

Pension Fund of Credit Suisse Group (Switzerland)

2013 Annual Report

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1. Introduction

Dear insured participants,
Dear pensioners

The 2013 investment year was largely dominated by the debate about central banks' monetary policy, the often discussed interest rate turnaround and the consistently rising equity markets. Despite the continuing economic downturn in many European countries, the 2013 investment year finished better than expected.

Several share indices hit new highs in 2013, which is why the 2013 investment year is also being called the year of equities by many investors. The Swiss Market Index achieved an above-average performance with approximately 20% and the S&P 500 reached an all-time high on the last trading day. Overall, global share indices increased by an impressive 23.7% in 2013, in Swiss franc terms.

The Pension Fund of Credit Suisse Group (Switzerland) achieved a return of 7.2% at the end of 2013 (2012: 8.1%) and the funded status increased to 111.6% (2012: 107.0%).

In 2013, the investment strategy of the Pension Fund of Credit Suisse Group (Switzerland) again focused on building up long-term yield drivers, taking advantage of arising opportunities and active risk monitoring. At year-end 2013, the main driver of 7.2% performance was equities, which were strongly weighted over the entire year given their nature as real assets with attractive potential returns. Maturities were kept relatively short for bond investments. Government bonds were sold predominantly and corporate bonds were weighted more strongly. As such, the effects of rising interest rates on bond prices were largely offset. Investments in direct real estate, private equity and infrastructure again performed well.

Key Figures for the Pension Fund

At the end of the year, the number of insured participants and key figures are as follows:

Number of insured participants as of December 31	2013	2012	Change
	Insured participants	Insured participants	in %
Active participants with permanent employment contracts	20,193	22,263	-9.3
Pensioners as of January 1 of the following year	10,708	10,515	1.8
Total number of insured participants and pensioners	30,901	32,778	-5.7

Key figures for the pension fund	2013	2012	Change
	In CHF mn	In CHF mn	in %
Total assets	14,956.4	14,481.2	3.3
Pension liabilities and actuarial reserves	13,259.7	13,336.3	-0.6
Non-committed funds	0.0	0.0	na
Reserve for fluctuations in asset value	1,537.3	927.7	65.7
Pension benefits and lump-sum payments, termination benefits	1,332.9	1,154.0	15.5
Contributions, lump-sum transfers on joining the Pension Fund, and purchases of pension benefits	819.5	901.1	-9.1
Net return on investments	1,003.1	1,061.1	-5.5
Funded status in %	111.6	107.0	4.3

The technical interest rate used to value the pension liabilities will be lowered from 3.0% to 2.5% over the next five years. This reduction reflects the reduced expectations for interest rates on the capital markets. The more conservative measurement of the liabilities reduces the pressure on the return that needs to be generated in future. The cost of the resultant increase in the actuarial reserves amounts to approximately CHF 70 million annually and will be financed by the active participants and the bank through a separate reserve to be established over the next five years.

The Board of Trustees considers each year whether to raise the cost-of-living allowance. The last pension increase took place in 2007, and the cumulative increase in the cost of living since then has been 3.03%. Cost-of-living allowances can only be paid to pensioners out of non-committed funds. The top priority for the Board of Trustees is to maintain the financial equilibrium of the Pension Fund and ensure the reserve of pensions. For this reason, it decided not to grant an increase in the cost-of-living allowance for 2013.

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

The Board of Trustees adopted the following resolutions, among others, in 2013:

- Approval of the 2012 annual report and financial statements and discharge of the management of the Pension Fund of Credit Suisse Group (Switzerland)
- Approval of non-transparent investments and their continuity
- Election of KPMG AG as statutory auditors and of AON HEWITT (Switzerland) AG as pension actuary
- Amendment and communication of certain articles in the Retirement Savings Plan Regulations
- Amendment of certain articles in the Organizational Regulations
- Amendment of certain articles in the Regulations Governing Investments and Provisions
- Approval of the Internal Control System (ICS)
- Approval of the administration cost and asset management budgets for 2014
- Setting the retrospective interest rate at 2.0% for 2013 for all assets
- Setting the prospective interest rate (exit interest rate) for 2014 at 1.75% for assets in the savings plan and at 1.25% for assets in the lump-sum plan and Plan 58

The Board of Trustees takes regular steps to enhance its expertise and skills in occupational pensions and general investment issues. In 2013, experts in the Pension Fund carried out training on the topic of returns and interest. In addition, members of the Board were also able to attend external training courses.

The Pension Fund of Credit Suisse Group (Switzerland) is one of the largest pension funds in Switzerland. It has total assets of over CHF 14.96 billion, around 20,193 active insured participants, and more than 10,708 pensioners. 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. All those responsible for managing the Fund consider it very important to maintain the Pension Fund's excellent and competitive level of benefits and to provide the insured participants with comprehensive insurance coverage.

Impact of the Pension Fund's Obligations on the Consolidated Balance Sheet of Credit Suisse Group AG

The pension plans are reported and explained in the consolidated balance sheet of Credit Suisse Group AG in accordance with US GAAP SFAS 158. As a result, the over or underfunded status of defined benefit pension plans for active participants and for pensioners is recorded in the balance sheet on a projected basis. The amount reported is the difference between the fair value of the plan assets and future benefit obligations. For more detailed figures and accompanying notes, please refer to the 2013 consolidated financial statements of Credit Suisse Group AG.

The results shown differ regularly from the financial statements of the Pension Fund of Credit Suisse Group (Switzerland), which are based on valuations in accordance with Swiss GAAP FER 26 and funded status disclosure pursuant to Art. 44 of the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV 2).

Yours sincerely

PENSION FUND OF CREDIT SUISSE GROUP (SWITZERLAND)



Philip Hess
Chairman of the Board of Trustees



Urs Bracher
Manager



KPMG AG

Audit

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Report of the Statutory Auditor to the Board of Foundation of the

Pension Fund of Credit Suisse Group (Switzerland), Zurich

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Pension Fund of Credit Suisse Group (Switzerland), which comprise the balance sheet, operating account and notes (paragraph 3 and 4) for the year ended December 31, 2013.

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 an internal control 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.

Responsibility of the expert in occupational benefits

In addition to the auditor, the Foundation Board appoints an expert in occupational benefits to conduct the audit. The expert regularly checks whether the occupational benefit scheme can provide assurance that it can fulfil its obligations and that all statutory insurance-related provisions regarding benefits and funding comply with the legal requirements. The reserves necessary for underwriting insurance-related risks should be based on the latest report provided by the expert in occupational benefits in accordance with Article 52e paragraph 1 of the Occupational Pensions Act (OPA) and Article 48 of the Occupational Pensions Ordinance 2 (OPO 2).

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 control 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 control. An audit also includes evaluating the appropriateness of the 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 December 31, 2013 comply with Swiss law and with the foundation's deed of formation and the regulations.

Reporting on the basis of 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 an internal control exists that is appropriate to the size and complexity of the foundation;
- funds are invested in accordance with legal and regulatory requirements;
- the occupational pension accounts 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 fund managers fulfil their duties of loyalty and disclosure of interests;
- the available 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 given to the supervisory authority;
- the pension fund's interests are safeguarded in disclosed transactions with related entities.

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

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

KPMG AG



Dr. Silvan Loser
Licensed Audit Expert



Erich Meier
Licensed Audit Expert

Zurich, April 4, 2014

3. Balance Sheet and Operative Account

3.1 Balance Sheet

Assets	Explanatory note	Dec. 31, 2013		Dec. 31, 2012	
		CHF	%	CHF	%
Assets	4.6.4	14,928,391,312	99.8	14,405,106,811	99.5
Liquid funds / money market investments		2,587,989,995	17.3	1,850,289,334	12.8
Bonds		4,071,105,508	27.2	4,868,065,563	33.6
Equities		4,550,908,200	30.4	3,472,073,568	24.0
Alternative investments		2,028,155,561	13.6	2,583,628,375	17.8
Other investments		2,954,158	0.0	19,051,160	0.1
Direct real estate investments	4.6.4.3	1,117,745,000	7.5	1,077,556,749	7.5
Indirect real estate investments	4.6.4.3	569,532,890	3.8	534,442,062	3.7
Prepayments and accrued income		27,980,485	0.2	76,102,600	0.5
Total assets		14,956,371,797	100.0	14,481,209,411	100.0

Liabilities	Explanatory note	31.12.2013		31.12.2012	
		CHF	%	CHF	%
Liabilities		96,877,752	0.7	100,455,518	0.7
Termination benefits and pensions		85,465,385	0.6	90,469,591	0.6
Other liabilities		11,412,367	0.1	9,985,927	0.1
Accrued liabilities and deferred income		17,293,085	0.1	21,626,455	0.1
Employer-paid contribution reserve	4.6.10.2	45,179,707	0.3	95,188,543	0.7
Pension liabilities and actuarial reserves	4.5	13,259,718,306	88.6	13,336,274,851	92.1
Active participants' liabilities	4.5.3	6,600,691,646	44.1	6,660,820,454	46.0
Pensioners' liabilities	4.5.5	6,383,258,660	42.7	6,251,150,367	43.2
Actuarial reserves	4.5.6	275,768,000	1.8	424,304,030	2.9
Reserve for fluctuations in asset value	4.6.3	1,537,302,947	10.3	927,664,044	6.4
Non-committed funds		0	0.0	0	0.0
Balance as of January 1		0	0.0	0	0.0
Income surplus / expense surplus		0	0.0	0	0.0
Total liabilities		14,956,371,797	100.0	14,481,209,411	100.0

Investments in the employer's company are reported and explained in section 4.6.10.1 of the Explanatory Notes.

3.2 Operative Account

	Explanatory note	2013 CHF	2012 CHF
Ordinary and other contributions and lump-sum transfers-in			
Employee contributions		212,732,880	231,555,003
Employer contributions		423,207,008	435,966,237
Withdrawal from the employer-paid contribution reserve to finance contributions		-50,000,000	0
Contributions from third parties		147,466	0
Additional employer contribution (actuarial reserves)	4.7.2	42,299,536	42,125,905
Purchase amounts and one-time payments		102,738,158	79,721,026
Transfers to employer-paid contribution reserve	4.6.10.2	3,967,308	5,302,707
Lump-sum transfers on joining the Pension Fund			
Termination benefit transfers		77,458,296	99,599,573
Transfers following take-over of participants in reserve for fluctuation in asset value		469,417	44,548
Reimbursements of withdrawals for home ownership		6,493,477	6,815,140
Inflow from contributions and entry lump sum transfers the Pension Fund		819,513,546	901,130,139
Regulatory benefits			
Retirement pensions		-378,917,090	-361,111,638
Survivors' pensions (spouses' pensions)		-54,547,773	-52,544,773
Survivors' pensions (orphan's pensions)		-1,826,386	-1,856,418
Disability pensions		-23,120,200	-23,402,898
Other regulatory benefits (AHV bridging pensions)		-31,744,050	-30,061,256
Lump-sum payments on retirement		-93,230,772	-96,429,788
Lump-sum payments on death or disability		-3,695,148	-9,796,059
Termination benefits			
Termination benefits for leavers		-651,438,159	-536,260,895
Transfer of additional funds in case of collective exit	4.9.1	-45,313,592	
Withdrawals for encouragement of home ownership / divorce		-49,053,226	-42,555,537
Outflow for benefits and withdrawals		-1,332,886,396	-1,154,019,262
Decreases / increases in pension liabilities			
Increase (-) / decrease (+) in active participants' liabilities	4.5.3	60,128,808	242,388,371
Increase (-) / decrease (+) in pensioners' liabilities	4.5.5	-132,108,294	-578,054,326
Increase (-) / decrease (+) in actuarial reserves	4.5.6	148,536,030	156,187,262
Increase (-) / decrease (+) in employer-paid contribution reserve	4.6.10.2	51,912,607	142,790,282
Insurance cost			
Contributions to Security Fund		-2,021,203	-2,043,321
Increases in pension liabilities and insurance cost		126,447,948	-38,731,732
Net result of insurance activities		-386,924,902	-291,620,855

Net return on investments			
Income from liquid funds / money market investments		-53,365,452	-3,506,531
Income from bonds		12,147,013	151,061,635
Income from stocks and shares		893,545,103	637,748,475
Income from alternative investments		105,572,928	67,031,399
Income from other investments		691,429	796,928
Income from direct real estate investments		86,691,933	54,144,691
Income from indirect real estate investments		2,209,260	47,979,357
Income from currency management		19,596,274	133,305,470
Interest on employer-paid contribution reserve	4.6.10.2	-1,903,771	0
Asset management costs	4.6.9	-62,079,779	-27,500,809
<i>Net return on investments</i>		1,003,104,938	1,061,060,615
Other income		19,056	164,357
Other expenses		-1,045,663	-588,727
Administration expenses			
General administration		-5,211,224	-5,477,806
Auditor and actuary		-258,872	-359,720
Supervisory authorities		-44,430	-7,052
<i>Total administration expenses</i>		-5,514,526	-5,844,578
<i>Income surplus / expense surplus before adding to, or releasing from, reserves for fluctuations in asset value</i>		609,638,903	763,170,812
Increase (-) / decrease (+) in reserves for fluctuations in asset value		-609,638,903	-763,170,812
<i>Income surplus (+) / expense surplus (-)</i>		0	0

4. Explanatory Notes

4.1 General Information and Organization

4.1.1 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, Para. 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' dependants and surviving dependants, 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.

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

4.1.2 BVG Registration and Registration with the BVG Security Fund

The foundation has been entered in the BVG register of the Canton of Zurich under number 1290.

The foundation is affiliated with the BVG Security Fund. If a pension fund becomes insolvent, the Security Fund guarantees the benefits of the insured participants up to a pensionable salary of CHF 126,360 (2013 figure).

4.1.3 Plan Statutes and Regulations

Deed of Foundation, dated October 5, 2012

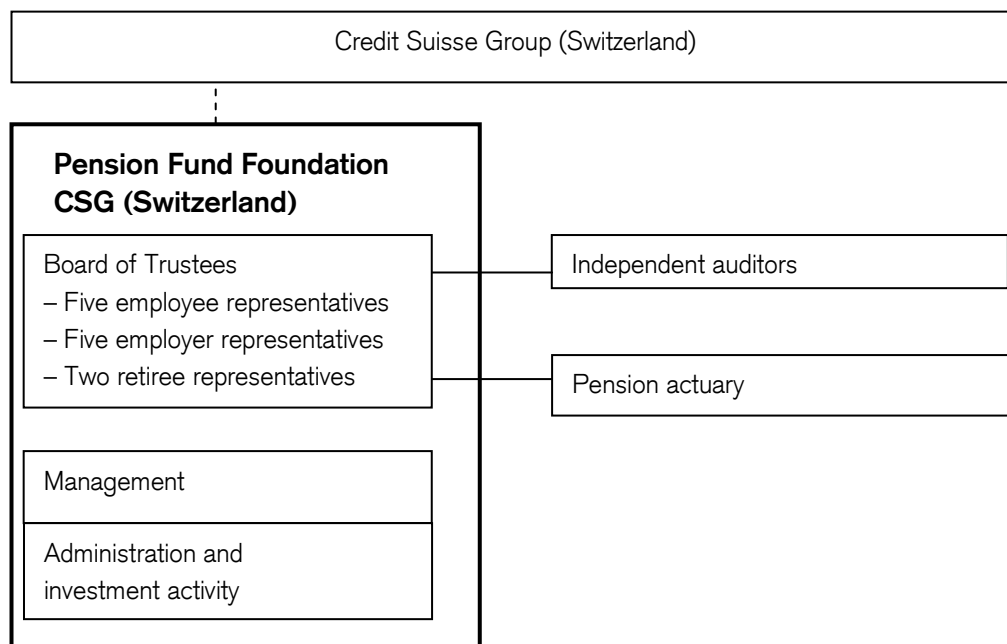
Retirement Savings Plan Regulations, dated January 1, 2013, in force since January 1, 2013

Organizational Regulations, 2014 edition, in force since December 17, 2013

Regulations Governing Investments and Provisions, 2014 edition, valid since December 17, 2013

Regulations on Partial Liquidation, 2013 edition, authorized on June 3, 2013

4.1.4 Structure of the Foundation



4.1.5 Governing Body of the Pension Fund / Authorized Signatories

The Board of Trustees is composed of an equal number of employee and employer representatives, 12 in all. The names of the members of the Board of Trustees and the other governing bodies are listed below. Pensioners are represented by two members on the Board of Trustees. One retiree representative is elected by the company and the other by the Staff Council. The members of the Board of Trustees and the members of 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.

4.1.5.1 Board of Trustees (Term of Office 2013-2017)

Employer Representatives

Philip Hess, Chairman, Zurich

Marco Illy, Zurich

Hanspeter Kurzmeyer, Zurich (until May 13, 2013)

Christian G. Machate, Zurich

Hans-Ulrich Meister, Zurich

Nicole Pauli, Zurich (as of May 13, 2013)

Employee Representatives

Frédéric Baechler, Lausanne, Credit Suisse AG, French-speaking Switzerland

Suzanne Brassler, Zurich, Credit Suisse AG, German-speaking Switzerland (until May 13, 2013)

Nannette Hechler-Fayd'herbe, Zurich, Credit Suisse AG, German-speaking Switzerland (as of May 13, 2013)

Thomas Isenschmid, Zurich, Vice-Chairman, Credit Suisse AG, German-speaking Switzerland

Marco Lucheschi, Lugano, Credit Suisse AG, Ticino

John Andrews, Credit Suisse AG, affiliated companies (until May 13, 2013)

Daniel Leuthardt, NAB AG, affiliated companies (as of May 13, 2013)

Retiree Representatives

Martin Wetter, employer representative, Zurich, (until May 13, 2013)

Hanspeter Kurzmeyer, employer representative, Zurich, (as of May 13, 2013)

Martin Klaus, employee representative, Zurich

4.1.5.2 Investment Committee

Philip Hess, Chairman, Zurich

Frédéric Baechler, Lausanne

Nannette Hechler-Fayd'herbe, Zurich (as of May 13, 2013)

Thomas Isenschmid, Zurich

Hanspeter Kurzmeyer, Zurich (until May 13, 2013)

Hans-Ulrich Meister, Zurich

Nicole Pauli, Zurich (as of May 13, 2013)

4.1.5.3 Compensation Committee

Philip Hess, Chairman, Zurich

Christian G. Machate, Zurich

Martin Klaus, Zurich

4.1.5.4 Audit Committee

Thomas Isenschmid, Chairman, Zurich

Marco Illy, Zurich

Martin Klaus, Zurich

4.1.5.5 Voting Rights Committee

Philip Hess, Chairman, Zurich

Thomas Isenschmid, Zurich

Martin Klaus, Zurich

Urs Bracher, Manager

4.1.5.6 Management

Urs Bracher, Manager, member of Pension Fund management, Zurich

Guido Bächli, Investment Manager, member of Pension Fund management, Zurich

Matthias Hochrein, Chief Operating Officer, member of Pension Fund management, Zurich

4.1.6 Actuary, Independent Auditors, and Supervisory Authority

4.1.6.1 Pension Actuary

AON Hewitt (Switzerland) AG, Zurich

4.1.6.2 Auditors

KPMG AG, Zurich

4.1.6.3 Supervisory Authority

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

4.1.6.4 Real Estate Valuers

Wüest & Partner AG, Zurich

4.1.7 Affiliated Employers

As of December 31, 2013, 13 different companies with business ties to Credit Suisse Group AG were affiliated with the Pension Fund of Credit Suisse Group (Switzerland). Due to termination of the affiliation contracts with Credit Suisse Fleet Management AG and WINCASA AG, they left the Pension Fund. The conditions for a partial liquidation of the two companies have been met. As part of the partial liquidation, Credit Suisse Fleet Management AG received a share of the reserves and the fluctuation reserves. As part of the partial liquidation, WINCASA AG received a share of the reserves – but not of the fluctuation reserves – in accordance with the affiliation contract. CS Securities (Europe) Ltd has been integrated into Credit Suisse AG.

Dec. 31, 2013			Dec. 31, 2012		
No.	Institution no.	Name of the company	No.	Institution no.	Name of the company
1	050	Credit Suisse Group AG	1	050	Credit Suisse Group AG
2	100	Credit Suisse AG	2	100	Credit Suisse AG
	211	-	3	211	Credit Suisse Fleet Management
3	220	Neue Aargauer Bank AG	4	220	Neue Aargauer Bank AG
4	227	BANK-now AG	5	227	BANK-now AG
	301	-	6	301	CS Securities (Europe) Ltd
5	325	CS Solution Partners AG	7	325	CS Solution Partners AG
6	404	Credit Suisse Trust AG	8	404	Credit Suisse Trust AG
7	410	Fides Treasury Services AG			
8	500	CS Sec. USA LLC	9	500	CS Sec. USA LLC
9	612	CS AG Singapore Branch	10	612	CS AG Singapore Branch
10	706	SwissKiosk-Inhaberverb.	11	706	Swiss Kiosk-Inhaberverb.
	711	-	12	711	WINCASA AG
11	720	Pension Fund of CSG (Switzerland)	13	720	Pension Fund of CSG (Switzerland)
12	755	Corby SA	14	755	Corby SA
13	900	Metropol Partners AG	15	900	Metropol Partners AG

Various individuals at international organizations of Credit Suisse AG are also insured by the Pension Fund.

4.1.8 Corporate Governance

4.1.8.1 Exercise of Voting Rights under Art. 49a, Para. 2 BVV 2

The Pension Fund exercises the shareholders' rights associated with equity investments in the interest of the insured participants based mainly on financial criteria. The exercise of voting rights is currently confined to companies listed in Switzerland. As a matter of principle, voting rights relating to routine business are exercised in line with the proposals of the Board of Directors. In the case of proposals which could have a long-term impact on the interests of the insured participants (mergers, reorganizations, sales of subdivisions, change to capital or voting rights structure, etc.), voting takes place in accordance with the instructions of the Voting Rights Committee. The latter generally takes its decisions by circular letter following a proposal made by the Investment Manager. The decision of the Voting Rights Committee is deemed valid if no objections are filed by the members within the prescribed time limit. In the event of failure to reach a unanimous decision on the exercising of voting rights, the Board of Trustees has the casting vote.

One matter was referred to the Voting Rights Committee during the 2013 reporting year:

- Annual General Meeting of UBS AG
Contrary to the proposal of the Board of Directors, the Voting Rights Committee voted against the remuneration report.

4.1.8.2 Integrity and Loyalty of the Responsible Persons

To avoid conflicts of interest between the beneficiaries, the executive bodies and management of the Pension Fund and those in charge of administration and asset management, the Board of Trustees has issued regulations for loyal conduct and integrity in accordance with Art. 53a BVG in conjunction with Art. 48f to 48l BVV 2.

The persons concerned have undertaken 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.

In addition, the persons concerned will confirm annually in writing that they have complied with the regulations for loyal conduct and integrity.

The Pension Fund is also subject to ASIP's code of conduct, which is mandatory for all ASIP members. The ASIP Charter is intended to help ensure that retirement assets are used solely in accordance with their intended purpose and to avoid misuse in the investment and management of such assets.

For the first time, in 2013, the Board of Trustees set up a new Audit Committee for the Pension Fund to assist in governance matters. The Audit Committee conducted evaluations in financial reporting, risk management, and compliance with legal requirements, particularly on the loyal conduct and integrity regulations. In addition, the members of the Audit Committee took part in the concluding discussions with the independent auditors on the interim and final audit.

4.1.8.3 Policy on Retrocessions

The payment of retrocessions is dealt with in contractual agreements with the external asset managers. Income accrues in full to the Pension Fund.

4.1.8.4 Remuneration of the Board of Trustees and the Committees

Employer and employee representatives are not remunerated for their activities. Only retiree representatives are remunerated. They are paid an annual flat-rate payment of CHF 2,000 with an attendance fee of CHF 1,500 for their membership of the Board of Trustees, plus an attendance fee of CHF 750 for membership of the Compensation Committee, and an attendance fee of CHF 1,500, together with an annual flat-rate payment of CHF 2,000, for membership of the Audit Committee.

4.1.8.5 Information Policy

The foundation publishes its monthly performance on its website. Financial reporting is performed as part of the annual report procedure set out in Swiss GAAP FER 26.

All relevant information on the Pension Fund can be found at www.credit-suisse.com/pensionfund.

4.2 Active Participants and Pensioners

4.2.1 Active Participants

Active participants in the savings plan	Men	Women	Total
No. of participants at December 31, 2012	8,251	5,575	13,826
Transfers from the annuity plan	5,657	2,780	8,437
New participants	1,062	750	1,812
Departures (total)	-2,212	-1,670	-3,882
of which through disability	-17	-19	-36
of which through retirement	-260	-142	-402
of which through change of job	-1,927	-1,507	-3,434
of which through death	-8	-2	-10
No. of participants at December 31, 2013	12,758	7,435	20,193
Change in number of persons	4,507	1,860	6,367
Change in %	54.6	33.4	46.1

Total active participants	Men	Women	Total
No. of participants at December 31, 2012	13,908	8,355	22,263
No. of participants at December 31, 2013	12,758	7,435	20,193
Change in number of persons	-1,150	-920	-2,070
Change in %	-8.3	-11.0	-9.3

All insured participants in the annuity plan were transferred to the savings plan with effect from January 1, 2013. The annuity plan was terminated.

4.2.2 Pensioners

Pensioners	Men		Women		Total	
	Jan. 1, 2014	Jan. 1, 2013	Jan. 1, 2014	Jan. 1, 2013	Jan. 1, 2014	Jan. 1, 2013
Retirement pensions	4,894	4,780	2,989	2,922	7,883	7,702
Disability pensions	279	288	306	311	585	599
Surviving spouse's pensions	113	103	1,553	1,539	1,666	1,642
Support pensions	17	15	9	9	26	24
Child's pensions	279	278	269	270	548	548
Total pensioners	5,582	5,464	5,126	5,051	10,708	10,515
Change in number of persons	118		75		193	
Change in %	2.2		1.5		1.8	

4.2.3 Age Structure of Active Participants and Pensioners

Average age of insured participants	on Dec. 31, 2013	on Dec. 31, 2012
Men	40.9	40.7
Women	39.2	38.9
Average age of pensioners	on Jan. 1, 2014	on Jan. 1, 2013
Retirement pensions, men	71.8	71.7
Retirement pensions, women	72.2	72.0
Disability pensions	53.1	53.6
Surviving spouse's pensions	76.4	76.3
Child's pensions	18.6	17.7

4.3 Implementation of Objectives

4.3.1 Pension Plans, Financing, Financing Method

The Pension Fund as an autonomous pension institution exists in the legal form of a foundation. It comprises a defined contribution system for the savings plan and the lump-sum plan. The savings plan insures the fixed annual salary. The lump-sum plan insures variable salary components (Awards). The Pension Fund also offers a voluntary supplementary plan to the savings plan called Plan 58. Plan 58 allows insured participants to prefinance the pension reduction associated with taking early retirement.

Plan 58 (defined contribution system) Prefinancing of early retirement
Lump-sum plan (defined contribution system) Insurance of the Award
Savings plan (defined contribution system) Insurance of the fixed salary component

4.3.1.1 Pension Benefits and Contributions in the Savings Plan

The savings plan insures all employees as stipulated by the BVG. The fixed annual salary (12 monthly salary payments) minus a coordination deduction is insured. The coordination deduction is $\frac{1}{3}$ of the annual salary up to the amount of the maximum retirement pension payable under the AHV (CHF 28,080). The coordination deduction for part-time employees is adjusted in proportion to the level of employment. The maximum pensionable salary is:

- CHF 250,000 for employees and for members of Senior Management
- CHF 650,000 for members of the Group Executive Board

Retirement Pension / Retirement Age

Retirement can be taken between the ages of 58 and 65 at the request of the bank or the insured participant. The pension is calculated by multiplying the available retirement capital by the pension conversion rate corresponding to the age of the insured participant.

At the request of the insured participant, 50% of the pension can be drawn as a lump sum.

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 date the insured participant effectively retires (but not before age 63) to the time he/she starts receiving the retirement pension from the Swiss Federal Old Age and Survivors' Insurance.

Disability Pension

The amount of the annual disability pension is calculated by converting the projected retirement capital using the conversion rate applicable for the normal retirement age, respectively 6.05% and 63 years. It will be at least 40% of the pensionable salary. The disability pension is supplemented by a disabled person's child's pension.

Death Benefits

In the event of the death of the insured participant, the surviving spouse will be paid a surviving spouse's pension amounting to $66\frac{2}{3}\%$ of the insured disability pension or of the retirement or disability pension already being drawn, provided that the surviving spouse fulfills one of the following criteria:

- He/she has a child or children to support
- He/she is entitled to a disability pension or becomes so entitled within the 12 months following the death of the insured participant
- He/she is aged 45 or over.

If the surviving spouse is not entitled to a pension, he/she will receive a lump-sum payment equal to three times the annual surviving spouse's pension. The surviving spouse's pension is supplemented by a lump sum payable at death and by orphans' pensions for entitled children. The lump sum payable at death corresponds to 50% of the pensionable annual salary provided that there is entitlement to a surviving spouse's pension. In all other cases, the lump sum payable at death corresponds to the vested benefits, or at least 50% of the pensionable annual salary, whichever is greater.

Vested Benefits on Leaving the Company

The vested benefits comprise the accrued retirement capital.

Contributions by Insured Participants and the Employer in the Savings Plan

Age of insured participant	Insured participant's savings contribution (Standard option) as % of pensionable salary	Employer's savings contribution as % of pensionable salary	Employer's risk contribution as % of pensionable salary
17 to 24 (insured only against the risks of death and disability)	0.0%	0.0%	2.0%
25 to 34	7.5%	7.5%	6.0%
35 to 44	9.0%	13.0%	6.0%
45 to 54	10.5%	17.5%	6.0%
55 to 65	10.5%	25.0%	6.0%

The insured participants can choose the level of their savings contribution from the three contribution options: Basic, Standard and Top.

4.3.1.2 Pension Benefits and Contributions in the Lump-Sum Plan

The cash portion of the Award is insured, less a coordination deduction of CHF 5,000. Since January 1, 2006, the maximum amount of the savings component of the pensionable salary has been CHF 750,000, less the pensionable salary under the savings plan. The death and disability benefits are based on the average savings component of the last three pensionable annual salaries.

Retirement Benefits

The accrued savings capital is paid out on retirement from the age of 58.

Disability Pension and Disabled Person's Child's Pension

The disability pension amounts to 50% of the risk component of the pensionable salary, but not more than 30% of the pensionable salary under the savings plan. In addition, the savings contributions are waived. The disability pension is supplemented by a disabled person's child's pension.

Death Benefits

In the event of the death of the insured participant, the surviving spouse will be paid a surviving spouse's pension amounting to $66\frac{2}{3}\%$ of the insured disability pension. The preconditions for entitlement are the same as for the savings plan. The spouse's pension will be paid until such time as the deceased would have reached normal retirement age. The surviving spouse's pension can also be drawn as a lump sum.

The surviving spouse's pension is supplemented by a lump sum payable at death and by orphans' pensions for entitled children.

The lump sum payable at death is equal to the accrued retirement capital, but not less than 50% of the risk component of the pensionable annual salary.

Vested Benefits on Leaving the Company

The vested benefits equal the accrued retirement capital.

Contributions by Insured Participants and the Employer in the Lump-Sum Plan

Employees may choose from employee savings contributions of 3%, 6%, or 9% of the savings component of the pensionable salary. The employer pays a savings contribution of 6% and, in addition, a risk contribution of 3% of the savings component of the pensionable salary.

4.3.1.3 Pension Benefits and Contributions in Plan 58

Plan 58 allows insured participants to prefinance the pension reduction associated with taking early retirement. It is funded solely by personal payments by active participants. There are no employer contributions.

4.4 Significant Accounting Policies and Valuation Methods, Consistency

4.4.1 Statement of Compliance with Swiss GAAP FER 26

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

4.4.2 Significant Accounting Policies and Valuation Methods

4.4.2.1 Securities

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

4.4.2.2 Mortgages and Other Loans

Mortgages and other loans are shown in the balance sheet at par value minus any valuation adjustments required for operational purposes. At this time, no valuation adjustments are necessary.

4.4.2.3 Real Estate

Direct real estate holdings are reported in the balance sheet at market value. The basis on which Wüest & Partner determines the market value is the sum of 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 December 31, 2013, the range for the discount rate was between 3.9% and 4.9% (2012: 4.2% and 4.9%).

The market value of the real estate is reviewed annually, and 20% of the real estate holdings are inspected at the time of review. All properties must be inspected at five-year intervals.

Indirect real estate holdings are recognized in the balance sheet at market value.

4.4.2.4 Alternative Investments

Listed alternative investments are recognized at market value. Non-listed alternative investments are reported according to their net asset value (NAV). The NAV for private equity investments is tested for stable market value by an independent expert, corrected where necessary, and extrapolated to the balance sheet date. The task of checking the NAV is performed by Alpha Associates AG, Zurich.

4.4.2.5 Other Assets

Other investments, claims and current account deposits are recognized at par value, minus any valuation adjustments required for operational purposes. At this time, no valuation adjustments are necessary.

4.4.2.6 Currency Management

Foreign currencies are regarded as an asset class in their own right. They are reported in the balance sheet at market value.

4.4.3 Changes in Accounting Policy and in Bookkeeping

For the first time, asset management costs are presented as compared with the previous year in accordance with the policy of the Swiss Supervisory Commission on Occupational Pensions (OAK BV). The figures for 2012 were not adjusted accordingly.

4.5 Actuarial Risks / Risk Benefit Coverage / Coverage Ratio

4.5.1 Overview of Actuarial Balance Sheet

Actuarial balance sheet	Dec. 31, 2013	Dec. 31, 2012	Change
Actuarial principles	2010 BVG-P2010	2010 BVG-P2010	
Technical interest rate (active participants / pensioners)	na / 3.0%	4.0% / 3.0%	
	CHF	CHF	CHF
Pension liabilities, annuity plan (terminated as of January 1, 2013)			
Active participants' actuarial reserves	0	4,033,083,149	-4,033,083,149
Pension liabilities, savings plan			
Retirement pensions	5,269,733,053	5,142,220,641	127,512,412
Temporary bridging pensions	83,532,879	79,187,795	4,345,084
Surviving spouse's pensions	578,841,704	571,497,743	7,343,961
Disability pensions	357,203,151	361,913,101	-4,709,950
Disability bridging pensions	22,073,803	22,008,195	65,608
Child and support pensions	31,892,919	32,275,874	-382,955
Active participants' retirement capital	5,465,308,827	1,410,176,765	4,055,132,062
Pension liabilities, lump sum plan			
Surviving spouse's pensions	9,703,288	10,086,712	-383,424
Disability pensions	26,633,397	28,012,765	-1,379,368
Child's pensions	3,644,467	3,947,541	-303,074
Active participants' retirement capital	982,456,588	1,058,566,202	-76,109,614
Pension liabilities, Plan 58			
Active participants' retirement capital for early retirement	152,926,231	158,994,338	-6,068,107
Total pension liabilities	12,983,950,307	12,911,970,821	71,979,486
Actuarial reserves			
Reserves for increase in life expectancy 1)	176,144,000	115,786,000	60,358,000
Reserves for reducing the technical interest rate 2)	63,833,000	0	63,833,000
Reserves for actuarial risks 3)	35,791,000	39,136,000	-3,345,000
Reserves for the plan changeover 4)	0	269,382,030	-269,382,030
Total actuarial reserves	275,768,000	424,304,030	-148,536,030
Pension liabilities and actuarial reserves	13,259,718,307	13,336,274,851	-76,556,544
Assets	14,956,371,797	14,481,209,411	475,162,386
Liabilities			
Accrued liabilities, deferred income, and other liabilities	114,170,836	122,081,973	-7,911,137
Employer-paid contribution reserve	45,179,707	95,188,543	-50,008,836
Reserve for fluctuations in asset value	1,537,302,947	927,664,044	609,638,903
Total liabilities and provisions	1,696,653,490	1,144,934,560	551,718,930
Net assets	13,259,718,307	13,336,274,851	-76,556,544
Pension liabilities and actuarial reserves	13,259,718,307	13,336,274,851	-76,556,544
Non-committed funds	0	0	0
Funded status under Art. 44 BVV 2	111.59	106.96	4.63

- 1) 1.5% savings and actuarial reserves for active participants and pensioners (2012: 1.0%)
- 2) 1% of pension liabilities for pensioners as a general provision for each year as of 2013
- 3) 2.0% of pensionable salaries
- 4) Provision for the plan changeover in accordance with the decision of the Board of Trustees

The annuity plan was terminated as of January 1, 2013. The pension liabilities for the active participants of the annuity plan were transferred to the retirement capital for the active participants of the savings plan. According to the type of pension, annuity plan pension liabilities were transferred to savings plan pension liabilities of the same pension type and are shown separately. The 2012 figures were regrouped accordingly for comparison.

4.5.2 Type of Risk Benefit Coverage, Reinsurance

The Pension Fund autonomously bears the full risks of retirement, disability, and death. It has no reinsurance agreements. The savings plan (defined contribution system) insures the fixed annual salary components, while the lump-sum plan (defined contribution system) insures the variable salary components (cash portion of the Award). Under Plan 58, active participants also have the option of prefinancing the pension reduction associated with taking early retirement through voluntary payments.

4.5.3 Active Participants' Pension Liabilities

4.5.3.1 Development of Pension Liabilities, Savings Plan (Defined Contribution System)

The pension liabilities consist of the retirement capital of active participants.

Savings in the retirement savings plan	2013	2012	Change
	CHF	CHF	CHF
Retirement capital as of January 1	1,410,176,765	1,268,017,129	142,159,636
Transfer of pension liabilities from annuity plan	4,033,083,149	0	4,033,083,149
Credits for changeover	259,992,879	0	259,992,879
Purchase amounts	80,627,030	22,166,925	58,460,105
Termination benefit transfers	76,168,696	85,568,668	-9,399,972
Reimbursements of withdrawals for home ownership	5,530,426	1,430,168	4,100,258
Termination benefits for leavers	-550,549,661	-186,416,957	-364,132,704
Withdrawals for encouragement of home ownership / divorce	-26,208,164	-13,131,873	-13,076,291
Savings contributions by employees	185,143,136	92,250,728	92,892,408
Savings contributions by employer	274,579,420	117,205,298	157,374,122
Missing employer savings contributions on early retirement	23,995,027	0	23,995,027
Employer back payments on early retirement	18,304,509	0	18,304,509
Transfer from lump-sum plan	4,570,414	0	4,570,414
Transfer from Plan 58	8,088,931	0	8,088,931
Interest paid on savings capital (2013: 2.0% / 2012: 2.5%)	105,853,231	29,842,980	76,010,251
Post-financing charged to the Pension Fund on retirement	11,624,047	0	11,624,047
Increases to retirement capital from the employer-paid contribution reserve	1,593,950	0	1,593,950
Annuitying retirement capital on retirement	-374,297,405	0	-374,297,405
Lump sum payments on retirement	-48,438,744	-1,584,874	-46,853,870
Released pension liabilities due to death	-5,154,048	-2,868,436	-2,285,612
Released pension liabilities due to disability	-22,082,818	-1,942,489	-20,140,329
Retirement credit reserves for changeover	-9,154,504	0	-9,154,504
Accruals / deferrals at period end / Miscellaneous	1,862,561	-360,502	2,223,063
Retirement capital as of 31.12	5,465,308,827	1,410,176,765	4,055,132,062

The annuity plan was terminated as of January 1, 2013. The pension liabilities of the active participants of the annuity plan were transferred to the retirement capital of the active participants of the savings plan.

4.5.3.2 Development and Return on Savings Capital in the Lump-Sum Plan and Plan 58 (Defined Contribution System)

The pension liabilities comprise the retirement capital in the lump-sum plan and in Plan 58

Savings capital in the lump-sum plan	2013	2012	Change
	CHF	CHF	CHF
Retirement capital as of January 1	1,058,566,202	1,111,783,856	-53,217,654
Purchase amounts	5,701,241	20,010,491	-14,309,250
Termination benefit transfers	1,289,600	10,344,258	-9,054,658
Transfer from Plan 58	4,051	778,894	-774,843
Transfer to annuity plan	0	-168,552	168,552
Reimbursements of withdrawals for home ownership	948,052	787,519	160,533
Termination benefits for leavers	-85,698,246	-84,562,444	-1,135,802
Withdrawals for encouragement of home ownership / divorce	-19,083,204	-12,033,671	-7,049,533
Savings contributions by employees	27,425,353	31,539,195	-4,113,842
Savings contributions by employer	23,806,780	27,378,356	-3,571,576
Interest paid on savings capital (2013: 2.0% / 2012: 2.5%)	19,334,641	24,955,085	-5,620,444
Released pension liabilities due to death	-290,994	-4,224,062	3,933,068
Released pension liabilities due to disability	-1,070,712	-1,953,503	882,791
Lump-sum payments on retirement	-44,402,226	-65,763,360	21,361,134
Transfer to the savings plan for annuities	-4,570,414	0	-4,570,414
Accruals / deferrals at period end / Miscellaneous	496,464	-305,860	802,324
Retirement capital as of 31.12	982,456,588	1,058,566,202	-76,109,614

Savings capital in Plan 58	2013	2012	Change
	CHF	CHF	CHF
Retirement capital as of January 1	158,994,338	159,275,332	-280,994
Purchase amounts	16,374,011	21,362,791	-4,988,780
Reimbursements of withdrawals for home ownership	15,000	74,585	-59,585
Transfer to annuity plan	0	-780,984	780,984
Termination benefits for leavers	-13,253,785	-12,742,318	-511,467
Withdrawals for encouragement of home ownership / divorce	-3,761,858	-3,182,218	-579,640
Interest paid on savings capital (2013: 2.0% / 2012: 2.5%)	3,032,602	3,684,763	-652,161
Released pension liabilities due to death	0	0	0
Transfer to the savings plan to finance retirement pensions	-8,092,982	-8,621,214	528,232
Lump-sum payments on retirement	-389,802	0	-389,802
Accruals/deferrals at period end / Miscellaneous	8,707	-76,399	85,106
Retirement capital as of 31.12	152,926,231	158,994,338	-6,068,107

4.5.3.3 Overall Development of Active Participants' Liabilities

Active participants' liabilities comprise the following:

Active participants' liabilities	Dec. 31, 2013	Dec. 31, 2012	Change
	CHF	CHF	CHF
Pension liabilities, annuity plan			
Actuarial reserves, active participants	0	4,033,083,149	-4,033,083,149
Pension liabilities, savings plan			
Retirement capital, active participants	5,465,308,827	1,410,176,765	4,055,132,062
Pension liabilities, lump-sum plan			
Retirement capital in the lump-sum plan	982,456,588	1,058,566,202	-76,109,614
Pension liabilities, Plan 58			
Retirement capital in Plan 58	152,926,231	158,994,338	-6,068,107
Total active participants' liabilities	6,600,691,646	6,660,820,454	-60,128,808

The annuity plan was terminated as of January 1, 2013. The pension liabilities of the active participants of the annuity plan were transferred to the retirement capital of the active participants of the savings plan.

4.5.4 Sum of BVG Retirement Accounts (Shadow Account)

The Pension Fund's benefits in all categories exceed the statutory (BVG) benefit levels many times over. On the balance sheet date, BVG retirement savings capital amounted to CHF 1,433.5 million (2012: CHF 1,486.8 million).

4.5.5 Pensioners' Liabilities

4.5.5.1 Development of Pensioners' Liabilities

Pensioners' liabilities comprise the following components:

Pensioners' liabilities	Dec. 31, 2013	Dec. 31, 2012	Change
	CHF	CHF	CHF
Pension liabilities, savings plan			
Retirement pensions	5,269,733,053	5,142,220,641	127,512,412
Temporary bridging pensions	83,532,879	79,187,795	4,345,084
Surviving spouse's pensions	578,841,704	571,497,743	7,343,961
Disability pensions	357,203,151	361,913,101	-4,709,950
Disability bridging pensions	22,073,803	22,008,195	65,608
Child and support pensions	31,892,919	32,275,874	-382,955
Pension liabilities, lump-sum plan			
Surviving spouse's pensions	9,703,288	10,086,712	-383,424
Disability pensions	26,633,397	28,012,765	-1,379,368
Child's pensions	3,644,467	3,947,541	-303,074
Total pensioners' liabilities	6,383,258,661	6,251,150,367	132,108,294

The annuity plan was terminated as of January 1, 2013. According to the type of pension, annuity plan pension liabilities were transferred to savings plan pension liabilities of the same pension type and are shown separately. The 2012 figures were regrouped accordingly for comparison.

4.5.5.2 Cost-of-Living Allowance for Pensioners

The Pension Fund seeks to compensate pensioners in part for the effects of inflation on current pensions. The Board of Trustees resolved not to increase the cost-of-living allowance due to a lack of non-committed funds. In order to guarantee cost-of-living allowances previously awarded, the Pension Fund has set aside actuarial reserves totaling CHF 216.4 million (2012: CHF 233.0 million), which are included under pensioners' liabilities. The fact that cost-of-living allowances previously awarded have been guaranteed does not, however, constitute an entitlement to any further increases.

4.5.6 Composition of, development of and explanation regarding actuarial reserves

Actuarial reserves	Dec. 31, 2013	Dec. 31, 2012	Change
	CHF	CHF	CHF
Reserves for increase in life expectancy	176,144,000	115,786,000	60,358,000
Reserves for reducing the technical interest rate	63,833,000	0	63,833,000
Reserves for actuarial risks	35,791,000	39,136,000	-3,345,000
Reserves for the plan changeover	0	269,382,030	-269,382,030
Total actuarial reserves	275,768,000	424,304,030	-148,536,030

4.5.6.1 Reserves for Increase in Life Expectancy

A provision of 1.5% (2012: 1.0%) of the pension liabilities in the savings plan was set aside to cover expected future increases in life expectancy. The reserve amounts to CHF 176.1 million (2012: CHF 115.8 million).

4.5.6.2 Reserves for Reducing the Technical Interest Rate

The technical interest rate used to measure the pension obligations was reduced to 3.0% with effect as of December 31, 2012. Due to the reduction in the pension conversion rate as of January 1, 2015, there will no longer be an underfunding deficit when participants retire. Until then, these losses will be financed out of risk premiums. Due to continuing low interest rate levels for fixed-income investments, the Board of Trustees has decided to lower the technical interest rate further. Over the next five years, from 2013 to 2017, a reserve of 1.0% of pension liabilities will be set aside each year to reduce the technical interest rate, making a total of 5%. With this reserve, it should be possible to lower the technical interest rate for measuring pension obligations to 2.5%. As of year-end 2013, the first reserve of CHF 63.8 million was established.

4.5.6.3 Reserves for Actuarial Risks

The reserve for actuarial risks is used to smooth out the financial impact of accumulated financial losses due to death and disability. It is formed on a flat-rate basis and amounts to 2.0% of total pensionable salary, corresponding to CHF 35.8 million (2012: CHF 39.1 million).

4.5.6.4 Reserves for the Plan Changeover

As of January 1, 2013, the last insured participants in the annuity plan were transferred to the savings plan. At this date CHF 269.4 million was charged to the reserve for the insured participants' individual retirement savings accounts.

In this way, the Pension Fund and the employer provided compensation for the financial consequences of the changeover in a socially-acceptable manner.

4.5.7 Conclusions of the Last Actuarial Report

In its actuarial report of December 31, 2013, the pension actuary summarized its findings as follows:

Mandate Description

As pension actuary, we prepared an actuarial report based on Art. 52e Para. 1 lit. a BVG, as assigned by the responsible persons of the Pension Fund of Credit Suisse Group (Switzerland).

Declaration of Independence

As pension actuary according to article 52a paragraph 1 BVG, we confirm that, within the meaning of Art. 40 BVV 2 and according to the directive of OAK BV W-03/2013, we are independent and that the evaluation results and recommendations are objective.

As the responsible pension actuary, we fulfill the professional prerequisites required under Art. 52d Para. 2 lit. a and b BVG regarding appropriate professional training and experience as well as knowledge of the relevant legal provisions, and are licensed by the supervisory commission on pension funds OAK BV based on personal qualifications under Art. 52d Para. 2 lit. c BVG regarding good reputation and trustworthiness.

Proviso

At the time our report was prepared, the report from the auditors of the Pension Fund of Credit Suisse Group (Switzerland) was not yet available. Our statements are subject to the proviso that there will be no further material changes to the financial statements and that the auditors will recommend them to the Board of Trustees for approval without restrictions.

Confirmation of Pension Actuary

This actuarial report on the Pension Fund of Credit Suisse Group (Switzerland) has been prepared according to the guiding principles and directives for pension actuaries and the specialized directive FRP 1, 2, 4 and 5 of the Swiss Chamber of Pension Actuaries.

The Pension Fund of Credit Suisse Group (Switzerland) reports its benefit obligations in the balance sheet on the basis of the actuarial principles of the 2010 BVG - P2010, using a technical interest rate of 3.0% for pensioners.

The financial situation as at December 31, 2013 shows

- *a surplus of net assets of CHF 1,537,302,947 and*
- *a funded status in accordance with the Notes to Art. 44 BVV 2 of 111.59%.*

In our view, the technical assumptions used (2010 BVG - P2010) are appropriate for the Pension Fund of Credit Suisse Group (Switzerland). The technical interest rate of 3.0% used for pensioners is in line with the reference interest rate stipulated in FRP guideline 4.

The ongoing increase in life expectancy has been taken into account by creating an appropriate provision.

Based on our assessment of the financial situation as at December 31, 2013, we confirm that:

- *The Pension Fund of Credit Suisse Group (Switzerland) offers the security in accordance with Art. 52e, Para. 1 BVG to fulfill its regulatory obligations. At 11.59%, the fluctuation reserve only reaches 73.4% of the regulatory reserve target of 15.8%, which means there continues to be a limited risk capacity with regard to the chosen investment strategy;*
- *Regulatory actuarial provisions on benefits and financing are in line with current statutory requirements;*
- *As expected, the benefit obligations are ensured through pension liabilities, technical provisions, contributions and expected investment income;*
- *Financial balance is ensured due to the expected mid-term development.*

Aon Hewitt (Switzerland) AG

The responsible expert: Pascal Renaud

Zurich, March 28, 2014

4.5.8 Actuarial Principles and Other Significant Actuarial Assumptions

Actuarial principles / technical interest rate	Dec. 31, 2013	Dec. 31, 2012
Actuarial principles	2010 BVG-P2010	2010 BVG-P2010
Technical interest rate for active participants / pensioners	na / 3.0%	4.0% / 3.0%

4.5.9 Funded Status under Art. 44 OPP 2 / BVW 2

The funded status as defined by Art. 44 BVV 2 is the ratio of net assets to pension liabilities, as calculated according to commercial criteria. The net assets correspond to assets less accrued liabilities and deferred income and the employer-paid contribution reserve. The pension liabilities correspond to the combined total of pension liabilities and actuarial reserves. At the end of the year under review, the funded status amounted to 111.6% (2012: 107.0%).

Funded status under Art. 44 BVW 2	Dec. 31, 2013	Dec. 31, 2012	Change
	CHF	CHF	CHF
Assets	14,956,371,797	14,481,209,411	475,162,386
Accrued liabilities and deferred income	-17,293,085	-21,626,455	4,333,370
Liabilities	-96,877,751	-100,455,518	3,577,767
Employer-paid contribution reserve	-45,179,707	-95,188,543	50,008,836
Retirement assets (RA)	14,797,021,254	14,263,938,895	533,082,359
Pension liabilities and actuarial reserves (PL)	13,259,718,307	13,336,274,851	-76,556,544
Funded status (in %) under Art. 44 OPP 2 / BVV 2 (RA/PL)	111.59	106.96	4.63

Development of the funded status (in %)										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Funded status under Art. 44 BVV 2 (in %)	115.6	112.8	111.3	100.1	104.9	104.9	101.3	107.0	111.6	

4.6 Explanatory Notes on Investments and Net Return on Investments

4.6.1 Organization of Investment Activities, Investment Advisors, Investment Managers, Investment Rules and Regulations

The Regulations Governing Investments and Provisions of the Pension Fund of Credit Suisse Group (Switzerland) govern the division of responsibilities, authority, and control functions between the Board of Trustees, the Investment Committee, and the Investment Manager of the Pension Fund.

A distinction is made between the three investment phases of strategic allocation, tactical allocation, and securities selection. The following bodies are responsible for the individual phases:

Strategic asset allocation	The Board of Trustees determines ranges and defines risk indicators
Tactical allocation	The Investment Committee defines risk limits and determines investment policy
Asset allocation within the prescribed ranges and risk limits	Investment Manager of the Pension Fund

Since January 1, 2005, asset management has been conducted by the asset managers employed by the Pension Fund. As well as managing a proportion of the assets themselves, they delegate asset management to Credit Suisse AG and other Group companies and external asset managers through various submandates.

The external asset managers are Alpha Associates AG, Swiss Rock Asset Management AG, SwissLife, Twelve Capital AG, Parsumo Capital AG, and Flossbach von Storch AG. The external mandates concentrate on the asset categories foreign equities, corporate credit bonds, infrastructure, insurance bonds and private equity. Real estate management is carried out by WINCASA AG.

Custody services are provided by Credit Suisse AG.

The Pension Fund obtains a detailed quarterly report on derivative operations from Credit Suisse AG. In addition, Credit Suisse AG prepares a compliance monitoring report, an investment report, and a risk report each month.

4.6.2 Expansion of Investment Possibilities (Art. 50, Para. 4, BVW 2)

The Pension Fund is pursuing the expanded investment possibilities in accordance with Arts. 53-56 and 56a, Paras. 1 and 5, as well as Art. 57, Para. 2 of BVW 2 by extending the limits for alternative investments and foreign currencies as follows:

Investment category	Limit in accordance with Art. 55 BVW 2 as % of total assets	Limit in accordance with the Regulations Governing Investments and Provisions as % of total assets	Current holdings as % of total assets
Alternative investments	0–15	10–25	13.6
Foreign currency investments	0–30	0–40	19.3

Since fall 2002, the Board of Trustees has invested the assets on the basis of a cautious investment strategy geared toward the preservation of capital. Alternative investment instruments supplement traditional investment instruments. The Board of Trustees makes its investment decisions on the basis of the asset/liability analysis prepared by Credit Suisse AG in 2012.

Selection, Management, and Monitoring of Investments

The Pension Fund is responsible for selecting and monitoring investments. At the level of individual securities, investments are managed mainly via mandates, most of which have been issued to Credit Suisse. The selection of investments based on borrower ratings is stipulated in contractual agreements and is monitored by Compliance at Credit Suisse, which provides a monthly compliance report to the Pension Fund.

Certainty and Risk Allocation of Investments

The Board of Trustees assigns top priority to the risk allocation of investments. To further spread the risk, the asset allocation is broadly diversified and supplemented by alternative investments. An evaluation of the alternative investments showed that the portfolio risk had been considerably reduced due to the lower correlation coefficients with the other asset classes.

Alternative investments are held via diversified or collective investments. As part of its private equity investments, the Pension Fund holds a direct venture portfolio worth CHF 7.6 million (2012: CHF 13.5 million). The Pension Fund acquired this portfolio from Credit Suisse AG in 2006. The private equity portfolio is managed and valued by Alpha Associates AG, Zurich.

4.6.3 Target Reserve for Fluctuations in Asset Value and Calculation of the Reserve

The Regulations Governing Investments and Provisions issued by the Board of Trustees prescribe the formation of a separate reserve for fluctuations in asset value based on criteria set by specialists. The target reserve for fluctuations in asset value must ensure financial stability over a period of one year with a probability of at least 98% (value-at-risk approach).

The reserve for fluctuations in asset value was calculated by the Private Banking & Wealth Management division of Credit Suisse AG with a probability of 98% based on the value-at-risk approach. The potential return was determined firstly based on historic data, and secondly by formulating expected returns for each asset category or by deriving them from an equilibrium model. Actuarial simulation of the full changeover to a defined contribution system was performed. The return required to stabilize the funded status is 3.1% per annum, which is achievable under the scenario used with a risk of 7.7%. The target for the fluctuation reserve is 15.8% in the year under review.

To achieve a fluctuation reserve of 15.8% by January 1, 2019, a target return of 4.4% is required (basis for the valuation is the 2012 ALM study).

Reserve for fluctuations in asset value	Dec. 31, 2013	Dec. 31, 2012	Change
Target in % of pension liabilities and actuarial reserves	15.8	15.8	
Target in CHF	2,095,040,000	2,107,130,000	-12,090,000
Existing reserve for fluctuations in asset value in CHF	1,537,302,947	927,664,044	609,638,903
Required to reach target in CHF	557,737,053	1,179,465,956	-621,728,903
Existing reserve for fluctuations in asset value as % of target	73.4	44.0	

4.6.4 Breakdown of Investments into Investment Categories (Financial Exposure)

In the year under review, the Board of Trustees and the Investment Committee continued to follow the cautious investment strategy introduced in fall 2002. Using overlay transactions (futures, forward-exchange contracts, swap transactions, etc.) the overall risk of the portfolio is controlled independently of the strategy of individual portfolio managers. Section 4.6.4.1 shows the actual asset allocation (financial exposure) on the balance sheet date. Foreign currencies are partially hedged, while equity exposure has been built up in part through futures. In addition, swap transactions are used to manage duration. Bonds with a term of less than one year are shown as a separate item under liquid funds, as their short maturities mean that they are more similar to fixed-term deposits with terms of up to one year and are therefore used like liquid funds as cover for derivatives. This has the effect of reducing the sum invested in bonds.

4.6.4.1 Total Assets after Set-off of Financial Derivative Instruments

Financial exposure (actual asset allocation)	2013	2012	2013	2012	Range	
	in CHF mn	in CHF mn	in %	in %	Min.	Max.
Liquid funds/money market investments CHF	2,208.6	1,884.4	14.8	13.1		
Direct account and money market investments	2,108.3	1,615.4				
Derivative	0.0	-105.1				
Bonds < 1 year to cover derivatives	100.3	374.1				
Liquid funds held in foreign currencies	-18.9	-625.4	-0.1	-4.3		
Direct	479.7	234.8				
Derivative	-498.6	-861.4				
Bonds < 1 year to cover derivatives	0.0	1.1				
Total liquid funds/money market invest.	2,189.7	1,259.0	14.7	8.7	0	30
Direct	2,588.0	1,850.3				
Derivative	-498.6	-966.5				
Bonds < 1 year to cover derivatives	100.3	375.2				
CHF bonds	1,852.1	2,146.3	12.4	14.9		
Direct and indirect	1,952.4	2,520.5				
Derivative	0.0	0.0				
Less bonds < 1 year to cover derivatives	-100.3	-374.1				
Foreign currency bonds	2,118.7	2,074.2	14.2	14.4		
Direct and indirect	2,118.7	2,347.6				
Derivative, exposure-increasing	0.0	0.0				
Derivative, exposure-reducing	0.0	-272.3				
Less bonds < 1 year to cover derivatives	0.0	-1.1				
Total bonds	3,970.8	4,220.5	26.6	29.3	20	45
Direct and indirect	4,071.1	4,868.1				
Derivative	0.0	-272.3				
Less bonds < 1 year to cover derivatives	-100.3	-375.2				
Equity investments in Switzerland	975.2	807.7	6.5	5.6		
Direct and indirect	975.2	702.6				
Derivative, exposure-increasing	0.0	105.1				
Derivative, exposure-reducing	0.0	0.0				
Equity investments outside Switzerland	4,073.3	3,903.2	27.3	27.1		
Direct and indirect	3,575.7	2,769.5				
Derivative, exposure-increasing	498.6	1,142.6				
Derivative, exposure-reducing	-1.1	-8.9				
Total equity investments	5,049.5	4,710.9	33.8	32.7	10	40
Direct and indirect	4,550.9	3,472.1				
Derivative	498.6	1,238.8				
Private equity	550.5	456.5	3.7	3.2	2	6
Hedge funds	764.8	1,406.9	5.1	9.8	5	15
Commodities	146.6	229.9	1.0	1.6	0	5
Infrastructure	119.4	145.1	0.8	1.0	0	3
Other alternative investments	446.8	345.2	3.0	2.4	0	6
Total alternative investments	2,028.2	2,583.6	13.6	18.0	10	25
Other investments	3.0	19.1	0.0	0.1	0	3
Direct real estate investments	1,117.7	1,077.6	7.5	7.5		
Indirect real estate investments	569.5	534.4	3.8	3.7		
Total real estate	1,687.3	1,612.0	11.3	11.2	8	15
Total investments	14,928.4	14,405.1	100.0	100.0		
Prepayments and accrued income	28.0	76.1				
Total assets	14,956.4	14,481.2				
Total in foreign currencies	2,888.0	1,986.0	19.3	13.7	0	40
Investments in Credit Suisse Group AG	301.3	391.0	2.0	2.7	0	5

4.6.4.2 Explanatory Notes on Liquidity and Securities Investments (excluding Real Estate Investments)

Liquid funds include bank deposits and money market claims. Bonds in overlay management with terms of up to one year are held to hedge exposure to derivative instruments. The financial account shows liquid funds amounting to 14.7% (2012: 8.7%) or CHF 2,190.8 million (2012: CHF 1,259.0 million). This item also includes current exposure from foreign-exchange forwards, which are used by the Pension Fund to partly hedge foreign currency exposure of CHF 87.5 million (2012: CHF 143.1 million).

Bond investments with a maturity of over one year amount to 26.6% or CHF 3,970.8 million (2012: 29.3% or CHF 4,220.5 million). At the balance sheet date, the Pension Fund held interest rate swap positions with a par value of EUR 40 million and USD 380 million (2012: none). The net present value on a CHF basis is 0.04 million and CHF 3 million. To hedge inflation risk, the Pension Fund entered into inflation-linked swap positions with a nominal value of EUR 130 million and USD 200 million; at the reporting date they had a net present value of CHF -2.6 million respectively.

Investments in **equities** rose to CHF 5,048.4 million or 33.8% of investments at the end of the reporting year (2012: CHF 4,710.9 million or 32.7%). In terms of derivatives, futures are used to increase exposure and, to a limited degree, call and put options are used to optimize returns.

Alternative investments include investments in hedge funds, private equity, commodities, infrastructure, and other alternative investments. After a structural adjustment to the portfolio, CHF 764.8 million was invested in hedge funds as of the balance sheet date (2012: CHF 1,406.9 million). As at December 31, 2013, the book value of the private equity investments amounted to CHF 550.5 million (2012: CHF 456.5 million). The value of the investments in commodities decreased from CHF 222.9 million to CHF 146.6 million. The reason for this decrease is the sale of commodity funds. CHF 119.4 million is invested in the infrastructure asset class (2012: CHF 145.1 million). As at the balance sheet date, CHF 446.8 million was invested in other alternative assets, compared to CHF 345.2 million at year-end 2012. The increase is due to the further development of insurance-linked strategies. The total value of the alternative assets fell to CHF 2,028.2 million, compared to CHF 2,583.6 million in 2012.

Mortgages are listed under **other investments**. The mortgages consist of a residual holding of CHF 3.0 million (2012: CHF 19.1 million). The considerable reduction is due to the repayment of a larger mortgage. Existing mortgage loans will be increased or extended on request, but in principle no new mortgage loans will be granted.

4.6.4.3 Explanatory Notes on Real Estate Investments

Real estate investments are divided into direct real estate investments of CHF 1,117.7 million (2012: CHF 1,077.6 million) and indirect real estate investments, such as real estate investment foundations, real estate investment funds, and real estate investment companies, of CHF 569.5 million (2012: CHF 534.4 million).

The largest indirect real estate investments are the Pension Fund's holdings in CS Real Estate Fund Property Plus, CHF 123.2 million (2012: CHF 116.1 million), in Swiss Prime Site AG, CHF 92.6 million (2012: 101.2 million), in CS 1a Immo PK real estate fund, CHF 87.4 million (2012: CHF 104.2 million), in CSA Real Estate Switzerland, CHF 75.4 million (2012: CHF 71.9 million) and in CS Real Estate Hospitality 33.2 million (2012: CHF 39.5 million).

The holding in direct real estate investments comprises the following:

Value of direct real estate investment at year-end	2013 in CHF mn	2012 in CHF mn	Change in %
Market value incl. investment in new buildings	1,117.7	1,077.6	3.7

Number of properties at year-end	2013	2012	Change in %
Number of properties owned directly (incl. properties under construction)	79	79	0
Number of co-owned properties	4	4	0
Total	83	83	0

4.6.4.4 Breakdown of Investments into Currencies

Most investments in private equity and other alternative investments are made in US dollars. This leads to undesirable currency risks vis-à-vis the Swiss franc that are hedged systematically.

As at the balance sheet date, some of the US dollar investments and the majority of the euro investments were hedged against the Swiss franc by means of foreign exchange forwards. After the hedging of foreign currencies, Swiss franc investments accounted for 80.7% of total investments, compared to 86.3% in 2012. The foreign-currency component of 19.3% of total assets is predominantly invested in the US dollar (9.0%) and in Asian currencies excluding Japan (3.6%) and in emerging markets (2.8%).

4.6.4.5 Compliance with the Limitation of Individual Borrowers Pursuant to Art. 54, 54a and 54b BVV 2

The Pension Fund complied with the limitation of individual borrowers pursuant to Art. 54, 54a and 54b BVV 2 throughout the year under review and at the balance sheet date.

4.6.5 Current (Open) Financial Derivative Instruments

In the Pension Fund, financial derivative instruments are used on a continuous basis to hedge risks. However, they are not used to exert a leverage effect on total assets. On the balance sheet date, the maximum investment limits in accordance with Art. 55 BVV 2 were complied with. Derivatives increasing exposure were covered by the available liquidity, and derivatives reducing exposure by the corresponding underlying assets. The market values of these derivatives are shown in section 4.6.4.1.

4.6.6 Open Capital Commitments

Within private equity and infrastructure investments, there was no call on the capital commitments of CHF 516 million (2012: CHF 416 million).

4.6.7 Securities Lending

Securities lending refers to the loan of Pension Fund securities to Credit Suisse AG 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, title or rights to the securities, together with the accessory rights, transfer to Credit Suisse AG. The Pension Fund, in contrast, acquires a claim for restitution of securities of the same type, quality, and quantity.

To secure the claim to the restitution of securities of the same type, quality, and quantity, Credit Suisse AG 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 securities lent.

The following may be used as collateral: interest-bearing bonds issued by the Swiss Confederation, cantons, and municipalities, as well as by companies that have a current long-term rating of at least 'A,' 'A2' or the equivalent from a ratings agency recognized by FINMA and are issued in the countries and currencies of an EU member state or the US, Canada, Australia, Switzerland, or Japan.

Equities which are traded on a stock exchange or another regulated market that is open to the public and established in Switzerland, an EU member state, or the US, and which have been issued by companies represented in the main stock exchange indices of the aforementioned countries, may also be used as collateral.

Equities and bonds of Credit Suisse Group AG, subsidiaries of Credit Suisse AG, and asset-backed securities may not be used as collateral.

Equities from a single issuer may represent no more than 2.5% of the total collateral value and of the market capitalization of said issuer, and corporate bonds may represent no more than 5% of the outstanding issue and of the total collateral value.

As of December 31, 2013, securities to the value of CHF 244.7 million (2012: CHF 178.4 million) were on loan. The countervalue of the collateral deposited was 105.2% of the securities lent.

4.6.8 Explanatory Notes on the Return on Investments

4.6.8.1 Overview of Performance and Risk

The performance of the total assets is calculated by Credit Suisse in accordance with the TWR method, which is in line with the corresponding international standards. Risk as a measurement of performance volatility corresponds to the simple standard deviation.

	Performance and risk					
	2009	2010	2011	2012	2013	Ø 2009–2013
	%	%	%	%	%	%
Performance	8.4	3.2	-0.6	8.1	7.2	5.2
Risk	3.5	3.2	3.8	2.8	3.6	3.5

The book-entry return, i.e. the net return on investments (excluding interest on the employer-paid contribution reserve) divided by average total assets during the year, equals 6.8% for the year under review (2012: 7.5%).

4.6.8.2 Average Values for Performance and Risk

	Performance and risk			
	Ø 1 year	Ø 3 years	Ø 5 years	Ø 10 years
	%	%	%	%
Performance	7.2	4.8	5.2	3.9
Risk	3.6	3.6	3.5	3.6

4.6.8.3 Performance Contribution by Investment Category

Investment category	2013		2012	
	ØWeight in %	Performance contribution in %	ØWeight in %	Performance contribution in %
Liquidity incl. overlay	14.5	-0.1	13.6	0.9
Bonds	31.3	0.0	33.1	1.1
Equities	28.1	6.2	22.1	4.8
Direct real estate investments	7.3	0.6	7.4	0.5
Indirect real estate investments	3.8	0.0	3.7	0.3
Hedge funds	5.9	0.1	10.6	0.1
Private equity	3.6	0.5	3.3	0.2
Infrastructure	1.1	0.2	1.2	0.1
Commodities	1.5	-0.4	0.9	-0.1
Other alternative investments	2.8	0.1	4.0	0.2
Mortgages	0.1	0.0	0.1	0.0
Total	100.0	7.2	100.0	8.1

The average weighting is obtained by dividing the sum of the monthly weightings by 12 months.

For reasons of diversification, the Pension Fund invests in equities of foreign companies, foreign currency bonds, and a broad range of alternative investments. These investments sometimes lead to unwanted foreign currency exposure. The overall risk of the portfolio is controlled using overlay transactions, and unwanted foreign currency exposure is hedged in Swiss francs. In the operating account, this is shown separately as "Income from currency management." The overlay transactions also include active and cost-efficient management of the interest rate and inflation risks using swaps, the results of which are reported under "Income from bonds" in the operating account. The result from the two overlay transactions is reported in the Liquidity investment category in the table above. The average equity weighting is based on the market value of the investments on the reporting date and not the exposure as modified by the futures positions. However, the impact of the equity futures positions is included in the performance contribution figure.

4.6.9 Explanatory Note on Asset Management Costs

4.6.9.1 Presentation of Cost-Transparent Asset Management

Management costs include all costs incurred in connection with asset management. 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, custody fees, and compliance and reporting costs. For the first time, asset management costs include the total cost of collective investments, inasmuch as the total expense ratio (TER) can be determined by the supervisory commission. Due to the TER reported in the operating account, asset management costs amount to CHF 62.1 million for the first time, after CHF 27.5 million in 2012.

The following table shows the transparent asset management costs and their share of total cost:

Asset management costs as of December 31, 2013	in CHF mn	in %
Direct asset management costs in CHF	28.3	45.6%
Total of all key cost figures for private equity in CHF	27.1	43.6%
Total of all key cost figures for other collective investments in CHF	6.7	10.8%
Total	62.1	100.0%

The collective investments, which show the sum of all key cost figures for other investments, are invested in Swiss bonds, foreign currency bonds, foreign equities, commodities, and indirect real estate. The sum of all key cost figures reflect an asset value of 3.01 billion.

If the asset value of the cost-transparent investments is viewed in relation to total assets, this results in the cost transparency quota as shown in the following table. This shows asset management costs as a percentage of cost-transparent investments:

Key figures as of 31.12.2013	in CHF mn	in %
Total cost-transparent investments	13,782.2	
Total investments	14,928.4	
Cost transparency ratio		92.3%
Asset management costs according to the operating account in % of cost-transparent asset management		0.45%

Taking the total expense ratio into consideration, the newly established asset management costs do not affect expenses since the respective costs have the effect of increasing the returns from the asset categories (see the respective positions in the operating statement under net results from investments).

4.6.9.2 Breakdown of Non-Transparent Investments (Art. 48a Para. 3 BVV2)

The non-transparent collective investments of CHF 1,146.3 million or 7.7% of assets are:

Asset category	Product name	ISIN	Provider	Units	31.12.2013	
					Market price (in CHF)	CHF mn
Hedge funds	Pensus	n/a	Credit Suisse AG	599,368.6	1,276.0	764.8
Private equity						
	LO Private Equity - Euro Choice LP	n/a	Lombard Odier			0.3
	CSFB Strategic Partners III VC, LP	n/a	Blackstone			3.5
	CSFB Strategic Partners III, LP	n/a	Blackstone			3.9
	DB Secondary Opportunities Fund A	n/a	Deutsche Bank AG			0.5
	DB Secondary Opportunities Fund C	n/a	Deutsche Bank AG			2.6
	DB Secondary Opportunities Fund D (DaVinci)	n/a	Deutsche Bank AG			2.2
	DB Secondary Opportunities Fund II	n/a	Deutsche Bank AG			4.3
Other alternative invest.						
Insurance-linked securities	IRIS P-Fund Cat Bonds	GG00B5V7T522	Credit Suisse AG	325,308.2	997.3	324.4
Insurance-linked securities	IRIS P-Fund Life		Credit Suisse AG	44,740.0	889.4	39.8
Total invested capital						1,146.3

4.6.10 Explanatory Notes on Investments in an Employer's Enterprise and the Employer-Paid Contribution Reserve

4.6.10.1 Investments in an Employer's Enterprise

As the employer, Credit Suisse Group AG and its subsidiaries transferred all employee and employer contributions to the Pension Fund on a monthly basis.

All investments with Credit Suisse Group AG or its subsidiaries are regarded as investments in an employer's enterprise in accordance with Art. 57 BVV 2 except for monies that are in the nature of business transactions rather than investments. 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. Gains and losses from foreign-exchange forwards and swap transactions are also reported under this item. Particularly due to the maturity of bonds, the amount of investments in an employer's enterprise was reduced.

Investments in an employer's enterprise (Art. 57 BVV 2)	31.12.2013	31.12.2012
	CHF mn	CHF mn
Liquidity required for operations	3,299.5	2,802.7
– of which liquid funds / money market investments	-3,214.2	-2,656.2
– of which gain/loss on foreign-exchange forwards and swap transactions	-85.3	-146.5
Bonds	45.9	172.5
Credit Suisse Group AG shares	146.5	109.2
Buffer capital notes	82.6	83.4
Real estate with rental income from Credit Suisse Group AG greater than 50%	26.3	25.9
Total investments in an employer's enterprise	301.3	391.0

The Board of Trustees receives regular information on the Pension Fund's total exposure to Credit Suisse Group AG and its subsidiaries and the liquidity required for operations.

4.6.10.2 Employer-Paid Contribution Reserve

In 2013, CHF 50 million from the employer-paid contribution reserve were released for employer contributions.

Change in the employer-paid contribution reserve	2013	2012	Change
	CHF	CHF	in CHF
Reserve at January 1	95,188,543	237,978,825	-142,790,282
Increase due to retained additional benefits purchased by employer	4,640,825	1,054,723	3,586,102
Establishment due to a surplus of actuarial reserves compensation	1,163,981	0	1,163,981
Establishment through special cases	196,229	0	196,229
Increase from employer for early retirement	3,967,308	5,302,707	-1,335,399
Released due to creation of reserve for the plan changeover	0	-139,346,617	139,346,617
Released by employer (sale of SPS)	0	-361,956	361,956
Released for financing employer contributions	-50,000,000	0	-50,000,000
Released through the departure of WINCASA	-1,521,390	0	-1,521,390
Released by employer for early retirement	-5,450,496	-9,439,139	3,988,643
Released withholding uplift CHANGEOVER	-3,315,114	0	-3,315,114
Released by increase in retirement capital	-1,593,950	0	-1,593,950
Reserve at December 31 before interest	43,275,936	95,188,543	-51,912,607
Interest on the reserve at beginning of year (2.0% / 2012: 0.0%)	1,903,771	0	1,903,771
Reserve at December 31	45,179,707	95,188,543	-50,008,836

4.7 Explanatory Notes on Other Balance Sheet and Operative Account Items

4.7.1 General Administration

After the deduction of income on services, the net expenses for General administration amounted to CHF 5.2 million, compared with CHF 5.5 million in 2012. The costs for the external auditor and supervision are not included. They are reported separately in the operative account.

4.7.2 Additional Employer Contribution (Actuarial Reserves)

The employer paid the Pension Fund a total of CHF 42.3 million (2012: CHF 42.1 million) in additional contributions to the actuarial reserves. This amount is used to compensate for the reduction in retirement benefits in the event of early retirement by insured participants and includes missing savings contributions from the time of early retirement until the official date of retirement or the missing actuarial reserves for insured participants who retire according to the transitional rules.

4.8 Supervisory Authority Requirements

No requirements have been imposed by the supervisory authority.

4.9 Further Information Regarding the Financial Situation

4.9.1 Partial Liquidations

Credit Suisse Fleet Management AG and WINCASA AG have left the Pension Fund after the dissolution of the affiliation contracts. The conditions for a partial liquidation of both companies have been met. From the partial liquidation, the 19 insured participants from Credit Suisse Fleet Management AG received a share of the actuarial reserves (CHF 47,000) and the fluctuation reserve (CHF 169,478). There were no disposable assets.

From the partial liquidation, the 618 insured participants (with 81 insured only against the risks of death and disability) and 54 pensioners from WINCASA AG received a share of the actuarial reserves (CHF 2.9 million) but none of the fluctuation reserve in accordance with the affiliation contract. There were no disposable assets. In addition, employer contribution reserves of CHF 1.5 million were transferred to the acquiring pension fund.

4.9.2 Pledge of Assets

The Pension Fund uses futures in order to manage the asset allocation more efficiently. 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 AG, have sufficient funding at all times, the Pension Fund has granted Credit Suisse AG a right of lien under a general deed of pledge. In order to secure the margin requirements on the accounts, a credit limit of CHF 950 million (equivalent to 6.4% of the investments) has been agreed with Credit Suisse AG by contract, which in addition to the funding margin for futures can be used to fund margin payments for OTC transactions and traded options contracts.

4.9.3 Legal Proceedings in Course

There are currently no significant legal proceedings in course.

4.10 Subsequent Events

None.



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