

# 2021 Annual Report



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**Note:** The masculine form used in these regulations always refers equally to all genders.



# Editorial

## I – Editorial

### Implementation of the Fund's objectives

As in previous years, support payments were made to employees and pensioners suffering hardship in line with the Fund's objectives. At CHF 0.133 million, these payments were higher than the previous year's figure of CHF 0.045 million.

In the reporting year, there were no reimbursements of previously awarded benefits (previous year: CHF 0.010 million).

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### Key figures

	2021 in CHF mn	2020 in CHF mn
Total assets	67.830	61.397
Non-committed funds	67.830	61.397
Hardship benefits to employees and pensioners	(0.133)	(0.045)
Hardship benefits subsequent to employer's loss of earnings insurance	–	0.010
Net return on investments	5.812	3.575

### Resolutions and activities of the Board of Trustees

The Board of Trustees of the Hardship Fund of Credit Suisse Group (Switzerland) took the following decisions by circular letter in the reporting year:

- "Approval" of the 2021 annual report and accounts
- Discharge of the management
- Election of PricewaterhouseCoopers AG as the auditors for 2021
- Hardship benefits in the event of a lack of daily benefits under accident or health insurance

The Board of Trustees also received regular reports on asset performance.

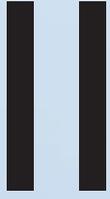
HARDSHIP FUND OF CREDIT SUISSE GROUP (SWITZERLAND)



Ina Hasdenteufel  
Employer representative

Martin Wagner  
Chief Executive Officer

All references to persons in this annual report refer equally to both genders.



# Balance sheet and operative account

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## II – Balance sheet and operative account

### 2.1 Balance sheet

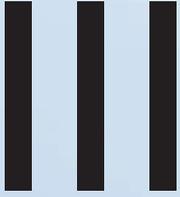
The amounts listed in the balance sheet, operative account, and explanatory notes are rounded to the nearest Swiss franc (CHF). In individual cases, the total (in Swiss francs and as a percentage) differs marginally from the sum of the individual values.

	Note	31.12.2021		31.12.2020	
		CHF	%	CHF	%
<b>Assets</b>					
<b>Investments</b>		<b>67,829,612</b>	<b>100.0</b>	<b>61,396,643</b>	<b>100.0</b>
Liquid funds/money market investments	3.6.3	39,972	0.1	54,533	0.1
Loan to the Pension Fund of Credit Suisse Group (Switzerland)	3.6.1	67,789,640	99.9	61,342,110	99.9
<b>Prepayments and accrued income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>67,829,612</b>	<b>100.0</b>	<b>61,396,643</b>	<b>100.0</b>

	31.12.2021		31.12.2020	
	CHF	%	CHF	%
<b>Liabilities</b>				
<b>Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accrued liabilities and deferred income</b>	<b>-</b>	<b>-</b>	<b>129</b>	<b>0.0</b>
<b>Non-committed funds</b>	<b>67,829,612</b>	<b>100.0</b>	<b>61,396,514</b>	<b>100.0</b>
Balance as of January 1	61,396,514	90.5	57,932,609	94.4
Income surplus (+) / expense surplus (-)	6,433,098	9.5	3,463,905	5.6
<b>Total liabilities</b>	<b>67,829,612</b>	<b>100.0</b>	<b>61,396,643</b>	<b>100.0</b>

## 2.2 Operative account

Operative account	Note	2021 in CHF	2020 in CHF
<b>Contributions and transfers</b>			
Contribution from bank		–	–
Contributions from third parties	3.1.6	800,000	–
<b>Inflow from contributions and transfers</b>		<b>800,000</b>	<b>–</b>
<b>Benefits</b>			
Hardship benefits to employees and pensioners		(132,673)	(45,309)
Hardship benefits subsequent to employer's loss of earnings insurance	3.9.2	–	9,736
<b>Outflow for benefits and withdrawals</b>		<b>(132,673)</b>	<b>(35,573)</b>
<b>Net result of insurance activities</b>		<b>667,327</b>	<b>(35,573)</b>
<b>Net return on investments</b>			
Income from liquid funds/money market investments		(488)	(336)
Income from loan to the Pension Fund of Credit Suisse Group (Switzerland)		6,354,700	4,037,194
Asset management costs	3.6.4	(542,671)	(462,070)
<b>Net return on investments</b>		<b>5,811,542</b>	<b>3,574,788</b>
<b>Other income</b>		<b>14,273</b>	<b>362</b>
<b>Administration cost</b>			
General administration cost	3.7.1	(43,661)	(57,236)
Expenses for auditors		(9,855)	(12,170)
Expenses for supervisory authorities		(6,529)	(6,267)
<b>Total administration cost</b>		<b>(60,044)</b>	<b>(75,673)</b>
<b>Income surplus (+) / expense surplus (-)</b>		<b>6,433,098</b>	<b>3,463,905</b>



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## III – Explanatory notes

### 3.1 General information and organization of the Hardship Fund

#### 3.1.1 Legal form and objectives

A foundation as defined by Art. 80 et seq. of the Swiss Civil Code (SCC) and Art. 331 of the Swiss Code of Obligations (SCO), more precisely a welfare fund with discretionary benefits within the meaning of Art. 89(a)(7) of the SCC, has been established under the name “Hardship Fund of Credit Suisse Group (Switzerland).”

The purpose of the foundation is to support current and retired employees of Credit Suisse Group AG and companies that have close business and financial ties with Credit Suisse Group AG, together with their dependants and surviving dependants, facing hardship through no fault of their own as a result of illness, accident, disability, death, or unemployment, and to pay voluntary cost-of-living allowances to pensioners.

The foundation may provide voluntary benefits in addition to the pension benefits stipulated in the Pension Fund regulations in the event of retirement, disability, and death, and also make voluntary purchases of employee pension benefits in accordance with the Pension Fund regulations.

In order to fulfill its purpose, the foundation may conclude insurance contracts in which the foundation must be the policyholder and the beneficiary.

For the purpose of financing contributions and insurance premiums, the foundation may also pay benefits to other tax-exempt Swiss pension plans that exist for the benefit of the beneficiaries.

#### 3.1.2 BVG registration and registration with the Security Fund

The foundation is not 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, nor is it subordinate to the BVG Security Fund.

#### 3.1.3 Plan statutes and regulations

As of the balance sheet date, the following plan statutes and regulations were in force:

<b>Plan statutes and regulations</b>	<b>Approved</b>	<b>Valid from</b>
Deed of foundation	08.2015	09.11.2015
Organizational regulations	08.2015	01.09.2015
Regulations on investments and provisions	12.2014	01.12.2014

### 3.1.4 Supreme body, management, and authorized signatories

#### **Board of Trustees**

The Board of Trustees is composed of four members. The names of the members of the Board of Trustees and the other governing bodies are listed below. The Chair of the Board of Trustees and the Manager of the Hardship Fund have joint signatory authority (dual authorization) on behalf of the Hardship 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**

Philip Hess, Zurich, Credit Suisse Group AG, Chair  
Christian G. Machate, Credit Suisse AG, Zurich  
Claude Täschler, Credit Suisse (Switzerland) Ltd., Zurich

#### **Employee representative appointed by Credit Suisse Group AG**

Daniel Egli, Credit Suisse (Switzerland) Ltd., Lucerne, from April 14, 2021  
Thomas Isenschmid, Credit Suisse Asset Management (Switzerland) Ltd., Zurich (until April 14, 2021)

#### **Management**

Martin Wagner, CEO, Zurich

#### **Branch office**

Pension Fund of Credit Suisse Group (Switzerland), Zurich

### 3.1.5 Actuaries, auditors, advisors, supervisory authority

#### **Auditors**

PricewaterhouseCoopers AG, Zurich

#### **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

According to the deed of foundation, the staff of companies that have close business and financial ties with Credit Suisse Group AG are also affiliated by a resolution of the Board of Trustees. The requirements for such an affiliation are that the foundation must be provided with the necessary resources and that the existing beneficiaries' acquired legal entitlements and contingent rights must not be impaired. The supervisory authority is informed of any resolution concerning affiliation.

Prior to the full integration of Neue Aargauer Bank AG (NAB) into Credit Suisse (Switzerland) Ltd. on November 27, 2020, the active participants of NAB were affiliated to a separate hardship fund. The completion of the integration means that the active participants of NAB are automatically entitled to claim from the Hardship Fund of Credit Suisse Group (Switzerland). A purchase in the amount of CHF 0.8 million was made by the Neue Aargauer Bank Hardship Fund in the 2021 reporting year.

The Neue Aargauer Bank pensioners will not experience any changes as a result of the integration, as they were previously potential beneficiaries of the Hardship Fund of Credit Suisse Group (Switzerland).

### 3.1.7 Corporate governance

#### **Integrity and loyalty regulations**

All internal persons subject to the corresponding regulations – including the members of the Board of Trustees and employees of the branch office – must complete a standard form confirming to the

Hardship Fund that they are in compliance with the loyal conduct provisions. 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.

A similar written declaration of loyal conduct is obtained from external persons entrusted with the management of assets, such as asset managers, the global custodian, investment consultants, and investment controllers.

#### **Voting rights**

The Hardship Fund held no equity investments during the reporting year, and accordingly no shareholder rights were exercised.

#### **Policy on retrocessions**

The Hardship Fund has no explicit provisions relating to retrocessions, as investments are delegated in the form of a loan to the Pension Fund of Credit Suisse Group (Switzerland), where relevant provisions apply.

#### **Remuneration of the Board of Trustees**

The Board of Trustees receives no remuneration for its work.

### **3.2 Active participants and pensioners**

The deed of foundation states that the purpose of the foundation is to support current and retired employees of Credit Suisse Group AG and companies that have close business and financial ties with Credit Suisse Group AG, together with their dependants and surviving dependants, facing hardship through no fault of their own as a result of illness, accident, disability, death, or unemployment, and to pay voluntary cost-of-living allowances to pensioners. Potential beneficiaries are therefore to be found among the insured participants of the Pension Fund.

The number of active participants stands at 17,844 (previous year: 17,893) while the number of pensioners stands at 10,995 (previous year: 11,030).

### **3.3 Implementation of objectives**

The Hardship Fund is a "pure" hardship and financing foundation without any beneficiaries entitled to direct benefits. The Foundation is financed through voluntary contributions and investment income.

### **3.4 Significant accounting policies and valuation methods, consistency**

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

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

#### **Loan**

The loan is valued at its nominal value plus profit or loss sharing, both of which are determined by the performance of the Pension Fund of Credit Suisse Group (Switzerland) (current account interest). The annual report of the Pension Fund contains statements defining its performance.

#### **Other assets**

Other investments, accounts receivable, and current account deposits are recognized at nominal value or market price, minus any valuation adjustments required for operational purposes. At this time, no valuation adjustments are necessary.

#### **Liabilities and accrued liabilities and deferred income**

Liabilities and accrued liabilities and deferred income are recognized at nominal value.

### 3.5 Actuarial risks / risk benefit coverage / coverage ratio

The Hardship Fund is a “pure” hardship and financing foundation, and as such is not exposed to any risks requiring an actuarial reserve.

As there are no actuarial liabilities, the coverage ratio within the meaning of Art. 44 BVV 2 is not reported.

### 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

In 2014, the Hardship Fund of Credit Suisse Group (Switzerland) and the Pension Fund of Credit Suisse Group (Switzerland) entered into a loan agreement. The purpose of the loan was to reduce expenses and costs and to simplify processing.

The participating loan has been concluded for an indefinite period. The Hardship Fund can reduce or increase the amount of the loan at any time as part of its liquidity planning. In return for the loan, the Hardship Fund receives a share in profits commensurate with the performance of the total assets of the Pension Fund for the calendar year in question. If the performance of the total assets of the Pension Fund is positive, the loan is increased accordingly (profit sharing); if the performance of these assets is negative, the loan is reduced in line with such negative performance (loss sharing).

By granting this loan, the Hardship Fund indirectly adopts the procedures and practices of the Pension Fund of Credit Suisse Group (Switzerland) with regard to the conduct and monitoring of investment activity. Although the assets are fully invested with a single debtor, given the size of the Pension Fund, investing the assets there means that they are more broadly diversified than could have been achieved on a cost-effective basis by the Hardship Fund itself.

#### 3.6.2 Target reserve for fluctuations in asset value and calculation of the reserve

The Hardship Fund is a “pure” hardship and financing foundation, and as such is not exposed to any actuarial risks requiring a reserve for fluctuations in asset value.

#### 3.6.3 Explanatory note on the net return on investments

##### Overview of performance

The Hardship Fund participates in the performance of the Pension Fund by means of the loan. Credit Suisse (Switzerland) Ltd. calculates the performance of the Pension Fund using the time-weighted return method in accordance with the Swiss Performance Presentation Standards (SPPS).

<b>Performance</b>		
	<b>2021</b>	<b>2020</b>
In %	9.5	6.2

### 3.6.4 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 management and all-in fees, transaction costs, custody fees, and compliance and reporting costs.

In the reporting year, the Hardship Fund received the net performance on the loan, which includes the Pension Fund's asset management costs. The asset management costs as a percentage of cost-transparent investments, reported in the Pension Fund's annual report, show a figure of 0.88% for the reporting year (previous year: 0.80%) (source: Pension Fund of Credit Suisse Group (Switzerland), 2021 annual report, <https://pensionskasse.credit-suisse.com/en/documents-and-publications/>). Accordingly, asset management costs amounting to CHF 542,671 (previous year: CHF 462,070) arising from the loan to the Pension Fund were calculated for the reporting year, as shown in the following table:

<b>Asset management costs</b>	<b>2021 in CHF</b>	<b>2020 in CHF</b>	<b>2021 in %</b>	<b>2020 in %</b>
Direct asset management costs	–	–	–	–
Loan to CSG Pension Fund, key cost figures	542,671	462,070	100.0	100.0
<b>Total</b>	<b>542,671</b>	<b>462,070</b>	<b>100.0</b>	<b>100.0</b>

The asset management costs determined by totaling all the key cost figures for collective investments do not affect expenses, since the respective costs have the effect of increasing returns from the investment categories (see the respective items in the operative account under "Net return on investments").

#### 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%).

## 3.7 Explanatory note on other balance sheet and operative account items

### 3.7.1 Administration cost

The Hardship Fund does not have any of its own employees. The Pension Fund of Credit Suisse Group (Switzerland) carries out the administrative activities related to supporting current and retired employees of Credit Suisse Group AG.

## 3.8 Supervisory authority requirements

None.

## 3.9 Further information regarding financial situation

### 3.9.1 Partial liquidations

The Board of Trustees has established that conditions for partial liquidation were not met in 2020 or 2021.

### 3.9.2 Hardship benefits subsequent to daily benefits under employer's accident and health insurance

In the reporting year, there were no reimbursements from compensation offices of previously awarded benefits (previous year: CHF 0.010 million).

### 3.9.3 Legal proceedings in course

There are currently no legal proceedings in course.

## 3.10 Events subsequent to the balance sheet date

No significant events occurred or are discernible after the balance sheet date.

# IV

Auditors' report

# Report of the statutory auditor

to the Foundation Board of Fürsorgestiftung der  
Credit Suisse Group (Schweiz)  
Zürich

## Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements presented on pages 6 to 14 of the annual report of Fürsorgestiftung der Credit Suisse Group (Schweiz), which comprise the balance sheet, operating accounts and notes, for the year ended 31 December 2021.

### Foundation Board’s responsibility

The Foundation Board is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and with the foundation’s deed of formation and the regulations. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Foundation Board is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### Auditor’s responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the entity’s preparation of the financial statements 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 entity’s internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and with the foundation’s deed of formation and the regulations.

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Telefon: +41 58 792 44 00, Telefax: +41 58 792 44 10, [www.pwc.ch](http://www.pwc.ch)

PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

## Report on additional legal and other requirements

We confirm that we meet the legal requirements on licensing (article 52b OPA) and independence (article 34 OPO 2) and that there are no circumstances incompatible with our independence.

Furthermore, we have carried out the audits required by article 52c paragraph 1 OPA and article 35 OPO 2. 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 assessed whether

- organisation and management comply with the legal and regulatory requirements and whether internal controls exist that is appropriate to the size and complexity of the foundation;
- funds are invested in accordance with legal and regulatory requirements;
- measures have been taken to ensure loyalty in fund management and whether the Governing Body has ensured to a sufficient degree that fund managers fulfil their duties of loyalty and disclosure of interests;
- the pension fund's interests are safeguarded in disclosed transactions with related entities.

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  
Audit expert  
Auditor in charge



Michel Weidmann  
Audit expert

Zürich, 11 April 2022





**HARDSHIP FUND OF CREDIT SUISSE GROUP (SWITZERLAND)**

JPK

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8070 Zurich

[credit-suisse.com/pensionfund](https://credit-suisse.com/pensionfund)

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