

**2014 Annual Report
Pension Fund of
Credit Suisse Group (Switzerland)**

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1. Introduction

Dear insured participants,
Dear pensioners

The Pension Fund of Credit Suisse Group (Switzerland) achieved a return of 7.3% in 2014 (2013: 7.2%). The funded status increased to 115.8% (2013: CHF 111.6%). This very pleasing performance allowed us to continue replenishing the reserve for fluctuations in asset value. However, the Pension Fund has not yet achieved its target. The Pension Fund has not yet been able to build up any non-committed funds and its risk capacity is thus still (slightly) limited.

Investment Activity

At the start of 2014, global equity markets continued seamlessly with the good performance of the previous year. However, from the third quarter, geopolitical tensions in Eastern Ukraine as well as the weak European economy weighed noticeably on equity markets and increased their volatility. Compared to the previous year, bond yields were down sharply in 2014. Driven by record low interest rates, high-quality government bonds lost their role as a natural hedge against equity risks and as a consistent provider of yield.

The past year's generally low returns forced traditional investors to search for new investment opportunities and take a closer look at non-traditional investments. In this environment, the Pension Fund increased its investments in corporate bonds denominated in foreign currencies (hedged against CHF) and senior secured loans with an appropriate risk / return ratio. The investment in private equity was increased again partly due to its low correlation and its diversification effect. The investment in loans to insurance companies also constitutes an additional and attractive return driver. In 2014, the Pension Fund used currency hedging to protect itself against major foreign currency fluctuations in order to mitigate possible losses in a volatile market environment.

Investment Philosophy

The Pension Fund of Credit Suisse Group (Switzerland) gives higher priority to the long-term stability of the portfolio than to short-term return maximization. In doing so, the Pension Fund refrains from a traditional benchmark comparison and follows a risk-oriented approach.

To secure both present and future benefit undertakings, it uses a periodic ALM study to calculate the return required to stabilize the funded status over the long term and, if possible, to build up reserves for fluctuations in asset value.

The Pension Fund bases its asset management on a robust core portfolio combined with an overlay strategy that enables rapid reaction to changing market conditions and tactical adjustments to be made to the asset allocation. Thanks to this flexibility, the Pension Fund was able to react to emerging volatility in the equity markets that was triggered by political unrest and by other events, such as decisions by central banks.

Key Figures

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	2014	2013	Change
			in %
Active participants with permanent employment contracts	18,908	20,193	-6.4
Pensioners as of January 1 of the following year	11,017	10,708	2.9
Total number of insured participants and pensioners	29,925	30,901	-3.2

Key Figures for the Pension Fund	2014	2013	Change
	in CHF mn	in CHF mn	in %
Total assets	15,689.3	14,956.4	4.9
Pension liabilities and actuarial reserves	13,373.9	13,259.7	0.9
Non-committed funds	0.0	0.0	n/a
Reserve for fluctuations in asset value	2,108.2	1,537.3	37.1
Pension benefits and lump-sum payments, termination benefits	1,183.5	1,332.9	-11.2
Contributions, lump-sum transfers on joining the Pension Fund, and purchases of pension benefits	846.6	819.5	3.3
Net return on investments	1,036.9	1,003.1	3.4
Funded status in %	115.8	111.6	3.8

New Location – Shorter Routes for Insured Participants

In August 2014, the Pension Fund of Credit Suisse Group (Switzerland) relocated to Giesshübelstrasse 62 in Zurich. Due to the relocation within the city of Zurich, the Pension Fund of Credit Suisse Group (Switzerland) is more easily accessible for the majority of insured participants. The shorter routes allow insured participants to take greater advantage of personal consultations for questions relating to pension fund benefits and to maintain closer personal contact with their pensions advisor.

As part of the move, the IT Data Center of the Pension Fund of Credit Suisse Group (Switzerland) also moved to a new location.

Technical Interest Rate, Cost-of-Living Allowances, and Review of Current Pensions

The technical interest rate used to value the pensioners' liabilities will be reduced from 3.0% to 2.5% by 2017. 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 required 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 provision, which will be accumulated during this time.

The Board of Trustees considers each year whether to raise the cost-of-living allowance. A cost-of-living adjustment is not mandatory for the Pension Fund of Credit Suisse Group (Switzerland), as the pensions paid are higher than the minimum pension stipulated by law. The last pension adjustment took place in 2007, and the cumulative increase in the cost of living since then amounts to 3.0%. Since the entry into force of the Swiss GAAP FER 26 accounting principles, cost-of-living allowances are only paid to pensioners out of non-committed funds. As the Pension Fund does not have any non-committed funds, and also in view of the prevailing and historically low inflation environment, the Board of Trustees decided not to grant a renewed increase in the cost-of-living allowance as of January 1, 2015.

The Pension Fund of Credit Suisse Group (Switzerland), together with the independent auditors, carried out an assessment of the 150 current orphan's pensions. The review yielded a positive result. No irregularities were found.

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

The Board of Trustees adopted the following resolutions, among others, in 2014:

- Approval of the 2013 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
- 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 administration cost and asset management budgets for 2015
- Setting of the retrospective interest rate at 2.5% for 2014 for all assets
- Setting of the prospective interest rate (exit interest rate) at 1.75% for 2015 for all assets

The Board of Trustees takes regular steps to enhance its expertise and skills in occupational pensions and general investment issues. In 2014, experts in the Pension Fund carried out training on the topics of variable annuities, risk management and accounting treatment under international accounting standards. 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 15 billion, more than 18,900 active insured participants, and more than 11,000 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 the US GAAP Accounting Standard. Any overfunding or underfunding of pension plans for active participants and for pensioners is recorded in the balance sheet accordingly. For more detailed figures and accompanying notes, please refer to the 2014 consolidated financial statements of Credit Suisse Group AG.

The results shown in the financial statements of Credit Suisse Group AG often differ 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 the funded status calculation 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)



Martin Wagner
Manager



Guido Bächli
Investment Manager



Matthias Hochrein
Chief Operating Officer



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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, 2014.

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, 2014 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
Zugelassener Revisionsexperte



Erich Meier
Zugelassener Revisionsexperte

Zurich, April 1, 2015

3. Balance Sheet and Operating Account

3.1 Balance Sheet

Assets	Explanatory note	31.12.2014		31.12.2013	
		CHF	%	CHF	%
Assets		15,663,638,891	99.8	14,928,391,312	99.8
Liquid funds / money market investments	4.6.4.2	2,566,465,022	16.4	2,587,989,995	17.3
Bonds		3,710,322,623	23.6	4,071,105,508	27.2
Equities		4,854,627,344	30.9	4,550,908,200	30.4
Alternative investments	4.6.4.3	2,851,150,753	18.2	2,028,155,561	13.6
Other investments		2,719,991	0.0	2,954,158	0.0
Direct real estate investments	4.6.4.4	1,140,989,919	7.3	1,117,745,000	7.5
Indirect real estate investments		537,363,239	3.4	569,532,890	3.8
Prepayments and accrued income		25,612,540	0.2	27,980,485	0.2
Total assets		15,689,251,431	100.0	14,956,371,797	100.0

Liabilities	Explanatory note	31.12.2014		31.12.2013	
		CHF	%	CHF	%
Liabilities		151,792,425	1.0	96,877,752	0.7
Termination benefits and pensions		92,375,657	0.6	85,465,385	0.6
Other liabilities		11,809,629	0.1	11,412,367	0.1
CSG Hardship Fund loan	4.7.2	47,607,139	0.3	0	0.0
Accrued liabilities and deferred income		2,750,336	0.0	17,293,085	0.1
Employer-paid contribution reserve	4.6.10	52,617,482	0.3	45,179,707	0.3
Pension liabilities and actuarial reserves	4.5	13,373,889,023	85.2	13,259,718,306	88.6
Active participants' liabilities		6,397,550,545	40.8	6,600,691,646	44.1
Pensioners' liabilities		6,574,782,478	41.9	6,383,258,660	42.7
Actuarial reserves	4.5.6	401,556,000	2.6	275,768,000	1.8
Reserve for fluctuations in asset value	4.6.3	2,108,202,165	13.4	1,537,302,947	10.3
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		15,689,251,431	100.0	14,956,371,797	100.0

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

3.2 Operating Account

	Explanatory note	2014 CHF	2013 CHF
Ordinary and other contributions and lump-sum transfers-in			
Employee contributions		201,303,186	212,732,880
Employer contributions		395,620,056	423,207,008
Withdrawal from the employer-paid contribution reserve to finance contributions		0	-50,000,000
Contributions from third parties		0	147,466
Additional employer contribution (actuarial reserves)	4.7.3	32,876,859	42,299,536
Purchase amounts and one-time payments		87,600,753	102,738,158
Transfers to employer-paid contribution reserve	4.6.10.2	9,487,974	3,967,308
Lump-sum transfers on joining the Pension Fund			
Termination benefit transfers		113,677,740	77,458,296
Transfers following take-over of participants in reserve for fluctuation in asset value		0	469,417
Reimbursements of withdrawals for home ownership		6,032,200	6,493,477
<i>Inflow from contributions and lump-sum transfers on joining the Pension Fund</i>		<i>846,598,768</i>	<i>819,513,546</i>
Regulatory benefits			
Retirement pensions		-388,949,110	-378,917,090
Survivors' pensions (spouses' pensions)		-55,416,530	-54,547,773
Survivors' pensions (orphan's pensions)		-1,892,325	-1,826,386
Disability pensions		-23,814,933	-23,120,200
Other regulatory benefits (AHV bridging pensions)		-32,971,646	-31,744,050
Lump-sum payments on retirement		-81,952,827	-93,230,772
Lump-sum payments upon death and disability		-2,340,579	-3,695,148
Termination benefits			
Termination benefits for leavers		-552,864,491	-651,438,159
Transfer of additional funds for collective withdrawals	4.9.1	0	-45,313,592
Withdrawals for home ownership and divorce		-43,257,394	-49,053,226
<i>Outflow for benefits and withdrawals</i>		<i>-1,183,459,835</i>	<i>-1,332,886,396</i>
Decreases / increases in pension liabilities			
Increase (-) / decrease (+) in active participants' pension liabilities	4.5.3	355,370,043	60,128,808
Interest on active participants' pension liabilities*		-152,228,942	0
Increase (-) / decrease (+) in pensioners' liabilities	4.5.5	-191,523,816	-132,108,294
Increase (-) / decrease (+) in actuarial reserves	4.5.6	-125,788,000	148,536,030
Increase (-) / decrease (+) in employer-paid contribution reserve	4.6.10.2	-6,214,656	51,912,607
Insurance cost			
Contributions to Security Fund		-1,403,689	-2,021,203
<i>Increases in pension liabilities and insurance cost</i>		<i>-121,789,060</i>	<i>126,447,948</i>
<i>Net result of insurance activities</i>		<i>-458,650,127</i>	<i>-386,924,902</i>

*) new, more transparent disclosure for 2014 (contained in increase (-) / decrease (+) in pension liabilities in 2013)

		2014	2013
	Explanatory note	CHF	CHF
Net return on investments			
Income from liquid funds / money market investments		25,630,493	-53,365,452
Income from bonds		149,308,989	12,147,013
Income from stocks and shares		671,105,357	893,545,103
Income from alternative investments		511,108,910	105,572,928
Income from other investments		69,975	691,429
Income from direct real estate investments		65,143,732	86,691,933
Income from indirect real estate investments		52,176,728	2,209,260
Income from currency management		-295,638,921	19,596,274
Interest on CSG Hardship Fund loan		-132,928	0
Interest on employer-paid contribution reserve	4.6.10.2	-1,223,120	-1,903,771
Asset management costs	4.6.9	-140,650,943	-62,079,779
Net return on investments		1,036,898,272	1,003,104,938
Other income		20,488	19,056
Other expenses		-531,278	-1,045,663
Administration expenses			
General administration		-6,486,875	-5,211,224
Statutory auditor and pension actuary		-305,390	-258,872
Supervisory authorities		-45,872	-44,430
Total administration expenses		-6,838,137	-5,514,526
Income surplus / expense surplus before adding to, or releasing from, reserves for fluctuation in asset value		570,899,218	609,638,903
Increase (-) / decrease (+) in reserves for fluctuation in asset value		-570,899,218	-609,638,903
Income surplus (+) / expense surplus (-)		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 126,900 (2014 figure).

4.1.3 Plan Statutes and Regulations

Deed of Foundation, dated October 5, 2012

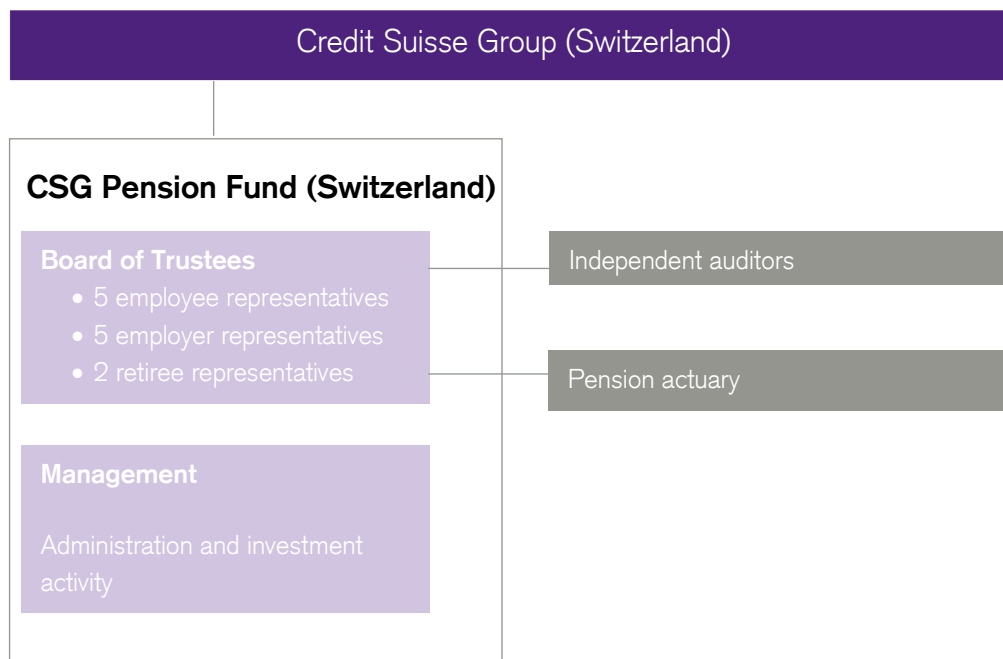
Retirement Savings Plan Regulations, dated October 1, 2013, in force since January 1, 2014

Organizational Regulations, 2015 edition, in force since December 2, 2014

Regulations Governing Investments and Provisions, 2015 edition, in force since September 30, 2014

Regulations on Partial Liquidation, 2013 edition, approved 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 2013-2016)

Employer Representatives

Philip Hess, Chairman, Zurich

Marco Illy, Zurich (until April 15, 2014)

Christine Gatti, Zurich (from October 31, 2014)

Christian G. Machate, Zurich

Hans-Ulrich Meister, Zurich

Nicole Pauli, Zurich

Employee Representatives

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

Nannette Hechler-Fayd'herbe, Zurich, Credit Suisse AG, German-speaking Switzerland

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

Marco Lucheschi, Lugano, Credit Suisse AG, Ticino (until December 31, 2014)

Massimiliano Tagliabue, Lugano, Credit Suisse AG, Ticino (from February 5, 2015)

Daniel Leuthardt, Aarau, NAB AG, affiliated companies

Retiree Representatives

Hanspeter Kurzmeyer, employer representative, Zurich

Martin Klaus, employee representative, Zurich

4.1.5.2 Investment Committee

Philip Hess, Chairman, Zurich
Frédéric Baechler, Lausanne
Nannette Hechler-Fayd'herbe, Zurich
Thomas Isenschmid, Zurich
Hans-Ulrich Meister, Zurich
Nicole Pauli, Zurich

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 (until April 15, 2014)
Christine Gatti, Zurich (from October 31, 2014)
Martin Klaus, Zurich

4.1.5.5 Training Committee (since December 2, 2014)

Thomas Isenschmid, Chairman, Zurich
Matthias Hochrein, representative of Pension Fund management, Zurich

4.1.5.6 Voting Rights Committee

Philip Hess, Chairman, Zurich
Thomas Isenschmid, Zurich
Martin Klaus, Zurich
Urs Bracher, Manager, Zurich (up to March 31, 2014)
Martin Wagner, Manager, Zurich (from April 1, 2014)

4.1.5.7 Management

Urs Bracher, Manager, member of Pension Fund management, Zurich (up to March 31, 2014)
Martin Wagner, Manager, member of Pension Fund management, Zurich (from April 1, 2014)
Guido Bächli, Investment Manager, member of Pension Fund management, Zurich
Matthias Hochrein, COO, 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, 2014, 16 different companies with close business and financial ties to Credit Suisse Group AG were affiliated with the Pension Fund of Credit Suisse Group (Switzerland).

The following changes are shown for 2014:

- Metropol Partners AG was renamed Sound Capital AG.
- An affiliation contract was concluded with Credit Suisse International Advisors AG (CSIA) in June 2014. CSIA, which was established by former employees of Credit Suisse AG, has close business and financial ties with Credit Suisse AG. CSIA was fully reintegrated into Credit Suisse AG in December 2014.
- An affiliation contract was concluded with Credit Suisse Energy Infrastructure Partners AG (CSEIP) in July 2014. CSEIP, which was established by former employees of Credit Suisse AG, has close business and financial ties with Credit Suisse AG.

31.12.2014		31.12.2013	
No.	Name of the company	No.	Name of the company
1	Credit Suisse Group AG	1	Credit Suisse Group AG
2	Credit Suisse AG	2	Credit Suisse AG
3	Neue Aargauer Bank AG	3	Neue Aargauer Bank AG
4	BANK-now AG	4	BANK-now AG
5	CS Solution Partners AG	5	CS Solution Partners AG
6	Credit Suisse Trust AG	6	Credit Suisse Trust AG
7	Fides Treasury Services AG	7	Fides Treasury Services AG
8	Ex-Clariden Leu		
9	CS Sec. USA LLC	8	CS Sec. USA LLC
10	CS AG Singapore Branch	9	CS AG Singapore Branch
11	Swiss Kiosk-Inhaberverb.	10	Swiss Kiosk-Inhaberverb.
12	Pension Fund of CSG (Switzerland)	11	Pension Fund of CSG (Switzerland)
13	Corby SA	12	Corby SA
14	Sound Capital AG (ex-Metropol Partners AG)	13	Metropol Partners AG
15	CSIA International Advisors (CSIA)		
16	CS Energy Infrastructure Partners AG (CSEIP)		

In 2013, the former Clariden Leu AG was integrated into Credit Suisse AG. As part of a professional reorientation, a small number of insured were still listed under Clariden Leu until December 31, 2014 and are shown as a separate institution.

Furthermore, 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 listed Swiss share-issuing companies. 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 may 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 Voting Rights Committee also determines the voting modalities on the following issues:

- Election of the members of the Board of Directors, Chairman of the Board of Directors, members of the Compensation Committee and the independent proxy
- Provisions of the articles of incorporation relating to compensation, and
- Remuneration of the Board of Directors, the Executive Board, and the Advisory Board.

The Voting Rights Committee generally takes its decisions by circular letter following a proposal made by the Investment Manager. The decision is deemed valid if no objections are filed by the members within the prescribed time limit. Resolutions are passed with a majority of votes cast. If votes are tied, the meeting chairman has the casting vote.

For the first time in 2014, the Pension Fund has set out the voting modalities in detail in a separate report on its website. The Voting Rights Committee rejected a number of motions in 2014, notably those concerning the compensation report, the compensation of the Board of Directors and the Executive Board, as well as the election or re-election of certain members of the Board of Directors or of committees.

4.1.8.2 Integrity and Loyalty of the Responsible Persons

The Pension Fund is 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.

In 2014, the Organizational Regulations underwent thorough revision, along with the loyalty and integrity regulations contained within them. On the one hand, its content was aligned more closely to the ASIP Charter. On the other, the Board of Trustees - at the request of the Audit Committee - augmented the provisions regarding the observance of loyalty and integrity regulations in accordance with Art. 53a BVG in conjunction with Art. 48f to 48l BVV 2.

This means that all internal staff of the Pension Fund - including the members of the Board of Trustees, its committees, the Executive Board, management staff, asset management employees and now also all other administrative employees - must issue a confirmation of compliance to the Pension Fund using a standardized form. 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.

The requirement for external staff (entrusted with asset management tasks) to submit a loyalty declaration continues to apply.

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. Both the related accounts and the payments made are checked in detail by the Pension Fund.

4.1.8.4 Remuneration of the Board of Trustees and the Committees

Employer and employee representatives and members designated by the Pension Fund Management shall not be compensated for participating in the Board of Trustees and its committees. The retiree representatives shall receive an annual one-time payment and a meeting attendance fee as follows:

	Annual one-time payment	Attendance fee
	in CHF	in CHF
Board of Trustees	2,000	1,500
Investment Committee (IC)	1,000	750
Voting Rights Committee (VC)	–	750
Compensation Committee (CC)	–	750
Audit Committee (AC)	1,000	750
Training Committee (TC)	–	750

Effective costs shall be reimbursed against proof of expenditure. The course fees and effective outlay by trustees and committee members for necessary training linked to occupational benefits issues shall be reimbursed.

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, 2013	12,758	7,435	20,193
New participants	1,194	785	1,979
Departures (total)	-2,020	-1,244	-3,264
of which through disability	-21	-20	-41
of which through retirement	-233	-153	-386
of which through change of job	-1,758	-1,068	-2,826
of which through death	-8	-3	-11
No. of participants at December 31, 2014	11,932	6,976	18,908
Change in number of persons	-826	-459	-1,285
Change in %	-6.5	-6.2	-6.4

4.2.2 Changes in Pensioner Numbers

Pensioners	Men		Women		Total	
	1.1.2015	1.1.2014	1.1.2015	1.1.2014	1.1.2015	1.1.2014
Retirement pensions	5,043	4,894	3,098	2,989	8,141	7,883
Disability pensions	301	279	317	306	618	585
Surviving spouse's pensions	120	113	1,548	1,553	1,668	1,666
Support pensions	18	17	8	9	26	26
Child's pensions	293	279	271	269	564	548
Total pensioners	5,775	5,582	5,242	5,126	11,017	10,708
Change in number of persons		193		116		309
Change in %		3.5		2.3		2.9

The number of pensioners changed as follows:

	2014	2013
Number of pensioners at the beginning of the financial year	10,708	10,515
New pensioners		
Retired active participants	393	393
Retiree disability pensions	33	39
Disability pensions	59	46
Surviving spouse's pensions	80	102
Support pensions	1	3
Child's pensions	139	120
Termination of pension entitlement		
Death of retiree	-168	-205
Death of disability pensioner	-3	-19
Reactivation of disability pensioner	-7	-
Retirement of disability pensioner	-29	-39
Death of spouse	-78	-78
Expiry of child's pension & support pension	-124	-116
Partial liquidation Wincasa	-	-57
Corrections*	13	4
Number of pensioners at the end of the financial year	11,017	10,708

*) correction owing to double-count

4.2.3 Age Structure of Active Participants and Pensioners

Average age of insured participants	on Dec. 31, 2014	on Dec. 31, 2013
Men	42.5	40.9
Women	40.9	39.2
Average age of pensioners	on Jan. 1, 2015	on Jan. 1, 2014
Retirement pensions, men	72.0	71.8
Retirement pensions, women	72.3	72.2
Disability pensions	53.8	53.1
Surviving spouse's pensions	76.8	76.4
Child's pensions	18.5	18.6

4.3 Implementation of Objectives

4.3.1 Pension Plans, Financing, Financing Method

As an autonomous pension institution, the Pension Fund has the legal form of a foundation. It operates the savings plan and the lump-sum plan, both on a defined contribution basis. 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.

4.3.1.1 Pension Benefits and Contributions in the Savings Plan

The savings plan insures all employees as stipulated by the BVG. This plan insures the fixed annual salary (twelve monthly salary payments) minus a coordination deduction. 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, up to 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.

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. The maximum amount of the savings component of the pensionable salary is 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 66⅔% 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.

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 Mortgage Deeds (Swiss Mortgages)

Mortgage deeds (Swiss mortgages) are recognized 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, 2014, the range for the discount rate was between 3.8% and 4.8% (2013: 3.9% 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 alternative investments is tested for stable market value by independent experts, corrected where necessary, and extrapolated to the balance sheet date. The task of checking the NAV is performed by the relevant asset manager, plausibilized by the Pension Fund, and discussed and analyzed in regular meetings with the asset manager.

4.4.2.5 Other Assets

Other investments, claims and current account deposits are recognized at par value or market prices, 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

There have been no changes in accounting policy or bookkeeping since the previous year.

4.5 Actuarial Risks / Risk Benefit Coverage / Funded Status

4.5.1 Overview of Actuarial Balance Sheet

Actuarial balance sheet	31.12.2014	31.12.2013	Change
Actuarial principles	2010 BVG - P2010	2010 BVG - P2010	
Technical interest rate (active participants / pensioners)	n.a. / 3.0%	n.a. / 3.0%	
	CHF	CHF	CHF
Pension liabilities, savings plan			
Retirement pensions	5,436,339,408	5,269,733,053	166,606,355
Temporary bridging pensions	90,039,864	83,532,879	6,506,985
Surviving spouse's pensions	586,843,574	578,841,704	8,001,870
Disability pensions	365,850,334	357,203,151	8,647,183
Disability bridging pensions	25,003,102	22,073,803	2,929,299
Child's pensions and support pensions	33,699,649	31,892,919	1,806,730
Active participants' retirement capital	5,347,140,836	5,465,308,827	-118,167,991
Pension liabilities, lump-sum plan			
Surviving spouse's pensions	5,840,198	9,703,288	-3,863,090
Disability pensions	28,041,834	26,633,397	1,408,437
Child's pensions	3,124,516	3,644,467	-519,951
Active participants' retirement capital	911,607,204	982,456,588	-70,849,384
Pension liabilities, Plan 58			
Active participants' retirement capital for early retirement	138,802,505	152,926,231	-14,123,726
Total pension liabilities	12,972,333,022	12,983,950,307	-11,617,285
Actuarial reserves			
Reserves for increase in life expectancy ¹	236,138,000	176,144,000	59,994,000
Reserves for reducing the technical interest rate ²	131,496,000	63,833,000	67,663,000
Reserves for actuarial risks ³	33,922,000	35,791,000	-1,869,000
Total actuarial reserves	401,556,000	275,768,000	125,788,000
Pension liabilities and actuarial reserves	13,373,889,022	13,259,718,307	114,170,715
Assets	15,689,251,431	14,956,371,797	732,879,634
Liabilities			
Accrued liabilities, deferred income, and other liabilities	154,542,761	114,170,836	40,371,925
Employer-paid contribution reserve	52,617,482	45,179,707	7,437,775
Reserve for fluctuations in asset value	2,108,202,165	1,537,302,947	570,899,218
Total liabilities and provisions	2,315,362,408	1,696,653,490	618,708,919
Net assets	13,373,889,022	13,259,718,307	114,170,715
Pension liabilities and actuarial reserves	13,373,889,022	13,259,718,307	114,170,715
Non-committed funds	0	0	0
Funded status (in %) under Art. 44 BVV 2	115.8	111.6	4.2

¹ 2.0% of pension liabilities, savings plan excl. temporary annuities (2.0% = 0.5% x (2014–2010), 2013: 1.5%)

² 2.0% of pension liabilities for pensioners as a general provision (2.0% = 1.0% x (2014–2012), 2013: 1.0%)

³ 2.0% of pensionable salaries as a general provision

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 savings plan	2014	2013	Change
	CHF	CHF	CHF
Retirement capital as of January 1	5,465,308,827	1,410,176,765	4,055,132,062
Transfer of pension liabilities from annuity plan	0	4,033,083,149	-4,033,083,149
Credits for changeover	0	259,992,879	-259,992,879
Purchase amounts	69,679,396	80,627,030	-10,947,634
Termination benefit transfers	111,816,349	76,168,696	35,647,653
Reimbursements of withdrawals for home ownership	4,056,962	5,530,426	-1,473,464
Termination benefits for leavers	-456,446,413	-550,549,661	94,103,249
Withdrawals for encouragement of home ownership / divorce	-22,983,689	-26,208,164	3,224,475
Savings contributions by employees	173,172,769	185,143,136	-11,970,367
Savings contributions by employer	255,936,620	274,579,420	-18,642,800
Missing employer savings contributions on early retirement	20,454,687	23,995,027	-3,540,340
Employer back payments on early retirement	15,680,719	18,304,509	-2,623,790
Transfer from lump-sum plan to the savings plan for retirement	9,545,430	4,570,414	4,975,016
Transfer from Plan 58 to savings plan for retirement	6,542,204	8,088,931	-1,546,727
Transfer from savings plan to lump-sum plan	-40,000	0	-40,000
Interest paid on savings capital (2014: 2.5% / 2013: 2.0%)	126,670,904	105,853,231	20,817,673
Post-financing charged to the Pension Fund on retirement	4,615,876	11,624,047	-7,008,171
Increases to retirement capital from the employer-paid contribution reserve	293,005	1,593,950	-1,300,945
Annuitizing retirement capital on retirement	-380,174,033	-374,297,405	-5,876,628
Withdrawal of retirement capital on retirement	-30,331,285	-48,438,744	18,107,459
Released pension liabilities due to death	-5,918,850	-5,154,048	-764,802
Released pension liabilities due to disability	-18,083,829	-22,082,818	3,998,989
Retirement credit reserves for changeover	-4,806,165	-9,154,504	4,348,339
Transfer of external insured participants' savings contributions from lump-sum plan and Plan 58	358,273	0	358,273
Accruals/deferrals at period end / Miscellaneous	1,793,079	1,862,561	-69,483
Retirement capital as of December 31	5,347,140,836	5,465,308,827	-118,167,991

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	2014	2013	Change
	CHF	CHF	CHF
Retirement capital as of January 1	982,456,588	1,058,566,202	-76,109,614
Purchase amounts	6,868,190	5,701,241	1,166,949
Termination benefit transfers	2,005,005	1,289,600	715,405
Transfer from Plan 58 to the lump-sum plan	0	4,051	-4,051
Transfer from savings plan to lump-sum plan	40,000	0	40,000
Repayment of withdrawals for home ownership	1,230,750	948,052	282,698
Termination benefits for leavers	-82,009,288	-85,698,246	3,688,958
Withdrawals for encouragement of home ownership / divorce	-16,563,525	-19,083,204	2,519,680
Savings contributions by employees	27,906,472	27,425,353	481,119
Savings contributions by employer	24,121,912	23,806,780	315,132
Interest paid on savings capital (2014: 2.5% / 2013: 2.0%)	22,117,187	19,334,641	2,782,546
Released pension liabilities due to death	-673,282	-290,994	-382,288
Released pension liabilities due to disability	-1,041,352	-1,070,712	29,360
Withdrawal of retirement capital on retirement	-45,980,298	-44,402,226	-1,578,072
Transfer to the savings plan for annuities	-9,545,430	-4,570,414	-4,975,016
Transfer of external insured participants' savings contributions to the savings plan	-136,023	0	-136,023
Accruals / deferrals at period end / Miscellaneous	810,299	496,464	313,835
Retirement capital as of December 31	911,607,204	982,456,588	-70,849,384

Savings capital in Plan 58	2014	2013	Change
	CHF	CHF	CHF
Retirement capital as of January 1	152,926,231	158,994,338	-6,068,107
Purchase amounts	10,909,554	16,374,011	-5,464,457
Repayment of withdrawals for home ownership	744,488	15,000	729,488
Termination benefits for leavers	-14,078,253	-13,253,785	-824,468
Withdrawals for encouragement of home ownership / divorce	-3,001,399	-3,761,858	760,459
Interest paid on savings capital (2014: 2.5% / 2013: 2.0%)	3,440,851	3,032,602	408,249
Released pension liabilities due to death	-419,276	0	-419,276
Released pension liabilities due to disability	-34,679	0	-34,679
Transfer to the savings plan to finance retirement pensions	-6,542,204	-8,092,982	1,550,778
Withdrawal of retirement capital on retirement	-4,641,913	-389,802	-4,252,111
Transfer of external insured participants' savings contributions to the savings plan	-222,250	0	-222,250
Accruals / deferrals at period end / Miscellaneous	-278,646	8,707	-287,353
Retirement capital as of December 31	138,802,505	152,926,231	-14,123,726

4.5.3.3 Overall Development of Active Participants' Liabilities

Active participants' liabilities comprise the following:

Active participants' liabilities	31.12.2014	31.12.2013	Change
	CHF	CHF	CHF
Pension liabilities, savings plan			
Retirement capital, active participants	5,347,140,836	5,465,308,827	-118,167,991
Pension liabilities, lump-sum plan			
Retirement capital in the lump-sum plan	911,607,204	982,456,588	-70,849,384
Pension liabilities, Plan 58			
Retirement capital in Plan 58	138,802,505	152,926,231	-14,123,726
Total active participants' liabilities	6,397,550,545	6,600,691,646	-203,141,101

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 1,365.3 million (2013: CHF 1,433.5 million).

4.5.5 Pensioners' Liabilities

4.5.5.1 Development of Pensioners' Liabilities

Pensioners' liabilities comprise the following components:

Pensioners' liabilities	31.12.2014	31.12.2013	Change
	CHF	CHF	CHF
Pension liabilities, savings plan			
Retirement pensions	5,436,339,408	5,269,733,053	166,606,355
Temporary bridging pensions	90,039,864	83,532,879	6,506,985
Surviving spouse's pensions	586,843,574	578,841,704	8,001,870
Disability pensions	365,850,334	357,203,151	8,647,183
Disability bridging pensions	25,003,102	22,073,803	2,929,299
Child's pensions and support pensions	33,699,649	31,892,919	1,806,730
Pension liabilities, lump-sum plan			
Surviving spouse's pensions	5,840,198	9,703,288	-3,863,090
Disability pensions	28,041,834	26,633,397	1,408,437
Child's pensions	3,124,516	3,644,467	-519,951
Total pensioners' liabilities	6,574,782,478	6,383,258,661	191,523,818

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. Owing to a lack of non-committed funds, the Board of Trustees decided in 2014 not to award a cost-of-living allowance.

Cost-of-living allowances awarded in previous years have been financed in full and are included under pensioners' liabilities. The awarding of cost-of-living allowances in the past does not, however, imply an entitlement to any further increases.

4.5.6 Composition of, Development of and Explanation Regarding Actuarial Reserves

Actuarial reserves	31.12.2014	31.12.2013	Change
	CHF	CHF	CHF
Reserves for increase in life expectancy	236,138,000	176,144 000	59,994,000
Provision for reducing the technical interest rate	131,496,000	63,833 000	67,663,000
Reserves for actuarial risks	33,922,000	35,791 000	-1,869,000
Total actuarial reserves	401,556,000	275,768,000	125,788,000

4.5.6.1 Reserves for Increase in Life Expectancy

A provision of 2.0% (2013: 1.5%) of the pension liabilities in the savings plan was set aside to cover expected future increases in life expectancy. The reserve amounts to CHF 236.1 million (2013: CHF 176.1 million).

4.5.6.2 Provision for Reducing the Technical Interest Rate

Due to continuing low interest rate levels for fixed-income investments, the Board of Trustees decided in 2013 to lower the technical interest rate further. It was decided that, from 2013 until 2017, a provision of 1.0% of pension liabilities will be set aside each year for five years to reduce the technical interest rate, making a total of 5%. With this provision, it should be possible to lower the technical interest rate for measuring pension obligations to 2.5%. As of the end of 2014, the provision was increased to CHF 131.5 million (2013: CHF 63.8 million).

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. This flat-rate provision amounts to 2.0% of total pensionable salary and corresponds to CHF 33.9 million (2013: CHF 35.8 million).

4.5.7 Conclusions of the Last Actuarial Report

In its actuarial report of December 31, 2014, the pension actuary summarized its findings as follows:

Mandate Description

As pension actuary, we have been tasked by the responsible persons at the Pension Fund of Credit Suisse Group (Switzerland) (hereinafter: "the Fund") to establish an actuarial report based on Art. 52e, Para. 1 BVG.

Declaration of Independence

As pension actuary within the meaning of Art. 52a Para.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. We are licensed by the Swiss Supervisory Commission on Occupational Pensions (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 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 Fund has been prepared in accordance with the code of conduct for the members of the Swiss Chamber of Pension Actuaries (SKPE) as well as their specialist directives.

The Pension Fund of Credit Suisse Group (Switzerland) reports its benefit obligations in the balance sheet on the basis of the actuarial principles of 2010 BVG - P2010, using a technical interest rate of 3.0%. The financial situation of the Fund on December 31, 2014 shows:

- a surplus of net assets of CHF 2,108,202,165;
- a funded status in accordance with the Notes to Art. 44 BVV 2 of 115.76% (2013: 111.59%);
- a reserve for fluctuations in asset value of CHF 2,108,202,165;
- no non-committed funds.

Our confirmation is based on the application of the following elements and their assessment for the Fund:

- the actuarial principles and the technical interest rate;
- the specialist principles for the valuation of obligations;
- the security measures taken to cover the actuarial risks;
- the level of the reserve for fluctuations in asset value;
- accessibility to restructuring;
- current financing;
- the expected medium-term development of the financial situation.

Based on our review of the Fund at December 31, 2014, we can confirm in accordance with Art. 52e, BVG that, as of that date,

- the Fund provides sufficient security to ensure that it can fulfill its regulatory obligations at all times;
- regulatory actuarial provisions on benefits and financing are in line with current statutory requirements.

Aon Hewitt (Switzerland) AG

The responsible expert: Martin Siegrist

Zurich, March 9, 2015

4.5.8 Actuarial Principles and Other Significant Actuarial Assumptions

Actuarial principles / technical interest rate	31.12.2014	31.12.2013
Actuarial principles	2010 BVG - P2010	2010 BVG - P2010
Technical interest rate for active participants / pensioners	n.a. / 3.0%	n.a. / 3.0%

4.5.9 Funded Status under Art. 44 BVV 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 was 115.8% (2013: 111.6%).

Funded status under Art. 44 BVV 2	31.12.2014	31.12.2013	Change
	CHF	CHF	CHF
Assets	15,689,251,431	14,956,371,797	732,879,634
Accrued liabilities and deferred income	-2,750,336	-17,293,085	14,542,749
Liabilities	-151,792,425	-96,877,751	-54,914,674
Employer-paid contribution reserve	-52,617,482	-45,179,707	-7,437,775
Retirement assets (RA)	15,482,091,188	14,797,021,254	685,069,933
Pension liabilities and actuarial reserves (PL)	13,373,889,022	13,259,718,307	114,170,715
Funded status (in %) under Art. 44 BVV 2 (RA/PL)	115.8	111.6	4.2

Development of the funded status	2006	2007	2008	2009	2010	2011	2012	2013	2014
Funded status under Art. 44 BVV 2 in %	112.8	111.3	100.1	104.9	104.9	101.3	107.0	111.6	115.8

4.6 Explanatory Notes on Investments and Net Return on Investments

4.6.1 Organization of Investment Activities, Investment Advisors, Investment Managers, Investment 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 of 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 asset allocation. 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 guidelines and determines investment policy
Asset allocation within the prescribed ranges and risk guidelines	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, BlackRock, Vontobel, and Flossbach von Storch AG. The external mandates concentrate on the asset categories Swiss equities, 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, BVV 2)

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

Investment Category	Limit in accordance with Art. 55 BVV 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	18.2
Foreign currency investments	0–30	0–40	18.6

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 1.3 million (2013: CHF 7.6 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 derived on the one hand from historic data and, on the other hand, by determining conservative expected returns for each asset category on the basis of an equilibrium model. 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).

Preparatory work for the 2015 ALM study began in 2014.

Reserve for fluctuations in asset value	31.12.2014	31.12.2013	Change
Target in % of pension liabilities and actuarial reserves	15.8	15.8	
Target in CHF	2,113,070,000	2,095,040,000	18,030,000
Existing reserve for fluctuations in asset value in CHF	2,108,202,165	1,537,302,947	570,899,218
Required to reach target in CHF	4,867,835	557,737,053	-552,869,218
Existing reserve for fluctuations in asset value as % of target	99.8	73.4	

4.6.4 Breakdown of Investments into Investment Categories (Financial Exposure)

The Pension Fund continues to base its asset management on a robust core portfolio combined with an overlay strategy that enables rapid responses to changing market conditions and tactical adjustments to the asset allocation. 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)	2014	2013	2014	2013	Range	
	in CHF mn	in CHF mn	in %	in %	Min.	Max.
Liquid funds / money market investments CHF	2,313.9	2,208.6	14.8	14.8		
Direct account and money market investments	2,032.6	2,108.3				
Derivative	172.4	0.0				
Bonds < 1 year to cover derivatives	108.9	100.3				
Liquid funds / money market investments in foreign currencies	923.7	-18.9	5.9	-0.1		
Direct	533.9	479.7				
Derivative	324.8	-498.6				
Bonds < 1 year to cover derivatives	65.0	0.0				
Total liquid funds / money market investments	3,237.6	2,189.7	20.7	14.7	0	- 30
Direct	2,566.5	2,588.0				
Derivative	497.2	-498.6				
Bonds < 1 year to cover derivatives	174.0	100.3				
CHF bonds	903.6	1,852.1	5.8	12.4		
Direct and indirect	1,012.5	1,952.4				
Derivative	0.0	0.0				
Less bonds < 1 year to cover derivatives	-108.9	-100.3				
Foreign currency bonds	2,632.8	2,118.7	16.8	14.2		
Direct and indirect	2,697.8	2,118.7				
Derivative, exposure-increasing	0.0	0.0				
Derivative, exposure-reducing	0.0	0.0				
Less bonds < 1 year to cover derivatives	-65.0	0.0				
Total bonds	3,536.4	3,970.8	22.6	26.6	20	- 45
Direct and indirect	3,710.3	4,071.1				
Derivative	0.0	0.0				
Less bonds < 1 year to cover derivatives	-174.0	-100.3				
Equity investments in Switzerland	909.0	975.2	5.8	6.5		
Direct and indirect	1,081.4	975.2				
Derivative, exposure-increasing	0.0	0.0				
Derivative, exposure-reducing	-172.4	0.0				
Equity investments outside Switzerland	3,448.4	4,073.3	22.0	27.3		
Direct and indirect	3,773.2	3,575.7				
Derivative, exposure-increasing	10.1	498.6				
Derivative, exposure-reducing	-334.9	-1.1				
Total equities	4,357.4	5,049.5	27.8	33.8	10	- 40
Direct and indirect	4,854.6	4,550.9				
Derivative	-497.2	498.6				
Hedge funds	952.6	764.8	6.1	5.1	0	- 10
Private equity	733.6	550.5	4.7	3.7	2	- 6
Insurance-linked investments	425.2	364.2	2.7	2.4	0	- 5
Commodities	159.5	146.6	1.0	1.0	0	- 5
Infrastructure	119.3	119.4	0.8	0.8	0	- 3

Other loans and debt securities	461.0	82.6	2.9	0.6	0	-	8
Other non-traditional investments	0.0	0.0	0.0	0.0	0	-	3
Total alternative investments	2,851.2	2,028.2	18.2	13.6	10	-	25
Other investments	2.7	3.0	0.0	0.0	0	-	3
Direct real estate investments	1,141.0	1,117.7	7.3	7.5			
Indirect real estate investments	537.4	569.5	3.4	3.8			
Total real estate	1,678.4	1,687.3	10.7	11.3	8	-	15
Total investments	15,663.6	14,928.4	100.0	100.0			
Prepayments and accrued income	25.6	28.0					
Total assets	15,689.3	14,956.4					
Total foreign currencies	2,914.2	2,888.0	18.6	19.3	0	-	40
Investments in Credit Suisse Group AG	287.7	301.3	1.8	2.0	0	-	5

4.6.4.2 Explanatory Notes on Liquidity

Liquid funds / money market investments 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 20.7% (2013: 14.7%) or CHF 3,237.7 million (2013: CHF 2,189.7 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 176.6 million (2013: CHF 87.6 million).

4.6.4.3 Explanatory Notes on Securities Investments (excluding Real Estate Investments)

Bond investments with a maturity of over one year amount to 22.6% or CHF 3,536.3 million (2013: 26.6% or CHF 3,970.8 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 (2013: EUR 40 million / USD 380 million). The net present value on a CHF basis is -2.3 million and CHF -11.4 million (2013: CHF 0.04 million / 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 (2013: EUR 130 million / USD 200 million) with a net present value on a CHF basis of -9.6 million and CHF -9.6 million on the balance sheet date (2013: CHF -2.6 in each case).

The investments in **equities** at the end of the reporting year accounted for 27.8% of total assets or a value of CHF 4,357.4 million (2013: CHF 5,049.5 million or 33.8%). The share of equities is lower than in the previous year, as the equivalent of CHF 334.9 million in foreign equities were hedged using futures.

Alternative investments include investments in hedge funds, private equity, insurance linked securities, commodities, infrastructure, and other loans and debt securities. The hedge fund portfolio was increased during the year under review. This increases the value of the portfolio to CHF 952.6 million compared to CHF 764.8 million in the previous year. In addition, the private equity portfolio with an investment value as of December 31, 2014 was expanded further by CHF 733.6 million, or a share of 4.7%. The prior-year figures are CHF 550.5 million, or 3.7%. While the proportion accounted for by commodities (1.0% or CHF 159.5 million) and infrastructure investments (0.8% or CHF 119.3 million) was largely unchanged in terms of total assets, the value of the insurance-linked investments rose from CHF 364.2 million or 2.4% as of December 31, 2013 to a balance sheet value of CHF 425.2 million (2.7%). This was due to positive currency changes, as insurance-linked investments are primarily denominated in USD. In the "other loans and debt securities" category, investments were made in senior secured loans in the form of a new mandate. This increases the value of this category from CHF 82.6 million or 0.6% to CHF 461.0 million or 2.9%.

The proportion of alternative investments increased year-on-year. The total value of the alternative assets comes to CHF 2,851.2 million or 18.2%, compared to CHF 2,028.2 million or 13.6% in the previous year. The Pension Fund thus continued the strategy of using alternative investments to increase the stability of the total assets and improve diversification. In addition, alternative investments make it possible to exploit opportunities in the financial markets and thus make an additional contribution to the overall return (see also 4.6.8.3).

Swiss mortgages are listed under **other investments**. The mortgages consist of a residual holding of CHF 2.7 million (2013: CHF 3.0 million). Existing mortgage loans will be increased or extended on request, but in principle no new mortgage loans will be granted.

4.6.4.4 Explanatory Notes on Real Estate Investments

Real estate investments are divided into direct real estate investments of CHF 1,141.0 million (2013: CHF 1,117.7 million) and indirect real estate investments, such as real estate investment foundations, real estate investment funds, and real estate investment companies, of CHF 537.4 million (2013: CHF 569.5 million).

The largest indirect real estate investments are the Pension Fund's holdings in the real estate fund CS 1a Immo PK (CHF 126.1 million; 2013: CHF 87.4 million), in CS Real Estate Fund Property Plus (CHF 117.1 million; 2013: CHF 123.2 million), in CSA Real Estate Switzerland (CHF 82.4 million; 2013: CHF 75.4 million), in Swiss Prime Site AG (CHF 55.4 million; 2013: CHF 92.6 million), and in CS Real Estate Hospitality (CHF 29.8 million; 2013: CHF 33.2 million).

The holding in direct real estate investments comprises the following:

Value of direct real estate investment at year-end	2014 in CHF mn	2013 in CHF mn	Change in %
Market value incl. investment in new buildings	1,141.0	1,117.7	2.1

Number of properties at year-end	2014	2013	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

4.6.4.5 Breakdown of Investments into Currencies

The alternative investments in particular are almost exclusively in USD. This leads to undesirable foreign currency risks vis-à-vis the CHF that are hedged systematically.

As at the balance sheet date, some of the USD investments and almost all of the EUR investments were hedged against the CHF by means of foreign-exchange forwards. After the hedging of foreign currencies, CHF investments accounted for 81.4% of total investments, compared to 80.7% in the previous year. The foreign-currency component of 18.6% of total assets is predominantly invested in USD (8.9%), in Asian currencies excluding Japan (3.7%), and in currencies of emerging markets (3.0%).

4.6.4.6 Compliance with the Limitation of Individual Borrowers Pursuant to Art. 54, 54a and Art. 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 619 million (2013: CHF 516 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.

In order 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 borrowed securities.

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, 2014, securities to the value of CHF 80.6 million (2013: CHF 244.7 million) were on loan. The countervalue of the collateral safekeeping account corresponded to 106.4% (2013: 105.2%) of the securities lent.

4.6.8 Explanatory Notes on the Return on Investments

4.6.8.1 Overview of Performance

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.

Performance	2010	2011	2012	2013	2014	∅ 2010–2014
in %	3.2	−0.6	8.1	7.2	7.3	5.0
Average performance	∅ 1 year	∅ 3 years	∅ 5 years	∅ 10 years		
in %	7.3	7.5	5.0	4.2		

The risk or currently expected volatility (ex-ante) of the portfolio is 4.8% p.a.

4.6.8.2 Performance Contribution by Investment Category

Investment category	2014		2013	
	Av. weight in %	Performance contribution in %	Av. weight in %	Performance contribution in %
Liquidity incl. overlay	19.4	-2.9	14.5	-0.1
Bonds	23.4	2.1	31.3	0.0
Equities	29.6	4.6	28.1	6.2
Direct real estate investments	7.4	0.4	7.3	0.6
Indirect real estate investments	3.7	0.3	3.8	0.0
Hedge funds	5.6	1.0	5.9	0.1
Private equity	4.1	0.6	3.6	0.5
Infrastructure	0.9	0.3	1.1	0.2
Commodities	1.0	0.1	1.5	-0.4
Other alternative investments	4.9	0.7	2.8	0.1
Mortgages	0.0	0.0	0.1	0.0
Total	100.0	7.3	100.0	7.2

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 CHF. 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. Moreover, the asset management costs include the total cost of collective investments, inasmuch as the total expense ratio (TER) can be determined by the supervisory commission. In 2014, it was possible to calculate recognized total expense ratios for hedge funds and insurance-linked securities, as well as other private equity vehicles. The total expense ratios also include performance-related fees figuring in the accounts that need not yet be realized. The Pension Fund has thus been able to substantially improve cost transparency in comparison with the previous year from 92.3% to 99.9%.

Due to this additional disclosure of total expense ratios in the operating account, asset management costs are now stated at CHF 140.7 million compared to CHF 62.1 million in the previous year.

The following table shows the transparent asset management costs (based on the cost transparency ratio of 99.9% as of the balance sheet date) and their share of total costs:

Asset management costs	2014	2013	2014	2013
	in CHF mn	in CHF mn	in %	in %
Direct asset management costs	28.8	28.3	20.5	45.6
Total of all key cost figures for private equity ¹	41.0	27.1	29.1	43.6
Total of all key cost figures for hedge funds ²	47.1	0.0	33.4	0.0
Total of all key cost figures for traditional collective investments	7.9	6.7	5.6	10.8
Total of all key cost figures for other alternative collective investments	16.0	0.0	11.4	0.0
	140.7	62.1	100.0	100.0

¹ 2014: additional reporting of cost transparency ratios for individual vehicles

² 2014: full reporting of cost transparency ratios for all vehicles in this investment category

The collective investments, which reflect the sum of all key cost figures for traditional investments, are invested in Swiss bonds, foreign currency bonds, Swiss equities, foreign equities, and indirect real estate. The sum of all key cost figures for alternative investments comprises insurance-linked investments, commodities, infrastructure, and other loans and debt securities such as senior secured loans and loans to insurers.

The following table shows the market values of the cost-transparent collective investment schemes and compares these with the respective key cost figures:

Key cost figures in % as of December 31, 2014	Cost figure	Market value	Asset management costs
	in CHF mn	in CHF mn	in %
Total of all key cost figures for private equity	41.0	653.8	6.3
Total of all key cost figures for hedge funds	47.1	952.6	4.9
Total of all key cost figures for traditional collective investments	7.9	3,393.1	0.2
Total of all key cost figures for other alternative collective investments	16.0	981.4	1.6

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

Key cost figures	2014	2013	2014	2013
	in CHF mn	in CHF mn	in %	in %
Total cost-transparent investments	15,644.3	13,782.2		
Total assets	15,663.6	14,928.4		
Cost transparency ratio			99.9	92.3
Asset management costs according to the operating account in % of cost-transparent asset management			0.90	0.45

The asset management costs calculated using the total expense ratio have no net effect on expenses, since the respective costs have the effect of increasing the returns from the asset categories (see the respective positions in the operating account under net results from investments). The related costs are also factored into the investment performance.

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

The non-transparent collective investments of CHF 19.3 million or 0.1% of assets comprise the following items:

Asset category	Product name	ISIN	Provider	31.12.2014 CHF mn
Private equity				
	LO Private Equity - Euro Choice LP	n/a	Lombard Odier	0.0
	CSFB Strategic Partners III VC, LP	n/a	Blackstone	3.1
	CSFB Strategic Partners III, LP	n/a	Blackstone	4.2
	DB Secondary Opportunities Fund A	n/a	Deutsche Bank AG	0.4
	DB Secondary Opportunities Fund C	n/a	Deutsche Bank AG	1.7
	DB Secondary Opportunities Fund D (DaVinci)	n/a	Deutsche Bank AG	1.9
	DB Secondary Opportunities Fund II	n/a	Deutsche Bank AG	8.0
Total invested capital				19.3

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. Account must also be taken of a special FSIO regulation whereby current accounts with the employer that are used solely for business transactions rather than investments are not classed as investments in an employer's enterprise if the employer is a bank (section 486 in notice on occupational pension provision no. 84). 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. The total figure for investments in an employer's enterprise declined slightly in the reporting period.

Investments in an employer's enterprise (Art. 57 BVV 2 taking into account the special regulations of the Federal Social Insurance Office)	31.12.2014	31.12.2013
	CHF mn	CHF mn
Bonds	45.3	45.9
Credit Suisse Group AG shares	130.6	146.5
Buffer capital notes	85.9	82.6
Real estate with rental income from Credit Suisse Group AG greater than 50%	25.9	26.3
Total investments in an employer's enterprise	287.7	301.3

The following assets are subject to the special FSIO regulations:

Liquidity required for operations	31.12.2014	31.12.2013
	CHF mn	CHF mn
Liquidity required for operations	2,873.6	3,299.5
– of which liquid funds / money market investments	3,083.3	3,214.2
– of which gain / loss on foreign-exchange forwards and swap transactions	–209.7	85.3

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

No contributions were paid from the employer-paid contributions reserve during the year under review.

Change in the employer-paid contribution reserve	2014	2013	Change
	CHF	CHF	CHF
Reserve at January 1	45,179,707	95,188,543	–50,008,836
Increase due to retained additional benefits purchased by employer	2,373,753	4,640,825	– 2,267,072
Establishment due to a surplus of actuarial reserves compensation	607,297	1,163,981	–556,684
Establishment through special cases	26,972	196,229	–169,257
Increase from employer for early retirement	9,487,974	3,967,308	5,520,666
Released for financing employer contributions	0	–50,000,000	50,000,000
Released through the departure of WINCASA	0	–1,521,390	1,521,390
Released by employer for early retirement	– 4,217,519	–5,450,496	1,232,977
Released withholding uplift CHANGEOVER	–1,328,121	–3,315,114	1,986,993
Released by increase in retirement capital	–735,701	–1,593,950	858,249
Reserve at December 31 before interest	51,394,362	43,275,936	8,118,426
Interest on the reserve at beginning of year (2.5% / 2013: 2.0%)	1,223,120	1,903,771	–680,651
Reserve at December 31	52,617,482	45,179,707	7,437,775

4.7 Explanatory Notes on Other Balance Sheet and Operating Account Items

4.7.1 General Administration

Expenses for general administration amounted to CHF 6.5 million as compared with the previous year's figure of CHF 5.2 million. In 2014, the Pension Fund moved into new premises at Giesshübelstrasse 62 that are rented from Credit Suisse AG. This move was accompanied by an outsourcing of the computing center. These expenses are the main reason for the increase in administration expenses.

Both the project costs and the acquisition costs are fully reflected in the administration expenses. The costs for the external auditor and the costs of supervision are not included under general administration. They are reported separately in the operating account.

4.7.2 CSG Hardship Fund Loan

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 loan was aimed at saving effort and costs and at simplifying procedures.

As of November 30, 2014, the Hardship Fund granted the Pension Fund a loan of CHF 47.474 million. The term of the loan is indefinite. The amount of the loan can at any time be reduced or increased by the Hardship Fund in the context of liquidity planning. In return for the loan, the Hardship Fund receives interest (current account interest) corresponding to the performance of the Pension Fund's total assets for the calendar year in question. Should the total assets of the Pension Fund return a positive performance, the loan will be increased accordingly; in the event of a negative performance of the Pension Fund's total assets, the loan will be reduced in line with such negative performance (loss-sharing). The performance of the Pension Fund's total assets applicable to the interest or loss share will be calculated by Credit Suisse AG in accordance with the TWR (time-weighted return) method. Calculation in accordance with the TWR method will take account of the majority of costs incurred.

4.7.3 Additional Employer Contribution

In 2014, the employer paid the Pension Fund a total of CHF 32.9 million (2013: CHF 42.3 million) in additional contributions for employees retiring. This amount is used to compensate for the reduction in retirement benefits in the event of early retirement by insured participants and includes voluntary contributions, 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

There were no partial liquidations in 2014.

4.9.2 Pledging of Assets

To manage the asset allocation more efficiently, the Pension Fund uses equity index futures in particular. These transactions are operated using margin accounts, on which profits and losses are settled on a daily basis. In order to ensure that these accounts, which are held at Credit Suisse 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 totaling CHF 1.5 billion. In order to secure the margin requirements on the accounts mentioned, a credit limit of CHF 950 million (equivalent to 6.1% of the investments compared to 6.4% in the previous year) has been contractually agreed 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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