS LLC as an RMBS issuer, underwriter and/or other participant, along with other defendants, was named as a defendant in an action brought by the Federal Deposit Insurance Corporation (FDIC), as receiver for Colonial Bank, in the US District Court for the Southern District of New York (SDNY), in which claims against CSS LLC related to approximately USD 92 million of the RMBS at issue (approximately 23% of the USD 394 million at issue against all defendants in the operative pleading). On June 28, 2022, CSS LLC and the plaintiffs executed an agreement to settle and dismiss all claims against CSS LLC.

In early March 2022, in an action brought by the FDIC, as receiver for Citizens National Bank and Strategic Capital Bank, in the SDNY, in which claims related to approximately USD 28 million of RMBS at issue, CSS LLC and its affiliates executed an agreement with the plaintiffs to settle and dismiss all claims against CSS LLC and its affiliates.

CSS LLC and certain of its affiliates were the only defendants named in an action brought by IKB Deutsche Industriebank AG and affiliated entities in the Supreme Court for the State of New York, New York County (SCNY), in which claims against CSS LLC and its affiliates related to approximately USD 97 million of RMBS at issue. On April 12, 2022, the parties executed an agreement to settle and dismiss all claims against CSS LLC and its affiliates.

Repurchase litigations

DLJ Mortgage Capital, Inc. (DLJ) is a defendant in: (i) one action brought by Asset Backed Securities Corporation Home Equity Loan Trust, Series 2006-HE7, in which plaintiff alleges damages of not less than USD 374 million in an amended complaint filed on August 19, 2019; on January 13, 2020, DLJ filed a motion to dismiss; (ii) one action brought by Home Equity Asset Trust, Series 2006-8, in which plaintiff alleges damages of not less than USD 436 million; (iii) one action brought by Home Equity Asset Trust 2007-1, in which plaintiff alleges damages of not less than USD 420 million; on December 27, 2018, the SCNY denied DLJ's motion for partial summary judgment in this action, and the Appellate Division First Department of the SCNY (First Department) affirmed the SCNY's summary judgment order on October 10, 2019; on January 30, 2020, DLJ obtained leave to further appeal to the New York State Court of Appeals; on March 17, 2022, the New York State Court of Appeals reversed the decision of the First Department and ordered that DLJ's motion for partial summary judgment be granted; a non-jury trial in the action was held between January 23 and February 3, 2023, and a decision is pending; (iv) one action brought by Home Equity Asset Trust 2007-2, in which plaintiff alleges damages of not less than USD 495 million; and (v) one action brought by CSMC Asset-Backed Trust 2007-NC1, in which no damages amount is alleged. These actions are brought in the SCNY and are at various procedural stages.

DLJ is also a defendant in one action brought by Home Equity Asset Trust Series 2007-3, in which plaintiff alleges damages of not less than USD 206 million. On March 5, 2022, DLJ and the plaintiffs executed an agreement to settle this action. The settlement remains subject to approval through a trust instruction proceeding brought in Minnesota state court by the trustee of the plaintiff trust.

DLJ and its affiliate, Select Portfolio Servicing, Inc. (SPS), are defendants in two actions that have been consolidated for certain procedural purposes, including trial, in the SCNY: one action brought by Home Equity Mortgage Trust Series 2006-1, Home Equity Mortgage Trust Series 2006-3 and Home Equity Mortgage Trust Series 2006-4, in which plaintiffs allege damages of not less than USD 730 million, and allege that SPS obstructed the investigation into the full extent of the defects in the mortgage pools by refusing to afford the trustee reasonable access to certain origination files; and one action brought by Home Equity Mortgage Trust Series 2006-5, in which plaintiff alleges damages of not less than USD 500 million, and alleges that SPS likely discovered DLJ's alleged breaches of representations and warranties but did not notify the trustee of such breaches, in alleged violation of its contractual obligations. On April 19, 2021, DLJ, SPS and the plaintiffs executed an agreement to settle both actions for the aggregate amount of USD 500 million, for which Credit Suisse was fully reserved. The settlement remains subject to approval through a trust instruction proceeding brought in Minnesota state court by the trustee of the plaintiff trusts.

Following the earlier dismissal of three consolidated repurchase actions in the SCNY in 2013 and the New York State Court of Appeals' upholding of this dismissal in February 2019, on August 15, 2019, the trustees for Home Equity Asset Trust 2006-5, Home Equity Asset Trust 2006-6 and Home Equity Asset Trust 2006-7 commenced a new repurchase action against DLJ in the SCNY, in which plaintiffs alleged damages of not less than USD 936 million, asserting substantially similar claims against DLJ as those alleged in the three consolidated repurchase actions previously dismissed with prejudice in 2013. On November 25, 2019, the SCNY entered an order dismissing this new action with prejudice. On December 20, 2019, the plaintiffs filed a notice of appeal to the First Department. On November 22, 2022, the plaintiffs withdrew their appeal to the First Department, such that the action is now fully dismissed.

Bank loan litigation

CSS LLC and certain of its affiliates are the subject of certain litigation relating to certain real estate developments including Yellowstone Club and Lake Las Vegas as well as other similar real estate developments. Credit Suisse defendants in these matters arranged, and acted as the agent bank for, syndicated loans provided to borrowers affiliated with such real estate developments, and who have since gone through bankruptcy or foreclosure. Such litigation includes two cases brought in Texas and New York state courts by entities related to Highland Capital Management LP (Highland). In the case in Texas state court, a jury trial was held in December 2014 and a verdict was issued for the plaintiff on its claim for fraudulent inducement by affirmative misrepresentation, but the jury rejected its claim that CSS LLC and an affiliate had committed fraudulent inducement by omission. The Texas judge held a bench trial on Highland's remaining claims in May and June 2015, and entered judgment in the amount of USD 287 million (including prejudgment interest) for the plaintiff on September 4, 2015. Both parties appealed and on February 21, 2018, the appeals court affirmed the lower court's decision. On April 24, 2020, the Texas Supreme Court issued a ruling reversing a portion of the trial court's September 4, 2015 judgment related to the bench trial, thereby dismissing plaintiff's breach of contract, breach of the implied duty of good faith and fair dealing, aiding and abetting fraud, and civil conspiracy claims, including damages of approximately USD 212 million, exclusive of interest, but left standing the separate December 2014 jury verdict for plaintiff on its claims for fraudulent inducement by affirmative misrepresentation. The Texas Supreme Court subsequently remanded the case back to the trial court for further proceedings related to the calculation of damages and interest. On June 25, 2021, the trial court entered a new judgment, which awarded plaintiff a total of approximately USD 121 million. CSS LLC and its affiliates appealed the judgment. On February 14, 2023, the appeals court issued a ruling, reversing in favor of CSS LLC a portion of the trial court's June 25, 2021 judgment related to secondary market purchases, concluding in favor of CSS LLC that the trial court erred by failing to apply certain settlement credits to the December 2014 jury award amount and remanding the case to the trial court to consider the amount of prejudgment interest owed to Highland.

In the case in New York state court, the court granted in part and denied in part CSS LLC and certain of its affiliates' summary judgment motion. Both parties appealed that decision, but the appellate court affirmed the decision in full. The case is currently in discovery.

Tax and securities law matters

On May 19, 2014, Credit Suisse AG entered into settlement agreements with several US regulators regarding its US cross-border matters. As part of the agreements, Credit Suisse AG, among other things, engaged an independent corporate monitor that reports to the New York State Department of Financial Services. As of July 31, 2018, the monitor concluded both his review and his assignment. Credit Suisse AG continues to report to and cooperate with US authorities in accordance with Credit Suisse AG's obligations under the agreements.

Rates-related matters

Regulatory matters

Regulatory authorities in a number of jurisdictions, including the US, UK, EU and Switzerland, have for an extended period of time been conducting investigations into the setting of LIBOR and other reference rates with respect to a number of currencies, as well as the pricing of certain related derivatives. These ongoing investigations have included information requests from regulators regarding LIBOR-setting practices and reviews of the activities of various financial institutions, including Credit Suisse Group AG, which is a member of three LIBOR rate-setting panels (US Dollar LIBOR, Swiss Franc LIBOR and Euro LIBOR). Credit Suisse is cooperating fully with these investigations. In particular, it has been reported that regulators are investigating whether financial institutions engaged in an effort to manipulate LIBOR, either individually or in concert with other institutions, in order to improve market perception of these institutions' financial health and/or to increase the value of their proprietary trading positions. In response to regulatory inquiries, Credit Suisse commissioned a review of these issues. To date, Credit Suisse has seen no evidence to suggest that it is likely to have any material exposure in connection with these issues.

Regulatory authorities in a number of jurisdictions, including the Swiss Competition Commission (COMCO), the European Commission (Commission), the South African Competition Commission and the Brazilian Competition Authority have been conducting investigations into the trading activities, information sharing and the setting of benchmark rates in the foreign exchange (including electronic trading) markets.

On March 31, 2014, COMCO announced its formal investigation of numerous Swiss and international financial institutions, including Credit Suisse Group AG, in relation to the setting of exchange rates in foreign exchange trading. Credit Suisse continues to cooperate with this ongoing investigation.

Credit Suisse Group AG, Credit Suisse AG and Credit Suisse Securities (Europe) Limited (CSSEL) received a Statement of Objections and a Supplemental Statement of Objections from the Commission on July 26, 2018 and March 19, 2021, respectively, alleging that Credit Suisse entities engaged in anticompetitive practices in connection with their foreign exchange trading business. On December 6, 2021, the Commission issued a formal decision imposing a fine of EUR 83.3 million. On February 15, 2022, Credit Suisse appealed this decision to the EU General Court.

The reference rates investigations have also included information requests from regulators concerning supranational, sub-sovereign and agency (SSA) bonds and commodities markets. Credit Suisse Group AG and CSSEL received a Statement of Objections from the Commission on December 20, 2018, alleging that Credit Suisse entities engaged in anticompetitive practices in connection with their SSA bonds trading business. On April 28, 2021, the

Commission issued a formal decision imposing a fine of EUR 11.9 million. On July 8, 2021, Credit Suisse appealed this decision to the EU General Court.

Civil litigation

USD LIBOR litigation

Beginning in 2011, certain Credit Suisse entities were named in various putative class and individual lawsuits filed in the US, alleging banks on the US dollar LIBOR panel manipulated US dollar LIBOR to benefit their reputation and increase profits. All remaining matters have been consolidated for pre-trial purposes into a multi-district litigation in the SDNY.

In a series of rulings between 2013 and 2019 on motions to dismiss, the SDNY (i) narrowed the claims against the Credit Suisse entities and the other defendants (dismissing antitrust, Racketeer Influenced and Corrupt Organizations Act (RICO), Commodity Exchange Act, and state law claims), (ii) narrowed the set of plaintiffs who may bring claims, and (iii) narrowed the set of defendants in the LIBOR actions (including the dismissal of several Credit Suisse entities from various cases on personal jurisdiction and statute of limitation grounds). After a number of putative class and individual plaintiffs appealed the dismissal of their antitrust claims to the United States Court of Appeals for the Second Circuit (Second Circuit), on December 30, 2021, the Second Circuit affirmed in part and reversed in part the district court's decision and remanded the case to the SDNY.

On September 21, 2021, in the putative class action brought in the multi-district litigation in the SDNY by holders of bonds tied to LIBOR, Credit Suisse entered into an agreement to settle all claims. On November 7, 2022, the court entered an order granting preliminary approval to the agreement to settle all claims. The settlement remains subject to final court approval.

Separately, on February 4, 2022, three actions brought by individual plaintiffs, and on November 18, 2022, one additional individual action, were dismissed against Credit Suisse.

On November 17, 2021, in the putative class action brought on behalf of those who lent at rates tied to LIBOR, Credit Suisse entered into an agreement to settle all claims. On March 11, 2022 and July 26, 2022, respectively, the SDNY entered orders granting preliminary and final approval to the agreement to settle all claims.

Separately, on May 4, 2017, the plaintiffs in three putative class actions moved for class certification. On February 28, 2018, the SDNY denied certification in two of the actions and granted certification over a single antitrust claim in an action brought by over-the-counter purchasers of LIBOR-linked derivatives.

USD ICE LIBOR litigation

In January 2019, members of the US dollar Intercontinental Exchange (ICE) LIBOR panel, including Credit Suisse Group AG and certain of its affiliates, were named in three civil putative class action lawsuits alleging that panel banks suppressed US dollar ICE LIBOR to benefit defendants' trading positions. These actions have been consolidated in the SDNY. On March 26, 2020, the SDNY granted defendants' motion to dismiss, and on February 14, 2022, the Second Circuit dismissed plaintiffs' appeal of the SDNY's decision granting defendants' motion to dismiss.

On August 18, 2020, members of the ICE LIBOR panel, including Credit Suisse Group AG and certain of its affiliates, were named in a civil action in the US District Court for the Northern District of California, alleging that panel banks manipulated ICE LIBOR to profit from variable interest loans and credit cards. On December 23, 2021, the court denied plaintiffs' motion for preliminary and permanent injunctions to enjoin panel banks from continuing to set LIBOR or automatically setting the benchmark to zero each day, and on September 13, 2022, the court granted defendants' motions to dismiss. On October 4, 2022, plaintiffs filed an amended complaint. On November 4, 2022, defendants filed a motion to dismiss the amended complaint.

CHF LIBOR litigation

In February 2015, various banks that served on the Swiss franc LIBOR panel, including Credit Suisse Group AG, were named in a civil putative class action lawsuit filed in the SDNY, alleging manipulation of Swiss franc LIBOR to benefit defendants' trading positions. After defendants' motion to dismiss for lack of subject matter jurisdiction was granted and plaintiffs successfully appealed, on July 13, 2022, Credit Suisse entered into an agreement to settle all claims. On February 15, 2023, the court entered an order granting preliminary approval to the agreement to settle all claims. The settlement remains subject to final court approval.

SIBOR/SOR litigation

In July 2016, various banks that served on the Singapore Interbank Offered Rate (SIBOR) and Singapore Swap Offer Rate (SOR) panels, including Credit Suisse Group AG and affiliates, were named in a civil putative class action lawsuit filed in the SDNY, alleging manipulation of SIBOR and SOR to benefit defendants' trading positions. After defendants' motion to dismiss for lack of subject matter jurisdiction was granted and plaintiffs successfully appealed, on April 22, 2022, Credit Suisse entered into an agreement to settle all claims. On June 9, 2022 and November 29, 2022, respectively, the court entered orders granting preliminary and final approval to the agreement to settle all claims.

Foreign exchange litigation

Credit Suisse Group AG and affiliates as well as other financial institutions have been named in civil lawsuits relating to the alleged manipulation of foreign exchange rates.

The first pending matter is a consolidated class action. In that matter, on September 3, 2019, the SDNY denied plaintiffs' motion for certification of a Rule 23(b)(3) damages class, ruling that proof of both injury and damages must proceed on an individual basis, but granted certification as to two threshold issues concerning the alleged conspiracy. The SDNY also denied plaintiffs' motion for certification of a second proposed class in its entirety. On February 1, 2022, the SDNY denied the parties' cross-motions for summary judgment. On April 22, 2022, Credit Suisse filed a motion to de-certify the issue class, which was denied on August 31, 2022. A jury trial was held in October 2022 on the issues of whether a conspiracy existed to manipulate bid-ask spreads in the FX market and whether Credit Suisse knowingly participated in any such conspiracy. On October 20, 2022, a verdict was issued in favor of Credit Suisse, finding that Credit Suisse did not knowingly participate in any such conspiracy. On November 10, 2022, plaintiffs moved for a new trial, which was denied on February 16, 2023.

A second pending matter originally named Credit Suisse Group AG and affiliates, as well as other financial institutions, in a civil action filed in the SDNY on November 13, 2018. This action was based on the same alleged conduct as the consolidated class action. After the court granted in part and denied in part defendants' motion to dismiss the second amended complaint, and plaintiffs filed a third amended complaint, on July 27, 2022, Credit Suisse entered into an agreement to settle all claims. On August 31, 2022, pursuant to the settlement agreement, the court dismissed with prejudice plaintiffs' claims against Credit Suisse.

Credit Suisse AG, together with other financial institutions, was also named in a consolidated putative class action in Israel, which made allegations similar to the consolidated class action. On April 4, 2022, Credit Suisse entered into an agreement to settle all claims. The settlement remains subject to court approval.

Treasury markets litigation

CSS LLC, along with over 20 other primary dealers of US treasury securities, was named in a number of putative civil class action complaints in the US relating to the US treasury markets. These complaints generally alleged that the defendants colluded to manipulate US treasury auctions, as well as the pricing of US treasury securities in the when-issued market, with impacts upon related futures and options. These actions were consolidated into a multi-district litigation in the SDNY. On November 15, 2017, plaintiffs filed a consolidated amended class action complaint containing the previously asserted allegations as well as new allegations concerning a group boycott to prevent the emergence of anonymous, all-to-all trading in the secondary market for treasury securities. On May 22, 2018, defendants filed motions to dismiss, which the SDNY granted on March 31, 2021. On May 14, 2021, plaintiffs filed an amended complaint. On August 4, 2021, defendants filed a motion to dismiss. On March 31, 2022, the SDNY granted defendants' motion to dismiss and dismissed with prejudice all claims against the defendants. On April 28, 2022, plaintiffs filed a notice of appeal.

SSA bonds litigation

Credit Suisse Group AG and affiliates, along with other financial institutions and individuals, have been named in several putative class action complaints filed in the SDNY relating to SSA bonds. The complaints generally allege that defendants conspired to fix the prices of SSA bonds sold to and purchased from investors in the secondary market. These actions have been consolidated in the SDNY. On July 19, 2021, the Second Circuit affirmed the SDNY's September 30, 2019 and March 18, 2020 decisions granting defendants' motions to dismiss. On August 2, 2021, the plaintiffs filed a petition for rehearing en banc and panel rehearing, which the Second Circuit denied on September 2, 2021. On March 3, 2022, plaintiffs moved to vacate the dismissal of their case after the SDNY judge disclosed a conflict. On October 3, 2022, the court denied plaintiffs' motion.

Credit Suisse Group AG and certain of its affiliates, together with other financial institutions, were also named in two Canadian putative class actions, which make allegations similar to the consolidated class action. One putative class action was dismissed against Credit Suisse on February 19, 2020. On October 18, 2022, in the second action, Credit Suisse entered into an agreement to settle all claims. The settlement remains subject to court approval.

Bank Bill Swap litigation

On August 16, 2016, Credit Suisse Group AG and Credit Suisse AG, along with other financial institutions, were named in a putative class action brought in the SDNY, alleging manipulation of the Australian Bank Bill Swap reference rate. After the court granted in part and denied in part defendants' motion to dismiss, on January 21, 2022, Credit Suisse entered into an agreement to settle all claims. On May 11, 2022 and November 2, 2022, respectively, the court entered orders granting preliminary and final approval to the agreement to settle all claims.

Credit default swap auction litigation

On June 30, 2021, Credit Suisse Group AG and affiliates, along with other banks and entities, were named in a putative class action complaint filed in the US District Court for the District of New Mexico alleging manipulation of credit default swap (CDS) final auction prices. On February 4, 2022, plaintiffs voluntarily dismissed their claims against Credit Suisse Group and certain non-Credit Suisse entities and filed an amended complaint naming Credit Suisse AG and affiliates, along with other banks and entities. On April 5, 2022, defendants filed a motion to dismiss.

OTC trading cases

Interest rate swaps litigation

Credit Suisse Group AG and affiliates, along with other financial institutions, have been named in a consolidated putative civil class action complaint and complaints filed by individual plaintiffs relating to interest rate swaps, alleging that dealer defendants conspired with trading platforms to prevent the development of interest rate swap exchanges. The individual lawsuits were brought by TeraExchange LLC, a swap execution facility, and affiliates; Javelin Capital Markets LLC, a swap execution facility, and an affiliate; and trueEX LLC, a swap execution facility, which claim to have suffered lost profits as a result of defendants' alleged conspiracy. All interest rate swap actions have been consolidated in a multi-district litigation in the SDNY.

Defendants moved to dismiss the putative class and individual actions, and the SDNY granted in part and denied in part these motions.

On February 20, 2019, class plaintiffs in the consolidated multi-district litigation filed a motion for class certification. On March 20, 2019, class plaintiffs filed a fourth amended consolidated class action complaint. On January 21, 2022, Credit Suisse entered into an agreement to settle all class action claims. The settlement remains subject to court approval. The individual lawsuits are stayed pending a decision on plaintiffs' motion for class certification.

Credit default swaps litigation

On June 8, 2017, Credit Suisse Group AG and affiliates, along with other financial institutions, were named in a civil action filed in the SDNY by Tera Group, Inc. and related entities (Tera), alleging violations of antitrust law in connection with the allegation that CDS dealers conspired to block Tera's electronic CDS trading platform from successfully entering the market. On July 30, 2019, the SDNY granted in part and denied in part defendants' motion to dismiss. On January 30, 2020, plaintiffs filed an amended complaint. On April 3, 2020, defendants filed a motion to dismiss.

Stock loan litigation

Credit Suisse Group AG and certain of its affiliates, as well as other financial institutions, were originally named in a number of civil lawsuits in the SDNY, certain of which are brought by class action plaintiffs alleging that the defendants conspired to keep stock-loan trading in an over-the-counter market and collectively boycotted certain trading platforms that sought to enter the market, and certain of which are brought by trading platforms that sought to enter the market alleging that the defendants collectively boycotted the platforms. After the court denied defendants' motion to dismiss the putative class action and plaintiffs filed a motion for class certification, on January 20, 2022, Credit Suisse entered into an agreement to settle all class action claims. On February 25, 2022, the court entered an order granting preliminary approval to the agreement to settle all class action claims. The settlement remains subject to final court approval.

On October 1, 2021, in a consolidated civil litigation brought in the SDNY by entities that developed a trading platform for stock loans that sought to enter the market, alleging that the defendants collectively boycotted the platform, the court granted defendants' motion to dismiss. On October 25, 2021, plaintiffs filed a notice of appeal.

Odd-lot corporate bond litigation

On April 21, 2020, CSS LLC and other financial institutions were named in a putative class action complaint filed in the SDNY, alleging a conspiracy among the financial institutions to boycott electronic trading platforms and fix prices in the secondary market for odd-lot corporate bonds. On October 25, 2021, the SDNY granted defendants' motion to dismiss. On November 23, 2021, plaintiffs filed a notice of appeal to the Second Circuit. On March 1, 2022, plaintiffs moved to stay the appeal so that plaintiffs could move to vacate the dismissal of their case after the SDNY judge disclosed a conflict. The motion to stay the appeal was denied on March 15, 2022. On March 30, 2022, because of the conflict, plaintiffs moved in the district court for an indicative ruling vacating the SDNY's decision dismissing the case. The motion for an indicative ruling was denied on November 10, 2022.

ATA litigation

A lawsuit was filed on November 10, 2014 in the US District Court for the Eastern District of New York (EDNY) against a number of banks, including Credit Suisse AG, alleging claims under the United States Anti-Terrorism Act (ATA). The action alleges a conspiracy between Iran and various international financial institutions, including the defendants, in which they agreed to alter, falsify or omit information from payment messages that involved Iranian parties for the express purpose of concealing the Iranian parties' financial activities and transactions from detection by US authorities. The complaint, brought by approximately 200 plaintiffs, alleges that this conspiracy has made it possible for Iran to transfer funds to Hezbollah and other terrorist organizations actively engaged in harming US military personnel and civilians. On July 12, 2016, plaintiffs filed a second amended complaint in the EDNY against a number of banks, including Credit Suisse AG, alleging claims under the ATA. On September 14, 2016, Credit Suisse AG and the other defendants filed motions to dismiss the plaintiffs' second amended complaint in the EDNY. On September 16, 2019, the EDNY granted defendants' motion to dismiss. On November 26, 2019, plaintiffs filed a notice of appeal. On January 5, 2023, the United States Court of Appeals for the Second Circuit affirmed the decision granting defendants' motion to dismiss.

Another lawsuit was filed on November 9, 2017 in the SDNY against a number of banks, including Credit Suisse AG, alleging claims under the ATA. On March 2, 2018, Credit Suisse AG and other defendants filed motions to dismiss the plaintiffs' complaint. On March 28, 2019, the SDNY granted the motion to dismiss. Plaintiffs cannot appeal the March 28, 2019 decision until the plaintiffs resolve their remaining claims, which remain pending, against an Iranian bank defendant that defaulted. On April 22, 2019, plaintiffs filed a motion for leave to amend their complaint, which the court denied on February 25, 2020, dismissing the case with prejudice as to Credit Suisse AG and the other moving bank defendants. On June 29, 2021, the court denied the plaintiffs' motion to appeal the court's February 25, 2020 decision.

In December 2018 and April 2019, six additional lawsuits were filed in the EDNY or SDNY against a number of banks, including Credit Suisse AG and, in two instances, Credit Suisse AG, New York Branch alleging claims under the ATA and the Justice Against Sponsors of Terrorism Act. These actions similarly allege a conspiracy between Iran and various international financial institutions, including the defendants, in which they agreed to alter, falsify or omit information from payment messages that involved

Iranian parties, and that this conspiracy made it possible for Iran to transfer funds to terrorist organizations actively engaged in harming US military personnel and civilians, and also assert ATA liability on an aiding and abetting theory. On January 6, 2020, defendants filed a motion to dismiss two of the EDNY cases, which the EDNY granted on June 5, 2020, dismissing the cases as to Credit Suisse AG and most of the other bank defendants. Three of the cases have been stayed pending the United States Supreme Court's decision in an unrelated ATA case, and in the remaining cases, the parties have jointly requested a similar stay.

Customer account matters

Several clients have claimed that a former relationship manager in Switzerland had exceeded his investment authority in the management of their portfolios, resulting in excessive concentrations of certain exposures and investment losses. Credit Suisse AG is investigating the claims, as well as transactions among the clients. Credit Suisse AG filed a criminal complaint against the former relationship manager with the Geneva Prosecutor's Office upon which the prosecutor initiated a criminal investigation. Several clients of the former relationship manager also filed criminal complaints with the Geneva Prosecutor's Office. On February 9, 2018, the former relationship manager was sentenced to five years in prison by the Geneva criminal court for fraud, forgery and criminal mismanagement and ordered to pay damages of approximately USD 130 million. Several parties have appealed the judgement. On June 26, 2019, the Criminal Court of Appeals of Geneva ruled in the appeal of the judgment against the former relationship manager, upholding the main findings of the Geneva criminal court. Several parties have appealed the decision to the Swiss Federal Supreme Court. On February 19, 2020, the Swiss Federal Supreme Court rendered its judgment on the appeals, substantially confirming the findings of the Criminal Court of Appeals of Geneva.

Civil lawsuits were initiated between August 7, 2017 and August 25, 2017 in the High Court of Singapore and the Supreme Court of Bermuda against Credit Suisse AG and/or certain affiliates, based on the findings established in the criminal proceedings against the former relationship manager.

In Singapore, on August 31, 2018, the civil lawsuit was stayed by an Assistant Registrar of the High Court of Singapore and plaintiffs appealed the decision. On January 18, 2019, the Singapore High Court dismissed the plaintiffs' appeal and upheld the Assistant Registrar's decision to stay the civil proceedings in Singapore. On April 29, 2019, the plaintiffs appealed the decision of the Singapore High Court only with respect to their action against Credit Suisse Trust Limited. On June 21, 2019, the plaintiffs discontinued their action against Credit Suisse AG. On July 3, 2020, the Singapore Court of Appeals granted the plaintiffs' appeal against Credit Suisse Trust Limited and lifted the stay of the civil proceedings, allowing the plaintiffs' civil claim to proceed in the Singapore High Court. On July 10, 2020, plaintiffs filed an amended statement of claim in the Singapore High Court. On March 9, 2021, the Singapore High Court transferred the civil lawsuit to the Singapore International Commercial Court. On May 27, 2022, the Singapore International Commercial Court granted in part and denied in part plaintiff's application filed on March 30, 2022, to amend its statement of claim, allowing amendments that, among other things, introduce new allegations about Credit Suisse Trust Limited's awareness of the former Credit Suisse AG employee's wrongdoing and that certain employees of Credit Suisse AG and/or other Credit Suisse entities allegedly acted on behalf of Credit Suisse Trust Limited in relation to the administration of the trust. On July 1, 2022, Credit Suisse Trust Limited appealed the court's decision with respect to the allowed amendments. The appeal was dismissed on August 11, 2022. Trial took place in September 2022, with closing submissions filed in November 2022 and closing arguments heard in February 2023.

In Bermuda, in the civil lawsuit brought against a Credit Suisse affiliate, trial took place in the Supreme Court of Bermuda in November and December 2021. The Supreme Court of Bermuda issued a first instance judgment on March 29, 2022, finding for the plaintiff. On May 6, 2022, the Supreme Court of Bermuda issued an order awarding damages of USD 607.35 million to the plaintiff. On May 9, 2022, Credit Suisse Life (Bermuda) Ltd. appealed the decision to the Bermuda Court of Appeal. On July 25, 2022, the Supreme Court of Bermuda granted a stay of execution of its judgment pending appeal on the condition that damages awarded were paid into an escrow account within 42 days. Following satisfaction of the required condition, the Supreme Court of Bermuda granted a stay of execution of the judgment pending appeal.

FIFA-related matters

In connection with investigations by US government authorities into the involvement of financial institutions in the alleged bribery and corruption surrounding the Fédération Internationale de Football Association (FIFA), Credit Suisse received inquiries regarding its banking relationships with certain individuals and entities associated with FIFA, including but not limited to certain persons and entities named and/or described in the May 20, 2015 indictment and the November 25, 2015 superseding indictment filed by the EDNY US Attorney's Office. The investigations encompassed whether multiple financial institutions, including Credit Suisse, permitted the processing of suspicious or otherwise improper transactions, or failed to observe anti-money laundering laws and regulations, with respect to the accounts of certain persons and entities associated with FIFA. Credit Suisse continues to cooperate with US authorities on this matter. As previously disclosed, the Swiss Financial Market Supervisory Authority FINMA (FINMA) announced the conclusion of its related investigation in 2018.

Israel Desk matters

Credit Suisse has received governmental and regulatory inquiries concerning cross-border services provided by Credit Suisse's Switzerland-based Israel Desk. Credit Suisse is conducting a review of these issues and has been cooperating with the authorities.

Mozambique matter

Credit Suisse has been subject to investigations by regulatory and enforcement authorities, as well as civil litigation, regarding certain Credit Suisse entities' arrangement of loan financing to Mozambique state enterprises, Proindicus S.A. and Empresa Mocambiacana de Atum S.A. (EMATUM), a distribution to private investors of loan participation notes (LPN) related to the EMATUM financing in September 2013, and certain Credit Suisse entities' subsequent role in arranging the exchange of those LPNs for Eurobonds issued by the Republic of Mozambique. On January 3, 2019, the EDNY unsealed an indictment against several individuals in connection with the matter, including three former Credit Suisse employees. On May 20, 2019, July 19, 2019 and September 6, 2019, the three former employees pleaded guilty to accepting improper personal benefits in connection with financing transactions carried out with two Mozambique state enterprises.

On October 19, 2021, Credit Suisse reached settlements with the DOJ, the US Securities Exchange Commission (SEC), the UK Financial Conduct Authority (FCA) and FINMA to resolve inquiries by these agencies. Credit Suisse Group AG entered into a three-year Deferred Prosecution Agreement (DPA) with the DOJ in connection with the criminal information charging Credit Suisse Group AG with conspiracy to commit wire fraud and consented to the entry of a Cease and Desist Order by the SEC. Under the terms of the DPA, Credit Suisse Group AG will continue its compliance enhancement and remediation efforts, report to the DOJ on those efforts for three years and undertake additional measures as outlined in the DPA. Credit Suisse also agreed to pay a net penalty to the DOJ of approximately USD 175.5 million, which was payable following the conclusion of the sentencing process. If Credit Suisse Group AG adheres to the DPA's conditions, the charges will be dismissed at the end of the DPA's three-year term. In addition, CSSEL entered into a Plea Agreement and pleaded guilty to one count of conspiracy to violate the US federal wire fraud statute. CSSEL will be bound by the same compliance, remediation and reporting obligations as Credit Suisse Group AG under the DPA. Under the terms of the SEC Cease and Desist Order, Credit Suisse paid a civil penalty of USD 65 million and approximately USD 34 million in disgorgement and pre-judgment interest in connection with violations of the US Securities Exchange Act of 1934 (Exchange Act) and the US Securities Act of 1933 (Securities Act) anti-fraud provisions (Exchange Act Section 10(b) and Rule 10b-5 thereunder and Securities Act Sections 17(a)(1), (2) and (3)) as well as the Exchange Act internal accounting controls and books and records provisions (Sections 13(b)(2)(A) and 13(b)(2)(B)). The total monetary sanctions paid to the DOJ and SEC, taking into account various credits and offsets, was approximately USD 275 million. Under the terms of the resolution with the DOJ, Credit Suisse was required to pay restitution to any eligible investors in the 2016 Eurobonds issued by the Republic of Mozambique. At a July 22, 2022 hearing, the EDNY approved the joint restitution proposal of the DOJ and Credit Suisse, under which Credit Suisse paid USD 22.6 million in restitution to eligible investors. At the hearing Credit Suisse was also ordered to pay, and subsequently paid, the USD 175.6 million net penalty set out in the DPA and Plea Agreement described above.

In the resolution with the FCA, CSSEL, Credit Suisse International (CSI) and Credit Suisse AG, London Branch agreed that, in respect of these transactions with Mozambique, its UK operations had failed to conduct business with due skill, care and diligence and to take reasonable care to organize and control its affairs responsibly and effectively, with adequate risk management systems. Credit Suisse paid a penalty of approximately USD 200 million and has also agreed with the FCA to forgive USD 200 million of debt owed to Credit Suisse by Mozambique.

FINMA also entered a decree announcing the conclusion of its enforcement proceeding, finding that Credit Suisse AG and Credit Suisse (Schweiz) AG violated the duty to file a suspicious activity report in Switzerland, and Credit Suisse Group AG did not adequately manage and address the risks arising from specific sovereign lending and related securities transactions, and ordering the bank to remediate certain deficiencies. FINMA also arranged for certain existing transactions to be reviewed by the same independent third party on the basis of specific risk criteria, and required enhanced disclosure of certain sovereign transactions until all remedial measures have been satisfactorily implemented. Credit Suisse has completed implementation of the measures required under the FINMA decree. An independent third party appointed by FINMA is reviewing the implementation and effectiveness of these measures.

On February 27, 2019, certain Credit Suisse entities, the same three former employees, and several other unrelated entities were sued in the English High Court by the Republic of Mozambique. On January 21, 2020, the Credit Suisse entities filed their defense. On June 26, 2020, the Credit Suisse entities filed third-party claims against the project contractor and several Mozambique officials. The Republic of Mozambique filed an updated Particulars of Claim on October 27, 2020, and the Credit Suisse entities filed their amended defense and counterclaim on January 15, 2021. Following the announcement of the global regulatory resolution on October 19, 2021, Credit Suisse filed a re-amended defense on December 24, 2021. The Republic of Mozambique seeks a declaration that the sovereign guarantee issued in connection with the ProIndicus loan syndication arranged and funded, in part, by a Credit Suisse subsidiary is void and also seeks damages alleged to have arisen in connection with the transactions involving ProIndicus and EMATUM, and a transaction in which Credit Suisse had no involvement with Mozambique Asset Management S.A. Also on January 15, 2021, the project contractor filed a cross claim against the Credit Suisse entities (as well as the three former Credit Suisse employees and various Mozambican officials) seeking an indemnity and/or contribution in the event that the contractor is found liable to the Republic of Mozambique. On August 4, 2022, the Republic of Mozambique filed an updated Particulars of Claim addressing Credit Suisse's October 2021 resolutions with various regulatory and enforcement authorities, and framing its claim for consequential damages. On September 23, 2022, Credit Suisse filed its Re-Amended Defense in response. The English High Court has scheduled trial to begin in October 2023.

On April 27, 2020, Banco Internacional de Moçambique (BIM), a member of the ProIndicus syndicate, brought a claim against certain Credit Suisse entities seeking, contingent on the Republic of Mozambique's claim, a declaration that Credit Suisse is liable to compensate it for alleged losses suffered as a result of any invalidity of the sovereign guarantee. The Credit Suisse entities filed their defense to this claim on August 28, 2020, to which BIM replied on October 16, 2020. Credit Suisse filed an amended defense on December 15, 2021, and BIM filed its amended reply on January 5, 2022.

On December 17, 2020, two members of the ProIndicus syndicate, Beauregarde Holdings LLP and Orobica Holdings LLC (B&O), filed a claim against certain Credit Suisse entities in respect of their interests in the ProIndicus loan, seeking unspecified damages stemming from the alleged loss suffered due to their reliance on representations made by Credit Suisse to the syndicate lenders. Credit Suisse filed their defense to this claim on February 24, 2021. On February 4, 2022, B&O filed an amended claim, and Credit Suisse filed an amended defense on February 18, 2022.

On June 3, 2021, United Bank for Africa PLC (UBA), a member of the ProIndicus syndicate, brought a claim against certain Credit Suisse entities seeking, contingent on the Republic of Mozambique's claim, a declaration that Credit Suisse is liable to compensate it for alleged losses suffered as a result of any invalidity of the sovereign guarantee. The Credit Suisse entities filed their defense to this claim on July 1, 2021 and filed an amended defense on December 15, 2021, and UBA filed its amended reply on January 5, 2022.

On February 23, 2022, Privinvest Holding SAL (Privinvest), the parent company of certain entities involved in the Mozambique transactions, and its owner Iskandar Safa brought a defamation claim in a Lebanese court against CSSEL and Credit Suisse Group AG. The lawsuit alleges damage to the claimants' professional reputation in Lebanon due to statements that were allegedly made by Credit Suisse in documents relating to the October 2021 settlements with global regulators. On August 18, 2022, the parties agreed to a stay of the proceedings until the date of the final judicial determination of the English High Court litigation, including any appeals, and on August 23, 2022, the parties filed an application for a stay with the Lebanese Court.

On November 2, 2022, Jean Boustani, a Privinvest employee who was the lead negotiator on behalf of Privinvest in relation to the Mozambique transactions, brought a defamation claim in a Lebanese court against Credit Suisse Group AG and CSSEL. The lawsuit makes substantially the same allegations as the claim described immediately above.

Cross-border private banking matters

Credit Suisse offices in various locations, including the UK, the Netherlands and France, have been contacted by regulatory and law enforcement authorities that are seeking records and information concerning investigations into our historical private banking services on a cross-border basis and in part through our local branches and banks. A similar inquiry has been opened in Belgium. Credit Suisse has conducted a review of these issues, the UK aspects of which have been closed with no action being taken against the bank, and is continuing to cooperate with the authorities. Credit Suisse applies a strict zero tolerance policy on tax evasion.

On October 21, 2022, Credit Suisse AG entered into a settlement agreement with the Parquet National Financier to resolve a French investigation into alleged aiding and abetting of tax fraud, aggravated money laundering and illegal cross border market access. As part of the settlement, Credit Suisse AG agreed to pay a public interest fine of EUR 123 million, comprising EUR 65.6 million in disgorgement of profits and an additional amount of EUR 57.4 million. In addition, Credit Suisse AG agreed to pay EUR 115 million to the French state as damages. In prior quarters, Credit Suisse had taken litigation provisions totaling CHF 159 million related to this matter. On October 24, 2022, the competent French judge approved this agreement. No admission of wrongdoing was required in connection with the agreement, including no recognition of criminal liability by Credit Suisse.

ETN-related litigation

XIV litigation

Since March 14, 2018, three class action complaints were filed in the SDNY on behalf of a putative class of purchasers of VelocityShares Daily Inverse VIX Short Term Exchange Traded Notes linked to the S&P 500 VIX Short-Term Futures Index due December 4, 2030 (XIV ETNs). On August 20, 2018, plaintiffs filed a consolidated amended class action complaint, naming Credit Suisse Group AG and certain affiliates and executives, which asserts claims for violations of Sections 9(a)(4), 9(f), 10(b) and 20(a) of the Exchange Act and Rule 10b-5 thereunder and Sections 11 and 15 of the US Securities Act of 1933 and alleges that the defendants are responsible for losses to investors following a decline in the value of XIV ETNs on February 5, 2018. Defendants moved to dismiss the amended complaint on November 2, 2018. On September 25, 2019, the SDNY granted defendants' motion to dismiss and dismissed with prejudice all claims against the defendants. On October 18, 2019, plaintiffs filed a notice of appeal. On April 27, 2021, the Second Circuit issued an order affirming in part and vacating in part the SDNY's September 25, 2019 decision granting defendants' motion to dismiss with prejudice. On July 1, 2022, plaintiffs filed a motion for class certification.

On June 3, 2019, Credit Suisse AG, an affiliate and executives were named in a separate individual action brought in the SDNY by a purchaser of XIV ETNs, which asserts claims similar to those brought in the consolidated class action complaint as well as additional claims under New York and Pennsylvania state law. On March 30, 2022, the SDNY issued an order granting in part and denying in part defendants' motion to dismiss.

DGAZ litigation

On January 6, 2022, Credit Suisse AG was named in a class action complaint filed in the SDNY brought on behalf of a putative class of short sellers of VelocityShares 3x Inverse Natural Gas Exchange Traded Notes linked to the S&P GSCI Natural Gas Index ER due February 9, 2032 (DGAZ ETNs). The complaint asserts claims for violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and alleges that Credit Suisse is responsible for losses suffered by short sellers following a June 2020 announcement that Credit Suisse would delist and suspend further issuances of the DGAZ ETNs. On July 11, 2022, Credit Suisse AG filed a motion to dismiss.

TWINT

On November 13, 2018, COMCO announced an investigation into several Swiss financial institutions, including UBS Switzerland AG, Credit Suisse (Schweiz) AG, Aduno Holding AG, PostFinance AG, and Swisscard AECS GmbH. According to COMCO, its investigation is focused on whether these institutions entered into an agreement to boycott mobile payment solutions of international providers, including Apple Pay and Samsung Pay, in order to protect TWINT, their own Swiss payment solution.

SWM

CSI was the defendant in a lawsuit brought by the German public utility company Stadtwerke München GmbH (SWM) in a German court, in connection with a series of interest rate swaps entered into between 2008 and 2012. The claimant alleged breach of an advisory duty to provide both investor- and investment-specific advice, including in particular a duty to disclose the initial mark-to-market value of the trades at inception. In March 2022, after the parties reached a settlement, for which Credit Suisse was fully reserved, the court discontinued the lawsuit.

Bulgarian former clients matter

Credit Suisse AG has been responding to an investigation by the Swiss Office of the Attorney General (SOAG) concerning the diligence and controls applied to a historical relationship with Bulgarian former clients who are alleged to have laundered funds through Credit Suisse AG accounts. On December 17, 2020, the SOAG brought charges against Credit Suisse AG and other parties. Credit Suisse AG believes its diligence and controls complied with applicable legal requirements and intends to defend itself vigorously. The trial in the Swiss Federal Criminal Court took place in the first quarter of 2022. On June 27, 2022, Credit Suisse AG was convicted in the Swiss Federal Criminal Court of certain historical organizational inadequacies in its anti-money laundering framework and ordered to pay a fine of CHF 2 million. In addition, the court seized certain client assets in the amount of approximately CHF 12 million and ordered Credit Suisse AG to pay a compensatory claim in the amount of approximately CHF 19 million. On July 5, 2022, Credit Suisse AG appealed the decision to the Swiss Federal Court of Appeals.

SCFF

Credit Suisse has received requests for documents and information in connection with inquiries, investigations, enforcement and other actions relating to the supply chain finance funds (SCFF) matter by FINMA, the FCA and other regulatory and governmental agencies. The Luxembourg Commission de Surveillance du Secteur Financier is reviewing the matter through a third party. Credit Suisse is cooperating with these authorities.

On February 28, 2023, FINMA announced the conclusion of its enforcement proceedings against Credit Suisse in connection with the SCFF matter. In its order, FINMA reported that Credit Suisse had seriously breached applicable Swiss supervisory laws in this context with regard to risk management and appropriate operational structures. While FINMA recognized that Credit Suisse has already taken extensive organizational measures based on its own investigation into the SCFF matter, particularly to strengthen its governance and control processes, and FINMA is supportive of these measures, the regulator has ordered certain additional remedial measures. These include a requirement that the most important (approximately 500) business relationships must be reviewed periodically and holistically at the Executive Board level, in particular for counterparty risks, and that Credit Suisse must set up a document defining the responsibilities of approximately 600 of its highest-ranking managers. FINMA will appoint an audit officer to assess compliance with these supervisory measures. Separate from the enforcement proceeding regarding Credit Suisse, FINMA has opened four enforcement proceedings against former managers of Credit Suisse.

Certain civil actions have been filed by fund investors and other parties against Credit Suisse and/or certain officers and directors in various jurisdictions, which make allegations including mis-selling and breaches of duties of care, diligence and other fiduciary duties. Certain investors and other private parties have also filed criminal complaints against Credit Suisse and other parties in connection with this matter.

As this matter develops, Credit Suisse may become subject to additional litigation and regulatory inquiries, investigations and actions.

Archegos

Credit Suisse has received requests for documents and information in connection with inquiries, investigations and/or actions relating to Credit Suisse's relationship with Archegos Capital Management (Archegos), including from FINMA (assisted by a third party appointed by FINMA), the DOJ, the SEC, the US Federal Reserve, the US Commodity Futures Trading Commission (CFTC), the US Senate Banking Committee, the Prudential Regulation Authority, the FCA, COMCO, the Hong Kong Competition Commission and other regulatory and governmental agencies. Credit Suisse is cooperating with the authorities in these matters.

On November 23, 2022, the US Federal Reserve communicated its intention to progress its investigation of Credit Suisse in relation to Archegos through a resolution that includes monetary penalties and certain remedial measures. The resolution of this matter is subject to ongoing dialogue with the US Federal Reserve and other regulators.

On April 16, 2021, Credit Suisse Group AG and certain current and former executives were named in a putative class action complaint filed in the SDNY by a holder of Credit Suisse American Depositary Receipts, asserting claims for violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 thereunder, alleging that defendants violated US securities laws by making material misrepresentations and omissions regarding Credit Suisse's risk management practices, including with respect to the Archegos matter. On September 16, 2022, the parties reached an agreement to settle all claims. On December 23, 2022, the court entered an order granting preliminary approval to the parties' agreement to settle all claims. The settlement remains subject to final court approval.

Additional civil actions relating to Credit Suisse's relationship with Archegos have been filed against Credit Suisse and/or certain officers and directors, including claims for breaches of fiduciary duties.

As this matter develops, Credit Suisse may become subject to additional litigation and regulatory inquiries, investigations, and actions.

Communications recordkeeping matter

On September 27, 2022, the SEC and the CFTC announced the entry of orders filing and settling charges with several financial institutions, including Credit Suisse, in connection with civil investigations concerning compliance with records preservation requirements relating to business communications sent over unapproved electronic messaging channels. The SEC found that CSS LLC failed to maintain and preserve off-channel communications its employees sent and received on personal devices related to the broker-dealer's business and failed to implement policies and procedures designed to prohibit such communications, thereby leading to CSS LLC's failure to reasonably supervise its employees. CSS LLC paid a civil monetary penalty of USD 125 million to the SEC. The CFTC found similar recordkeeping and supervisory failures for CSS LLC, as a futures commission merchant, and CSI, as a swap dealer. CSS LLC and CSI paid a combined civil monetary penalty of USD 75 million to the CFTC. In addition to the monetary penalties, Credit Suisse was ordered to cease and desist from future violations of the relevant recordkeeping provisions, was censured, admitted to the facts in the SEC and CFTC orders and agreed to certain undertakings, including, among other things, the use of an independent compliance consultant to review the bank's policies and procedures relating to the retention of electronic communications found on personal devices and the related framework for addressing non-compliance by employees.

41 Significant subsidiaries and equity method investments

The entities presented in the table below generally include subsidiaries with total assets over CHF 100 million or net income attributable to shareholders over CHF 10 million. Also included are entities which are deemed regionally significant or otherwise relevant from an operational perspective.

The Group and the Bank have issued full, unconditional and several guarantees of Credit Suisse (USA), Inc.'s outstanding SEC-registered debt securities, which as of December 31, 2022 consisted of a single outstanding issuance with a balance of USD 742 million maturing in July 2032.

Significant subsidiaries

Company name	Domicile	Currency	Nominal capital in million	Equity interest in %
End of 2022				
Credit Suisse Group AG				
Credit Suisse AG	Zurich, Switzerland	CHF	4,399.7	100
Credit Suisse Insurance Linked Strategies Ltd	Zurich, Switzerland	CHF	0.2	100
Credit Suisse (Poland) Sp. z o.o	Warsaw, Poland	PLN	20.0	100
Credit Suisse Services AG	Zurich, Switzerland	CHF	1.0	100
Credit Suisse Trust AG	Zurich, Switzerland	CHF	5.0	100
Credit Suisse Trust Holdings Limited	St. Peter Port, Guernsey	GBP	17.0	100
CS LP Holding AG	Zug, Switzerland	CHF	0.1	100
Inreska Limited	St. Peter Port, Guernsey	GBP	3.0	100
Savoy Hotel Baur en Ville AG	Zurich, Switzerland	CHF	7.5	88
Credit Suisse AG				
Alpine Securitization LTD	George Town, Cayman Islands	USD	0.0	100
Banco Credit Suisse (Brasil) S.A.	São Paulo, Brazil	BRL	53.6	100
Banco Credit Suisse (Mexico), S.A.	Mexico City, Mexico	MXN	3,591.7	100
Banco de Investimentos Credit Suisse (Brasil) S.A.	São Paulo, Brazil	BRL	164.8	100
Bank-now AG	Horgen, Switzerland	CHF	30.0	100
Boston Re Ltd.	Hamilton, Bermuda	USD	2.0	100
Casa de Bolsa Credit Suisse (Mexico), S.A. de C.V.	Mexico City, Mexico	MXN	274.0	100
Column Financial, Inc.	Wilmington, United States	USD	0.0	100
Credit Suisse (Australia) Limited	Sydney, Australia	AUD	34.1	100
Credit Suisse (Brasil) S.A. Corretora de Titulos e Valores Mobiliarios	São Paulo, Brazil	BRL	98.4	100
Credit Suisse (Deutschland) Aktiengesellschaft	Frankfurt, Germany	EUR	130.0	100
Credit Suisse (Hong Kong) Limited	Hong Kong, China	HKD	8,192.9	100
Credit Suisse (Italy) S.p.A.	Milan, Italy	EUR	170.0	100
Credit Suisse (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	230.9	100
Credit Suisse (Qatar) LLC	Doha, Qatar	USD	29.0	100
Credit Suisse (Schweiz) AG	Zurich, Switzerland	CHF	100.0	100
Credit Suisse (Singapore) Limited	Singapore, Singapore	SGD	470.8	100
Credit Suisse (UK) Limited	London, United Kingdom	GBP	245.2	100
Credit Suisse (USA), Inc.	Wilmington, United States	USD	0.0	100
Credit Suisse Asset Management (Schweiz) AG	Zurich, Switzerland	CHF	0.2	100
Credit Suisse Asset Management (UK) Holding Limited	London, United Kingdom	GBP	144.2	100
Credit Suisse Asset Management International Holding Ltd	Zurich, Switzerland	CHF	20.0	100
Credit Suisse Asset Management Investments Ltd	Zurich, Switzerland	CHF	0.1	100
Credit Suisse Asset Management Limited	London, United Kingdom	GBP	45.0	100
Credit Suisse Asset Management Real Estate GmbH	Frankfurt, Germany	EUR	6.1	100
Credit Suisse Asset Management, LLC	Wilmington, United States	USD	1,215.9	100
Credit Suisse Atlas I Investments (Luxembourg) S.à r.l.	Luxembourg, Luxembourg	USD	0.0	100
Credit Suisse Bank (Europe), S.A.	Spain, Madrid	EUR	18.0	100
Credit Suisse Brazil (Bahamas) Limited	Nassau, Bahamas	USD	70.0	100
Credit Suisse Business Analytics (India) Private Limited	Mumbai, India	INR	40.0	100
Credit Suisse Capital LLC	Wilmington, United States	USD	1,702.3	100
Credit Suisse Entrepreneur Capital AG	Zurich, Switzerland	CHF	15.0	100
Credit Suisse Equities (Australia) Limited	Sydney, Australia	AUD	62.5	100
Credit Suisse Finance (India) Private Limited	Mumbai, India	INR	1,050.1	100
Credit Suisse First Boston (Latam Holdings) LLC	George Town, Cayman Islands	USD	28.8	100
Credit Suisse First Boston Finance B.V.	Amsterdam, The Netherlands	EUR	0.0	100

Significant subsidiaries (continued)

Company name	Domicile	Currency	Nominal capital in million	Equity interest in %
Credit Suisse First Boston Mortgage Capital LLC	Wilmington, United States	USD	6.6	100
Credit Suisse Fund Management S.A.	Luxembourg, Luxembourg	CHF	0.3	100
Credit Suisse Fund Services (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	1.5	100
Credit Suisse Funds AG	Zurich, Switzerland	CHF	7.0	100
Credit Suisse Hedging-Griffo Corretora de Valores S.A.	São Paulo, Brazil	BRL	29.6	100
Credit Suisse Holding Europe (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	32.6	100
Credit Suisse Holdings (Australia) Limited	Sydney, Australia	AUD	3.0	100
Credit Suisse Holdings (USA), Inc.	Wilmington, United States	USD	0.0	100
Credit Suisse International	London, United Kingdom	USD	11,366.2	100 [1]
Credit Suisse Istanbul Menkul Degerler A.S.	Istanbul, Türkiye	TRY	10.0	100
Credit Suisse Life (Bermuda) Ltd.	Hamilton, Bermuda	USD	0.5	100
Credit Suisse Loan Funding LLC	Wilmington, United States	USD	1.7	100
Credit Suisse Management LLC	Wilmington, United States	USD	891.4	100
Credit Suisse Saudi Arabia	Riyadh, Saudi Arabia	SAR	737.5	100
Credit Suisse Securities (Canada), Inc.	Toronto, Canada	CAD	3.4	100
Credit Suisse Securities (Europe) Limited	London, United Kingdom	USD	3,859.3	100
Credit Suisse Securities (Hong Kong) Limited	Hong Kong, China	HKD	2,080.9	100
Credit Suisse Securities (India) Private Limited	Mumbai, India	INR	2,214.7	100
Credit Suisse Securities (Japan) Limited	Tokyo, Japan	JPY	78,100.0	100
Credit Suisse Securities (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	MYR	100.0	100
Credit Suisse Securities (Singapore) Pte. Limited	Singapore, Singapore	SGD	30.0	100
Credit Suisse Securities (Thailand) Limited	Bangkok, Thailand	THB	500.0	100
Credit Suisse Securities (USA) LLC	Wilmington, United States	USD	1,200.7	100
Credit Suisse Services (India) Private Limited	Pune, India	INR	0.1	100
Credit Suisse Services (USA) LLC	Wilmington, United States	USD	15.4	100
CS Non-Traditional Products Ltd.	Nassau, Bahamas	USD	0.1	100
CSSEL Guernsey Bare Trust	St. Peter Port, Guernsey	USD	0.0	100
DLJ Mortgage Capital, Inc.	Wilmington, United States	USD	0.0	100
Fides Treasury Services AG	Zurich, Switzerland	CHF	2.0	100
JSC "Bank Credit Suisse (Moscow)"	Moscow, Russia	RUB	460.0	100
Lime Residential, Ltd.	Nassau, Bahamas	USD	0.0	100
LLC "Credit Suisse Securities (Moscow)"	Moscow, Russia	RUB	727.0	100
Merban Equity AG	Zug, Switzerland	CHF	0.1	100
Select Portfolio Servicing, Inc.	Utah, United States	USD	0.0	100
Solar Investco II Ltd.	George Town, Cayman Islands	USD	0.0	100
SP Holding Enterprises Corp.	Wilmington, United States	USD	0.0	100
SR Lease Co VI Ltd.	George Town, Cayman Islands	USD	0.0	100
PT Credit Suisse Sekuritas Indonesia	Jakarta, Indonesia	IDR	235,000.0	99
Credit Suisse Hypotheken AG	Zurich, Switzerland	CHF	0.1	98
Credit Suisse Securities (China) Limited	Beijing, China	CNY	1,089.0	51

1 98% of voting rights and 98% of equity interest held by Credit Suisse AG.

Significant equity method investments

Company name	Domicile	Equity interest in %
Credit Suisse Group AG & Credit Suisse AG		
Swisscard AECS GmbH	Horgen, Switzerland	50
ICBC Credit Suisse Asset Management Co., Ltd.	Beijing, China	20
York Capital Management Global Advisors, LLC	New York, United States	5 [1]
Holding Verde Empreendimentos e Participações S.A.	São Paulo, Brazil	0 [1]

1 The Group holds a significant noncontrolling interest.

42 Credit Suisse Group parent company

Condensed statements of operations and comprehensive income

in	2022	2021	2020
Condensed statements of operations and comprehensive income (CHF million)			
Dividends from subsidiaries	632	12	24
of which from bank	570	10	10
of which from non-bank	62	2	14
Interest and dividend income	2,618	2,124	1,633
of which from subsidiaries and other affiliates	2,618	2,124	1,633
Interest expense	(2,708)	(2,173)	(1,649)
of which from subsidiaries and other affiliates	10	54	39
Net interest income	542	(37)	8
Commissions and fees	3	6	18
Trading revenues	(3)	(6)	12
of which from subsidiaries and other affiliates	(2,168)	(802)	550
Other revenues	63	36	78
of which from subsidiaries and other affiliates	61	36	77
Net revenues	**605**	**(1)**	**116**
Compensation and benefits	56	25	84
General and administrative expenses	82	74	62
Commission expenses	0	0	2
Total other operating expenses	82	74	64
Total operating expenses	**138**	**99**	**148**
Income/(loss) before taxes	**467**	**(100)**	**(32)**
Income tax expense/(benefit)	0	(4)	(5)
Undistributed earnings/(loss) of subsidiaries and other affiliates	(7,760)	(1,554) [1]	2,696
Net income/(loss)	**(7,293)**	**(1,650)**	**2,669**
Other comprehensive income/(loss), net of tax	4,476	1,824	(2,881)
Comprehensive income/(loss)	**(2,817)**	**174**	**(212)**

1 Included a goodwill impairment charge of CHF 1,623 million.

Condensed balance sheets

end of	2022	2021
Assets (CHF million)		
Cash and due from banks	222	143
of which from subsidiaries and other affiliates	222	143
Interest-bearing deposits with banks	2,079	5,948
of which from subsidiaries and other affiliates	2,075	5,944
Investment securities	60,814	55,659
of which from subsidiaries and other affiliates	60,814	55,659
Investments in subsidiaries and other affiliates	52,228	51,452
Other assets	1,085	831
of which from subsidiaries and other affiliates	1,034	827
Total assets	**116,428**	**114,033**
Liabilities and equity (CHF million)		
Due to banks	2,518	2,743
of which from subsidiaries and other affiliates	2,518	2,743
Trading liabilities	41	0
Short-term borrowings	0	4,700
of which from subsidiaries and other affiliates	0	4,700
Long-term debt	67,798	61,949
Other liabilities	942	687
of which from subsidiaries and other affiliates	27	7
Total liabilities	**71,299**	**70,079**
Total shareholders' equity	**45,129**	**43,954**
Total liabilities and equity	**116,428**	**114,033**

Condensed statements of cash flows

in	2022	2021	2020
Operating activities (CHF million)			
Net cash provided by/(used in) operating activities	**(166)**	**(286)**	**(10)**
Investing activities (CHF million)			
(Increase)/decrease in interest-bearing deposits with banks	3,693	(5,772)	1
Purchase of investment securities	(16,101)	(2,995)	(12,644)
Maturities of investment securities	4,926	56	0
Investments in subsidiaries and other investments	(4,059)	(1,121)	0
Proceeds from sale of other investments	0	9	0
Capital expenditures for premises and equipment and other intangible assets	(6)	0	0
Net cash provided by/(used in) investing activities	**(11,547)**	**(9,823)**	**(12,643)**
Financing activities (CHF million)			
Increase/(decrease) in due to banks and customer deposits	(225)	301	155
Increase/(decrease) in short-term borrowings	(4,700)	0	0
Issuances of long-term debt	17,719	8,730	13,644
Repayments of long-term debt	(4,926)	(56)	0
Issuances of common shares	3,914	1,661	0
Sale/(repurchase) of treasury shares	212	(473)	(462)
Dividends paid	(280)	(257)	(716)
Other, net	20	(1)	60
Net cash provided by/(used in) financing activities	**11,734**	**9,905**	**12,681**
Effect of exchange rate changes on cash and due from banks (CHF million)			
Effect of exchange rate changes on cash and due from banks	**58**	**70**	**(28)**
Net increase/(decrease) in cash and due from banks (CHF million)			
Net increase/(decrease) in cash and due from banks	**79**	**(134)**	**0**
Cash and due from banks at beginning of period [1]	143	277	277
Cash and due from banks at end of period [1]	**222**	**143**	**277**

1 Includes restricted cash.

43 Significant valuation and income recognition differences between US GAAP and Swiss GAAP banking law (true and fair view)

The Group's consolidated financial statements have been prepared in accordance with US GAAP.

FINMA requires Swiss-domiciled banks which present their financial statements under either US GAAP or International Financial Reporting Standards (IFRS) to provide a narrative explanation of the major differences between Swiss GAAP banking law (true and fair view) and its primary accounting standard.

The principal provisions of the Swiss Ordinance on Banks and Savings Banks (Banking Ordinance), the Swiss Financial Market Supervisory Authority's Accounting Ordinance (FINMA Accounting Ordinance) and the FINMA circular 2020/1, "Accounting – banks", governing financial reporting for banks (Swiss GAAP) differ in certain aspects from US GAAP. The following are the major differences:

→ Refer to "Note 1 – Summary of significant accounting policies" for a detailed description of the Group's accounting policies.

Scope of consolidation

Under Swiss GAAP, majority-owned subsidiaries that are not considered long-term investments or do not operate in the core business of the Group are either accounted for as financial investments or as equity method investments. US GAAP has no such exception relating to the consolidation of majority-owned subsidiaries.

Investments in securities

Under Swiss GAAP, classification and measurement of investments in securities depends on the nature of the investment.

Non-consolidated participations
Under US GAAP, equity securities where the company has no significant influence and which do not have a readily determinable fair value are measured in accordance with the NAV practical expedient, or by using the measurement alternative or at fair value.

Under Swiss GAAP, investments in equity securities where the company has no significant influence and which are held with the intention of a permanent investment or which are investments in financial industry infrastructure are included in participations irrespective of the percentage ownership of voting shares held. Participations are initially recognized at historical cost and tested for impairment at least annually. The fair value option is not allowed for participations.

Under Swiss GAAP, participations held by a company are tested for impairment on the level of each individual participation. An impairment is recorded if the carrying value of a participation exceeds its fair value. Should the fair value of an impaired participation recover in subsequent periods and such recovery is considered sustainable, the impairment from prior periods can be reversed up to the fair value but not exceeding the historical cost basis. A reversal of an impairment is recorded as extraordinary income in the statements of income.

Available-for-sale debt securities

Under US GAAP, available-for-sale debt securities are valued at fair value. Unrealized gains and losses due to fluctuations in fair value (including foreign exchange) are not recorded in the consolidated statements of operations but included net of tax in AOCI, which is part of total shareholders' equity. Credit-related impairments may have to be recognized in the consolidated statements of operations if the fair value of an individual debt security decreases below its amortized cost basis due to credit-related factors.

Under Swiss GAAP, available-for-sale securities are accounted for at the lower of amortized cost or market with valuation reductions and recoveries due to market fluctuations recorded in other ordinary expenses and income, respectively. Foreign exchange gains and losses are recognized in net income/(loss) from trading activities and fair value option.

Non-marketable equity securities

Under US GAAP, equity securities which do not have a readily determinable fair value are measured in accordance with the NAV practical expedient, or by using the measurement alternative or at fair value.

Under Swiss GAAP, non-marketable equity securities where the company has no intent to hold the securities permanently are carried at the lower of cost or market.

Allowances and provisions for credit losses

Under US GAAP, allowances and provisions for credit losses on financial instruments are estimated based on a CECL model. The credit loss requirements apply to financial assets measured at amortized cost as well as off-balance sheet credit exposures, such as irrevocable loan commitments, credit guarantees and similar instruments. The credit loss requirements are based on a forward-looking, lifetime CECL model by incorporating historical experience, current conditions and reasonable and supportable forecasts of future economic conditions available as of the reporting date.

Under Swiss GAAP, the same impairment model and methodology is applied as under US GAAP. Differences between the two GAAPs result for items which are not measured at amortized cost under US GAAP and therefore not in scope of CECL under US GAAP, but that have to be measured at amortized cost under Swiss GAAP and are therefore in scope of CECL under Swiss GAAP. Such differences in CECL measurement mainly result from loans, irrevocable loan commitments and financial guarantees which are FVO elected under US GAAP and measured at amortized cost under Swiss GAAP.

Fair value option

Unlike US GAAP, Swiss GAAP generally does not allow the fair value option concept that creates an optional alternative measurement treatment for certain non-trading financial assets and liabilities, guarantees and commitments. The fair value option permits the use of fair value for initial and subsequent measurement with changes in fair value recorded in the consolidated statements of operations.

For issued structured products that meet certain conditions, fair value measurement can be applied. The related changes in fair value of both the embedded derivative and the host contract are recorded in trading revenues, except for fair value adjustments relating to own credit that cannot be recognized in the consolidated statements of income. Impacts of changes in own credit spreads are recognized in the compensation accounts which are either recorded in other assets or other liabilities.

Derivative financial instruments used for fair value hedging

Under US GAAP, for fair value hedges, the carrying value of the underlying hedged items is adjusted to the change in the fair value of the hedged risk. Changes in the fair value of the related designated derivatives are recorded in the same line item of the consolidated statements of operations as the change in fair value of the hedged risk for the respective assets or liabilities.

Under Swiss GAAP, the carrying value of hedged items is not adjusted. The amount representing the change in fair value of the hedged item with regard to the hedged risk is recorded in the compensation account included in other assets or other liabilities.

Derivative financial instruments used for cash flow hedging

Under US GAAP, the change in the fair value of a designated derivative of a cash flow hedge is reported in AOCI.

Under Swiss GAAP, the change in the fair value of a designated derivative of a cash flow hedge is recorded in the compensation account included in other assets or other liabilities.

Derecognition of financial instruments

Under US GAAP, financial instruments are only derecognized if the transaction meets the following criteria: (i) the financial asset has been legally isolated from the transferor, (ii) the transferee has the right to repledge or resell the transferred asset, and (iii) the transferor does not maintain effective control over the transferred asset.

Under Swiss GAAP, a financial instrument is derecognized when the economic control has been transferred from the seller to the buyer. A party which has the controlling ability to receive the future returns from the financial instrument and the obligation to absorb the risk of the financial instrument is deemed to have economic control over a financial instrument.

Debt issuance costs

Under US GAAP, debt issuance costs are presented as a direct deduction from the carrying amount of the related debt.

Under Swiss GAAP, debt issuance costs are reported as a balance sheet asset in accrued income and prepaid expenses.

Operating leases – lessee arrangements

Under US GAAP, at commencement of an operating lease, the lessee recognizes a lease liability for future lease payments and a right-of-use asset which reflects the future benefits from the lease contract. The initial lease liability equals the present value of the future lease payments; amounts paid upfront are not included. The right-of-use asset equals the sum of the initial lease liability, initial direct costs and prepaid lease payments, with lease incentives received deducted. Operating lease costs, which include amortization and an interest component, are recognized over the remaining lease term on a straight-line basis. If the reporting entity permanently vacates premises and sub-leases a leased asset to another party at a loss, an impairment is recognized on the right-of-use asset. The impairment is determined as the difference between the carrying value of the right-of-use asset and the present value of the expected sub-lease income over the sub-lease term.

Under Swiss GAAP, at commencement of an operating lease, no right-of-use assets and lease liabilities are recognized on the balance sheet of the lessee. For the calculation of the periodic lease expenses, initial direct costs, lease incentives and prepaid lease payments are considered and the total cost of a lease contract is expensed on a straight-line basis over the lease term. If the reporting entity permanently vacates premises, a provision for future payments under the lease contract is recorded, net of expected sub-lease income.

Goodwill amortization

Under US GAAP, goodwill is not amortized but must be tested for impairment annually or more frequently if an event or change in circumstances indicates that the goodwill may be impaired.

Under Swiss GAAP, goodwill is amortized over its useful life, generally not exceeding five years, except for justified cases where a maximum useful life of up to ten years is acceptable. In addition, goodwill is tested at least annually for impairment.

Amortization of intangible assets

Under US GAAP, intangible assets with indefinite lives are not amortized but are tested for impairment annually or more frequently if an event or change in circumstances indicates that the asset may be impaired.

Under Swiss GAAP, intangible assets are amortized over a useful life, up to a maximum of five years, in justified cases up to a maximum of ten years. In addition, these assets are tested at least annually for impairment.

Guarantees

US GAAP requires all guarantees to be initially recognized at fair value. Upon issuance of a guarantee, the guarantor is required to recognize a liability that reflects the initial fair value; simultaneously, a receivable is recorded to reflect the future guarantee fee income over the entire life of the guarantee.

Under Swiss GAAP, only accrued or prepaid guarantee fees are recorded on the balance sheet. No guarantee liability and receivable for future guarantee fees are recorded upon issuance of a guarantee.

Loan origination fees and costs

US GAAP requires the deferral of fees received upfront and direct costs incurred in connection with the origination of loans not held under the fair value option.

Under Swiss GAAP, only upfront payments or fees that are considered interest-related components are deferred (e.g., premiums and discounts). Fees received from the borrower which are considered service-related fees such as commitment fees, structuring fees and arrangement fees are immediately recognized in commission income.

Extraordinary income and expenses

Unlike US GAAP, Swiss GAAP does report certain expenses or revenues as extraordinary if the recorded income or expense is non-operating and non-recurring.

Pensions and post-retirement benefits

Under US GAAP, the liability and related pension expense is determined based on the projected unit credit actuarial calculation of the benefit obligation.

Under Swiss GAAP, the liability and related pension expense is primarily determined based on the pension plan valuation in accordance with Swiss GAAP FER 26. A pension asset is recorded if a statutory overfunding of a pension plan leads to a future economic benefit, and a pension liability is recorded if a statutory underfunding of a pension plan leads to a future economic obligation. Employer contribution reserves must be capitalized if they represent a future economic benefit. A future economic benefit exists if the employer can reduce its future statutory annual contribution to the pension plan by releasing employer contribution reserves. Pension expenses include the required contributions defined by Swiss law, any additional contribution mandated by the pension fund trustees and any change in value of the pension asset or liability between two measurement dates as determined on the basis of the annual year-end pension plan valuation.

Discontinued operations

Under US GAAP, the assets and liabilities of a discontinued operation are separated from the ordinary captions of the consolidated balance sheets and are reported as discontinued operations measured at the lower of the carrying value or fair value less cost to sell. Accordingly, income and expense from discontinued operations are reported in a separate line item of the consolidated statements of operations.

Under Swiss GAAP, these positions remain in their initial balance sheet captions until disposed of and continue to be valued according to the respective captions.

Security collateral received in securities lending transactions

Under US GAAP, security collateral received in securities lending transactions with the right to sell or repledge are recorded as assets and a corresponding liability to return the collateral is recognized.

Under Swiss GAAP, security collateral received and the obligation to return collateral of securities lending transactions are not recognized on the balance sheet.

Digital assets held in custody

Under US GAAP, an entity records a liability on its balance sheet for its obligation to safeguard digital assets held as a custodian for its clients, and a corresponding safeguarding asset.

Under Swiss GAAP, the recording of a safeguarding liability and a safeguarding asset for digital assets held as a custodian for its clients is not required.

Loan commitments

Under US GAAP, loan commitments include all commitments to extend loans, unfunded commitments under commercial lines of credit, revolving credit lines, credit guarantees in the future and overdraft protection agreements, except for commitments that can be revoked by the Group at any time at the Group's sole discretion without prior notice.

Under Swiss GAAP, loan commitments include all commitments to extend loans, unfunded commitments under commercial lines of credit, revolving credit lines, credit guarantees in the future and overdraft protection agreements, except for commitments that can be revoked by the Group at any time at the Group's sole discretion with a notice period not exceeding six weeks.

VII – Parent company financial statements – Credit Suisse Group

Notes to the financial statements

Report of the statutory auditor

to the General Meeting of Credit Suisse Group AG

Zurich

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Credit Suisse Group AG (the Company), which comprise the statement of income, balance sheet and notes for the year then ended December 31, 2022, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of association.

Basis for opinion

We conducted our audit in accordance with Swiss law and the Swiss Standards on Auditing (SA-CH). Our responsibilities under these regulations and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall materiality: CHF 800 million

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

- Carrying value of participations

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 800 million
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We have applied this benchmark, which is generally accepted in audit practice, based on our analysis of the common information needs of users of the financial statements. As the entity is a holding company, we believe a measure of balance sheet assets to be more relevant than an earnings measure.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgments were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying value of participations

Key audit matter	How our audit addressed the key audit matter
As set out in the balance sheet and described in Note 13 to the financial statements, Credit Suisse Group AG held participations with a carrying value of CHF 29,838 million as of December 31, 2022. Participations are valued at acquisition cost less impairment. For the purpose of impairment testing, portfolio valuation method is applied for economically closely related participations. Due to the high level of sensitivity of the fair value to the assumptions used in the impairment assessment and the significance of the participations to the financial statements, we identified the impairment assessment of participations as a key audit matter.	We addressed the key audit matter by testing the design and effectiveness of controls relating to management's impairment assessment of participations. Further, for a sample of participations, we reviewed managements' assumptions such as five-year financial plans, discount rates used under the income approach and market multiples used under the market approach. We involved professionals with specialized skills and knowledge to assist in the evaluation of the valuation methodology applied as well as the discount rate and multiples assumptions. They also performed an independent calculation of the fair value of the participations and compared the results to the management's.

Other information

The Board of Directors is responsible for the other information. The other information comprises all information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of association, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

During our audit, performed in accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we noted that an internal control system has been designed by management for the preparation of financial statements according to the instructions of the Board of Directors. However, we noted that management did not design and maintain an effective risk assessment process to identify and analyze the risk of material misstatements in its financial statements within this system as described in note 1 to the accompanying financial statements.

In our opinion, except for the matter described in the preceding paragraph, an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed carry forward of accumulated losses and the proposed distribution comply with Swiss law and the Company's articles of association.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Matthew Falconer	Beresford Caloia
Audit expert Auditor in charge	Audit expert

Zurich, March 14, 2023

Parent company financial statements

Statement of income

in	Note	**2022**	2021
Statement of income (CHF million)			
Dividend income from participations	3	632	12
Other financial income	4	2,651	2,160
Other operating income	5	128	96
Total operating income		**3,411**	**2,268**
Financial expenses	6	2,869	2,270
Personnel expenses	7	56	24
Other operating expenses	8	127	110
Amortization, depreciation and impairment losses on noncurrent assets	1	24,475	2,923
Total operating expenses		**27,527**	**5,327**
Operating profit/(loss)		**(24,116)**	**(3,059)**
Extraordinary, non-recurring or prior period income	9	0	311
Net profit/(loss) before taxes		**(24,116)**	**(2,748)**
Direct tax expenses		12	12
Net profit/(loss)		**(24,128)**	**(2,760)**

Balance sheet

end of	Note	2022	2021
Assets (CHF million)			
Cash and cash equivalents		2,088	5,960
Other short-term receivables	10	10,216	5,214
Accrued income and prepaid expenses	11	1,128	927
Total current assets		**13,432**	**12,101**
Financial investments	12	56,574	50,168
Participations	13	29,838	50,254
Intangible assets		6	0
Total noncurrent assets		**86,418**	**100,422**
Total assets		**99,850**	**112,523**
Liabilities and shareholders' equity (CHF million)			
Short-term interest-bearing liabilities	14	12,293	12,190
Other short-term liabilities		54	13
Accrued expenses and deferred income	15	1,287	988
Total short-term liabilities		**13,634**	**13,191**
Long-term interest-bearing liabilities	16	63,555	56,568
Total long-term liabilities		**63,555**	**56,568**
Total liabilities		**77,189**	**69,759**
Share capital	1, 17	**160**	**106**
Capital contribution reserves	1	30,251	26,674
Other capital reserves		1,952	1,800
Legal capital reserves		**32,203**	**28,474**
Reserves for own shares held by subsidiaries	18	500	500
Legal income reserves		**500**	**500**
Statutory and discretionary reserves		10,500	10,500
Retained earnings carried forward		3,828	6,719
Net profit/(loss)		(24,128)	(2,760)
Voluntary retained earnings/(accumulated losses)		**(9,800)**	**14,459**
Treasury shares against other capital reserves		(402)	(469)
Treasury shares against voluntary retained earnings		0	(153)
Treasury shares against capital contribution reserves		0	(153)
Treasury shares	19	**(402)**	**(775)**
Total shareholders' equity		**22,661**	**42,764**
Total liabilities and shareholders' equity		**99,850**	**112,523**

Statement of changes in shareholders' equity

	Share capital	Legal capital reserves	Legal income reserves	Statutory and discretionary reserves	Retained earnings carried forward	Net profit/(loss)	Treasury shares	**Total share-holders' equity**
2022 (CHF million)								
Balance at beginning of period	**106**	**28,474**	**500**	**10,500**	**6,719**	**(2,760)**	**(775)**	**42,764**
Appropriation of net profit/(loss)	–	–	–	–	(2,760)	2,760	–	–
Distribution for the financial year 2021	–	(131)	–	–	(131)	–	–	(262)
Issuance of shares	54	3,860	–	–	–	–	–	3,914
Sale/(purchase) of treasury shares	–	–	–	–	–	–	373	373
Net profit/(loss)	–	–	–	–	–	(24,128)	–	(24,128)
Balance at end of period	**160**	**32,203**	**500**	**10,500**	**3,828**	**(24,128)**	**(402)**	**22,661**
2021 (CHF million)								
Balance at beginning of period	**98**	**26,960**	**500**	**10,500**	**7,037**	**(197)**	**(392)**	**44,506**
Appropriation of net profit/(loss)	–	–	–	–	(197)	197	–	–
Distribution for the financial year 2020	–	(121)	–	–	(121)	–	–	(242)
Issuance of shares	8	1,635	–	–	–	–	–	1,643
Purchase of shares as part of the share buyback program 2021	–	–	–	–	–	–	(306)	(306)
Sale/(purchase) of other treasury shares	–	–	–	–	–	–	(77)	(77)
Net profit/(loss)	–	–	–	–	–	(2,760)	–	(2,760)
Balance at end of period	**106**	**28,474**	**500**	**10,500**	**6,719**	**(2,760)**	**(775)**	**42,764**

Notes to the financial statements

1 General information, business developments and subsequent events

Company details

Credit Suisse Group AG is a Swiss holding company incorporated as a joint stock corporation (public limited company) with its registered office in Zurich, Switzerland. The financial statements of Credit Suisse Group AG are prepared in accordance with the regulations of the Swiss Code of Obligations and are stated in Swiss francs (CHF). The financial year ends on December 31.

Credit Suisse Group AG issues high-trigger and low-trigger tier 1 capital notes as well as senior unsecured notes, which qualify as total loss-absorbing capacity (TLAC). The proceeds from such issuances are generally used to acquire internal notes issued by Credit Suisse AG which substantially mirror the terms of the notes issued by Credit Suisse Group AG.

Number of employees

The annual average number of employees (full-time equivalents) for the current year exceeded 50 but did not exceed 250. In the previous year the average number of employees did not exceed 50.

Business developments

Strategic review
On October 27, 2022, Credit Suisse Group AG announced a series of decisive actions following a strategic review conducted by the Board of Directors and Executive Board, focused on a restructuring of the Investment Bank, an accelerated cost transformation, and strengthened and reallocated capital.

Internal control over financial reporting
The Credit Suisse Group AG's Board of Directors is responsible for establishing and maintaining adequate internal control over financial reporting which is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Swiss law. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Board of Directors has made an evaluation and assessment of the internal control over financial reporting as of December 31, 2022. Based upon its review and evaluation, the Board of Directors has concluded that, as of December 31, 2022, the Credit Suisse Group AG's internal control over financial reporting was not effective as it did not design and maintain an effective risk assessment process to identify and analyze the risk of material misstatements in its financial statements. This material weakness could result in misstatements of account balances or disclosures that would result in a material misstatement to the annual financial statements that would not be prevented or detected.

As a consequence, the statutory auditor PricewaterhouseCoopers AG (PwC) has issued a qualified opinion on the existence of an internal control designed for the preparation of the financial statements as of December 31, 2022.

Notwithstanding the existence of that material weaknesses in internal control over financial reporting, the Credit Suisse Group AG confirms that its financial statements as at December 31, 2022 comply with Swiss law as reflected in PwC's report on those financial statements.

The Credit Suisse Group AG's Board of Directors and the Executive Board have worked continuously in recent years to improve the control environment surrounding financial reporting with increased investment and additional resources and are committed to maintaining a strong internal control environment and implementing measures designed to help ensure that the material weaknesses are remediated with the highest priority. The Credit Suisse Group AG's Board of Directors and the Executive Board are developing a remediation plan to address the material weakness referred to above, including strengthening the risk and control framework, and which will build on the significant attention that management has devoted to controls to date.

Other than as described above, there were no changes in the Credit Suisse Group AG's internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Credit Suisse Group AG's internal controls over financial reporting.

Valuation of participations
The carrying value of Credit Suisse Group AG's participations in subsidiaries is reviewed for potential impairment on at least an annual basis as of December 31 and at any other time that events or circumstances indicate that the participations' value may be impaired. Such events and circumstances during the year, which included increased interest rates, the deterioration of the economic environment, the comprehensive strategic review announced on October 27, 2022, significant deposit and net asset outflows in the fourth quarter as well as the related liquidity issues, were considered triggering events and required reviews of the participations' value. Based on the reviews performed,

Credit Suisse Group AG recorded total participation impairments of CHF 24.5 billion, primarily relating to Credit Suisse AG, for the year 2022.

Capital increase

On November 23, 2022, Credit Suisse Group AG held an Extraordinary General Meeting, at which shareholders approved two capital increases. Credit Suisse Group AG completed the first capital increase on November 25, 2022 by way of a share placement of 462,041,884 newly issued shares to qualified investors resulting in gross proceeds of CHF 1.76 billion. Credit Suisse Group AG completed the second capital increase by way of a rights offering on December 9, 2022. By the end of the rights exercise period, 98.2% of the rights had been exercised for the issuance of 872,989,594 shares. The remaining 16,378,864 newly issued shares for which rights were not exercised were sold in the market. The rights offering resulted in gross proceeds of CHF 2.25 billion. The capital increases resulted in 1,351,410,342 newly issued shares and gross proceeds for Credit Suisse Group AG of CHF 4.0 billion. Credit Suisse Group AG made capital contributions of CHF 3.89 billion to its wholly-owned subsidiary Credit Suisse AG.

Sale of CS Trust business

On September 6, 2022, the Group signed separate agreements with The Bank of N.T. Butterfield & Son Limited (Butterfield) and Gasser Partner Trust reg. (Gasser Partner) for the sale of its global trust business (Credit Suisse Trust, CST), while CST entities will continue to operate with a limited number of clients. Under separate agreements, Butterfield will acquire CST's businesses based in Guernsey, Singapore, and The Bahamas, while Gasser Partner will acquire CST's Liechtenstein business. The transaction with Butterfield is expected to close in 2023 and is subject to customary conditions. The transfer of a majority of the trust structures in Liechtenstein occurred on February 28, 2023, with the expectation that a small number of remaining trust structures will transfer on a rolling basis in the first half of 2023.

Subsequent events

Securitized Products Group

On November 15, 2022, Credit Suisse announced that it had entered into definitive transaction agreements to sell a significant part of its Securitized Products Group (SPG) to entities and funds managed by affiliates of Apollo Global Management. This transaction involves phased closings through the first half of 2023 and represents an important step towards a managed exit from the SPG business and to de-risk the bank. On February 7, 2023, the parties completed the first closing of such transaction and the majority of the assets and professionals associated with the transaction are now part of or managed by ATLAS SP Partners, a new standalone credit firm focused on asset-backed financing and capital markets solutions. On February 23, 2023, the parties completed the second closing of such transaction, with further assets transferred.

CS First Boston

On February 9, 2023, Credit Suisse announced the acquisition of The Klein Group LLC, the investment banking business as well as the registered broker-dealer of M. Klein & Company LLC (the seller). The purchase price is USD 175 million. To align interests with Credit Suisse, the seller will receive a convertible note and a warrant. The note will provide annual payments and convert into, and the warrant entitles the seller to subscribe to, CS First Boston shares at a qualified initial public offering or other liquidity event, at the then-valuation of CS First Boston, less a customary discount. The principal amount of the convertible note is expected to be USD 100 million, with the balance being paid in cash dependent on the amount of taxes to be paid by the seller at closing. The net present value of the transaction to Credit Suisse is expected to be approximately USD 210 million, which also includes interest cost, annual payments on the note and other payments that may in the future become payable in respect of this transaction. The transaction is expected to close in the first half of 2023.

2 Accounting and valuation principles

These financial statements were prepared in accordance with the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations).

Cash and cash equivalents

Cash and cash equivalents are carried at nominal value.

Derivatives held for hedging purposes

Interest rate swaps

Credit Suisse Group AG entered into hedging transactions to hedge interest rate risk exposures from fixed rate liabilities with fixed receiver interest rate swaps with equivalent notionals and maturities. These hedging relationships are considered to be highly effective over the entire lifetime of the hedge. The hedging instruments follow the accounting treatment of the underlying assets and liabilities, i.e. the accrued net interest and the unamortized day one payments are recognized on the balance sheet as "Accrued income and prepaid expenses" and as "Accrued expenses and deferred income", respectively. The interest and the amortization of the day one payments on the interest rate swaps are recorded as financial expenses in the statement of income. The interest rate swaps were initially recorded at cost. Subsequently, no replacement values and no valuation changes, i.e., change of clean replacement values, are recorded on the balance sheet and in the statement of income of the company.

Cross-currency basis swaps

Credit Suisse Group AG uses cross-currency basis swaps to hedge the foreign currency risk resulting from mismatches between assets and liabilities denominated in non-functional currencies. The cross-currency basis swaps have a notional equivalent to the respective asset and liability currency mismatch. These hedging relationships are considered to be highly effective over the entire lifetime of the hedge and are adjusted as exposure changes to ensure the hedges remain effective. The hedging instruments follow the accounting treatment of the underlying risk hedged. The change of fair value due to change in foreign exchange rates is reflected in other financial income or financial expenses and off-sets with the foreign currency remeasurement effects of the hedged foreign currency exposure. The interest is recorded as financial expenses. The change in fair value due to change in foreign exchange rates and the accrued interest of the cross-currency basis swaps are recognized on the balance sheet as "Accrued income and prepaid expenses" and as "Accrued expenses and deferred income". The cross-currency basis swaps were initially recorded at cost. Subsequently, no replacement values and no valuation changes due to changes in interest rates, i.e., change of clean replacement values related to interest, are recorded on the balance sheet and in the statement of income of the company.

Financial investments

Financial investments include debt securities with a remaining maturity of more than 12 months after the balance sheet date. These securities are carried at cost. No valuation adjustments or impairment losses were required.

Participations

Participations are valued at historical cost less impairment. For the purpose of impairment testing, with a clearly defined sub-portfolio of economically closely related participations, the portfolio valuation method is applied. Impairment is assessed at each balance sheet date or at any point in time when facts and circumstances would indicate that an event has occurred which triggers an impairment review. The amount of impairment, if any, is assessed on the level of this sub-portfolio and not individually for each participation. All other participations are valued individually. An impairment is recorded if the carrying value exceeds the fair value of the participation sub-portfolio. If the fair value of participations recovers significantly and is considered sustainable, a prior period impairment can be reversed up to the historical cost value of the participations.

Intangible assets

Intangible assets are amortized over a period of five years. Intangible assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the intangible assets may be impaired.

Interest-bearing liabilities

Short-term and long-term interest-bearing liabilities are carried at nominal value. Issuance costs and discounts are recognized as prepaid expenses and are amortized on a straight-line basis over the contractual term of the notes. Premiums are recognized as accrued expenses and are amortized on a straight-line basis over the contractual term of the notes.

Treasury shares

Own shares are recorded at cost and reported as treasury shares, resulting in a reduction to total shareholders' equity. Realized gains and losses on the sale of own shares are recognized through the statement of income as other financial income or financial expenses.

Revenue recognition

Revenues are recognized when they are realized or realizable, and are earned. Dividend income is recorded in the reporting period in which the dividend is declared.

Foreign currency translations

Assets and liabilities denominated in foreign currencies are translated into Swiss francs at the exchange rates prevailing at year-end, with the exception of non-monetary assets and liabilities, which are maintained in Swiss francs at historical exchange rates. All currency translation effects are recognized in other financial income or financial expenses.

3 Dividend income from participations

in	2022	2021
Dividend income from participations (CHF million)		
Credit Suisse AG	570	10
Credit Suisse Services AG	50	0
Other	12	2
Dividend income from participations	**632**	**12**

4 Other financial income

in	2022	2021
Other financial income (CHF million)		
Interest income [1]	2,651	2,150
Gains on sale of treasury shares	0	10
Other financial income	**2,651**	**2,160**

1 Included negative interest income of CHF 2 million and CHF 17 million in 2022 and 2021, respectively.

5 Other operating income

in	2022	2021
Other operating income (CHF million)		
Trademark fees	61	53
Management fees	61	36
Guarantee fees	3	6
Other	3	1
Other operating income	**128**	**96**

6 Financial expenses

in	2022	2021
Financial expenses (CHF million)		
Interest expense [1]	2,716	2,178
Losses on sale of treasury shares	152	89
Foreign exchange losses	1	3
Financial expenses	**2,869**	**2,270**

1 Included negative interest expense of CHF 31 million and CHF 54 million in 2022 and 2021, respectively.

7 Personnel expenses

in	2022	2021
Personnel expenses (CHF million)		
Salaries	53	34
Variable compensation expenses/(credits)	(9)	(20)
Other	12	10
Personnel expenses	**56**	**24**

8 Other operating expenses

in	2022	2021
Other operating expenses (CHF million)		
Branding expenses	59	53
Other general and administrative expenses	68	57
Other operating expenses	**127**	**110**

9 Extraordinary, non-recurring or prior period income

in	2022	2021
Extraordinary, non-recurring or prior period income (CHF million)		
Release of provisions	0	311 [1]
Extraordinary, non-recurring or prior period income	**0**	**311**

1 Release of economically not required provisions from prior periods.

10 Other short-term receivables

end of	2022	2021
Other short-term receivables (CHF million)		
Debt securities [1]	9,065	4,878
Cash collateral provided	892	113
Receivables for trademark fees	217	220
Other	42	3
Other short-term receivables	**10,216**	**5,214**

1 Reflects notes issued by Credit Suisse AG.

11 Accrued income and prepaid expenses

end of	2022	2021
Accrued income and prepaid expenses (CHF million)		
Accrued interest income	827	653
Deferred debt issuance costs	241	220
Unamortized discount on notes issued	56	39
Unamortized premium on debt securities	1	2
Derivatives held for hedging purposes	0	8
Other	3	5
Accrued income and prepaid expenses	**1,128**	**927**

12 Financial investments

end of	2022	2021
Financial investments (CHF million)		
Debt securities [1]	56,573	50,167
Equity securities	1	1
Financial investments	**56,574**	**50,168**

1 Reflects notes issued by Credit Suisse AG.

13 Participations

Direct participations

Company name	Domicile	Currency	Nominal capital in million	Voting interest in %	Equity interest in %
as of December 31, 2022					
Capital Union Bank B.S.C (closed) (under liquidation)	Manama, Kingdom of Bahrain	USD	20.0	26	26
Credit Suisse AG [1]	Zurich, Switzerland	CHF	4,399.7	100	100
Credit Suisse Group Funding (Guernsey) Limited [1]	St. Peter Port, Guernsey	USD	0.1	100	100
Credit Suisse Insurance Linked Strategies Ltd. [1]	Zurich, Switzerland	CHF	0.2	100	100
Credit Suisse International [1, 3]	London, United Kingdom	USD	11,366.2	2 [2]	2 [2]
Credit Suisse Services AG [1]	Zurich, Switzerland	CHF	1.0	100	100
Credit Suisse Trust AG [1]	Zurich, Switzerland	CHF	5.0	100	100
Credit Suisse Trust Holdings Limited [1]	St. Peter Port, Guernsey	GBP	17.0	100	100
CS LP Holding AG	Zug, Switzerland	CHF	0.1	100	100
Inreska Limited [1]	St. Peter Port, Guernsey	GBP	3.0	100	100
Savoy Hotel Baur en Ville AG	Zurich, Switzerland	CHF	7.5	88	88

1 For the purpose of impairment testing, these participations form part of a sub-portfolio for which the portfolio valuation method is applied.
2 98% held by other group companies.
3 Private unlimited company.

Indirect participations

The company's principal indirect participations are shown in Note 41 – Significant subsidiaries and equity method investments in VI – Consolidated financial statements – Credit Suisse Group.

14 Short-term interest-bearing liabilities

end of	2022	2021
Short-term interest-bearing liabilities (CHF million)		
Senior unsecured notes	5,859	3,506
High-trigger tier 1 capital notes	2,050	1,372
Low-trigger tier 1 capital notes	2,081	0
Due to banks	2,303	7,312
Short-term interest-bearing liabilities	**12,293**	**12,190**

15 Accrued expenses and deferred income

end of	2022	2021
Accrued expenses and deferred income (CHF million)		
Accrued interest expense	891	679
Deferred fees on debt securities	220	200
Derivatives held for hedging purposes	98	6
Unamortized discount on debt securities	36	24
Accrued personnel and other operating expenses	29	61
Unamortized premium on notes issued	11	17
Other	2	1
Accrued expenses and deferred income	**1,287**	**988**

16 Long-term interest-bearing liabilities

The high-trigger and low-trigger tier 1 capital notes issued by Credit Suisse Group AG are perpetual securities and have no fixed or final maturity date. Subject to the satisfaction of certain conditions, they may be redeemed, at the option of the issuer, on the first call date or as specified thereafter in the terms of the note.

The high-trigger tier 1 capital notes mandatorily are permanently written down to zero, as provided in the terms of the respective instrument, upon the occurrence of certain specified triggering events. These events include the Group's consolidated common equity tier 1 (CET1) ratio falling below 7%, or a determination by the Swiss Financial Market Supervisory Authority FINMA (FINMA) that write-down is necessary, or that Credit Suisse Group AG requires extraordinary public sector capital support, to prevent Credit Suisse Group AG from becoming insolvent, bankrupt or unable to pay a material amount of its debt, or other similar circumstances. Write-down can only be prevented if FINMA, at Credit Suisse Group AG's request, is satisfied that certain conditions exist and determines that a write-down is not required. High-trigger instruments are designed to absorb losses before other capital instruments, including the low-trigger capital instruments.

The low-trigger tier 1 capital notes have a write-down feature, which means that interest on the notes shall cease to accrue and the full principal amount of the notes will be permanently written down to zero upon the occurrence of certain specified triggering events, also called write-down events. A write-down event will occur if the sum of the Group's consolidated CET1 ratio and the Higher Trigger Capital Ratio (i.e., the ratio of Higher Trigger Capital Amount to the aggregate of all risk-weighted assets of the Group) as of any quarterly balance sheet date or interim capital report date is below 5.125%. A write-down event will also occur if FINMA determines that a write-down of the notes is necessary, or that Credit Suisse Group AG requires extraordinary public sector capital support to prevent Credit Suisse Group AG from becoming insolvent, bankrupt or unable to pay a material part of its debts, or other similar circumstances. Write-down can only be prevented if FINMA, at the Group's request, is satisfied that certain conditions exist and determines that a conversion or write-down is not required.

In addition to the high-trigger and low-trigger tier 1 capital notes, Credit Suisse Group AG has issued senior unsecured notes, which qualify as TLAC. The senior unsecured notes have a fixed maturity date and can be redeemed, at the option of the issuer, at a call date, if specified in the applicable terms and conditions. The senior unsecured notes are bail-in debt instruments that are designed to absorb losses after the cancellation of Credit Suisse Group AG's equity instruments and after the write-down or conversion into equity of regulatory capital (including high-trigger and low-trigger tier 1 capital notes) in restructuring proceedings with respect to Credit Suisse Group AG. Bail-in debt instruments do not feature capital triggers that may lead to a write-down and/or a conversion into equity outside of restructuring, but only begin to bear losses once Credit Suisse Group AG is formally in restructuring proceedings and FINMA orders capital measures (i.e., a write-down and/or a conversion into equity) in the restructuring plan.

Long-term interest-bearing liabilities

Currency	Notional (million)	Interest rate	Issue date	Call date	Maturity date	2022 Carrying value (CHF million)	2021 Carrying value (CHF million)
High-trigger tier 1 capital notes							
USD	2,000	7.500% [1]	July 16, 2018	July 17, 2023	Perpetual	– [2]	1,829
CHF	200	3.875% [1]	March 22, 2017	September 22, 2023	Perpetual	– [2]	200
SGD	750	5.625% [1]	June 6, 2019	June 6, 2024	Perpetual	517	508
CHF	300	3.500% [1]	September 4, 2018	September 4, 2024	Perpetual	300	300
USD	1,500	7.250% [1]	September 12, 2018	September 12, 2025	Perpetual	1,387	1,372
CHF	525	3.000% [1]	September 11, 2019	November 11, 2025	Perpetual	525	525
USD	1,750	6.375% [1]	August 21, 2019	August 21, 2026	Perpetual	1,619	1,600
USD	1,500	5.250% [1]	August 11, 2020	August 11, 2027 [3]	Perpetual	1,387	1,372
USD	1,650	9.750% [1]	June 23, 2022	December 23, 2027 [3]	Perpetual	1,526	–
USD	1,000	5.100% [1]	January 24, 2020	January 24, 2030	Perpetual	925	915
USD	1,500	4.500% [1]	December 9, 2020	March 3, 2031 [3]	Perpetual	1,387	1,372
Total high-trigger tier 1 capital notes						**9,573**	**9,993**
Low-trigger tier 1 capital notes							
USD	2,250	7.500% [1]	December 11, 2013	December 11, 2023	Perpetual	– [2]	2,057
USD	2,500	6.250% [1]	June 18, 2014	December 18, 2024	Perpetual	2,312	2,286
Total low-trigger tier 1 capital notes						**2,312**	**4,343**
Senior unsecured notes							
AUD	125	3.500% [1]	March 8, 2018	March 8, 2023	March 8, 2024	– [2]	83
AUD	175	3 Month BBSW +1.25%	March 8, 2018	March 8, 2023	March 8, 2024	– [2]	116
USD	1,050	3 Month USD LIBOR +0.80% [4]	March 8, 2019	March 8, 2023	March 8, 2024	– [2]	960
CHF	1,000 [5]	1.000%	April 15, 2015	-	April 14, 2023	– [2]	1,000
USD	2,000	3.800%	June 10, 2016	-	June 9, 2023	– [2]	1,829
USD	1,250	4.207% [1]	June 12, 2018	June 12, 2023	June 12, 2024	– [2]	1,143
USD	750	3 Month USD LIBOR +1.24%	June 12, 2018	June 12, 2023	June 12, 2024	– [2]	686
EUR	1,500	1.250% [1]	July 17, 2017	July 17, 2024	July 17, 2025	1,478	1,551
USD	2,000	2.593% [1]	September 11, 2019	September 11, 2024	September 11, 2025	1,850	1,829
GBP	750	2.125% [1]	September 12, 2017	September 12, 2024	September 12, 2025	837	926
EUR	1,500	3 Month EURIBOR +1.0%	January 18, 2021	January 16, 2025	January 16, 2026	1,478	1,551
USD	2,500	3.750%	March 26, 2015	-	March 26, 2025	2,312	2,286
EUR	2,000	3.250% [1]	April 2, 2020	April 2, 2025	April 2, 2026	1,970	2,068
NOK	1,000	3.600%	May 29, 2015	-	May 28, 2025	93	104
USD	1,500	2.193% [1]	June 5, 2020	June 5, 2025	June 5, 2026	1,387	1,372
USD	1,500	6.373% [1]	August 12, 2022	July 15, 2025	July 15, 2026	1,387	–
GBP	500	2.750%	August 8, 2016	-	August 8, 2025	558	618
EUR	2,000	2.125% [1]	March 24, 2022	October 13, 2025	October 13, 2026	1,970	–
USD	2,000	1.305% [1]	February 2, 2021	February 2, 2026	February 2, 2027	1,850	1,829
USD	2,000	4.550%	April 18, 2016	-	April 17, 2026	1,850	1,829
EUR	1,500 [6]	1.000% [1]	June 24, 2019	June 24, 2026	June 24, 2027	1,478	1,551
GBP	750	7.000% [1]	September 7, 2022	September 30, 2026	September 30, 2027	837	–
JPY	8,300	0.904% [1]	October 27, 2017	October 27, 2026	October 27, 2027	58	66
USD	2,250	4.282%	January 9, 2017	January 9, 2027	January 9, 2028	2,081	2,058
EUR	1,250	0.650% [1]	January 14, 2020	January 14, 2027	January 14, 2028	1,231	1,292
JPY	5,000	1.100%	April 4, 2022	April 4, 2027 [7]	April 4, 2028	35	–
GBP	750	2.250% [1]	June 9, 2020	June 9, 2027	June 9, 2028	837	926
USD	1,750	6.442% [1]	August 12, 2022	August 11, 2027	August 11, 2028	1,619	–
USD	2,000	3.869% [1]	January 12, 2018	January 12, 2028	January 12, 2029	1,850	1,829
EUR	3,000	7.750% [1]	November 14, 2022	March 1, 2028	March 1, 2029	2,955	–
GBP	450	2.125% [1]	November 15, 2021	November 15, 2028	November 15, 2029	502	556
EUR	100	1.190% [1, 8]	June 11, 2019	March 11, 2029	March 11, 2030	99	103
EUR	1,000	0.650%	September 10, 2019	-	September 10, 2029	985	1,034
USD	3,000	4.194% [1]	April 1, 2020	April 1, 2030	April 1, 2031	2,775	2,744

Long-term interest-bearing liabilities (continued)

Currency	Notional (million)	Interest rate	Issue date	Call date	Maturity date	2022 Carrying value (CHF million)	2021 Carrying value (CHF million)
EUR	1,500	2.875% [1]	March 24, 2022	April 2, 2031	April 2, 2032	1,478	–
USD	3,250	3.091% [1]	May 14, 2021	May 14, 2031	May 14, 2032	3,006	2,972
USD	3,000	6.537% [1]	August 12, 2022	August 12, 2032	August 12, 2033	2,775	–
GBP	750	7.375% [1]	September 7, 2022	September 7, 2032	September 7, 2033	837	–
JPY	10,000	1.269% [1]	October 27, 2017	October 27, 2032	October 27, 2033	70	79
USD	2,000	9.016% [1]	November 14, 2022	November 15, 2032	November 15, 2033	1,850	–
EUR	1,500	0.625%	January 18, 2021	-	January 18, 2033	1,478	1,551
EUR	100	2.455%	July 11, 2018	July 11, 2033 [7]	July 4, 2034	99	103
USD	2,000	4.875%	May 21, 2015	-	May 15, 2045	1,850	1,829
USD	365	4.600% [9]	March 29, 2018	March 29, 2047 [7]	March 29, 2048	338	319
USD	176	5.000% [9]	June 29, 2018	June 29, 2047 [7]	June 29, 2048	163	154
USD	231	5.000% [9]	August 31, 2018	August 31, 2047 [7]	August 31, 2048	214	201
USD	123	5.350% [9]	October 26, 2018	October 26, 2047 [7]	October 26, 2048	114	107
USD	123	5.400% [9]	December 27, 2018	December 27, 2047 [7]	December 27, 2048	114	107
USD	140	5.350% [9]	January 30, 2019	January 30, 2048 [7]	January 30, 2049	130	122
USD	140	5.350% [9]	January 30, 2019	January 30, 2048 [7]	January 30, 2049	130	122
USD	117	5.300% [9]	January 30, 2019	January 30, 2048 [7]	January 30, 2049	108	101
USD	149	4.700% [9]	May 29, 2019	May 29, 2048 [7]	May 29, 2049	138	130
USD	148	4.500% [9]	June 27, 2019	June 27, 2048 [7]	June 27, 2049	137	130
USD	302	3.850% [9]	January 31, 2020	January 31, 2059 [7]	January 31, 2060	279	266
Total senior unsecured notes						**51,670**	**42,232**
Total						**63,555**	**56,568**

1 Interest rate reset at first call date and on every reset date thereafter.
2 Reported as short-term interest-bearing liabilities.
3 Represents the first reset date. Optional redemption at any time during the six-month period prior to the first reset date.
4 Minimum rate of 0.80%.
5 On May 12, 2015, the offering was re-opened and the aggregate principal amount was increased from CHF 825 million to CHF 1,000 million.
6 On July 23, 2019, the offering was re-opened and the aggregate principal amount was increased from EUR 1,000 million to EUR 1,500 million.
7 Represents the final call date of these notes with multiple call dates prior to maturity.
8 The interest rate was 1.59% from June 11, 2019 to March 10, 2020.
9 The interest rate of these zero coupon annual accreting senior callable notes reflects the yield rate of the notes.

17 Share capital, conditional, conversion and authorized capital

	No. of registered shares	Par value in CHF	% of existing share capital	No. of registered shares	Par value in CHF
Share capital as of December 31, 2021				**2,650,747,720**	**106,029,909**
Ordinary share capital increase					
Private placement on November 25, 2022				462,041,884	18,481,675
Rights offering on December 9, 2022				889,368,458	35,574,738
Conditional capital					
Capital as of December 31, 2021	300,000,000	12,000,000			
Capital as of December 31, 2022	**300,000,000**	**12,000,000**	**7**		
Conversion capital					
Capital as of December 31, 2021	150,000,000	6,000,000			
Capital as of December 31, 2022	**150,000,000**	**6,000,000**	**4**		
Authorized capital					
Capital as of December 31, 2021	–	–			
Annual General Meeting of April 29, 2022 – increase	125,000,000	5,000,000			
Capital as of December 31, 2022	**125,000,000**	**5,000,000**	**3**		
Share capital as of December 31, 2022				**4,002,158,062**	**160,086,322**

18 Credit Suisse Group shares held by subsidiaries

As of December 31, 2022 and 2021, 9,804,712 share equivalents (market value of CHF 27 million) and 6,319,702 share equivalents (market value of CHF 56 million), respectively, were held by subsidiaries.

A reserve for own shares held by subsidiaries in the amount of CHF 500 million has been established in shareholders' equity.

19 Purchases and sales of treasury shares

	Net gain/(loss) on sale (CHF million)	Treasury shares, at cost (CHF million)	Number of shares	Average price per share (CHF)
2022				
Balance as of December 31, 2021		**775**	**74,743,509**	**10.36**
Purchase of treasury shares		186	36,918,850	5.05
Sale of treasury shares [1]	(152)	(559)	(60,559,090)	6.73
Change in 2022	(152)	(373)	(23,640,240)	
Balance as of December 31, 2022		**402**	**51,103,269**	**7.86**
2021				
Balance as of December 31, 2020		**392**	**38,431,871**	**10.19**
Purchase of treasury shares		1,018	94,918,138	10.73
Sale of treasury shares [1]	(79)	(635)	(58,606,500)	9.49
Change in 2021	(79)	383	36,311,638	
Balance as of December 31, 2021		**775**	**74,743,509**	**10.36**

2022: Highest price CHF 9.54, paid on January 14 and lowest price CHF 3.44 paid on November 25 in a market transaction.
2021: Highest price CHF 13.02, paid on March 10 and lowest price CHF 8.44 paid on December 20 in a market transaction.
1 Representing share award settlements.

20 Significant shareholders

			2022			2021
end of	Number of shares (million)	Total nominal value (CHF million)	Share-holding (%)	Number of shares (million)	Total nominal value (CHF million)	Share-holding (%)
Direct shareholders [1]						
Chase Nominees Ltd. [2]	433	17	10.83	304	12	11.48
Nortrust Nominees Ltd. [2]	217	9	5.43	197	8	7.42
The Bank of New York Mellon [2]	213	9	5.31	139	6	5.25

1 As registered in the share register of the Group on December 31 of the reporting period; includes shareholders registered as nominees.
2 Nominee holdings exceeding 2% are registered with a right to vote only if the nominee confirms that no individual shareholder holds more than 0.5% of the outstanding share capital or if the nominee discloses the identity of any beneficial owner holding more than 0.5% of the outstanding capital.

→ Refer to "Note 3 – Business developments, significant shareholders and subsequent events" in VI – Consolidated financial statements – Credit Suisse Group for information received from shareholders not registered in the share register of Credit Suisse Group AG.

21 Assets subject to retention of title

As of December 31, 2022 and 2021, cash and cash equivalents in the amount of CHF 5 million were held in an escrow account.

22 Contingent liabilities

As of December 31, 2022 and 2021, aggregate indemnity liabilities, guarantees and other contingent liabilities (net of exposures recorded as liabilities) were CHF 812 million and CHF 5,897 million, respectively. Credit Suisse Group AG has entered into these contingent liabilities on behalf of its subsidiaries.

Contingent liabilities include guarantees for obligations, performance-related guarantees and letters of comfort. Contingencies with a stated amount are included in the above reported amounts. In some instances, however, the amount of exposure of Credit Suisse Group AG is not specified but relates to specific circumstances such as the solvency of subsidiaries, and therefore no amount is included in the above figures.

Value-added tax

The company belongs to the Swiss value-added tax group of Credit Suisse Group, and thus carries joint liability to the Swiss federal tax authority for value-added tax debts of the entire Group. As of December 31, 2022 and 2021, Credit Suisse Group AG has not recorded any contingent liabilities with regard to value-added tax.

Swiss pension plan

The employees of Credit Suisse Group AG are covered by the pension plan of the "Pensionskasse der Credit Suisse Group (Schweiz)" (the Swiss pension plan). Most of the Swiss subsidiaries of Credit Suisse Group AG and a few companies that have close business and financial ties with Credit Suisse Group AG participate in this plan. The Swiss pension plan is an independent self-insured pension plan set up as a trust and qualifies as a defined contribution plan (savings plan) under Swiss law.

The Swiss pension plan's annual financial statements are prepared in accordance with Swiss GAAP FER 26 based on the full population of covered employees. Individual annual financial statements for each participating company are not prepared. As a multi-employer plan with unrestricted joint liability for all participating companies, the economic interest in the Swiss pension plan's over- or underfunding is allocated to each participating company based on an allocation key determined by the plan. As of December 31, 2022 and 2021, Credit Suisse Group AG has not recorded any contingent liabilities with regard to the Swiss pension plan.

23 Assets and liabilities with related parties

end of	**2022**	2021
Assets (CHF million)		
Cash and cash equivalents	2,083	5,955
Other short-term receivables	10,174	5,211
Accrued income and prepaid expenses	829	667
Total current assets – related parties	**13,086**	**11,833**
Financial investments	56,573	50,167
Participations	29,838	50,254
Total noncurrent assets – related parties	**86,411**	**100,421**
Total assets – related parties	**99,497**	**112,254**
Liabilities (CHF million)		
Short-term interest-bearing liabilities	2,303	7,312
Other short-term liabilities	27	7
Accrued expenses and deferred income [1]	357	248
Total short-term liabilities – related parties	**2,687**	**7,567**
Total liabilities – related parties	**2,687**	**7,567**

The assets and liabilities represent the amounts due from and due to group companies, except where indicated.

1 Included amounts due to management bodies of CHF 3 million at December 31, 2022 and CHF 17 million at December 31, 2021, respectively.

24 Subordinated assets and liabilities

end of	**2022**	2021
Subordinated assets and liabilities (CHF million)		
Subordinated assets	66,463	55,706
Subordinated liabilities	16,244	15,971

Includes accrued interest.

Group-internal funding related to loss-absorbing instruments has been aligned to international standards for internal TLAC instruments and to article 126b of the Swiss Capital Adequacy Ordinance, effective January 1, 2020. Due to this alignment, the bail-in debt instruments issued by Credit Suisse AG to Credit Suisse Group AG are permanently subordinated.

25 Shareholdings

Executive Board shareholdings

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, 2022 and 2021, are disclosed in the table below.

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

end of	Number of owned shares [1]	Number of unvested awards [2]	Number of owned shares and unvested awards	Value (CHF) of unvested awards at grant date [3]	Value (CHF) of unvested awards at year end [4]
2022					
Ulrich Körner	340,055	1,564	341,619	12,008	4,323
Markus Diethelm	–	–	–	–	–
Francesco De Ferrari	–	250,550	250,550	2,009,376	692,520
Christine Graeff	–	37,424	37,424	288,013	103,440
Joanne Hannaford	105,247	385,863	491,110	3,177,695	1,066,525
André Helfenstein	208,718	415,737	624,455	4,191,339	189,536
Dixit Joshi	–	–	–	–	–
Edwin Low	283,051	636,136	919,187	5,892,589	1,758,280
Francesca McDonagh	–	–	–	–	–
Nita Patel	6,569	89,202	95,771	739,646	246,554
David Wildermuth	83,541	309,905	393,446	2,451,675	856,577
Total	**1,027,181**	**2,126,381**	**3,153,562**	**18,762,343**	**4,917,756**
2021					
Thomas P. Gottstein	343,933	865,241	1,209,174	10,346,761	5,044,803
Romeo Cerutti	419,333	339,027	758,360	4,074,902	2,033,172
André Helfenstein	89,962	516,222	606,184	5,574,001	3,215,381
Lydie Hudson	–	243,816	243,816	2,670,588	1,383,393
Ulrich Körner	246,487	–	246,487	–	–
Rafael Lopez Lorenzo	99,591	127,566	227,157	1,519,990	1,131,766
David R. Mathers	163,403	992,083	1,155,486	10,869,369	6,974,651
Christian Meissner	247	–	247	–	–
Joachim Oechslin	213,577	272,122	485,699	3,506,175	2,414,266
Antoinette Poschung	158,585	123,557	282,142	1,355,032	706,324
Helman Sitohang	471,033	805,946	1,276,979	9,665,696	4,811,141
James B. Walker	221,384	396,582	617,966	4,314,624	2,582,473
Philipp Wehle	76,739	549,634	626,373	6,208,945	3,511,812
Total	**2,504,274**	**5,231,796**	**7,736,070**	**60,106,082**	**33,809,182**

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

2 For 2022, includes unvested shares originating from LTI awards based on performance payout achieved at the end of the applicable three year performance period. For 2021, includes unvested shares originating from LTI opportunities calculated on the basis of maximum opportunity for awards that have not reached the end of their three-year performance period, given that the actual achievement level and associated number of unvested shares cannot be determined until the end of the performance period. For LTI awards that have reached the end of their three-year performance period, the number of unvested shares reflects the actual number of shares earned based on achievement of the performance target levels.

3 Determined based on the number of unvested awards multiplied by the share price at grant.

4 For 2022, includes the value of unvested LTI opportunities based on performance payout achieved at the end of the applicable three year performance period. For 2021, includes the value of unvested LTI opportunities. For LTI awards that have reached the end of their three-year performance period, the value is based on the actual number of shares eligible to vest. For LTI opportunities that have not reached the end of their three-year performance period, this is determined based on the number of shares at fair value at the time of grant, multiplied by the share price at the end of the year.

Board of Directors shareholdings

The shareholdings of the Board of Directors members, their immediate family and companies in which they have a controlling interest are disclosed in the following table. As of December 31, 2022 and 2021, there were no Board of Directors members with outstanding options.

Board of Directors shareholdings by individual

end of	2022	2021
December 31 (shares) [1]		
Axel Lehmann	568,066	108,220
Mirko Bianchi [2]	21,676	–
Iris Bohnet	201,502	115,182
Clare Brady	57,985	12,695
Christian Gellerstad	247,267	138,884
Keyu Jin [2]	24,559	–
Shan Li	117,064	49,062
Seraina Macia	190,728	105,035
Blythe Masters	57,918	12,027
Richard Meddings	156,811	58,403
Amanda Norton [2]	18,217	–
Ana Paula Pessoa	118,570	79,404
Total	**1,780,363**	**678,912** [3]

1 Includes Group shares that are subject to a blocking period of up to four years; includes shareholdings of immediate family members.
2 Mirko Bianchi, Keyu Jin and Amanda Norton were newly elected at the 2022 AGM.
3 Excluded 335,902 shares held by António Horta-Osório, who stepped down as Chairman as of January 16, 2022; 71,465 shares held by Michael Klein, who stepped down as of October 27, 2022; and 422,140 shares held by Kai S. Nargolwala and 199,154 shares held by Severin Schwan, who both did not stand for re-election at the 2022 AGM.

Shares awarded

	2022		2021	
end of	Number of shares	Value of shares (CHF million)	Number of shares	Value of shares (CHF million)
Shares awarded				
Board of Directors	681,332	4	322,738	3
Executive Board [1]	0	0	14,951	0
Employees [2]	104,780,511	286	50,641,954	418

Includes shares, share awards and performance share awards.
1 For the individuals who joined the Executive Board and the individuals who left the Executive Board during 2021, compensation relating to the period during which they were members of the Executive Board and, for leavers, during their respective notice period is included. No share awards were granted to the Executive Board in respect of 2022.
2 Includes shares awarded to employees of subsidiaries of Credit Suisse Group AG and excludes shares awarded to the Executive Board.

Share awards outstanding

	2022		2021	
end of	Number of share awards outstanding in million	Fair value in CHF million	Number of share awards outstanding in million	Fair value in CHF million
Share awards [1]				
Employees	254	702	221	1,961
Total share awards	**254**	**702**	**221**	**1,961**

1 In the interests of transparency, share awards granted to employees of subsidiaries of Credit Suisse Group AG are also considered in this disclosure table.

Proposed appropriation of accumulated losses and capital distribution

Proposed appropriation of accumulated losses

	2022
Retained earnings/(accumulated losses) (CHF million)	
Retained earnings carried forward	3,828
Net profit/(loss)	(24,128)
Accumulated losses	**(20,300)**
Proposed transfer from statutory and discretionary reserves	10,500
Accumulated losses to be carried forward	**(9,800)**

Proposed distribution out of capital contribution reserves

	2022
Capital contribution reserves (CHF million)	
Balance at end of year	**30,251**
Proposed distribution of CHF 0.05 per registered share for the financial year 2022 [1]	(198)
Balance after distribution	**30,053**

Distributions are free of Swiss withholding tax and are not subject to income tax for Swiss resident individuals holding the shares as a private investment.

1 3,951,054,793 registered shares – net of own shares held by the company – as of December 31, 2022. The number of registered shares eligible for distribution may change due to the issuance of new registered shares and transactions in own shares.

Appendix

Selected five-year information

Selected information – Group

in / end of	**2022**	2021	2020	2019	2018
Condensed consolidated statements of operations (CHF million)					
Net revenues	**14,921**	**22,696**	**22,389**	**22,484**	**20,920**
Provision for credit losses	**16**	**4,205**	**1,096**	**324**	**245**
Total operating expenses	**18,163**	**19,091**	**17,826**	**17,440**	**17,303**
Income/(loss) before taxes	**(3,258)**	**(600)**	**3,467**	**4,720**	**3,372**
Income tax expense	4,048	1,026	801	1,295	1,361
Net income/(loss)	**(7,306)**	**(1,626)**	**2,666**	**3,425**	**2,011**
Net income/(loss) attributable to noncontrolling interests	(13)	24	(3)	6	(13)
Net income/(loss) attributable to shareholders	**(7,293)**	**(1,650)**	**2,669**	**3,419**	**2,024**
Earnings per share (CHF)					
Basic earnings/(loss) per share	(2.55)	(0.63)	1.02	1.27	0.74
Diluted earnings/(loss) per share	(2.55)	(0.63)	0.99	1.24	0.72
Consolidated balance sheet (CHF million)					
Total assets	531,358	755,833	818,965	801,829	785,789
Share capital	160	106	98	102	102
Shareholders' equity	45,129	43,954	42,677	43,644	43,922
Shares outstanding (million)					
Shares outstanding	3,941.3	2,569.7	2,406.1	2,436.2	2,550.6
Dividend per share (CHF)					
Dividend per share	0.05 [1]	0.10	0.10	0.2776	0.2625

1 Proposal of the Board of Directors to the Annual General Meeting on April 4, 2023.

Selected information – Bank

in / end of	**2022**	2021	2020	2019	2018
Condensed consolidated statements of operations (CHF million)					
Net revenues	**15,213**	**23,042**	**22,503**	**22,686**	**20,820**
Provision for credit losses	**15**	**4,209**	**1,092**	**324**	**245**
Total operating expenses	**18,529**	**18,924**	**18,200**	**17,969**	**17,719**
Income/(loss) before taxes	**(3,331)**	**(91)**	**3,211**	**4,393**	**2,856**
Income tax expense	3,973	938	697	1,298	1,134
Net income/(loss)	**(7,304)**	**(1,029)**	**2,514**	**3,095**	**1,722**
Net income/(loss) attributable to noncontrolling interests	(31)	(100)	3	14	(7)
Net income/(loss) attributable to shareholders	**(7,273)**	**(929)**	**2,511**	**3,081**	**1,729**
Consolidated balance sheet (CHF million)					
Total assets	530,039	759,214	822,831	804,993	788,942
Share capital	4,400	4,400	4,400	4,400	4,400
Shareholders' equity	47,871	47,390	46,264	46,120	45,296
Number of shares outstanding (million)					
Number of shares outstanding	4,399.7	4,399.7	4,399.7	4,399.7	4,399.7

List of abbreviations

A	
ABO	Accumulated benefit obligation
ABS	Asset-backed securities
ADS	American Depositary Shares
AEI	Automatic Exchange of Information
AES®	Advanced execution services
AGM	Annual General Meeting
AIG	American International Group, Inc.
A-IRB	Advanced internal ratings-based approach
AMA	Advanced measurement approach
AoA	Articles of Association
AOCI	Accumulated other comprehensive income/(loss)
Apollo	Apollo Global Management
Archegos	Archegos Capital Management
ARR	Alternative reference rate
ASC	Accounting Standards Codification
ASF	Available stable funding
ASU	Accounting Standards Update
B	
BA	Bachelor of Arts
BBSW	Bank Bill Swap Rate
BCBS	Basel Committee on Banking Supervision
BEAT	Base Erosion and Anti-abuse Tax
BIS	Bank for International Settlements
Board	Board of Directors
bp	basis points
BS	Bachelor of Science
BVG	Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans
C	
CALMC	Capital Allocation and Liability Management Committee
CALRMC	Capital Allocation, Liability and Risk Management Committee
CARMC	Capital Allocation and Risk Management Committee
CCA	Contingent Capital Awards
CCO	Chief Compliance Officer
CDO	Collateralized debt obligation
CDS	Credit default swap
CDX	Credit default swap index
CECL	Current expected credit loss
CEO	Chief Executive Officer
CET1	Common equity tier 1
CETF	Client energy transition framework
CFO	Chief Financial Officer
CFTC	Commodity Futures Trading Commission
Chairman	Chairman of the Board
CLO	Collateralized loan obligation
CMBS	Commercial mortgage-backed securities
CMI	Continuous Mortality Investigation
CMS	Constant maturity swap
CMT	Crisis Management Team
COF	Capital Opportunity Facility
COO	Chief Operating Officer
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CP	Commercial paper

C (continued)	
CPR	Constant prepayment rate
CRD	Capital Requirements Directive
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
CRU	Capital Release Unit
CSAM	Credit Suisse Asset Management (Schweiz) AG
CSI	Credit Suisse International
CSSEL	Credit Suisse Securities (Europe) Limited
CST	Credit Suisse Trust
CVA	Credit valuation adjustment
D	
DFS	Department of Financial Services
DOJ	US Department of Justice
E	
EAD	Exposure at default
EBITDA	Earnings before interest, taxes, depreciation and amortization
ECB	European Central Bank
EGM	Extraordinary General Meeting
EIP	Energy Infrastructure Partners AG
EMEA	Europe, Middle East and Africa
EMIR	European Market Infrastructure Regulation
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
ETF	Exchange-traded funds
EU	European Union
ExB RMC	Executive Board Risk Management Committee
F	
FASB	Financial Accounting Standards Board
FATCA	Foreign Account Tax Compliance Act
FCA	UK Financial Conduct Authority
FDIC	Federal Deposit Insurance Corporation
Fed	US Federal Reserve
FINMA	Swiss Financial Market Supervisory Authority FINMA
FINRA	Financial Industry Regulatory Authority
FMIA	Swiss Federal Act on Financial Market Infrastructure and Market Conduct in Securities and Derivatives Trading
FSA	UK Financial Services Authority
FSB	Financial Stability Board
FSMA	Financial Services and Markets Act 2000
FSTF	Financial Services Task Force
FTQ Lite	Flight to quality lite
FVA	Funding valuation adjustments
FX	Foreign exchange
G	
G7	Group of seven leading industrial nations
G20	Group of Twenty Finance Ministers and Central Bank Governors
GAAP	Generally accepted accounting principles
GCB	Group Conduct Board
GCRC	Global Client Risk Committee
GDP	Gross domestic product
G-SIB	Global Systemically Important Bank
GTS	Global Trading Solutions
H	
HQLA	High quality liquid assets
HNWI	High-net-worth individuals

I	
IBOR	Interbank offered rate
IBCM	Investment Banking & Capital Markets
ICAAP	Internal capital adequacy assessment process
IFRS	International Financial Reporting Standards
IHC	US intermediate holding company
IMF	International Monetary Fund
IMPACT	Inclusion, meritocracy, partnership, accountability, client-focus & trust
IPO	Initial public offering
IRC	Incremental risk charge
IRRBB	Interest rate risk in the banking book
IRS	Internal Revenue Service
ISDA	International Swaps and Derivatives Association, Inc.
IT	Information technology
L	
LCR	Liquidity coverage ratio
LGD	Loss given default
LIBOR	London Interbank Offered Rate
LLM	Master of laws
LoD	Line of Defence
LTI	Long-term incentive
LTV	Loan-to-value
M	
M&A	Mergers and acquisitions
MA	Master of Arts
MACC	Model Approval and Control Committee
MBA	Master of Business Administration
MEF	Macroeconomic factor
MiFID I	Markets in Financial Instruments Directive
MiFID II	Revised Markets in Financial Instruments Directive
MPR	Market price of risk
MRTC	Material risk takers and controllers
MSRB	Municipal Securities Rulemaking Board
N	
Nasdaq	Nasdaq Stock Market
NAV	Net asset value
NCU	Non-Core Unit
NFRF	Non-financial risk framework
NOL	Net operating loss
NRV	Negative replacement value
NSFR	Net stable funding ratio
NYSE	New York Stock Exchange
O	
OCI	Other comprehensive income
OECD	Organisation for Economic Co-operation and Development
OFAC	Office of Foreign Assets Control
OGR	Organizational Guidelines and Regulations
OTC	Over-the-counter
P	
PBO	Projected benefit obligation
PD	Probability of default
PFG	Private Fund Group
PRA	Prudential Regulation Authority
PRV	Positive replacement value
PSA	Prepayment speed assumption

R	
RMBS	Residential mortgage-backed securities
RNIV	Risk not in VaR
ROE	Return on equity
RoTE	Return on tangible equity
RRP	Recovery and resolution plan
RSF	Required stable funding
RTSR	Relative total shareholder return
RWA	Risk-weighted assets
S	
SAPS	Self-administered pension scheme
SARON	Swiss Average Rate Overnight
SBTi	Science Based Targets initiative
SCFF	Supply chain finance funds
SDP	Strategic Delivery Plan
SEC	US Securities and Exchange Commission
SFTQ	Severe flight to quality
SMAC	Senior Management Approval Committee
SME	Small- and medium-sized enterprises
SNB	Swiss National Bank
SOFR	Secured Overnight Financing Rate
SOX	US Sarbanes-Oxley Act of 2002
SPAC	Special purpose acquisition company
SPE	Special purpose entity
SPG	Securitized Products Group
SPIA	Single premium immediate annuity
SRI	Sustainability, Research & Investment Solutions
SSAF	Sustainability Strategy, Advisory and Finance
STI	Short-term incentive
SWM	Stadtwerke München GmbH
T	
TCFD	Task Force on Climate-related Financial Disclosures
TLAC	Total loss-absorbing capacity
TRS	Total return swap
U	
UCA	Upfront cash awards
UHNW	Ultra-high-net-worth
UHNWI	Ultra-high-net-worth individuals
UK	United Kingdom
UN	United Nations
US	United States of America
US GAAP	US generally accepted accounting principles
V	
VaR	Value-at-risk
VARMC	Valuation Risk Management Committee
VDAX	Deutsche Börse AG DAX Volatility Index
VIE	Variable interest entity
VIX	Chicago Board of Options Exchange Market Volatility Index
Y	
York	York Capital Management

Glossary

A

Advanced execution services® (AES®) AES® is a suite of algorithmic trading strategies, tools and analytics operated by Credit Suisse to facilitate global equity trading. By employing algorithms to execute client orders and limit volatility, AES® helps institutions and hedge funds reduce market impact. Credit Suisse provides access to over 100 trading destinations in over 40 countries and six continents.

Advanced internal ratings-based approach (A-IRB) Under the A-IRB approach, risk weights are determined by using internal risk parameters. We have received approval from FINMA to use, and have fully implemented, the A-IRB approach whereby we provide our own estimates for probability of default (PD), loss given default (LGD) and exposure at default (EAD). We use the A-IRB approach to determine our institutional credit risk and most of our retail credit risk.

Advanced measurement approach (AMA) The AMA is used for measuring operational risk. The methodology is based upon the identification of a number of key risk scenarios that describe the major operational risks we face. Groups of senior staff review each scenario and discuss the likelihood of occurrence and the potential severity of loss. Internal and external loss data, along with certain business environment and internal control factors, such as self-assessment results and key risk indicators, are considered as part of this process. Based on the output from these meetings, we enter the scenario parameters into an operational risk model that generates a loss distribution from which the level of capital required to cover operational risk is determined. We have received approval from FINMA to use an internal model for the calculation of operational risk capital, which is aligned with the requirements of the AMA under the Basel framework.

Affluent and retail clients We define affluent and retail clients as individuals having assets under management below CHF 1 million.

American Depositary Shares (ADS) An ADS, which is evidenced by an American Depositary Receipt, is a negotiable certificate issued by a depositary bank that represents all or part of an underlying share of a foreign-based company held in custody.

B

Backtesting Backtesting is one of the techniques used to assess the accuracy and performance of VaR models. Backtesting is used by regulators to assess the adequacy of regulatory capital held by a bank. It involves comparing of the results produced by the VaR model with the hypothetical trading revenues on the trading book. VaR models that experience less than five exceptions in a rolling 12-month period are considered by regulators to be classified in a defined "green zone". The "green zone" corresponds to backtesting results that do not themselves suggest a problem with the quality or accuracy of a bank's model.

Bank for International Settlements (BIS) The Bank for International Settlements (BIS) serves central banks in their pursuit of monetary and financial stability, fosters international cooperation in those areas and acts as a bank for central banks.

Basel III In December 2010, the Basel Committee on Banking Supervision (BCBS) issued the Basel III framework, which is a comprehensive set of reform measures to strengthen the regulation, supervision and risk management of the banking sector. These measures aim to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, improve risk management and governance and strengthen banks' transparency and disclosures. The phase-in period for Basel III was January 1, 2013 through January 1, 2019.

Basel Committee on Banking Supervision (BCBS) The Basel Committee on Banking Supervision (BCBS) provides a forum for regular cooperation on banking supervisory matters. Its objective is to enhance the understanding of key supervisory issues and improve the quality of banking supervision worldwide. It seeks to do so by exchanging information on national supervisory issues, approaches and techniques, with a view to promoting common understanding. At times, the BCBS uses this common understanding to develop guidelines and supervisory standards in areas where they are considered desirable. In this regard, the BCBS is best known for its international standards on capital adequacy, the Core Principles for Effective Banking Supervision and the Concordat on cross-border banking supervision.

C

Current expected credit losses (CECL) CECL is a FASB accounting standard which requires the measurement of all expected credit losses for financial instruments measured at amortized cost and held at the reporting date over the remaining contractual life (considering the effect of prepayments) based on historical experience, current conditions and reasonable and supportable forecasts. The CECL standard has replaced the previous incurred loss methodology for recognizing credit losses.

CET1 ratio CET1 ratio means the ratio (expressed as a percentage) of CET1 capital divided by risk-weighted assets.

Collateralized debt obligation (CDO) A CDO is a type of structured asset-backed security whose value and payments are derived from a portfolio of underlying fixed-income assets.

Commercial mortgage-backed securities (CMBS) CMBS are a type of mortgage-backed security that is secured by loans on commercial property and can provide liquidity to real estate investors and commercial lenders.

Commercial paper (CP) Commercial paper is an unsecured money-market security with a fixed maturity of 1 to 364 days, issued by large banks and corporations to raise funds to meet short term debt obligations.

Constant prepayment rate (CPR) CPR is a loan prepayment rate that is equal to the proportion of the principal of a pool of loans that is assumed to be paid off prematurely in each period. The calculation of this estimate is based on a number of factors such as historical prepayment rates for previous loans that are similar to ones in the pool and on future economic outlooks.

Credit default swap (CDS) A CDS is a contractual agreement in which the buyer of the swap pays a periodic fee in return for a contingent payment by the seller of the swap following a credit event of a reference entity. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt or failure to meet payment obligations when due.

Credit valuation adjustment (CVA) The CVA represents the market value of counterparty credit risk for uncollateralized OTC derivative instruments.

D

Debit valuation adjustment The debit valuation adjustment represents the market value of our own credit risk for uncollateralized OTC derivative instruments.

Derivatives Derivatives are financial instruments or contracts that meet all of the following three characteristics: (1) their value changes in response to changes in an underlying price, such as interest rate, security price, foreign exchange rate, credit rating/price or index; (2) they require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (3) their terms require or permit net settlement (US GAAP) or they settle at a future date (IFRS).

E

Exposure at default (EAD) The EAD represents the expected amount of credit exposure in the event of a default and reflects the current drawn exposure and an expectation regarding the future evolution of the credit exposure. For loan exposures, a credit conversion factor is applied to project the additional drawn amount. The credit conversion factor related to traded products such as derivatives is based on a simulation using statistical models.

F

Fair value The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

G

G7 The G7 is a group of finance ministers from seven industrialized nations: the US, UK, France, Germany, Italy, Canada and Japan.

G20 The G20 is a group of finance ministers and central bank governors from 19 countries (Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Türkiye, the UK and the US) and the EU.

H

Haircut The percentage by which an asset's market value is reduced for the purpose of calculating capital, margin requirements and collateral levels. This is used to provide a cushion when lending against collateral to account for possible adverse movements in the value of the collateral.

Higher Trigger Capital Amount The capital ratio write-down triggers for certain of our outstanding capital instruments take into account the fact that other outstanding capital instruments that contain relatively higher capital ratios as part of their trigger feature are expected to convert into equity or be written down prior to the write-down of such capital instruments. The amount of additional capital that is expected to be contributed by such conversion into equity or write-down is referred to as the Higher Trigger Capital Amount.

High-net-worth individuals (HNWI) We define high-net-worth individuals as individuals having assets under management in excess of CHF 1 million.

I

Incremental risk charge (IRC) The IRC represents an estimate of the issuer default and migration risk of positions in the trading book over a one-year capital horizon at a 99.9% confidence level, taking into account the liquidity horizons of individual positions. This includes sovereign debt, but excludes securitizations and correlation products.

L

Liquidity coverage ratio (LCR) The LCR aims to ensure that banks have a stock of unencumbered high-quality liquid assets available to meet liquidity needs for a 30-day time horizon under a severe stress scenario. The LCR is comprised of two components: the value of the stock of high quality liquid assets in stressed conditions and the total net cash outflows calculated according to specified scenario parameters. The ratio of liquid assets over net cash outflows should be at least 100%.

Lombard loan A loan granted against pledged collateral in the form of securities.

London Interbank Offered Rate (LIBOR) LIBOR is a daily reference rate based on the interest rates at which banks borrow unsecured funds from other banks in the London wholesale money market.

Loss given default (LGD) LGD parameters consider seniority, collateral, counterparty industry and, in certain cases, fair value markdowns. LGD estimates are based on an empirical analysis of historical loss rates and are calibrated to reflect time and cost of recovery as well as economic downturn conditions. For much of the loan portfolio of private banking, corporate and institutional businesses, the LGD is primarily dependent upon the type and amount of collateral pledged. For other retail credit risk, predominantly loans secured by financial collateral, pool LGDs differentiate between standard and higher risks, as well as domestic and foreign transactions. The credit approval and collateral monitoring processes are based on loan-to-value (LTV) limits. For mortgages (residential or commercial), recovery rates are differentiated by type of property.

M

Material risk takers and controllers (MRTC) MRTC are 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.

N

Negative replacement value (NRV) NRV represents the negative fair value of a derivative financial instrument at a given financial reporting date. A negative replacement value reflects the amount payable to the counterparty if the derivative transaction were to be settled at the reporting date, or alternatively, the cost at a given reporting date to close an open derivative position with a fully offsetting transaction.

Net stable funding ratio (NSFR) The NSFR is intended to ensure that banks maintain a structurally sound long-term funding profile beyond one year and is a complementary measure to the LCR. It is structured to ensure that illiquid assets are funded with an appropriate amount of stable long-term funds. The standard is defined as the ratio of available stable funding over the amount of required stable funding. The ratio should always be at least 100%.

N (continued)

Netting agreements Netting agreements are contracts between two parties where under certain circumstances, such as insolvency, bankruptcy or any other credit event, mutual claims from outstanding business transactions can be offset against each other. The inclusion of a legally binding netting agreement reduces the default risk from a gross to a net amount.

O

Over-the-counter (OTC) Over-the-counter securities and derivatives are not traded on an exchange but via private contracts between counterparties.

P

Position risk Component of the economic capital framework, which is used to assess, monitor and report risk exposures throughout the Group. Position risk is the level of unexpected loss in economic value on our portfolio of positions over a one-year horizon which is exceeded with a given small probability (1% for risk management purposes; 0.03% for capital management purposes).

Positive replacement value (PRV) PRV represents the positive fair value of a derivative financial instrument at a given reporting date. A positive replacement value reflects the amount receivable from the counterparty if the derivative transaction were to be settled at the reporting date, or alternatively, the cost at a given reporting date to enter into the exact same transaction for the residual term, if the existing counterparty should default.

Probability of default (PD) PD parameters capture the risk of a counterparty defaulting over a one-year time horizon. PD estimates are based on time-weighted averages of historical default rates by rating grade, with low-default-portfolio estimation techniques applied for higher quality rating grades. Each PD reflects the internal rating for the relevant obligor.

R

Regulatory VaR Regulatory VaR is a version of VaR that uses an exponential weighting technique that automatically increases VaR where recent short-term market volatility is greater than long-term volatility in the two-year dataset. Regulatory VaR uses an expected shortfall calculation based on average losses, and a ten-day holding period. This results in a more responsive VaR model, as the overall increases in market volatility are reflected almost immediately in the regulatory VaR model.

Repurchase agreements Repurchase agreements are securities sold under agreements to repurchase substantially identical securities. These transactions normally do not constitute economic sales and are therefore treated as collateralized financing transactions and are carried in the balance sheet at the amount of cash received (liability) and cash disbursed (asset), respectively.

Residential mortgage-backed securities (RMBS) RMBS are a type of mortgage-backed security composed of a wide array of different non-commercial mortgage debts. They securitize the mortgage payments of non-commercial real estate. Different residential mortgages with varying credit ratings are pooled together and sold in tranches to investors.

R (continued)

Reverse repurchase agreements Reverse repurchase agreements are purchases of securities under agreements to resell substantially identical securities. These transactions normally do not constitute economic sales and are therefore treated as collateralized financing transactions and are carried in the balance sheet at the amount of cash received (liability) and cash disbursed (asset), respectively.

Risk management VaR Risk management VaR is a version of VaR that uses an exponential weighting technique that automatically adjusts VaR where recent short-term market volatility differs from long-term volatility in the two-year dataset. Risk management VaR uses an expected shortfall calculation based on average losses, and a one-day holding period. This results in a more responsive VaR model, as the overall changes in market volatility are reflected almost immediately in the risk management VaR model.

Risk mitigation Risk mitigation refers to measures undertaken by the Group or the Bank to actively manage its risk exposure. For credit risk exposure, such measures would normally include utilizing credit hedges and collateral, such as cash and marketable securities. Credit hedges represent the notional exposure that can be transferred to other market counterparties, generally through the use of credit default swaps. In addition, risk mitigation also includes the active management of a loan portfolio by selling or sub-participating positions.

Risk not in VaR (RNIV) RNIV captures a variety of risks, such as certain basis risks, higher order risks and cross risks between asset classes, not adequately captured by the VaR model for example due to lack of sufficient or accurate risk or historical market data.

Risk-weighted assets (RWA) The value of the Group's assets weighted according to certain identified risks for compliance with regulatory provisions.

S

Stressed VaR Stressed VaR replicates a VaR calculation on the current portfolio of the Group or the Bank, taking into account a one-year observation period relating to significant financial stress; it helps reduce the pro-cyclicality of the minimum capital requirements for market risk.

Swiss Financial Market Supervisory Authority FINMA (FINMA) FINMA, as an independent supervisory authority, protects creditors, investors and policy holders, ensuring the smooth functioning of the financial markets and preserving their reputation. In its role as state supervisory authority, FINMA acts as an oversight authority of banks, insurance companies, exchanges, securities dealers, collective investment schemes, distributors and insurance intermediaries. It is responsible for combating money laundering and, where necessary, conducts restructuring and bankruptcy proceedings and issues operating licenses for companies in the supervised sectors. Through its supervisory activities, it ensures that supervised institutions comply with the requisite laws, ordinances, directives and regulations and continues to fulfill the licensing requirements. FINMA also acts as a regulatory body; it participates in legislative procedures, issues its own ordinances and circulars where authorized to do so, and is responsible for the recognition of self-regulatory standards.

T

"Too Big to Fail" In 2011, the Swiss Parliament passed legislation relating to big banks. The legislation includes capital and liquidity requirements and rules regarding risk diversification and emergency plans designed to maintain systemically relevant functions even in the event of threatened insolvency.

Total loss-absorbing capacity (TLAC) TLAC is a regulatory requirement designed to ensure that Global Systemically Important Banks (G-SIBs) have the loss-absorbing and recapitalization capacity so that, in an immediately following resolution, critical functions can continue without requiring taxpayer support or threatening financial stability.

Total return swap (TRS) A TRS is a swap agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. In total return swaps, the underlying asset, referred to as the reference asset, is usually an equity index, loans or bonds.

U

Ultra-high-net-worth individuals (UHNWI) Ultra-high-net-worth individuals have assets under management in excess of CHF 50 million or total wealth exceeding CHF 250 million.

V

Value-at-risk (VaR) VaR is a technique used to measure the potential loss in fair value of financial instruments based on a statistical analysis of historical price trends and volatilities. VaR as a concept is applicable for all financial risk types with adequate price histories; the use of VaR allows the comparison of risk across different businesses.

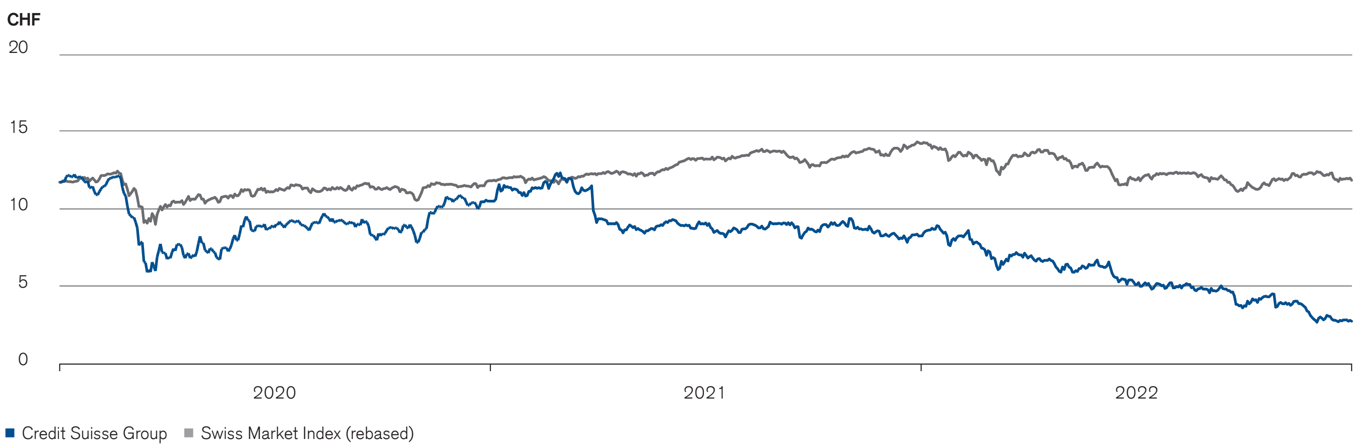
Investor information

Share data

in / end of	**2022**	2021	2020
Share price (common shares, CHF)			
Average	5.55	10.09	9.96
Minimum	2.70	8.43	6.42
Maximum	8.93	13.24	13.27
End of period	2.764	8.872	11.40
Share price (American Depositary Shares, USD)			
Average	5.96	11.02	10.55
Minimum	2.99	9.14	6.48
Maximum	10.07	14.55	13.61
End of period	3.04	9.64	12.80
Market capitalization			
Market capitalization (CHF million)	11,062	23,295	27,904
Dividend per share (CHF)			
Dividend per share	0.05 [1]	0.10 [2]	0.10 [2]

1 Proposal of the Board of Directors to the Annual General Meeting on April 4, 2023.
2 Fifty percent paid out of capital contribution reserves and fifty percent paid out of retained earnings.

Share performance



Ticker symbols / stock exchange listings

	Common shares	ADS [1]
Ticker symbols		
SIX Financial Information	CSGN	–
New York Stock Exchange	–	CS
Bloomberg	CSGN SW	CS US
Reuters	CSGN.S	CS.N
Stock exchange listings		
Swiss security number	1213853	570660
ISIN number	CH0012138530	US2254011081
CUSIP number	–	225 401 108

1 One American Depositary Share (ADS) represents one common share.

Credit ratings and outlook

as of March 13, 2023	Short-term debt	Long-term debt	Outlook
Credit Suisse Group AG			
Moody's	–	Baa2	Negative
Standard & Poor's	–	BBB-	Stable
Fitch Ratings	F2	BBB	Negative
Rating and Investment Information	–	A+	Negative
Credit Suisse AG			
Moody's	P-2	A3	Negative
Standard & Poor's	A-2	A-	Stable
Fitch Ratings	F2	BBB+	Negative

Foreign currency translation rates

	End of			Average in		
	2022	2021	2020	**2022**	2021	2020
1 USD / 1 CHF	0.92	0.91	0.88	0.95	0.91	0.94
1 EUR / 1 CHF	0.99	1.03	1.08	1.00	1.08	1.07
1 GBP / 1 CHF	1.12	1.24	1.20	1.18	1.26	1.21
100 JPY / 1 CHF	0.70	0.79	0.85	0.73	0.83	0.88

Financial calendar and contacts

Financial calendar

Annual General Meeting 2023	Tuesday, April 4, 2023
First quarter results 2023	Thursday, April 27, 2023
Second quarter results 2023	Thursday, July 27, 2023

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Interim reports	credit-suisse.com/interimreporting

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Cautionary statement regarding forward-looking information

This report contains statements that constitute forward-looking statements. In addition, in the future we, and others on our behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the following:

- our plans, targets or goals;
- our future economic performance or prospects;
- the potential effect on our future performance of certain contingencies; and
- assumptions underlying any such statements.

Words such as "may," "could," "achieves," "believes," "anticipates," "expects," "intends" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. We do not intend to update these forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, targets, goals, expectations, estimates and intentions expressed in such forward-looking statements. Additionally, many of these factors are beyond our control. These factors include, but are not limited to:

- the ability to maintain sufficient liquidity and access capital markets;
- market volatility, increases in inflation and interest rate fluctuations or developments affecting interest rate levels;
- the ongoing significant negative consequences, including reputational harm, of the Archegos and supply chain finance funds matters, as well as other recent events, and our ability to successfully resolve these matters;
- the impact of media reports and social media speculation about our business and its performance;
- the extent of outflows of deposits and assets or future net new asset generation across our divisions;
- our ability to improve our risk management procedures and policies and hedging strategies;
- the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations, in particular, but not limited to, the risk of negative impacts of COVID-19 on the global economy and financial markets, Russia's invasion of Ukraine, the resulting sanctions from the US, EU, UK, Switzerland and other countries and the risk of continued slow economic recovery or downturn in the EU, the US or other developed countries or in emerging markets in 2023 and beyond;
- the emergence of widespread health emergencies, infectious diseases or pandemics, such as COVID-19, and the actions that may be taken by governmental authorities to contain the outbreak or to counter its impact;
- potential risks and uncertainties relating to the severity of impacts from the COVID-19 pandemic, including potential material adverse effects on our business, financial condition and results of operations;
- the direct and indirect impacts of deterioration or slow recovery in residential and commercial real estate markets;
- adverse rating actions by credit rating agencies in respect of us, sovereign issuers, structured credit products or other credit-related exposures;
- the ability to achieve our strategic initiatives, including those related to our targets, ambitions and goals, such as our financial ambitions as well as various goals and commitments to incorporate certain environmental, social and governance considerations into our business strategy, products, services and risk management processes;
- our ability to achieve our announced comprehensive new strategic direction for the Group and significant changes to its structure and organization;
- our ability to successfully implement the divestment of any non-core business;
- the future level of any impairments and write-downs resulting from strategy changes and their implementation;
- the ability of counterparties to meet their obligations to us and the adequacy of our allowance for credit losses;
- the effects of, and changes in, fiscal, monetary, exchange rate, trade and tax policies;
- the effects of currency fluctuations, including the related impact on our business, financial condition and results of operations due to moves in foreign exchange rates;
- geopolitical and diplomatic tensions, instabilities and conflicts, including war, civil unrest, terrorist activity, sanctions or other geopolitical events or escalations of hostilities, such as Russia's invasion of Ukraine;
- political, social and environmental developments, including climate change and evolving ESG-related disclosure standards;
- the ability to appropriately address social, environmental and sustainability concerns that may arise from our business activities;
- the effects of, and the uncertainty arising from, the UK's withdrawal from the EU;
- the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations;
- operational factors such as systems failure, human error, or the failure to implement procedures properly;
- the risk of cyber attacks, information or security breaches or technology failures on our reputation, business or operations, the risk of which is increased while large portions of our employees work remotely;
- the adverse resolution of litigation, regulatory proceedings and other contingencies;
- actions taken by regulators with respect to our business and practices and possible resulting changes to our business organization, practices and policies in countries in which we conduct our operations;
- the effects of changes in laws, regulations or accounting or tax standards, policies or practices in countries in which we conduct our operations;
- the discontinuation of LIBOR and other interbank offered rates and the transition to alternative reference rates;
- the potential effects of changes in our legal entity structure;
- competition or changes in our competitive position in geographic and business areas in which we conduct our operations;
- the ability to retain and recruit qualified personnel;
- the ability to protect our reputation and promote our brand;
- the ability to increase market share and control expenses;
- technological changes instituted by us, our counterparties or competitors;
- the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users;
- acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets; and
- other unforeseen or unexpected events and our success at managing these and the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, including the information set forth in *I – Information on the company – Risk factors*.

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