



2023 Annual Report

Pension Fund of Credit Suisse Group (Switzerland)

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Editorial

I – Editorial

Message from the CEO



Dear insured

An aging society coupled with financial and economic challenges highlights the importance of having a robust retirement provision. Many professionals realize only at the end of their working life how important the pension fund is in building personal wealth. For most, capital in the pension fund is the largest asset and the most important source of income in old age. Flexible employee contributions, substantial employer contributions, and an attractive rate of return form the basis for a high standard of living after retirement. The pension fund also offers protection against risks such as death and disability. The premiums for this risk insurance as well as the administrative costs are borne fully by the employer with our Pension Fund.

Start planning your retirement provision early and take advantage of the options offered by our Pension Fund in order to tailor your pension plan to suit you. Our pension advisors will be happy to help: at our branches, by telephone, or by email – and in four languages. You can also use the MyPension portal for insured participants. This allows you to access data and documents relating to your employee benefits insurance at any time and enables you to run through various scenarios that could affect your retirement benefits.

We are constantly working to improve our services. Digitalization and the MyPension portal for insured participants are important factors in this drive for optimization. For some time now, insured participants have been able to purchase pension benefits in the Pension Fund or change their savings contribution option completely autonomously whenever they want via MyPension. In 2023, we implemented further digitalization measures such as introducing a digital, automated termination process. Further innovations are also planned to provide intuitive and user-friendly ways for you to familiarize yourself with the employee benefits insurance and manage all aspects of your Pension Fund.

On February 6, 2024, it was announced that the pension model of the Pension Fund of Credit Suisse Group (Switzerland) will be adapted to the pension model of the UBS Pension Fund with effect from January 1, 2027. As a result, no further contributions will be made to 1e retirement capital savings with effect from January 1, 2027. The pension pot will continue to exist but without contributions. To offset this change, the pension capital savings coverage will be increased accordingly. The existing balance in 1e retirement capital savings will remain invested and it will still be possible to change the investment strategy at any time. It has not yet been confirmed whether or not the 1e retirement capital savings will be liquidated at a later date.

Martin Wagner, Chief Executive Officer

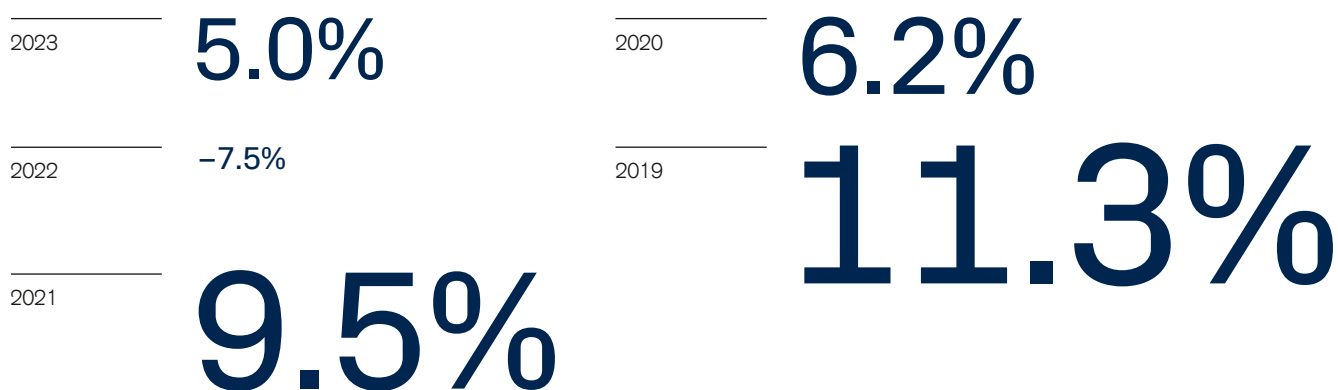
Financial situation

The key figures are as follows:

Key figures for the Pension Fund

	2023 in CHF mn	2022 in CHF mn
Pension payments	(506)	(508)
Lump-sum payments	(188)	(106)
Contributions	417	409
Total assets	17,309	17,405
Active participants' liabilities	6,146	6,629
Pensioners' liabilities	7,242	6,622
Actuarial provisions	301	96
Reserve for fluctuations in asset value	2,464	2,400
	in %	in %
Coverage ratio under Art. 44 BVV 2 (technical coverage ratio)	124.0	128.7
Technical interest rate	1.62	2.58
Economic coverage ratio	111.5	119.3
Technical interest rate (economic)	0.65	1.58
Performance	5.0	(7.5)
Interest on active participants' retirement savings capital	5.0	5.0

Performance in recent years



Economic coverage ratio and coverage ratio under Art. 44 BVV 2 (technical coverage ratio)

The Board of Trustees and the management use the economic coverage ratio for the assessment of the financial situation of the Pension Fund.

Economic coverage ratio

The economic coverage ratio is the ratio of the pension assets to the obligations of a pension fund. The derivation of the promised benefits is based on financial and economic principles. For example, to calculate pension recipients' actuarial reserves, the promised benefits are discounted at the due time at the current rate of return on government bonds (12-year Swiss government Eidgenossen bonds). In addition, to derive actuarial assumptions, generation tables are used that take into account factors such as changes in the life expectancy of the insured population.

Coverage ratio under Art. 44 BVV 2 (technical coverage ratio)

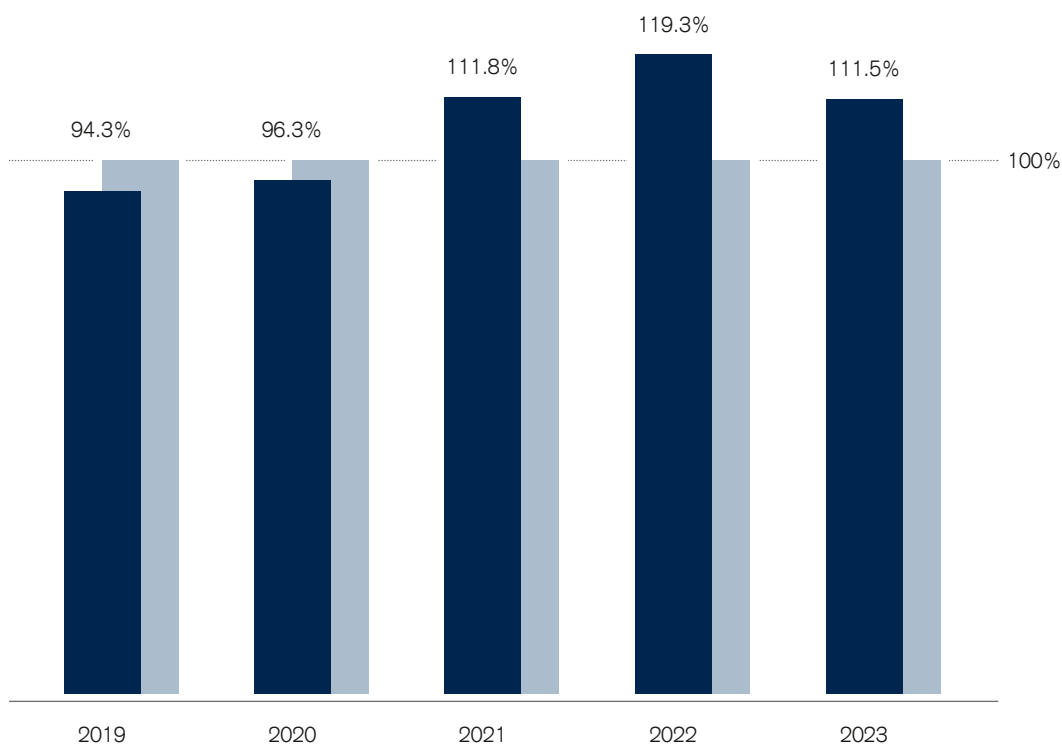
The technical coverage ratio is the ratio of the pension assets to the obligations of a pension fund. To calculate the obligations, the promised benefits are discounted at the technical interest rate. The technical coverage ratio is the regulatory key figure used for the financial assessment of a pension fund.

The coverage ratio under Art. 44 BVV 2 stood at 124.0% at the end of 2023 and thus fell slightly, since it stood at 128.7% at the end of 2022. The reserves for fluctuations in asset value have been increased fully. The Pension Fund thus has non-committed funds and unlimited risk ability.

Development of the different coverage ratios

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Economic coverage ratio	N/A	N/A	N/A	N/A	94.3	96.3	111.8	119.3	111.5
Coverage ratio under Art. 44 BVV 2 in %	107.8	108.5	115.6	112.1	116.4	120.5	130.9	128.7	124.0

Economic coverage ratio 2019–2023



Introducing the management



From left to right: Andreas Dänzer, Chief Investment Officer (CIO) | Martin Wagner, Chief Executive Officer (CEO) | Joachim Oechslin, Chair of the Board of Trustees | Holger Inhester, Chief Financial Officer (CFO) | Roger Nigg, Chief Pension Services (CPS)

Pension Services

The Pension Services area includes the pension advisory service, application ownership of the MyPension portal for insured participants and the xPlan pension application, internal and external communications, and the Legal department. The pension advisory service provides expert, client-oriented advice to active insured and pension recipients on their employee benefits insurance. The cooperative advisory approach is based on fairness, transparency, and equal treatment. In order to meet the needs of the insured participants and to ensure operational efficiency and effectiveness, business processes are gradually being digitalized. As part of this transformation, the digital purchasing process was successfully introduced in spring 2022.

Investment Management

The Investment Management area consists of the Research & Strategy, Portfolio Management TI/Al, Portfolio Management Real Estate, and Investment Operations departments, and is managed by the CIO. The CIO brings their expertise to the ALM process and is responsible for implementing the investment activities within the framework of the strategic guidelines. Investment Management develops investment concepts, defines the investment tactics, selects and monitors the asset managers, manages direct and indirect real estate investments, prepares investment reports, and is responsible for the operational investment processes. This area is also responsible for implementing sustainability requirements and objectives through the exercise of voting rights, memberships, and exclusions, as well as for organizing commitment processes.

Finance

The Finance area, under the leadership of the CFO, is responsible for accounting and controlling, risk management, IT, and project management. This includes the preparation of the annual financial statements and annual report, monitoring of the internal control system (ICS) for company-wide risk management, management of information security, IT service management, and financial management of the Pension Fund. During the reporting year, the asset and liability management (ALM) office was set up and an ALM study was carried out, which was approved by the Board of Trustees. The results of the study serve as a basis for any adjustments to the investment strategy and reviews of performance strategies decided by the Board of Trustees.

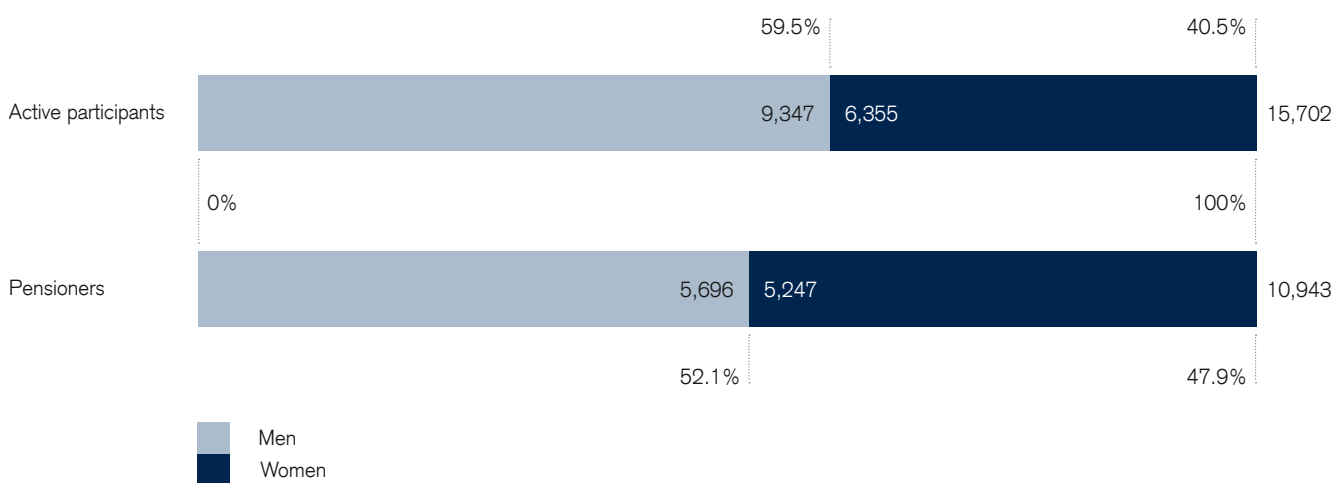
Insured participants and pension plan

Number of insured participants

The number of insured participants at the end of the year was as follows:

Number of insured participants as of December 31		
	2023	2022
Number of insured participants	15,702	18,244
Insured only against the risks of death and disability	–	1,176
Fully insured	15,702	17,068
Pensioners	10,943	10,875
Retirement pension recipients	8,143	8,124
Disability pension recipients	485	479
Survivors' pension recipients (surviving spouse's pensions)	1,815	1,800
Divorced spouse's pension recipients	32	32
Support pension recipients	31	32
Child's pension recipients	437	408
Total number of active participants and pensioners	26,645	29,119

Number of insured participants as of December 31, 2023



Investments

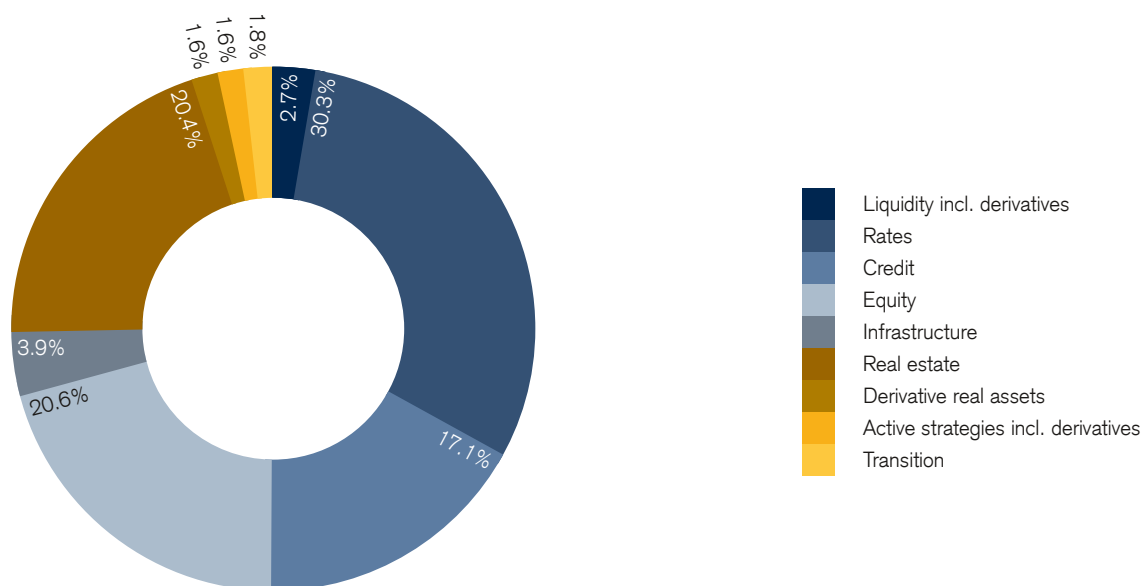
Review

The past year has been on par with its predecessor in terms of investment issues, momentum, and surprising developments. 2022 was characterized by high inflation and the acknowledgment that a new era of low interest rates will not be ushered in anytime soon. The question of if and when inflation would once again fall within the central banks' target ranges remained crucial as 2023 got underway. At the start of the year, central banks continued to tighten their monetary policy; inflation was initially very high, particularly in the euro zone. This prompted the ECB to raise its key interest rates by a further 2% between the start of the year and August. While the markets had largely priced in the higher discount rates for valuing shares in 2022, in 2023 the focus shifted to the higher cost of capital and the associated threat of recession. In the first quarter, regional banks in the US began to feel the impact of rising interest rates. The capital markets were put to the test with the collapse of Silicon Valley Bank (SVB) and the acquisition of Credit Suisse by UBS, which was announced shortly thereafter. The rapid and coordinated intervention of regulators, central banks, and governments prevented a chain reaction. As inflation slowed and based on the assumption that the US Federal Reserve (Fed) would ease interest rates again in the foreseeable future, the likelihood of a recession in the US reduced as the year progressed. Gross domestic product (GDP) in the US grew steadily, albeit still tracking below the long-term trend. By contrast, major European countries such as Germany and France reported negative quarterly growth figures at the end of the year, underscoring once again that the US economy is proving more resilient than its European counterparts. After a bumpy start to the investment year with high volatility, especially in the supposedly safe government bond markets, 2023 showed a softer side. Thanks in part to technological advances in artificial intelligence, the stock markets gained significant momentum again toward the end of 2023, closing the year with above-average profits. The bond markets likewise recovered well from their lows toward the end of the year. One key question still remains open, however – has the world fundamentally changed with the events of recent years, or can we look forward to a return to low inflation, low interest rates, and a healthy economy backed by private and public-sector investment? With debt continuing to rise and challenges in terms of sustainability, demographics, and geopolitics, investors have a taxing future ahead of them. Adopting a critical attitude, forming an independent opinion, and having the courage to make decisions on that basis have always been vital to successfully managing capital – and this is something that will not change.

Investments by the Pension Fund

For the Pension Fund of Credit Suisse Group (Switzerland), 2023 was an exceptional year in many respects. The acquisition of Credit Suisse Group AG by UBS Group AG altered some fundamental assumptions, and the Pension Fund responded to these developments by undertaking a comprehensive review of the strategic guidelines. In addition, decisions about the investment portfolio were taken and implemented promptly based on the available information. For example, the proportion of bonds was increased and the duration extended. The investment year was extremely challenging from a tactical perspective; this was reflected not only in the animated monthly strategy meetings but also in the mixed performance of the incumbent mandate holders. Some of the positive effects of deferred fees on private market investments in the previous year turned into a negative in 2023 and had a significant impact on the relative result. Without this effect, the investment portfolio slightly outperformed the benchmark. The performance of the Pension Fund is 5.0%, with that of the strategy being 6.1%. Fortunately, all asset classes closed 2023 with a positive performance. Equity, including private equity, was the highest performer at 9.0%, followed by credit at 5.0%, rates at 4.7%, infrastructure at 4.0%, and real estate at 3.4%.

Asset allocation as of December 31, 2023



Sustainability – ESG

The Pension Fund of Credit Suisse Group (Switzerland) strives to achieve continuous development in terms of the sustainability of its investments. For this reason, an internal ESG group was set up in the investment sector at the start of 2023 to oversee the management, definition, and strategic development of sustainability issues. The group comprises a judicious mix of employees from different teams in the investment sector; this will help with embedding the topic of sustainability more firmly within the Pension Fund.

To improve transparency in investments relating to environmental (E), social (S), and governance (G) aspects, the Swiss Association of Pension Funds (ASIP) has published a recommendation for a sustainability reporting standard that aims to ensure that Swiss pension funds report annually on their sustainability efforts and the sustainability of their investments. The Pension Fund of Credit Suisse Group (Switzerland) has already complied with this recommendation, and last year made a new sustainability report with elements of quantitative and qualitative reporting available on its website for insured participants to consult.

The sustainability report also covers stewardship activities, which constitute a central pillar of the sustainability and climate strategy and have a direct impact on the portfolio companies. In 2023, 2,492 voting rights were exercised, which is 60% more than in the previous year. Furthermore, active dialogue was maintained with 800 companies, and the exclusion list was expanded to include behavioral exclusions based on information acquired as a result of engaging with these companies. In addition to companies that are involved with controversial weapons, the exclusion list now includes companies that violate one or more of the principles of the UN Global Compact and with which the Pension Fund is not actively engaging due to their business model, as engagement would appear to be pointless, or companies with which the Pension Fund has stopped engaging altogether.

Board of Trustees

Resolutions and activities of the Board of Trustees of the Pension Fund

In the reporting year, the Board of Trustees of the Pension Fund of Credit Suisse Group (Switzerland) focused primarily on the following items of business:

- 2022 Annual Report and financial statements and discharge of the management
- Asset and liability management process
- Pension Fund regulations, adjustments
- Regulations on investments, adjustments
- Organizational regulations, adjustments
- Regulations on provisions, adjustments
- Proposals concerning sustainable investments (ESG)
- Questions relating to the acquisition of Credit Suisse Group AG by UBS Group AG
- Adaptation of the pension model of the Pension Fund of Credit Suisse Group (Switzerland) to the pension model of the UBS Pension Fund

Continuing education and introduction programs

The Board of Trustees takes regular steps to enhance its expertise and skills in employee benefits insurance and general investment issues. In the reporting year, experts within the Pension Fund provided training sessions on the topics of asset and liability management, and sustainable investments (ESG). In addition, members of the Board were able to attend external training courses. Pension Fund staff also provided new Board members with individual training.

Responsibility

The Pension Fund of Credit Suisse Group (Switzerland), with total assets of some CHF 17.3 billion, over 15,000 active participants, and approximately 11,000 pensioners, is one of the largest pension funds in Switzerland. The Board of Trustees and the management are deeply aware of their responsibilities and thus apply the highest levels of diligence and professionalism in their administration of the Pension Fund. Those responsible for managing the Fund consider it very important to maintain a competitive level of benefits and ensure that the insured participants enjoy the most comprehensive insurance coverage possible.

We would like to thank you, the insured participants, for placing your trust in us.
PENSION FUND OF CREDIT SUISSE GROUP (SWITZERLAND)



Joachim Oechslin
Chair of the Board of Trustees



Martin Wagner
Chief Executive Officer



Balance sheet and operative account

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14 Operative account

II – Balance sheet and operative account

2.1 Balance sheet

The amounts listed in the balance sheet, operative account, and explanatory notes are rounded to the nearest CHF. In individual cases, the total (in CHF and as a percentage) differs marginally from the sum of the individual values.

	Note	31.12.2023		31.12.2022	
		CHF	%	CHF	%
Assets					
Investments	3.6.4	17,291,300,233	99.9	17,389,148,761	99.9
Other assets and prepayments and accrued income	3.7.1	17,336,340	0.1	16,350,112	0.1
Total assets		17,308,636,574	100.0	17,405,498,873	100.0

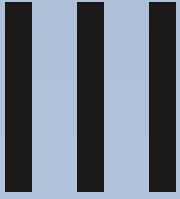
Investments in an employer's enterprise are reported and explained in Section 3.6.10 of the explanatory notes.

	Note	31.12.2023		31.12.2022	
		CHF	%	CHF	%
Liabilities					
Liabilities		254,911,117	1.5	159,524,647	0.9
Termination benefits and pensions		170,239,193	1.0	78,053,611	0.4
Other liabilities		19,168,114	0.1	18,940,378	0.1
Loans	3.7.3	65,503,810	0.4	62,530,658	0.4
Accrued liabilities and deferred income		2,819,288	0.0	3,429,723	0.0
Employer's contribution reserve	3.6.11	73,945,630	0.4	70,424,409	0.4
Pension liabilities and actuarial provisions		13,688,566,806	79.1	13,346,318,530	76.7
Active participants' liabilities	3.5.2	6,146,323,522	35.5	6,628,574,573	38.1
Pensioners' liabilities	3.5.4	7,241,517,284	41.8	6,621,626,957	38.0
Actuarial provisions	3.5.5	300,726,000	1.7	96,117,000	0.6
Reserve for fluctuations in asset value	3.6.3	2,464,000,000	14.2	2,400,000,000	13.8
Endowment capital, non-committed funds (+) / underfunding (-)		824,393,732	4.8	1,425,801,564	8.2
Balance as of January 1		1,425,801,564	8.2	2,037,269,367	11.7
Income surplus (+) / expense surplus (-)		(601,407,831)	(3.5)	(611,467,804)	(3.5)
Total liabilities		17,308,636,574	100.0	17,405,498,873	100.0

2.2 Operative account

Operative account	Note	2023 CHF	2022 CHF
Ordinary and other contributions and lump-sum transfers			
Employee contributions		152,806,653	150,058,641
Employer contributions		263,952,916	258,447,776
One-time payments and purchase amounts		70,816,844	41,484,177
Transfers to employer's contribution reserve		–	–
Total ordinary and other contributions and lump-sum transfers		487,576,413	449,990,594
Lump-sum transfers on joining the Pension Fund			
Termination benefit transfers		84,663,777	153,058,180
Transfer to reserve for fluctuations in asset value		72,678	–
Repayment of withdrawals for home ownership/divorce		16,467,378	7,925,286
Total lump-sum transfers on joining the Pension Fund		101,203,834	160,983,467
Inflow from contributions and lump-sum transfers on joining the Pension Fund		588,780,246	610,974,061
Regulatory benefits			
Retirement pensions		(409,474,936)	(408,612,191)
Survivors' pensions (surviving spouse's pensions)		(66,126,110)	(65,340,621)
Orphan's pensions		(1,151,994)	(1,135,413)
Disability pensions		(21,610,530)	(22,261,848)
Other regulatory benefits		(7,830,043)	(11,010,584)
Lump-sum payments on retirement		(179,518,936)	(98,412,194)
Lump-sum payments upon death or disability		(8,158,245)	(6,648,983)
Lump-sum payments upon divorce (pensioners)		(267,507)	(878,848)
Total regulatory benefits		(694,138,300)	(614,300,683)
Termination benefits			
Termination benefits on leaving the Pension Fund	3.5.2	(863,114,366)	(346,722,871)
Transfer of additional funds for collective withdrawals	3.9.1	–	(240,328)
Repayment of withdrawals for home ownership/divorce		(32,010,894)	(41,687,484)
Total termination benefits		(895,125,260)	(388,650,682)
Outflow for benefits and withdrawals		(1,589,263,560)	(1,002,951,365)
Increase / decrease in pension liabilities, actuarial provisions, and employer's contribution reserves			
Increase (-) / decrease (+) in active participants' liabilities	3.5.2	777,995,553	80,799,680
Interest on active participants' liabilities	3.5.2	(295,744,502)	(305,856,424)
Increase (-) / decrease (+) in pensioners' liabilities	3.5.4	(619,890,327)	1,216,368,437
Increase (-) / decrease (+) in actuarial provisions	3.5.5	(204,609,000)	267,975,000
Increase (-) / decrease (+) in employer's contribution reserves	3.6.11	–	67
Total increase / decrease in pension liabilities, actuarial provisions, and employer's contribution reserves		(342,248,276)	1,259,286,759
Insurance cost			
Contributions to Security Fund BVG		(1,371,371)	(1,763,074)
Net result of insurance activities		(1,344,102,961)	865,546,381

	Note	2023 CHF	2022 CHF
Investments			
Return on investments	3.6.8	1,023,075,003	(1,351,976,831)
Interest on termination benefits		(1,626,827)	(711,302)
Interest on loans	3.7.3	(3,153,152)	5,113,982
Interest on employer's contribution reserve	3.6.11	(3,521,220)	(3,353,610)
Asset management costs	3.6.9	(196,151,800)	(197,447,040)
Net return on investments		818,622,003	(1,548,374,800)
Other income			
		-	-
Other expenses			
		(832,229)	(308,551)
Administration cost			
General administration cost	3.7.2	(10,616,015)	(8,118,038)
Auditors and pension actuary		(446,003)	(180,630)
Supervisory authorities		(32,628)	(32,165)
Total administration costs		(11,094,646)	(8,330,833)
Income surplus / expense surplus before adding to or releasing from reserve for fluctuations in asset value			
		(537,407,831)	(691,467,804)
Increase (-) / decrease (+) in reserve for fluctuations in asset value			
		(64,000,000)	80,000,000
Income surplus (+) / expense surplus (-)			
		(601,407,831)	(611,467,804)



Explanatory notes

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III – Explanatory notes

3.1 General information and organization

3.1.1 Legal form and objectives

A foundation as defined by Art. 80 et seq. of the Swiss Civil Code (SCC), Art. 331 of the Swiss Code of Obligations (SCO), and Art. 48(2) of the Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) has been established under the name Pension Fund of Credit Suisse Group (Switzerland).

The objective of the foundation is to provide employee benefits insurance as defined by the BVG and its implementing ordinances for employees of Credit Suisse Group AG and companies that have close business and financial ties with Credit Suisse Group AG, as well as for said employees' dependents and surviving dependents, against the financial consequences of retirement, disability, and death. The foundation may also make provisions in excess of the statutory minimum benefits, including assistance to alleviate hardship caused by illness, accident, disability, or unemployment.

Employees of companies with close business or financial ties may, through a resolution of the Board of Trustees and in agreement with Credit Suisse Group AG, be included in the foundation on condition that the foundation is provided with the required funds. Affiliation of a company requires a written affiliation agreement.

In order to achieve its purpose, the foundation may conclude insurance contracts or join existing contracts, as long as the foundation itself acts as both policyholder and beneficiary.

3.1.2 BVG registration and registration with the BVG Security Fund

The foundation has been entered in the BVG- und Stiftungsaufsicht des Kantons Zürich (Office for Occupational Insurance and Foundations of the Canton of Zurich, BVS) register of occupational pension plans under number ZH 1290. The foundation is affiliated with the BVG Security Fund.

3.1.3 Plan statutes and regulations

As of December 31, 2023, the following plan statutes and regulations were in force:

Plan statutes and regulations	Approved on	Valid from
Deed of foundation	08.02.2019	25.04.2019
Pension Fund regulations	12.12.2022	01.01.2023
Organizational regulations	12.12.2022	01.01.2023
Regulations on investments	13.12.2023	31.12.2023
ALM regulations	12.12.2022	01.01.2023
Regulations on provisions	13.12.2023	31.12.2023
Regulations on partial liquidation	09.04.2020	09.04.2020
Regulations on the election of the Board of Trustees	31.10.2019	01.01.2020

3.1.4 Pension Fund bodies/authorized signatories

Board of Trustees

The Board of Trustees is composed of an equal number of employee and employer representatives, 12 in all, whose term of office runs from 2021 to 2024. The names of the members of the Board of Trustees are listed below, along with the composition of the committees and the other governing bodies (as of December 31, 2023).

The members of the Board of Trustees and the Pension Fund management have joint signatory authority (dual authorization) on behalf of the Pension Fund. The Board of Trustees is further entitled to grant joint signatory authority to other persons and to determine the nature and scope of this authority. The authorized signatories are listed in the Commercial Register.

Employer representatives appointed by Credit Suisse Group AG (founder)

Joachim Oechslin, Chair, Credit Suisse Group AG, Zurich
André Helfenstein, Credit Suisse (Switzerland) Ltd., Zurich
Claude Täschler, Credit Suisse (Switzerland) Ltd., Zurich
Daniel Imhof, Credit Suisse AG, Zurich
Niklaus Boser, Credit Suisse AG, Zurich (from October 23, 2023)
Christian Stark, Credit Suisse Services Ltd., Zurich
Ina Hasdenteufel, Credit Suisse AG, Zurich (until September 29, 2023)

Employee representatives

Moreno Ardia, Zurich, Vice-Chair, Credit Suisse (Switzerland) Ltd., constituency 1
Damian Hodel, Zurich, Credit Suisse (Switzerland) Ltd., constituency 1 (from April 1, 2023)
Daniel Egli, Lucerne, Credit Suisse (Switzerland) Ltd., constituency 1
Gaby Kuchta-Schmidt, Zurich, Credit Suisse AG, constituency 1
Timoteo Gandolfi, Lugano, Credit Suisse (Switzerland) Ltd., constituency 2
Christian Braun, Zurich, Credit Suisse Asset Management (Switzerland) Ltd., constituency 3
Joëlle Laprêvote, Zurich, Credit Suisse (Switzerland) Ltd., constituency 1 (until March 31, 2023)

The constituencies are divided as follows:

Constituency

1	Credit Suisse (Switzerland) Ltd. and Credit Suisse AG, German-speaking Switzerland
2	Credit Suisse (Switzerland) Ltd. and Credit Suisse AG, French-speaking and Italian-speaking Switzerland
3	Other affiliated companies

Investment Committee

Daniel Imhof, Chair
Joachim Oechslin (from February 6, 2023)
Christian Braun
Timoteo Gandolfi (from February 6, 2023)
Martin Wagner (CEO) (non-voting)
Andreas Dänzer (CIO) (non-voting)
Arnaud Erhard (non-voting) (from February 6, 2023)

ALM Committee

Christian Stark, Chair
Joachim Oechslin
Christian Braun
Daniel Egli
Andreas Dänzer (CIO)
Holger Inhester (CFO)
Martin Wagner (CEO) (non-voting)

Compensation and Promotion Committee

Claude Täschler, Chair
Niklaus Boser (from November 6, 2023)
Arnaud Erhard

Damian Hodel
Ina Hasdenteufel (until September 29, 2023)

Audit and Risk Committee

Moreno Ardia, Chair (from April 1, 2023)
Christian Stark
Damian Hodel (from April 1, 2023)
Gaby Kuchta-Schmidt
Joëlle Laprèvote, Chair (until March 31, 2023)

Executive Committee

Joachim Oechslin, Chair
Moreno Ardia (from April 21, 2023)
Martin Wagner (CEO)
Daniel Egli (until April 20, 2023)

Management

Martin Wagner, Chief Executive Officer (CEO)
Andreas Dänzer, Chief Investment Officer (CIO)
Holger Inhester, Chief Financial Officer (CFO)
Roger Nigg, Chief Pension Services (CPS)

3.1.5 Actuaries, auditors, advisors, supervisory authority

Pension actuary

c-alm AG, St. Gallen, contracting party (from January 1, 2023)
Roger Baumann, responsible pension actuary

Aon Schweiz AG, Zurich, contracting party (until December 31, 2022)
Willi Thurnherr, responsible pension actuary

Auditors

PricewaterhouseCoopers AG, Bern

Real estate valuers

Wüest Partner AG, Zurich

Investment controller

PPCmetrics AG

Supervisory authority

BVG- und Stiftungsaufsicht des Kantons Zürich (Office for Occupational Insurance and Foundations of the Canton of Zurich, BVS), Zurich

3.1.6 Affiliated employers

As of the end of the reporting year, 14 (previous year: 14) different employers with active participants and with close business and financial ties to Credit Suisse Group AG were affiliated with the Pension Fund of Credit Suisse Group (Switzerland).

In the following table, the far right column lists the proportion of pension obligations pertaining to the contingent of pensioners as of the end of 2016; these were allocated proportionally to the affiliated employers on December 31, 2016.

Affiliated employers				
Name of the affiliated employer	31.12.2023 Number of active participants	31.12.2022 Number of active participants	31.12.2023 Proportion of active participants in %	Proportion of pension obligations in %
Credit Suisse (Switzerland) Ltd.	7,169	8,082	45.66	50.80
Credit Suisse AG	5,081	6,029	32.36	32.47
Credit Suisse Services Ltd.	2,336	2,825	14.88	10.52
Credit Suisse Asset Management (Switzerland) Ltd.	505	574	3.22	2.61
BANK-now Ltd.	357	344	2.27	1.72
Credit Suisse Funds AG	83	84	0.53	0.38
Fides Treasury Services AG	2	68	0.01	0.29
Credit Suisse Trust Ltd.	36	34	0.23	0.31
Credit Suisse Insurance Linked Strategies Ltd.	33	45	0.21	0.24
Pension Fund of CSG (Switzerland)	66	61	0.42	0.24
Credit Suisse Group AG	1	73	0.01	–
Aventicum Capital Management (Suisse) SA	9	10	0.06	0.11
Credit Suisse Investment Partners (Switzerland) Ltd.	5	5	0.03	–
Corby SA	2	2	0.01	0.01
Credit Suisse AG, Singapore Branch	–	–	–	0.02
External insured participants	17	8	0.11	–
Provision for pension recipients remaining from previous affiliations	–	–	–	0.28
Total as of December 31	15,702	18,244	100.00	100.00
Number of affiliations with active participants	14	14		

3.1.7 Corporate governance

Integrity and loyalty of the responsible persons

All internal persons subject to the regulations – including the members of the Board of Trustees and its committees and the employees of the Pension Fund – must confirm their compliance with the loyal conduct regulations using a standardized form. The persons concerned have undertaken, furthermore, to disclose their bank accounts at the request of the Board of Trustees and to comply with the rules of Credit Suisse AG governing personal account trading.

Similarly, external staff entrusted with asset management tasks, such as asset managers, the global custodian, investment consultants, and investment controllers, are required to submit a written declaration of loyal conduct.

Exercise of voting rights under Art. 49(a)(2) BVV 2

The Pension Fund exercises its voting rights in accordance with clear criteria; the exercise of voting rights and the disclosure of voting behavior also comply with the legal requirements. The Pension

Fund exercises the shareholders' rights associated with equity investments in the interest of the insured participants. In the reporting year, the Pension Fund exercised 1,516 voting rights at annual general meetings held by listed joint-stock companies in Switzerland, Europe, the US, Canada, and the Asia Pacific region (APAC).

Votes were exercised in compliance with the voting policies defined by the Pension Fund. The voting policies are reviewed at least once a year and, if necessary, updated or supplemented.

The voting behavior is described in detail on the Pension Fund's website.

Policy on retrocessions

The payment of retrocessions is dealt with in contractual agreements with the external asset managers. Any income accrues in full to the Pension Fund. Both the related accounts and any payments made are checked in detail by the Pension Fund. For the reporting year, all external asset managers have confirmed that they received no retrocessions.

Remuneration of the Board of Trustees and the committees

Employee representatives will be compensated as follows for their participation in the Board of Trustees and its committees:

Board of Trustees compensation

	Annual one-time payment in CHF	Attendance fee in CHF
Board of Trustees	2,000	1,600
Investment Committee	1,000	800
ALM Committee	1,000	800
Compensation and Promotion Committee	1,000	800
Audit and Risk Committee	1,000	800
Executive Committee	1,000	800
Regulations working group	1,000	800

External advisors are compensated according to expenditure as part of their mandate. Meetings of the Pension Fund and Pension Fund 2 that take place on the same day are considered a single meeting.

Effective costs are reimbursed against proof of expenditure. Course fees and expenses incurred for the attendance of necessary training linked to employee benefits insurance are reimbursed.

3.2 Active participants and pensioners

3.2.1 Active participants

Total active participants

	31.12.2023	31.12.2022
Women	6,355	6,766
Women, insured only against the risks of death and disability	–	578
Men	9,347	10,302
Men, insured only against the risks of death and disability	–	598
Total	15,702	18,244

Change in number of total active participants

	Men	Women	Total
No. of participants as of December 31, 2022	10,900	7,344	18,244
New participants	684	515	1,199
Departures (total)	(2,237)	(1,504)	(3,741)
of which through disability	(8)	(5)	(13)
of which through retirement	(192)	(107)	(299)
of which through change of job	(2,032)	(1,390)	(3,422)
of which through death	(5)	(2)	(7)
No. of participants as of December 31, 2023	9,347	6,355	15,702
Change in number of persons	(1,553)	(989)	(2,542)
Change in %	(14.2)	(13.5)	(13.9)

Average age of active participants

	on 31.12.2023	on 31.12.2022
Women	41.2	41.9
Women, insured only against the risks of death and disability	–	22.3
Men	43.8	44.3
Men, insured only against the risks of death and disability	–	22.5

Pensionable salary, total in CHF

	2023	2022
Women	465,842,347	495,705,237
Women, insured only against the risks of death and disability	–	21,551,396
Men	858,338,217	927,254,620
Men, insured only against the risks of death and disability	–	22,982,469
Total	1,324,180,564	1,467,493,722

Pensionable salary, average in CHF

	2023	2022
Women	73,303	73,264
Women, insured only against the risks of death and disability	–	37,286
Men	91,830	90,007
Men, insured only against the risks of death and disability	–	38,432

3.2.2 Pensioners

Pensioners

	Men 1.1.2024	Men 1.1.2023	Women 1.1.2024	Women 1.1.2023	Total 1.1.2024	Total 1.1.2023
Retirement pension recipients	5,089	5,073	3,054	3,051	8,143	8,124
Disability pension recipients	219	218	266	261	485	479
Survivors' pension recipients (surviving spouse's pensions)	171	160	1,644	1,640	1,815	1,800
Divorced spouse's pension recipients	1	1	31	31	32	32
Support pension recipients	20	20	11	12	31	32
Child's pension recipients	196	175	241	233	437	408
Total pensioners	5,696	5,647	5,247	5,228	10,943	10,875
Change in number of persons	49		19		68	
Change in %	0.9		0.4		0.6	

The number of pensioners changed as follows:

Change in number of pensioners		
	2023	2022
Number of pensioners at the beginning of the financial year	10,875	10,995
New pensioners		
Retired active participants	248	150
Retired disability pension recipients	16	40
Disability pension recipients	32	25
Survivors' pension recipients (surviving spouse's pensions)	115	112
Divorced spouse's pension recipients	1	6
Support pension recipients	–	–
Child's pension recipients	95	52
Termination of pension entitlement		
Death of retirement pension recipient	(245)	(250)
Death of disability pension recipient	(7)	(5)
Reactivation of disability pension recipient	(2)	(2)
Retirement of disability pension recipient	(17)	(40)
Death of survivors' pension (surviving spouse's pension) recipient	(100)	(105)
Death of divorced spouse's pension recipient	(1)	(3)
Remarriage of survivors' pension (surviving spouse's pension) recipient	–	–
Expiry of child's pension and support pension	(67)	(100)
Number of pensioners at the end of the financial year	10,943	10,875

Average age of pensioners

	on 1.1.2024	on 1.1.2023
Retirement pensions, women	75.8	75.5
Retirement pensions, men	74.9	74.6
Disability pension recipients	55.7	55.2
Survivors' pension recipients (surviving spouse's pension recipients)	79.8	79.4
Divorced spouse's pension recipients	70.3	69.6
Child's pension recipients	17.5	17.1

3.3 Implementation of objectives

As an autonomous pension institution, the Pension Fund has the legal form of a foundation. The foundation operates pension capital savings plans in the defined contribution system, consisting of two pension pots: a pension capital pot and a supplementary pension capital account (for early retirement).

3.3.1 Characteristics of the pension plan

Pensionable salary

All employees aged 17 and above are insured for retirement benefits and for the risks of death and disability, provided that they receive a minimum salary pursuant to Art. 7 BVG.

The effective salary in the Pension Fund of Credit Suisse Group (Switzerland) consists of the base salary, the base salary excess, and the variable award (incentive award). The effective salary may not exceed CHF 138,180. The maximum effective salary minus a coordination deduction of no more than CHF 29,400 results in the maximum pensionable salary of CHF 108,780.

The proportion exceeding the maximum pensionable salary in the Pension Fund of Credit Suisse Group (Switzerland) of CHF 108,780 is insured in the retirement capital savings plans of Pension Fund 2 of Credit Suisse Group (Switzerland).

The coordination deduction for part-time employees is adjusted in proportion to the level of employment. The pensionable salary risk component equals the average of the last three pensionable variable salaries (incentive awards).

Retirement

The reference age in the Pension Fund is 65. Retirement can be taken between the ages of 58 and 70 at the request of the bank or the insured participant.

Retirement pension

The pension is calculated by multiplying the available capital in the pension-accumulating pension capital and pension capital supplementary account pension pots by the pension conversion rate corresponding to the age of the insured participant. The retirement pension is a maximum of CHF 118,626.

The retirement pension is supplemented by the retiree's child's pension and an AHV bridging pension. The AHV bridging pension amounting to the anticipated AHV pension is paid from the same date as the retirement pension until the insured participant starts receiving the retirement pension from the Swiss Federal Old Age and Survivors' Insurance.

Lump-sum payments

At the request of the insured participant, up to 50% of the pension capital and pension capital supplementary account can be drawn as a lump sum. The portion of the accrued assets over CHF 1,029,000 can even be drawn in full as a lump sum.

The proportion of the pension capital and the pension capital supplementary account not used for the lifelong retirement pension must be paid out as a lump-sum payment or can be used to purchase an AHV bridging pension.

Disability pension

The amount of the temporary disability pension is calculated on the basis of the sum of 70% of the pensionable base salary, 45% of the pensionable base salary excess, and 45% of the pensionable salary risk component. The disability pension is supplemented by a disability bridging pension, a disabled person's child's pension, and the lump-sum payment in the event of disability.

Moreover, the obligation to pay contributions into the Pension Fund is waived from the 366th day in the event of an uninterrupted period of inability to work (waiver of contributions). During the period of disability, the Pension Fund will pay both the employee's savings contributions and those of the employer in accordance with the Standard contribution option, based on the pensionable base salary, the pensionable base salary excess, and the average of the last three pensionable awards before the occurrence of the inability to work. Contributions are waived in respect of that portion of the salary which can no longer be earned. The waiver of contributions is granted for as long as the insured participant remains disabled, but only up to the age of 65.

Death benefits

In the event of the insured participant's death, the surviving spouse or cohabiting partner within the meaning of the regulations will be paid a surviving spouse's pension or cohabiting partner's pension amounting to 66% of the insured disability pension or of the retirement or disability pension already being drawn, provided that the surviving spouse or cohabiting partner fulfills one of the following criteria:

- They are responsible for financially supporting one or more children.
- At the time of the insured participant's death, the surviving spouse is 45 or older and the marriage or cohabitation lasted at least five years.

If the surviving spouse is not entitled to a pension, they will receive a lump-sum payment equal to three times the annual surviving spouse's pension.

The surviving spouse's pension or cohabiting partner's pension is supplemented by a lump sum payable at death and by orphan's pensions and support pensions for eligible children.

Provided that there is entitlement to a surviving spouse's pension or cohabiting partner's pension, the lump sum payable at death from the pension capital savings corresponds to half of the pensionable base salary, but no more than CHF 54,390, and the assets accumulated in the pension capital pot minus the individual maximum assets in the pension capital pot in accordance with the purchasing tables (Standard contribution option), and the assets accumulated in the pension capital supplementary account.

In all other cases, the lump sum payable at death corresponds to the termination benefits or the assets in the pension capital and pension capital supplementary account, but at least half of the sum of the pensionable base salary, base salary excess, and pensionable salary risk component (incentive award) insured in the pension capital savings plan.

1e retirement capital savings

Until December 31, 2019, in addition to pension capital savings, the Pension Fund operated a retirement capital savings plan consisting of two capital-accumulating pension pots: retirement capital and retirement capital supplementary account (for early retirement). This retirement capital savings plan was split off from the Pension Fund at the start of 2020 to form a separate 1e plan, managed under Pension Fund 2 of Credit Suisse Group (Switzerland). The 1e plan offers insured participants with a salary subject to AHV contributions of over CHF 138,180 (as of 2023) the opportunity to select one of eight investment strategies for their pension assets.

3.3.2 Financing, financing method

Contributions by the insured participants and the employer

The insured participants can choose the level of their savings contribution annually from the three contribution options: Basic, Standard, and Top. In the absence of active selection, they are assigned to the Standard contribution option.

The age-dependent savings rates for the employee are between 5.0% and 14.0% of the pensionable base salary, and between 3.0% and 9.0% of the pensionable base salary excess and the variable salary (incentive award).

The age-dependent savings contributions for the employer are between 7.5% and 25.0% of the pensionable base salary. The savings contribution rate for the base salary excess and variable salary (incentive award) is 6.0% from the age of 25 onwards.

The risk contributions are fully financed by the employer in all three contribution options. The risk contributions from the ages of 18 to 24 are 1.5% on the pensionable base salary, the pensionable base salary excess, and the variable salary. From the age of 25, the risk contributions are 2.5% on the pensionable base salary, the pensionable base salary excess, and the variable salary. From the age of 66, risk contributions are no longer calculated.

Further information on the contributions can be found in the current "Pension capital savings" Pension Fund regulations at www.credit-suisse.com/pensionfund.

3.4 Significant accounting policies and valuation methods, consistency

3.4.1 Statement of compliance with Swiss GAAP FER 26

Bookkeeping, balance sheet reporting, and valuation are carried out in accordance with the provisions of Swiss GAAP FER 26.

3.4.2 Significant accounting policies and valuation methods

The books of account are kept in accordance with the commercial principles of the Swiss Code of Obligations.

Securities

Securities are stated at market value on the balance sheet date.

Swiss mortgages (mortgage deeds)

Swiss mortgages (mortgage deeds) are recognized in the balance sheet at nominal value minus any valuation adjustments required for operational purposes.

Real estate

Direct real estate holdings are reported in the balance sheet at market value. The basis on which the external assessor determines the market value is the sum of the discounted net cash flow at the time of the valuation (DCF method). A risk-based real interest rate is applied in the discounting calculation. This comprises a risk-free interest rate, together with a premium for the real estate risk (immobility of capital), the macro-location, the micro-location depending on utilization, and the premiums for property quality and investment risk. As of the balance sheet date, the range for the discount rate was between 2.3% and 3.9% (previous year: 2.2% and 3.9%).

The real estate is appraised annually, and 20% of the real estate holdings are inspected on site at the time of review. All real estate must be inspected at five-year intervals. Indirect real estate holdings are recognized in the balance sheet at market prices.

Alternative investments

Listed alternative investments are reported in the balance sheet at market value. Non-listed alternative investments are reported according to their net asset value (NAV). The NAV for alternative investments is tested for stable market value by independent experts, corrected where necessary, and extrapolated to the balance sheet date. The task of checking the NAV is performed by the relevant asset manager, checked for plausibility by the Pension Fund, and discussed and analyzed in regular meetings with the asset manager.

Other assets

Other assets are recognized at nominal value, minus any valuation adjustments required for operational purposes. Since the 2023 reporting year, project costs with total expenses exceeding CHF 500,000 have been capitalized and amortized on a linear basis over a predefined term. The capitalized project costs form part of the other assets. In addition to annual amortization, an impairment test is carried out annually.

Active participants' liabilities

The pension liabilities of active participants comprise the retirement assets in accordance with statutory and regulatory requirements. Pension liabilities are confirmed annually by the actuarial expert.

Pensioners' liabilities

The pension actuary calculates the pensioners' liabilities annually using actuarial bases and taking into account statutory and regulatory requirements.

Actuarial provisions

Actuarial provisions are calculated on the basis of the regulations on provisions and recommendations by the pension actuary. Actuarial provisions are calculated annually by the pension actuary.

Other liabilities

Other liabilities are recognized at nominal value.

3.4.3 Changes in accounting policy and in bookkeeping

In the 2023 reporting year, monitoring of derivatives coverage was changed from a three-stage process to a single-stage process. This has an impact on the disclosure in the explanatory notes to the 2023 annual accounts, and the previous year's figures have been adjusted to reflect the new methodology. For further details, please refer to Section 3.6.5 of the explanatory notes.

There have been no changes to valuation methods, bookkeeping, or accounting policies compared to the previous year.

3.5 Actuarial risks / risk benefit coverage / coverage ratio

3.5.1 Type of risk benefit coverage, reinsurance agreements

The Pension Fund autonomously bears the risks of retirement, disability, and death. It has no reinsurance agreements.

3.5.2 Active participants' liabilities

Overall development of active participants' liabilities

The active participants' liabilities developed as follows in the reporting year:

Overall development of active participants' liabilities			
	2023 in CHF	2022 in CHF	Change in CHF
Active participants' liabilities as of January 1	6,628,574,573	6,403,517,829	225,056,744
Employer's and employee's savings contributions	379,468,425	370,824,963	8,643,462
Purchase amounts and one-time payments	70,816,844	41,484,177	29,332,667
Termination benefit transfers	84,663,777	153,058,180	(68,394,403)
Repayment of withdrawals for home ownership/divorce	16,467,378	7,925,286	8,542,092
Termination benefits on leaving the Pension Fund	(863,114,366)	(346,722,871)	(516,391,495)
Withdrawals for encouragement of home ownership/divorce	(32,010,894)	(41,687,484)	9,676,590
Interest paid on retirement savings capital (5.00%/5.00%)	295,744,502	305,856,424	(10,111,922)
Lump-sum payments on retirement	(179,518,936)	(98,412,194)	(81,106,741)
Transfer to pensioners' liabilities due to retirement	(231,890,689)	(132,020,289)	(99,870,400)
Transfer to pensioners' liabilities due to partial retirement	(7,955,718)	(10,135,536)	2,179,818
Transfer to pensioners' liabilities due to disability	(8,506,731)	(11,199,435)	2,692,704
Transfer to pensioners' liabilities due to death	(6,414,644)	(13,914,477)	7,499,833
Total active participants' liabilities as of December 31	6,146,323,522	6,628,574,573	(482,251,051)

3.5.3 Total retirement savings capital in accordance with the law on occupational pensions ("shadow account")

The retirement savings capital in accordance with the law on occupational pensions of the active participants is as follows:

BVG retirement savings capital

	31.12.2023 in CHF mn	31.12.2022 in CHF mn
Retirement savings capital in accordance with the law on occupational pensions	1,340.0	1,457.7

3.5.4 Pensioners' liabilities

Development of pensioners' liabilities

The pensioners' liabilities developed as follows in the reporting year:

	2023 in CHF	2022 in CHF	Change in CHF
Pensioners' liabilities as of January 1	6,621,626,957	7,837,995,394	(1,216,368,437)
Interest on pensioners' liabilities	166,530,637	91,992,900	74,537,737
Pension payments	(506,193,613)	(508,360,657)	2,167,044
Transfer from active participants' liabilities	254,767,782	167,269,738	87,498,044
Increase in pension liabilities due to development of risk associated with active participants	17,864,835	45,459,034	(27,594,199)
Pensioners' risk result	7,822,104	14,129,721	(6,307,617)
Change in technical interest rate	679,098,582	(1,027,904,964)	1,707,003,546
Timing effects ¹⁾	0	1,045,792	(1,045,791)
Total pensioners' liabilities as of December 31	7,241,517,284	6,621,626,957	619,890,327

¹⁾ Timing effects are the result of simplifying assumptions; for example, it is assumed that deaths occurred mid-year.

Pensioners' liabilities comprise the following components:

Pensioners' liabilities

	31.12.2023 in CHF	31.12.2022 in CHF	Change in CHF
Retirement pensions	5,973,145,092	5,483,993,660	489,151,432
AHV bridging pensions	9,374,118	11,951,016	(2,576,898)
Survivors' pensions (surviving spouse's pensions)	739,968,736	682,190,660	57,778,076
Divorced spouse's pensions	15,409,932	14,043,862	1,366,070
Disability pensions	469,592,733	392,832,974	76,759,759
Disability bridging pensions	3,537,718	8,811,653	(5,273,935)
Child's pensions and support pensions	30,488,955	27,803,132	2,685,823
Total pensioners' liabilities	7,241,517,284	6,621,626,957	619,890,327

Cost-of-living allowance for pensioners

The Board of Trustees continuously monitors price development measured against the Swiss Consumer Price Index and annually reviews whether to grant a cost-of-living allowance. Pensions were last adjusted on January 1, 2007. The cumulative increase in the cost of living since then amounts to 7.9% as measured by the Swiss Consumer Price Index. The Board of Trustees has decided not to grant a cost-of-living allowance on pensions as of January 1, 2024.

3.5.5 Actuarial provisions

Actuarial provisions

	31.12.2023 in CHF	31.12.2022 in CHF	Change in CHF
Provision for increase in life expectancy	43,449,000	26,487,000	16,962,000
Provision for actuarial risks	60,944,000	68,407,000	(7,463,000)
Provision for retirement losses	139,263,000	–	139,263,000
Provision for pensioners remaining from previous affiliations	1,070,000	1,223,000	(153,000)
Provision for partial liquidation	56,000,000	–	56,000,000
Total actuarial provisions	300,726,000	96,117,000	204,609,000

Provision for increase in life expectancy

The provision for increase in life expectancy is intended to mitigate the impact of the changeover to newer generation tables. The provision is formed on the recommendation of the pension actuary as a flat-rate percentage of pensioners' liabilities.

	2023 in CHF	2022 in CHF
Provision for increase in life expectancy as of January 1	26,487,000	15,676,000
Increase for future changes in actuarial principles	16,962,000	10,811,000
Provision for increase in life expectancy as of December 31	43,449,000	26,487,000

Provision for actuarial risks

The provision for actuarial risks is intended to offset short-term unfavorable fluctuations in the risks of death and disability for active participants. The provision is formed on the recommendations of the pension actuary based on a risk analysis. The provision is recalculated each year and corresponds to 4.5% of the pensionable base salaries in the Pension Fund.

	2023 in CHF	2022 in CHF
Provision for actuarial risks as of January 1	68,407,000	28,431,000
Decrease	(7,463,000)	–
Increase	–	39,976,000
Provision for actuarial risks as of December 31	60,944,000	68,407,000

Provision for retirement losses

The provision for retirement losses aims to cover expected losses for cases of new retirement where these are not covered by current financing. The amount of the provision is calculated by the pension actuary.

	2023 in CHF	2022 in CHF
Provision for retirement losses as of January 1	–	318,609,000
Increase (decrease) as a result of a change in the technical interest rate	213,111,000	(634,548,000)
Decrease due to retirements in the reporting year	–	(34,370,757)
Changes in the total to be taken into account and in the regulatory benefits	–	42,637,757
Decrease due to further regl. changes to the conversion rates	(73,848,000)	307,672,000
Provision for retirement losses as of December 31	139,263,000	–

Provision for pensioners remaining from previous affiliations

This provision serves to compensate the lost restructuring potential of employers that are no longer affiliated for the share of pensioners allocated to them as of December 31, 2016. The amount of the provision is calculated by the pension actuary and is defined as the difference between the risk-free assessment and the assessment in accordance with the technical interest rate.

	2023 in CHF	2022 in CHF
Provision for pensioners remaining from previous affiliations as of January 1	1,223,000	1,376,000
Decrease	(153,000)	(153,000)
Increase	–	–
Provision for pensioners remaining from previous affiliations as of December 31	1,070,000	1,223,000

Provision for partial liquidation

The provision for partial liquidation is formed if the conditions for partial liquidation according to the regulations on partial liquidation are assumed to have been met as of the balance sheet date but the partial liquidation is not yet complete. The amount of the provision is calculated by the pension actuary on the basis of the statutory financial situation as of the reporting date.

	2023 in CHF	2022 in CHF
Provision for partial liquidation on 1.1.	–	–
Decrease	–	–
Increase	56,000,000	–
Provision for partial liquidation on 31.12.	56,000,000	–

3.5.6 Conclusions of the last actuarial report

In its actuarial report as of December 31, 2023, the pension actuary confirmed the following:

- Regulatory actuarial provisions on benefits and financing are in line with current statutory requirements.
- As of December 31, 2023, the Pension Fund of Credit Suisse Group (Switzerland) provides sufficient security to ensure that it can fulfill its regulatory obligations. It thus complies with the requirements of Art. 52(e)(1) BVG.

Further conclusions can be found in Section V – Confirmation of the pension actuary.

3.5.7 Actuarial principles and other significant actuarial assumptions

Actuarial principles / technical interest rate

	31.12.2023	31.12.2022
Actuarial principles	BVG 2020, CMI with LTR 2.10%	BVG 2020, CMI with LTR 2.10%
Technical interest rate	1.62%	2.58%

The variable technical interest rate is defined as the return on Swiss government Eidgenossen bonds for the duration of the liabilities (12 years), plus 97 basis points (bps) (previous year: 100 bps), subject to a cap of 450 bps (previous year: 450 bps). As of the end of the reporting year, the technical interest rate according to this formula was 1.62%.

3.5.8 Changes in actuarial principles and assumptions

In the 2023 reporting year, the Pension Fund lowered the technical interest rate from 2.58% to the current rate of 1.62% (in the previous year [2022], the Pension Fund increased the technical interest rate from 1.21% to 2.58%). The effects of the changes in the technical interest rate are shown in the table below:

Effect of change in technical interest rate

	31.12.2023 in Mio. CHF	31.12.2022 in Mio. CHF
Increase (+) / decrease (-) in pensioners' liabilities	679.1	(1,027.9)
Increase (+) / decrease (-) in provision for retirement losses	213.1	(634.5)
Increase (+) / decrease (-) in provision for increase in life expectancy	4.1	(4.1)
Increase (+) / decrease (-) in provision for partial liquidation	(57.0)	–
Total effect of change in technical interest rate	839.3	(1,666.5)

The biometric principles remained unchanged in the 2023 reporting year.

For the forecast of future mortality, the Pension Fund uses the Continuous Mortality Investigation (CMI) method, with a long-term rate for mortality improvement (LTR) of 2.1%. The CMI method originates from a research contract of the Institute and Faculty of Actuaries (IFoA) in the UK.

3.5.9 Coverage ratio under Article 44 BVV 2

Actuarial balance sheet

Actuarial principles		31.12.2023 BVG 2020, CMI with LTR 10% 1.62% CHF	31.12.2022 BVG 2020, CMI with LTR 2.10% 2.58% CHF	Change in CHF
Technical interest rate	Note			
Pension liabilities, pension capital savings				
Active participants' liabilities	3.5.2	6,146,323,522	6,628,574,573	(482,251,051)
Pensioners' liabilities	3.5.4	7,241,517,284	6,621,626,957	619,890,327
Actuarial provisions	3.5.5	300,726,000	96,117,000	204,609,000
Pension liabilities and actuarial provisions (PL)		13,688,566,806	13,346,318,530	342,248,276
Assets				
Accrued liabilities, deferred income, and other liabilities	2.1	(257,730,406)	(162,954,370)	(94,776,036)
Employer's contribution reserve	3.6.11	(73,945,630)	(70,424,409)	(3,521,220)
Pension assets (PA)		16,976,960,538	17,172,120,094	(195,159,556)
Coverage ratio under Art. 44 BVV 2 in % (= PA/PL)		124.0	128.7	(4.7)
Reserve for fluctuations in asset value	3.6.3	2,464,000,000	2,400,000,000	64,000,000
Non-committed funds		824,393,732	1,425,801,564	(601,407,831)

The coverage ratio as defined by Art. 44 BVV 2 is the ratio of pension assets to pension liabilities, as calculated according to commercial criteria.

With a coverage ratio of 124.0% (previous year: 128.7%), the Pension Fund has non-committed funds of CHF 824.4 million (previous year: CHF 1,426 billion) and unlimited risk ability.

Development of the coverage ratio

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Coverage ratio under Art. 44 BVV 2 in %	107.8	108.5	115.6	112.1	116.4	120.5	130.9	128.7	124.0

3.6 Explanatory notes on investments and net return on investments

3.6.1 Organization of investment activities, investment advisors and investment managers, investment rules and regulations

The regulations on investments of the Pension Fund of Credit Suisse Group (Switzerland) specify the objectives and principles, the organization, the division of responsibilities, authority, and the guidelines for the investment of assets and monitoring this process.

In accordance with the legal provisions and based on the ALM process, the Board of Trustees defines strategic requirements that are tailored to the financial and structural risk ability of the Pension Fund. The Board of Trustees is supported by the ALM Committee in this matter.

The CIO implements the investment activities on the basis of the strategic guidelines (including specified bandwidths) and the principles set out in the regulations on investments. The CIO is also responsible for the implementation of the sustainability requirements and objectives. The Investment Committee and the Board of Trustees monitor the CIO's investment activities.

Strategic asset allocation (SAA) and bandwidths

The strategic guidelines, in particular the neutral position, the bandwidths, and benchmarks (for example comparison indices) serve as a strategic control tool for the Board of Trustees. They are based on the investment categories defined in accordance with the regulations on investments; these categories deviate from statutory investment categorization in line with BVV 2. The following neutral positions and investment bandwidths currently apply:

Strategic asset allocation (SAA) and bandwidths

	SAA in %	Min. in %	Max. in %
Nominal assets			
Liquidity	4.0	0.0	15.5
Rates	33.0	23.0	42.0
Credit	14.0	10.0	18.0
Total nominal assets	51.0	–	–
Real assets			
Equity	23.0	16.5	29.5
Infrastructure	4.5	2.0	8.5
Real estate	19.5	13.0	29.5
Commodities	0.0	0.0	20.0
Total real assets	47.0	–	–
Active strategies	0.0	0.0	20.0
Transition	2.0	0.0	4.0
Total	100.0	–	–
Foreign currency	2.5	0.0	10.0

Explanatory note on the investment groups and investment categories

The Pension Fund classifies the investments into four investment groups: nominal assets, real assets, active strategies, and transition. The investments are made in both CHF and foreign currencies.

Nominal assets

Nominal assets are claims to an amount in a currency. This investment group includes the following:

Nominal assets investment category

Liquidity	Liquidity refers to bank deposits, time deposits, and receivables with fixed or variable interest rates with a term that is generally less than one year. Mandates that can comply with this principle on average, even if certain investments have longer terms, are also included in the liquidity investment category.
Rates	Rates refers to receivables with interest rate risk that involve little to no credit risk.
Credit	Credit refers to receivables with dominant credit risk.

Real assets

Real assets are physical assets that have an intrinsic value due to their substance and properties. This investment group comprises the following:

Real assets

Equity	Equity refers to holdings in the equity capital of companies.
Infrastructure	Infrastructure refers to non-traded holdings in infrastructure projects and companies.
Real estate	Real estate refers to directly held properties as well as holdings in real estate products in Switzerland and abroad.
Commodities	Commodities refers to investments in commodities.

Active strategies

Active strategies either have a risk-reducing effect due to low or negative correlations with other investments or include investments that represent a temporary opportunity to increase the return on the overall portfolio.

Transition

Transition refers to investments that the Board of Trustees deliberately does not consider part of the strategic orientation. A liquidation plan exists for the investments in this category.

Selection and management of investments

Asset management as a whole is conducted by internal investment experts employed by the Pension Fund. The Pension Fund is responsible for selecting and monitoring investments. As well as managing a proportion of the assets itself, the Pension Fund delegates asset management to external asset managers through various submandates. The table below lists the external asset managers. These institutions fulfill all the qualities required of professional asset managers under Art. 48(f)(4) BVV 2:

External asset managers

Institution	Type of approval
Alpha Associates AG	FINMA
BlackRock Investment Management (UK) Limited	Financial Conduct Authority (FCA), UK
Colchester Global Investors Ltd	Financial Conduct Authority (FCA), UK
Credit Suisse (Switzerland) Ltd.	FINMA
Goldman Sachs International	Financial Conduct Authority (FCA), UK
J.P. Morgan Asset Management	Financial Conduct Authority (FCA), UK
Lombard Odier Asset Management Switzerland	FINMA
Record Currency Management Ltd	Financial Conduct Authority (FCA), UK
Swiss Life Asset Management AG	FINMA
Twelve Capital AG	FINMA
Vontobel Asset Management, Inc.	Securities and Exchange Commission (SEC), US
Wellington Management International Ltd.	Financial Conduct Authority (FCA), UK

The majority of the investments are managed by the above-mentioned external asset managers. Investments in direct and indirect real estate, liquid funds, money market investments, and active strategies are managed in-house by the Pension Fund's own investment experts, as are overlay management and small exposures in bonds and shares.

Real estate is managed by Wincasa AG.

Central custodianship (global custody) is provided by Credit Suisse (Switzerland) Ltd.

The Pension Fund holds single-investor funds for investments in shares, bonds, and real estate.

Security and risk allocation of investments

The Board of Trustees assigns high priority to the risk allocation of investments. To further improve the risk profile, the asset allocation is broadly diversified and supplemented by alternative investments. The lower correlation with the other asset classes thus allows portfolio risk to be reduced.

Investment monitoring

Investments are monitored by the Investment Management area, the Investment Committee, and the Board of Trustees. An independent strategic investment controller also reviews the investments from a strategic perspective. In addition, the global custodian and the fund management of the single-investor funds carry out important, independent compliance reviews, including regular reporting.

3.6.2 Use of expanded investment options (Art. 50(4) BVV 2) with a coherent presentation of compliance with security and risk allocation (Art. 50(1)–(3) BVV 2)

In the appendix to the regulations on investments, the Board of Trustees has approved the expansion of investment options pursuant to Art. 50(4) BVV 2 for alternative investments.

The Pension Fund uses the following expanded investment options:

Expanded investment options – alternative investments			
	Limit in accordance with Art. 53 et seq. BVV 2	Limit in accordance with the regulations on investments	Current holdings as % of total assets
Alternative investments	15% of total assets	25% of total assets	6.8
Alternative investments	Only diversified collective investments	Investments in unlisted companies or other directly held investments are permitted if they are diversified at the lowest level.	6.8
Alternative investments – gold	Only diversified collective investments	Assets in physical gold are permitted.	–

The Pension Fund manages its alternative investments with the same care as traditional investments. There are detailed implementation concepts for selection, management, and monitoring. In addition, specialist external advisors are consulted on a continuous basis. Experience shows that alternative investments can provide a valuable supplement to traditional investments, particularly during crisis periods. This means that they can be relied on to help ensure that the Pension Fund fulfills its purpose.

3.6.3 Target reserve for fluctuations in asset value and calculation of the reserve

The reserve for fluctuations in asset value is intended to offset price losses on assets and serves to ensure financial stability, i.e. a coverage ratio of at least 100%. For the determination of the desired target value, the Board of Trustees periodically commissions an asset and liability management study. The most recent study was carried out in 2023.

The target size of the reserve for fluctuations in asset value is measured using the conditional value at risk with a confidence level of 98% (CVaR 98%) at 20%. The conditional value at risk is also known as the expected shortfall. With this target, the Pension Fund holds sufficient reserves for fluctuations in asset value to bear the expected shortfall of the worst year from a 50-year period. The target value of the reserve for fluctuations in asset value is 18%.

Reserve for fluctuations in asset value			
	31.12.2023	31.12.2022	Change
Target in % of pension liabilities and actuarial provisions	18.0	18.0	–
Target in CHF mn	2,464	2,400	64
Existing reserve for fluctuations in asset value in CHF mn	2,464	2,400	64
Required to reach target in CHF mn	–	–	–
Existing reserve for fluctuations in asset value as % of target	100.0	100.0	–

Minimum return

The return required to stabilize the coverage ratio is dependent on the interest paid on the retirement savings capital and the change in the variable technical interest rate. Assuming the interest paid on retirement savings capital is 5.00%, with the variable technical interest rate at 1.62%, the annual minimum return according to actuarial experts is 1.90%.

3.6.4 Breakdown of investments into investment categories (economic exposure) and category limits under Art. 55 BVV 2

The investment management of the Pension Fund is carried out via economic exposure. In economic terms, the liquidity in the asset management mandates is allocated to the corresponding investment category.

Foreign currencies are partially hedged by means of foreign-exchange forwards, while share exposure has been built up in part through futures. The profit or loss resulting from the foreign-exchange forwards is included in the presentation in the liquidity. Swaps and options are also used to manage asset allocation.

The following table shows the actual asset allocation (economic exposure) on the balance sheet date:

Total assets after set-off of financial derivative instruments

Economic exposure

(actual asset allocation)

	31.12.2023 in CHF mn	31.12.2022 in CHF mn	31.12.2023 in %	31.12.2022 in %
Liquidity	998.9	484.4	5.8	2.8
Liquidity effect, derivatives on rates and credit	-	(172.0)	-	(1.0)
Liquidity effect, derivatives on real assets	(280.3)	144.8	(1.6)	0.8
Liquidity effect, active strategies	(247.4)	-	(1.4)	-
Total liquidity, incl. derivatives	471.2	457.2	2.7	2.6
Total rates	5,239.5	5,041.3	30.3	29.0
Total credit	2,950.6	2,520.4	17.1	14.5
Total derivatives on rates and credit	-	172.0	-	1.0
Total rates and credit, incl. derivatives	8,190.1	7,733.7	47.4	44.5
Total nominal assets, incl. derivatives	8,661.2	8,190.8	50.1	47.1
Total equity	3,556.1	4,465.7	20.6	25.7
Total infrastructure	681.6	656.9	3.9	3.8
Total real estate	3,529.0	3,631.4	20.4	20.9
Total commodities	-	253.4	-	1.5
Total derivatives on real assets	280.3	(144.8)	1.6	(0.8)
Total real assets, incl. derivatives	8,047.1	8,862.7	46.5	51.0
Total active strategies	25.1	165.4	0.1	1.0
Total derivatives on active strategies	247.4	-	1.4	-
Total active strategies, incl. derivatives	272.5	165.4	1.6	1.0
Total transition	310.4	170.2	1.8	1.0
Total investments	17,291.3	17,389.1	100.0	100.0
Other assets and prepayments and accrued income	17.3	16.4		
Total assets	17,308.6	17,405.5		
Total foreign currencies	717.0	1,001.6	4.1	5.8
Investments in an employer's enterprise, not including liquidity	27.1	8.0	0.2	0.0

For reasons of diversification, the Pension Fund invests in shares of foreign companies, foreign currency bonds, and a broad range of alternative investments. These investments sometimes lead to unwanted foreign currency exposure. Using overlay transactions, the overall risk of the portfolio is controlled and unwanted foreign currency exposure is hedged in CHF. These transactions are shown in the "Liquidity" investment category in the above table. Derivatives in active strategies include swaps and options that are used either to reduce risk or to exploit a temporary opportunity to increase the return on the overall portfolio. Derivatives can also be used to manage the duration. Derivatives are not classified as exposure-increasing if the sole intention is to manage the duration.

Investments in accordance with strategic guidelines

The following table shows the investments according to the strategic guidelines set out in the regulations on investments. The liquidity in the mandates is allocated to the "Liquidity" investment category.

Strategic asset allocation (SAA) and bandwidths

	Assets as of 31.12.2023 in %	Assets as of 31.12.2022 in %	SAA in %	Min. in %	Max. in %
Nominal assets					
Liquidity	3.1	2.4	4.0	0.0	15.5
Rates	30.3	29.1	33.0	23.0	42.0
Credit	17.1	14.5	14.0	10.0	18.0
Total nominal assets	50.5	45.9	51.0	–	–
Real assets					
Equity	22.2	26.0	23.0	16.5	29.5
Infrastructure	4.0	3.8	4.5	2.0	8.5
Real estate	20.4	20.9	19.5	13.0	29.5
Commodities	0.0	1.5	0.0	0.0	20.0
Total real assets	46.6	52.1	47.0	–	–
Active strategies	1.1	1.0	0.0	0.0	20.0
Transition	1.8	1.0	2.0	0.0	4.0
Total	100.0	100.0	100.0	–	–
Foreign currency	4.1	5.8	2.5	0.0	10.0

Category limits under Art. 55 BVV 2

The following table shows the investments in accordance with the category limits under Art. 55 BVV 2. The purely regulatory view may differ from the effective asset allocation (economic exposure).

	31.12.2023		31.12.2022		Category limits
	in CHF mn	in %	in CHF mn	in %	under BVV 2
Swiss mortgage deeds	1,006.9	5.8	916.5	5.3	50.0
Shares	2,471.8	14.3	2,699.0	15.5	50.0
Real estate	3,385.8	19.6	3,567.7	20.5	30.0
of which real estate abroad	404.4	2.3	470.1	2.7	10.0
Alternative investments	1,169.6	6.8	2,287.9	13.1	15.0
of which private equity	1,142.0	6.6	1,548.4	8.9	–
of which private debt	27.8	0.2	309.9	1.8	–
of which commodities	–	–	418.9	2.4	–
of which insurance-linked strategies	–	–	0.1	–	–
of which senior secured loans (SSL)	–	–	10.6	0.1	–
of which active strategies	(0.3)	–	–	–	–
Foreign currencies without hedging	717.0	4.1	1,001.6	5.8	30.0
Infrastructure	667.9	3.9	656.9	3.8	10.0
Private equity / private debt domiciled and operationally active in Switzerland	–	–	–	–	5.0
Total assets	17,308.6	100	17,405.5	100	–

Compliance with the provisions of BVV 2

The Pension Fund has complied with the provisions of BVV 2, in particular those concerning permissible investments (Art. 53 BVV 2), the limitation on individual borrowers (Art. 54, 54a, and 54b BVV 2), category limitation (Art. 55 BVV 2), and financial derivative instruments (Art. 56a BVV 2) in the reporting year as well as on the balance sheet date.

The necessary backing for all derivative positions is provided by liquid or near-liquid investments; further details can be found in Section 3.6.5 of the explanatory notes.

3.6.5 Current (open) financial derivative instruments

The Pension Fund uses derivatives to manage risk. Such derivatives are not used to exert a leverage effect on total assets. Derivatives increasing exposure are covered by the available liquidity and cash equivalents, and derivatives reducing exposure are covered by the corresponding underlying assets.

Market values of derivatives

Market values of directly held derivatives

	31.12.2023 in CHF mn	31.12.2022 in CHF mn
Derivatives on rates and credit	–	–
Equity futures	0.0	–
Equity options	–	1.0
Derivatives on equity	–	1.0
Commodity swaps	–	–
Derivatives on commodities	–	–
Active strategies swaps	(0.3)	–
Active strategies options	3.3	–
Derivatives on active strategies	3.0	–
Liquidity (FX Forwards)	347.1	114.7
Derivatives on liquidity	347.1	114.7
Total market values of derivatives	350.2	115.7

Derivatives exposure

The following table shows the derivatives exposure for the directly held derivatives.

Exposure through directly held derivatives

	Exposure-increasing		Exposure-reducing	
	31.12.2023 in CHF mn	31.12.2022 in CHF mn	31.12.2023 in CHF mn	31.12.2022 in CHF mn
Rates futures	–	172.0	–	–
Derivatives on rates	–	172.0	–	–
Equity futures	280.3	222.2	–	(94.3)
Equity options	–	–	–	(353.9)
Derivatives on equity	280.3	222.2	–	(448.2)
Commodity swaps	–	81.2	–	–
Derivatives on commodities	–	81.2	–	–
Active strategies	415.8	–	(168.3)	–
Derivatives on active strategies	415.8	–	(168.3)	–
Liquidity (FX Forwards)	1,718.3	–	(10,058.8)	(6,575.8)
Derivatives on liquidity	1,718.3	–	(10,058.8)	(6,575.8)
Total exposure	2,414.4	475.3	(10,227.2)	(7,024.0)

Derivatives coverage

All exposure-increasing derivatives, held directly or in single-investor funds, are covered by liquidity and cash equivalents, as indicated in the following table. It is not permitted for single-investor funds to exert a leverage effect on the fund assets with derivatives or make naked short sales.

All exposure-reducing derivatives are covered by corresponding underlying assets. The futures and options used are matched by a well-diversified portfolio that largely corresponds to the indices used.

The three-stage process for monitoring derivatives coverage was simplified in 2023, and now only one limit is measured. The table below shows the available coverage and coverage surplus using the new method.

Derivatives coverage (exposure-increasing)		
	31.12.2023	31.12.2022
	in CHF mn	in CHF mn
Exposure		
Derivatives, directly held	696.1	475.3
Derivatives within single-investor funds	14.9	14.7
Available coverage		
Liquidity, bonds up to max. 3 years to maturity, minimum rating A-	1,666.6	2,078.1
Coverage surplus	955.6	1,588.1

3.6.6 Open capital commitments

Within private equity, infrastructure, and private debt investments, there was no call on the capital commitments of CHF 812 million (previous year: CHF 940 million).

3.6.7 Market value and contracting parties of securities for securities lending

Securities lending refers to the loan of Pension Fund securities to Credit Suisse (Switzerland) Ltd. against payment of a commission. Securities listed on a Swiss or foreign exchange or traded in an organized market for which prices are published regularly are suitable for such transactions. When securities are lent, the title or rights to the securities, together with the accessory rights, transfer to Credit Suisse (Switzerland) Ltd. Conversely, the Pension Fund acquires a claim for restitution of securities of the same type, quality, and quantity.

In order to secure the claim for restitution of securities of the same type, quality, and quantity, Credit Suisse (Switzerland) Ltd. is required to deposit collateral for the Pension Fund in a collateral safekeeping account, the value of which must at all times equal at least 105% of the market value of the borrowed securities.

Income from securities lending within the fund structures		
	2023	2022
Average exposure in CHF mn	156.2	276.2
Income (net) in CHF mn	0.2	0.6
Income in %	0.2	0.2
Collateral coverage in %	105.2	105.3

The income from securities lending is calculated monthly and credited to the Pension Fund. In both the reporting year and the previous year, securities lending was only carried out within the framework of the fund structures.

3.6.8 Explanatory note on the net return on investments

The performance of the total portfolio is calculated by Credit Suisse (Switzerland) Ltd. in accordance with the time-weighted return method.

Net performance						
	2018	2019	2020	2021	2022	2023
In %	(2.2)	11.3	6.2	9.5	(7.5)	5.0

Net performance (annualized)				
	Ø 1 year	Ø 3 years	Ø 5 years	Ø 10 years
In %	5.0	2.1	4.7	4.2

The realized volatility of the portfolio for the past year was 5.2% p.a. as of the balance sheet date; that of the SAA was 6.2%.

Performance contribution by investment category

The performance contribution by investment category is presented in the following table.

Performance contribution by investment category		
Investment category	Contribution to overall performance 31.12.2023 in %	Contribution to overall performance 31.12.2022 in %
Liquidity	0.2	0.4
Rates	1.4	(2.6)
Credit	0.9	(1.5)
Total nominal assets	2.4	(3.7)
Equity	2.1	(4.1)
Infrastructure	0.2	0.4
Real estate	0.7	0.1
Commodities	(0.0)	(0.2)
Total real assets	3.0	(3.8)
Active strategies	0.0	0.2
Transition	(0.3)	(0.2)
Total	5.1	(7.5)

3.6.9 Explanatory note on asset management costs

Cost-transparent investments

The asset management costs include all costs incurred in connection with the management of the assets. The reported costs comprise personnel costs for the asset management staff employed by the Pension Fund, occupancy and infrastructure costs, management and all-in fees, transaction costs, custodian fees, and compliance and reporting costs. Moreover, the asset management costs include the total cost of collective investments, insofar as a total expense ratio (TER) can be determined that is recognized by the Swiss Occupational Pension Supervisory Commission (OPSC). The total expense ratios also include performance-related fees recorded in the accounts that do not yet need to be realized.

The following table shows the costs and their share of the total assets.

Total asset management costs – investments in accordance with BVV 2

Sum of all key cost figures

Investment category	2023 costs in CHF mn	2022 costs in CHF mn	2023 costs as % of total assets	2022 costs as % of total assets
Direct asset management costs	16.5	12.8	0.10	0.07
Sum of all key cost figures recorded in the operative account in CHF for collective investments	179.7	184.6	1.04	1.06
Bonds, TER costs	6.7	8.0	0.04	0.05
Shares, TER costs	4.6	9.9	0.03	0.06
Real estate, TER costs	18.1	11.0	0.10	0.06
Alternative investments, TER costs	150.2	155.7	0.87	0.90
Total asset management costs	196.2	197.4	1.13	1.14

The following detailed table shows the costs of the alternative investments and their share of the total assets. The significantly higher asset management costs for alternative investments are often due to performance-based costs, which are reflected in a corresponding positive performance contribution on the income side:

Asset management costs – alternative investments in accordance with BVV 2 (detailed)

Sum of all key cost figures

Investment category	2023 costs in CHF mn	2022 costs in CHF mn	2023 costs as % of total assets	2022 costs as % of total assets
Hedge funds, TER costs	–	0.5	–	0.00
Private equity and infrastructure, TER costs	150.1	154.0	0.87	0.89
Insurance-linked strategies, TER costs	–	–	–	–
Senior secured loans (SSL), TER costs	–	0.8	–	0.00
Commodities, TER costs	0.0	0.4	0.00	0.00
Total asset management costs – alternative investments	150.2	155.7	0.87	0.90

The asset management costs calculated using the total expense ratio have no net effect on expenses, since the respective costs have the effect of increasing the income from the individual investment categories. The related costs are also taken into account in the investment performance.

Non-transparent investments

As in the previous year, the Pension Fund has no non-transparent collective investments within the meaning of Art. 48(a)(3) BVV 2. The cost transparency ratio is therefore 100.0% (previous year: 100.0%).

3.6.10 Explanatory note on investments in an employer's enterprise

Credit Suisse Group AG and the other affiliated companies transferred all employee and employer contributions to the Pension Fund on a monthly basis.

All investments with UBS AG (from the 2023 financial year), Credit Suisse AG, its subsidiaries, or other affiliated companies are regarded as investments in an employer's enterprise in accordance with Art. 57 BVV 2. A further point to consider is a special regulation for banks – see Federal Social Insurance Office notices on employee benefits insurance no. 84, section 486, and a letter from the Office for Occupational Insurance and Foundations of the Canton of Zurich (BVS) dated February 12, 2008: Investments with the employer that are of a business nature rather than an investment

nature are not regarded as investments in an employer's enterprise if the employer is a bank. In this context, monies invested in liquid form for a specified period of time with a view to proposed (re) investment also constitute business transactions.

Investments in an employer's enterprise

(Art. 57 BVV 2, taking into account the special regulation for banks)

	31.12.2023 in CHF mn	as % of total assets	31.12.2022 in CHF mn	as % of total assets
Liquid funds and money market	624.7	3.6	392.4	2.3
Shares, bonds, and other securities issued by Credit Suisse Group AG	27.1	0.2	8.0	0.0
Total investments in an employer's enterprise	651.8	3.8	400.4	2.3

In total, an asset value of CHF 651.8 million (3.8% of investments) was invested with the employer as of December 31, 2023, compared to CHF 400.4 million (2.3%) in the previous year.

The Board of Trustees receives regular information on the Pension Fund's total exposure to UBS AG, Credit Suisse AG and its subsidiaries or other affiliated companies, and on the liquidity required for operations.

3.6.11 Employer's contribution reserve

Change in the employer's contribution reserve

	2023 in CHF	2022 in CHF	Change in CHF
Reserve as of 1.1.	70,424,409	67,070,866	3,353,543
Allocations	–	–	–
Withdrawals	–	(67)	67
Reserve as of December 31 before interest	70,424,409	67,070,799	3,353,610
Interest on the reserve at beginning of year (5.00%/previous year: 5.00%)	3,521,220	3,353,610	167,611
Reserve as of December 31	73,945,630	70,424,409	3,521,220

The employer's contribution reserve can be freely disposed of by the respective employer. The following table shows the breakdown per employer:

Detailed employer's contribution reserve

	31.12.2023 in CHF	31.12.2022 in CHF
Credit Suisse (Switzerland) Ltd.	30,760,298	29,295,522
Credit Suisse AG	27,852,732	26,526,411
Credit Suisse Services Ltd.	9,144,400	8,708,952
Credit Suisse Asset Management (Switzerland) Ltd.	2,747,676	2,616,834
BANK-now Ltd.	571,034	543,842
Credit Suisse Funds AG	189,310	180,295
Fides Treasury Services AG	88,240	84,038
Credit Suisse Trust Ltd.	2,175,216	2,071,634
Credit Suisse Insurance Linked Strategies Ltd.	133,315	126,967
Pension Fund of CSG (Switzerland)	91,950	87,572
Credit Suisse Group AG	137,439	130,894
Aventicum Capital Management (Suisse) SA	38,591	36,753
Credit Suisse Investment Partners (Switzerland) Ltd.	15,429	14,694
Total employer's contribution reserve	73,945,630	70,424,409

3.7 Explanatory notes on other balance sheet and operative account items

3.7.1 Other assets and prepayments and accrued income

Other assets and prepayments and accrued income	31.12.2023	31.12.2022
Receivables from direct real estate holdings	12,693,922	14,010,628
Withholding tax/tax at source on securities investments	1,689,761	277,163
Tenant expansion at Dreikönigstrasse Zurich	1,568,707	–
Other receivables	300,000	9,548
Prepayments and accrued income from direct real estate holdings	236,168	155,944
Prepayments and accrued income from securities transactions	–	1,380,672
Accrued interest from investments	129,778	–
Other prepayments and accrued income	718,004	516,156
Total other assets and prepayments and accrued income	17,336,340	16,350,112

The item “Tenant expansion at Dreikönigstrasse Zurich” was created in the 2023 reporting year and is expected to be amortized over a time horizon of ten years from the 2024 financial year onwards. The impairment test carried out on the reporting date of December 31, 2023, indicated that extraordinary value adjustments are not required.

Other prepayments and accrued income include CHF 0.7 million of accruals from billing to Pension Fund 2 of Credit Suisse Group (Switzerland) for services provided in the 2023 reporting year (previous year: CHF 0.4 million).

3.7.2 Administration cost

The general administration cost increased by CHF 2.5 million, from CHF 8.1 million in 2022 to CHF 10.6 million in 2023. Around CHF 2.0 million was generated as a result of the acquisition of Credit Suisse Group AG by UBS Group AG.

The costs for the external auditors, the pension actuary, and supervision are not included in the general administration cost. They are reported separately in the operative account.

The total administration cost in the 2023 reporting year amounted to approximately CHF 11.1 million or CHF 416 per beneficiary (previous year: CHF 8.3 million and CHF 287 respectively).

The employer finances the risk contributions in full and therefore also the administrative costs.

3.7.3 Loans

Hardship Fund

Since 2014, there has been a loan agreement between the Hardship Fund of Credit Suisse Group (Switzerland) and the Pension Fund of Credit Suisse Group (Switzerland). In return for the participating loan, the Hardship Fund receives interest (“current account interest income”) commensurate with the performance of the total assets of the Pension Fund for the calendar year in question. The loan amounts to CHF 65.5 million (previous year: CHF 62.5 million).

3.8 Supervisory authority requirements

No requirements have been imposed by the supervisory authority.

3.9 Further information regarding financial situation

3.9.1 Partial liquidations

In order to ensure the appropriate implementation of any partial liquidations, the Board of Trustees and the management are continuously reviewing the situation. In the event of restructuring that results in significant downsizing or if the affiliation agreement is terminated, partial liquidation must be carried out by law.

The Board of Trustees has not yet been able to conclusively determine for the 2022 reporting year whether the conditions for partial liquidation were met in connection with the restructuring measures for Credit Suisse Group AG that were announced on October 27, 2022.

On March 19, 2023, it was announced that UBS Group AG would be acquiring Credit Suisse Group AG. As part of this acquisition, further restructuring measures were announced that have not yet been fully implemented.

The Board of Trustees has determined that, due to the restructuring that began in 2022 and 2023, the Pension Fund of Credit Suisse Group (Switzerland) is in the process of a material, comprehensive partial liquidation. The effective date or completion date for this partial liquidation cannot yet be determined.

The termination of the affiliation agreement with Fides Treasury Services AG at the end of 2023 led to a further, overlapping partial liquidation with an effective date of December 31, 2023. This affects 78 insured participants and CHF 16.4 million in retirement capital, which equates to approx. 0.09% of total assets.

The Pension Fund will inform the insured participants about the partial liquidations separately in the second quarter of 2024.

3.9.2 Pledge of assets

To manage the asset allocation more efficiently, the Pension Fund uses share index futures in particular. These transactions are operated using margin accounts, on which profits and losses are settled on a daily basis. In order to ensure that these accounts, which are held at Credit Suisse (Switzerland) Ltd., have sufficient funding at all times, the Pension Fund has granted Credit Suisse (Switzerland) Ltd. a right of lien under a general deed of pledge totaling CHF 1.5 billion. In order to secure the margin requirements on the accounts mentioned, a credit limit of CHF 1.2 billion (equivalent to 6.9% of the investments in both the 2023 reporting year and the previous year) has been contractually agreed, which, in addition to funding the margin for futures, can be used to fund margin payments for OTC transactions and traded options contracts.

3.9.3 Insurance-linked securities (ILS)

In 2020, the Investment Committee of the Pension Fund decided to restructure investments in insurance-linked securities (ILS) with a volume of CHF 357.1 million. This involves the existing contracts with Humboldt Re being settled in an orderly manner by means of run-off and no new business being generated.

In 2021, it was possible to sell Humboldt Re en bloc. The transaction is structured in such a way that the outstanding residual amount will flow back to the Pension Fund in tranches until 2024 and, at the same time, the Pension Fund will be liable for its own underwritten risks up to 2024.

In 2022, the transaction was continued as planned. In total, funds amounting to CHF 55.6 million have been transferred to the Pension Fund. The amount of the receivables has decreased accordingly and the risks have been further reduced.

The risks in the portfolio were further reduced in 2023, with funds in excess of CHF 58.2 million being released and paid into the Pension Fund. The residual value of the item as of December 31, 2023, was CHF 47.3 million.

3.9.4 Legal proceedings in course

There are currently no significant legal proceedings in course.

3.10 Events subsequent to the balance sheet date

On February 6, 2024, it was announced that the pension model of the Pension Fund of Credit Suisse Group (Switzerland) will be adapted to the pension model of the UBS Pension Fund with effect from January 1, 2027. For the insured participants, this adaptation will lead to changes in the conversion rates upon retirement and in the employer's savings contributions, as well as to the options for drawing a pension and/or a lump sum upon retirement. The insured participants have been informed of the changes separately by means of individual emails and information published on the website.

These adaptations will have no effect on the 2023 annual accounts.

IV

Auditors' report

Report of the statutory auditor

to the Foundation Board of Pension Fund of Credit Suisse Group (Switzerland)

Zürich

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Pension Fund of Credit Suisse Group (Switzerland) (the Pension Fund), which comprise the balance sheet as at 31 December 2023, and the operating statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements (pages 13 to 46) comply with Swiss law, the foundation deed and the scheme regulations.

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 Financial Statements” section of our report. We are independent of the Occupational pension scheme 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 Foundation Board is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor’s report 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.

Foundation Board’s responsibilities for the financial statements

The Foundation Board is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law, the articles of association and the scheme regulations, and for such internal control as the Foundation Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Responsibility of the expert in occupational benefits for the audit of the financial statements

The Foundation Board appoints a statutory auditor as well as an expert in occupational benefits for the audit. The expert in occupational benefits is responsible for evaluating the necessary reserves for underwriting insurance-related risk, consisting of pension liabilities and actuarial reserves. Assessing the evaluation of the pension liabilities and actuarial reserves is not a task of the statutory auditor pursuant to Art. 52c para. 1 let. a of the Swiss Occupational Pensions Act (OPA). In accordance with Art. 52e para. 1 OPA, the expert in occupational benefits also evaluates whether the occupational pension scheme provides assurance that it can meet its obligations and whether all insurance-related provisions regarding benefits and funding in the scheme regulations comply with the legal requirements.

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 mis-statement 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 judgement 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 Pension Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Foundation Board 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.



Report on other legal and regulatory requirements

The Foundation Board is responsible for ensuring that the legal requirements are met and that the statutory and regulatory provisions on organisation, management and investments are applied. We have carried out the required audits in accordance with article 52c para. 1 OPA and article 35 OPO 2.

We have assessed whether

- the organization and management comply with the legal and regulatory requirements and whether an internal control exists that is appropriate to the size and complexity of the Occupational pension scheme;
- the investment of assets complies with legal and regulatory requirements;
- the occupational pension accounts OPA comply with legal requirements;
- measures have been taken to ensure loyalty in fund management and whether the governing body has ensured to a sufficient degree that duties of loyalty are fulfilled and interests are disclosed;
- the non-committed funds or discretionary dividends from insurance contracts have been used in compliance with the legal and regulatory provisions;
- the legally required information and reports have been issued to the supervisory authority;
- the Occupational pension scheme's interests are safeguarded in disclosed transactions with related parties.

We confirm that the applicable legal and statutory and regulatory requirements have been met.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Johann Sommer
Licensed audit expert
Auditor in charge



Michel Weidmann
Licensed audit expert

Zürich, 19. April 2024



V

Confirmation of the
pension actuary

V – Confirmation of the pension actuary



Confirmation of pension actuary

Dear Mr. President,

Dear Madams, Dear Sirs,

c-alm AG has been commissioned by the board of trustees of the Pension Funds of Credit Suisse Group (Switzerland) (hereinafter referred to as the «pension fund») to prepare an actuarial report as of 31.12.2023 based on Art. 52e of the federal law on occupational benefits («BVG»).

The purpose of the actuarial report is to determine whether the pension fund offers security that it can fulfil its obligations to active insured persons and pension recipients. **Purpose**

Based on the actuarial and economic analyses, specific recommendations are made to the board of trustees in the overall actuarial assessment. **Recommendations**

The signing pension actuary is licensed by the Swiss Supervisory Commission on Occupational Pensions («OAK») in accordance with Art. 52d para. 1 BVG. **Licence**

As pension actuary according to Art. 52a para. 1 BVG, we confirm that we are independent within the meaning of Art. 40 BVV 2 and in accordance with the directive OAK BV W – 03/2013. **Independence**

As members of the Swiss Association of Actuaries and the Swiss Chamber of Pension Fund Experts («SKPE»), we also adhere to the relevant principles and guidelines. **Qualification**

The individual data of active insured persons and pension beneficiaries cannot be conclusively checked for accuracy. However, we have checked the plausibility of the data and found no evidence of errors. **Plausibility**

This actuarial report of the pension fund has been prepared in accordance with the code of conduct for members of the SKPE and its professional guidelines and in accordance with directive OAK BV W-03/2014. The pension fund reports its benefit obligations in the balance sheet based on the actuarial tables BVG 2020, CMI 2.10%, applying a technical interest rate of 1.62%. **Financial situation at reporting date**

The financial situation of the pension fund as of December 31, 2023, shows:

Key figures

- a surplus of net assets of CHF 3'288'393'732;
- a coverage ratio in accordance with the amendment to Art. 44 BVV 2 of 124.0% (previous year: 128.7%);
- a fluctuation reserve of CHF 2'464'000'000;
- free funds of CHF 824'393'732.

With the actuarial report we confirm in accordance with Art. 52e BVG that:

Confirmation of pension actuary

- the technical interest rate is reasonably adequate, and the actuarial tables used are appropriate;
- the pension fund offers security that it will be able to fulfil its regulatory obligations as at the reporting date;
- regulatory actuarial provisions on benefits and financing are in line with current statutory requirements;
- the measures taken to cover the actuarial risks are adequate;
- the target value of the fluctuation reserve is appropriate.

St. Gallen, 20.03.2024

c-alm AG, Contractual Partner

Dr. Roger Baumann

Responsible pension actuary

Partner

Pension actuary SKPE

Actuary SAA

Christian Graf

Senior Actuary

Pension actuary SKPE

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