

Pension Fund
of Credit Suisse Group (Switzerland)



2019 Annual Report Abridged version





Investments

For many years, the Pension Fund of Credit Suisse Group (Switzerland) has successfully relied on a combination of a robust core portfolio and dynamic overlay management. Following a very good 2017 (+9.0%), we managed to preserve much of the capital in the challenging year of 2018 (-2.2%), and in 2019 we were able to profit from the high returns on capital markets. We laid the foundations in the fourth quarter of 2018, and in 2019 achieved a return of 11.3%, which is among the best returns in the history of our Pension Fund.

The Board of Trustees regards sustainable investments and consideration of Environmental, Social, and Governance (ESG) criteria as key priorities. The previous Voting Committee was therefore merged with the ESG Working Group in the reporting year and renamed the ESG Committee. This committee has developed its own voting policy for the exercise of voting rights for Swiss equities. The voting behavior is described in detail on the Pension Fund's website. Furthermore, two additional companies have been added to the exclusion list. The Pension Fund's exclusion list is based on the exclusion list of the Swiss Association for Responsible Investments.

**Use of the performance:
Interest on retirement savings capital**

The Board of Trustees deliberately attaches greater weight to security through the formation of the reserves for fluctuations in asset value and the technical reserves than to the direct participation of the active participants in the performance. An investment performance of 11.3% was generated; of this figure, around 8% was required to lower the valuation rate for pension obligations and revalue retirement losses. In view

of the above, the Board of Trustees set an interest rate of 2.25% on the retirement savings capital for 2019. At the same time, it defined a prospective interest rate of 1.0% for 2020.

1e pension plan

The Pension Fund has dedicated a lot of time to converting the existing retirement capital savings plan into a 1e plan: The new 1e plan offers insured participants with a salary subject to AHV contributions of over CHF 127,980 the opportunity to select one of six investment strategies for their pension assets. Since mid-August 2019, it has been possible for insured participants to determine their individual risk profile and select their investment strategy via the MyPension portal for insured participants. The capabilities of the portal were significantly extended in preparation for the introduction of the 1e plan in January 2020, and the portal complies with stringent requirements for security and data protection through features such as two-factor authentication.

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

Management:
Martin Wagner, Manager
Guido Bächli, Chief Investment Officer
Matthias Hochrein, Chief Operating Officer
Roger Nigg, Chief Pension Services
Sebastian Krejci, Chief Risk Officer

This abridged version of the Annual Report comprises the key facts, figures, and events for the 2019 financial year. You will find the detailed Annual Report on the Pension Fund's website at www.credit-suisse.com/pensionfund.

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Key figures

Coverage ratio

116.4%

Total assets

CHF 17.9 billion

Performance

11.3%

Reserve for fluctuations
in asset value

CHF 2.4 billion

Technical interest rate

1.4%

Balance sheet	2019 in CHF mn	2018 in CHF mn
Total assets	17,869	16,342
Active participants' liabilities	6,373	6,161
Pensioners' liabilities	8,173	7,827
Actuarial provisions	617	355
Reserve for fluctuations in asset value	2,430	1,736

Operative account	2019 in CHF mn	2018 in CHF mn
Employee contributions	205	205
Employer contributions	394	396
Purchase amounts	104	112
Net return on investments	1,792	411
Termination benefits on leaving the Pension Fund	446	545
Retirement pensions paid out	418	418
Surviving spouse's pensions paid out	63	62
Disability pensions paid out	23	23

The Pension Fund of Credit Suisse Group (Switzerland), with total assets of some CHF 17.9 billion, over 17,700 active participants, and more than 11,200 pensioners, is one of the largest pension funds in Switzerland. After a difficult investment year in 2018, the Pension Fund achieved an encouraging return of +11.3% in 2019.

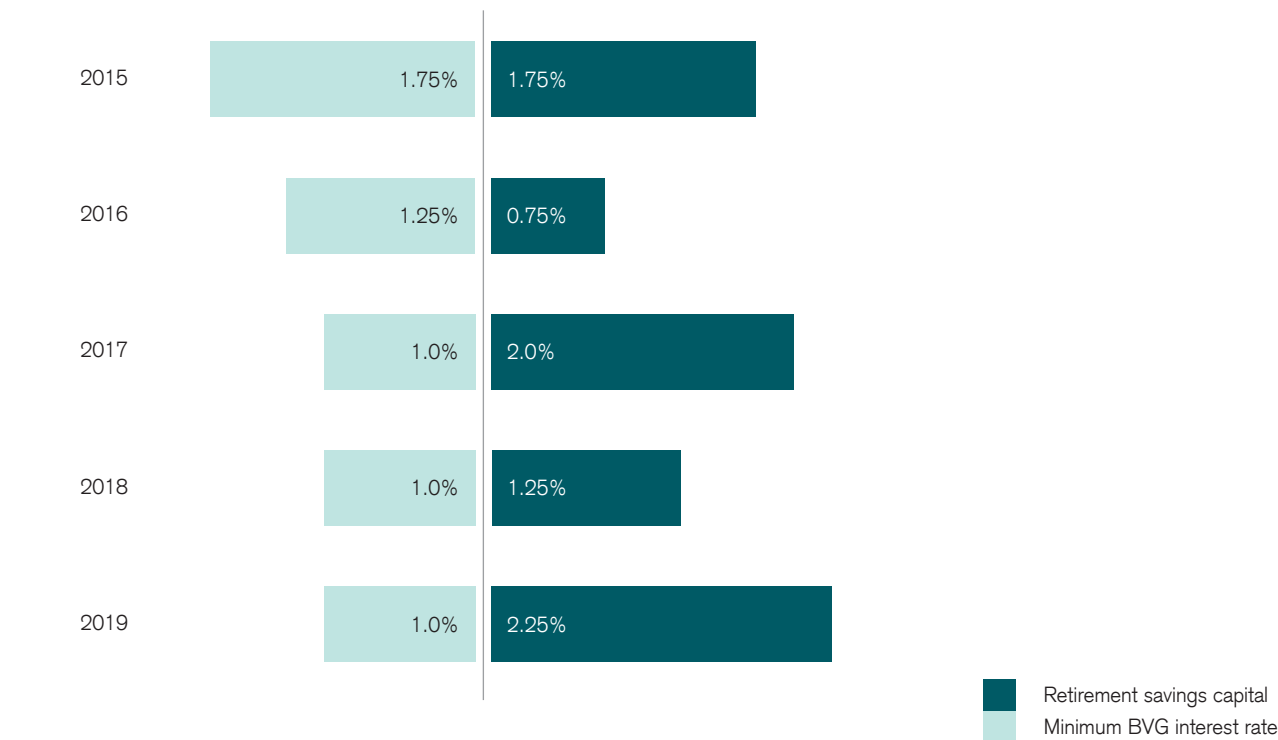
The net return on investments quadrupled year over year and total assets increased by CHF 1.5 billion. Following a reduction of CHF 500 million in 2018, the reserve for fluctuations in asset value was replenished in the amount of almost CHF 700 million.



Interest on retirement savings capital

The Board of Trustees of the Pension Fund set an interest rate of 2.25% on the retirement savings capital for the 2019 reporting year. The minimum BVG interest rate is 1.0%.

Comparison of interest on retirement savings capital and minimum BVG interest rate, 2015–2019

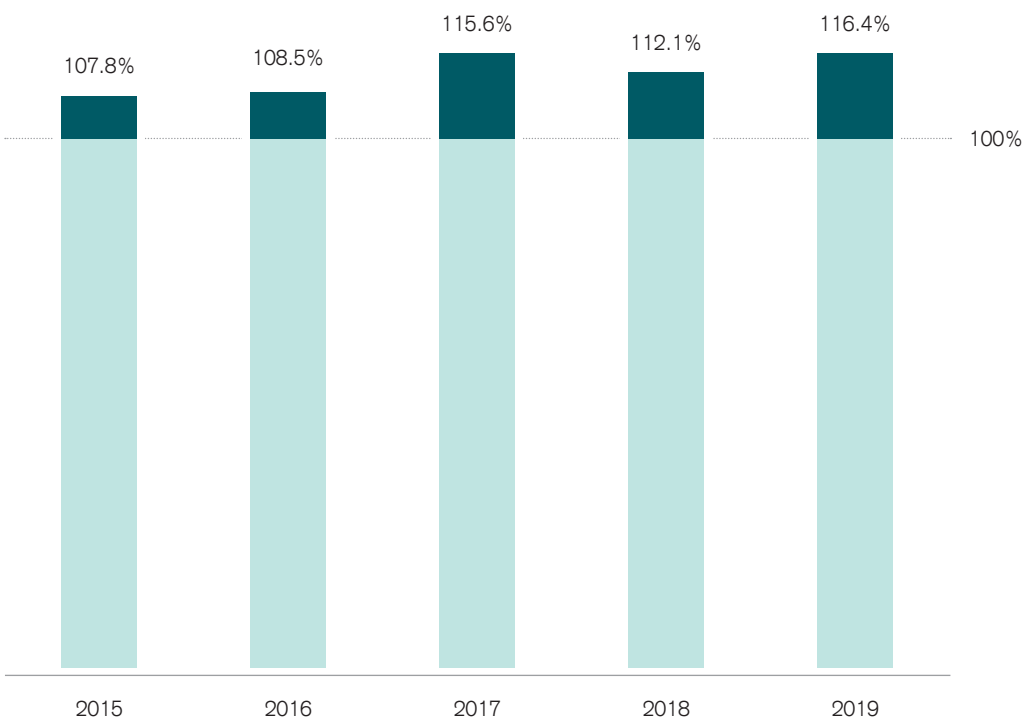


As an all-encompassing pension fund, the Pension Fund of Credit Suisse Group (Switzerland) pays interest on the entire retirement savings capital – including the extra-mandatory portion – at the interest rate set by the Board of Trustees. The Board of Trustees deliberately attaches greater weight to security through the formation of the reserves for fluctuations in asset value and the technical reserves than to the direct participation of the active participants in the performance. In view of the above, the Board of Trustees set an interest rate of 2.25% on the retirement savings capital for 2019.

Coverage ratio

The coverage ratio as of the end of 2019 stood at 116.4%; this represents a noticeable increase, since it stood at 112.1% at the end of 2018.

Coverage ratio 2015–2019



The coverage ratio indicates the extent to which a pension fund's obligations are covered by its assets. The coverage ratio as of the end of 2019 was 116.4%. The reserves for fluctuations in asset value are fully formed and the target value of 16% has been achieved. The Pension Fund has non-committed funds for the first time in many years, which means that it has unlimited risk ability.

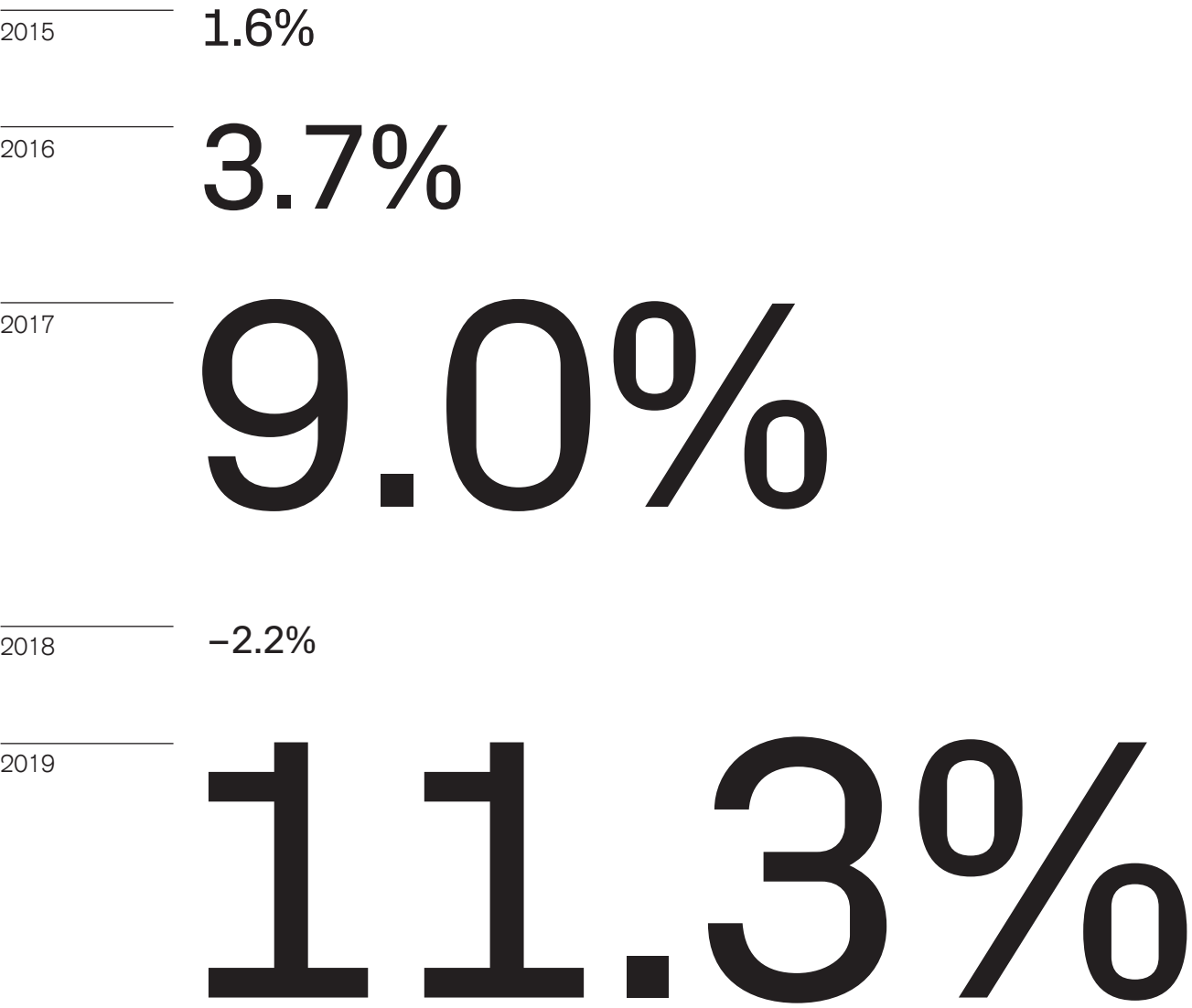
Cost-of-living allowance for pensioners

Each year, the Board of Trustees reviews whether to grant a cost-of-living allowance. In view of the prevailing and historically low inflation environment, the Board of Trustees decided not to grant any new increase in the cost-of-living allowance as of January 1, 2019.

Pensions were last adjusted on January 1, 2007. The cumulative increase in the cost of living since then amounts to 2.4%.

Performance

The Pension Fund of Credit Suisse Group (Switzerland) achieved a performance of 11.3% in the 2019 reporting year (previous year: –2.2%).

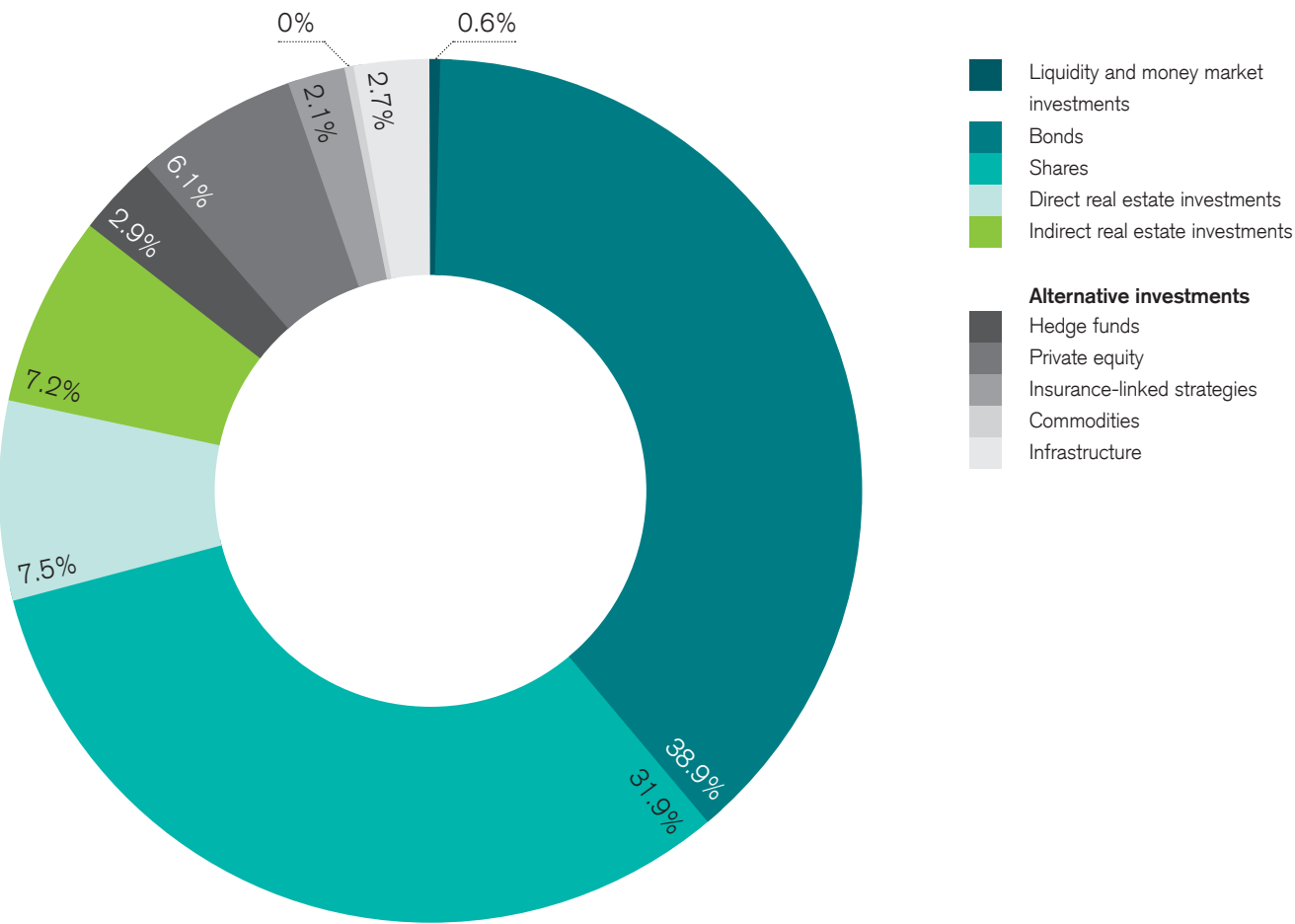


For many years, the Pension Fund has successfully relied on a combination of a robust core portfolio and dynamic, active overlay management. Following a very good 2017 (+9.0%), we managed to preserve much of the capital in the challenging year of 2018 (–2.2%) and in 2019 we were able to profit from the high returns on capital markets. This allowed us to achieve a return of 11.3% in 2019, which is among the best returns in the history of our Pension Fund.

Investments

The Pension Fund of Credit Suisse Group (Switzerland) has a broadly diversified portfolio.

Investment categories as of December 31, 2019



The Pension Fund of Credit Suisse Group (Switzerland) conducts an annual detailed asset and liability management study, in which it analyzes whether the assets and benefit obligations are aligned with one another in the medium and long term. This constitutes the basis for defining the Pension Fund's investment strategy, risk ability, risk tolerance, and performance objectives.

Slight increase in active participants

Number of insured participants

For the first time in two years, the number of active participants increased slightly over the previous year, while the number of pensioners once again decreased slightly.

Number of insured participants as of December 31, 2019

Active participants

17,736

Pensioners

11,227

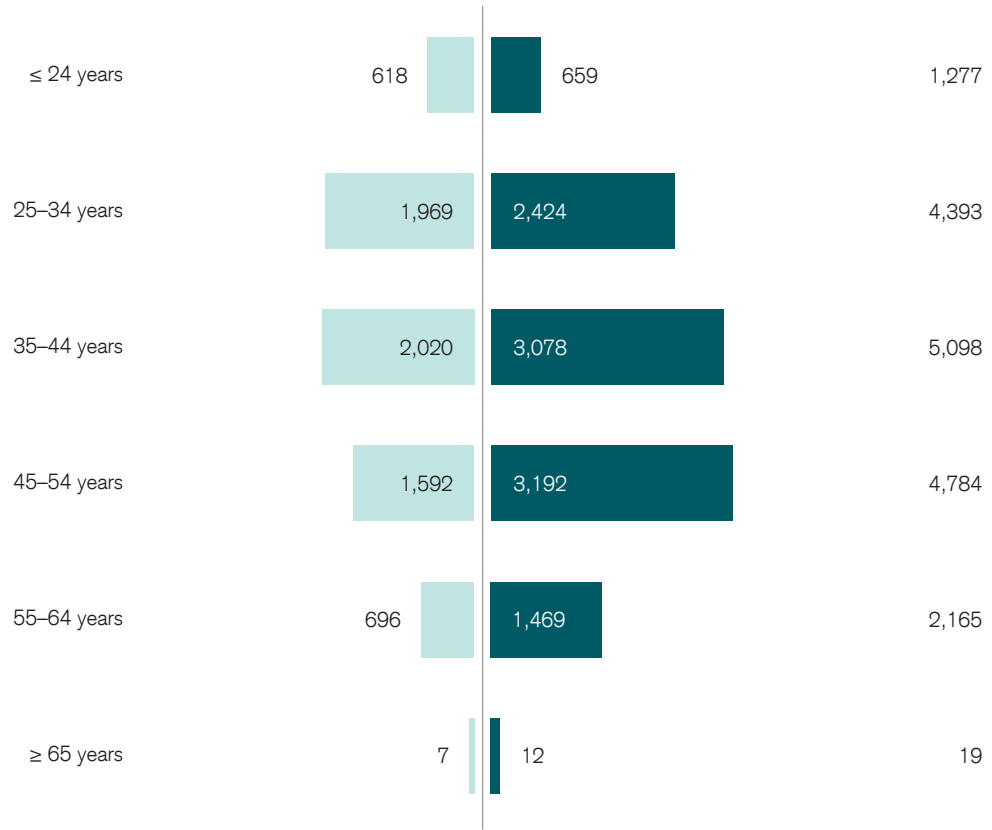
	2019	2018
Active participants	17,736	17,623
Pensioners	11,227	11,313
Total number of insured participants	28,963	28,936

The total number of insured participants increased by 27 people and now totals 28,963 people. At the end of 2019, the Pension Fund had 17,736 active participants and 11,227 pensioners. While the number of insured participants has once again increased somewhat, the number of pensioners has dropped slightly for the third year in a row. Active participants account for 61 % of the total number, with pensioners accounting for 39%.

Active participants

The total number of active participants has increased, by 0.5% – from 17,623 to 17,736.

Age category as of December 31, 2019

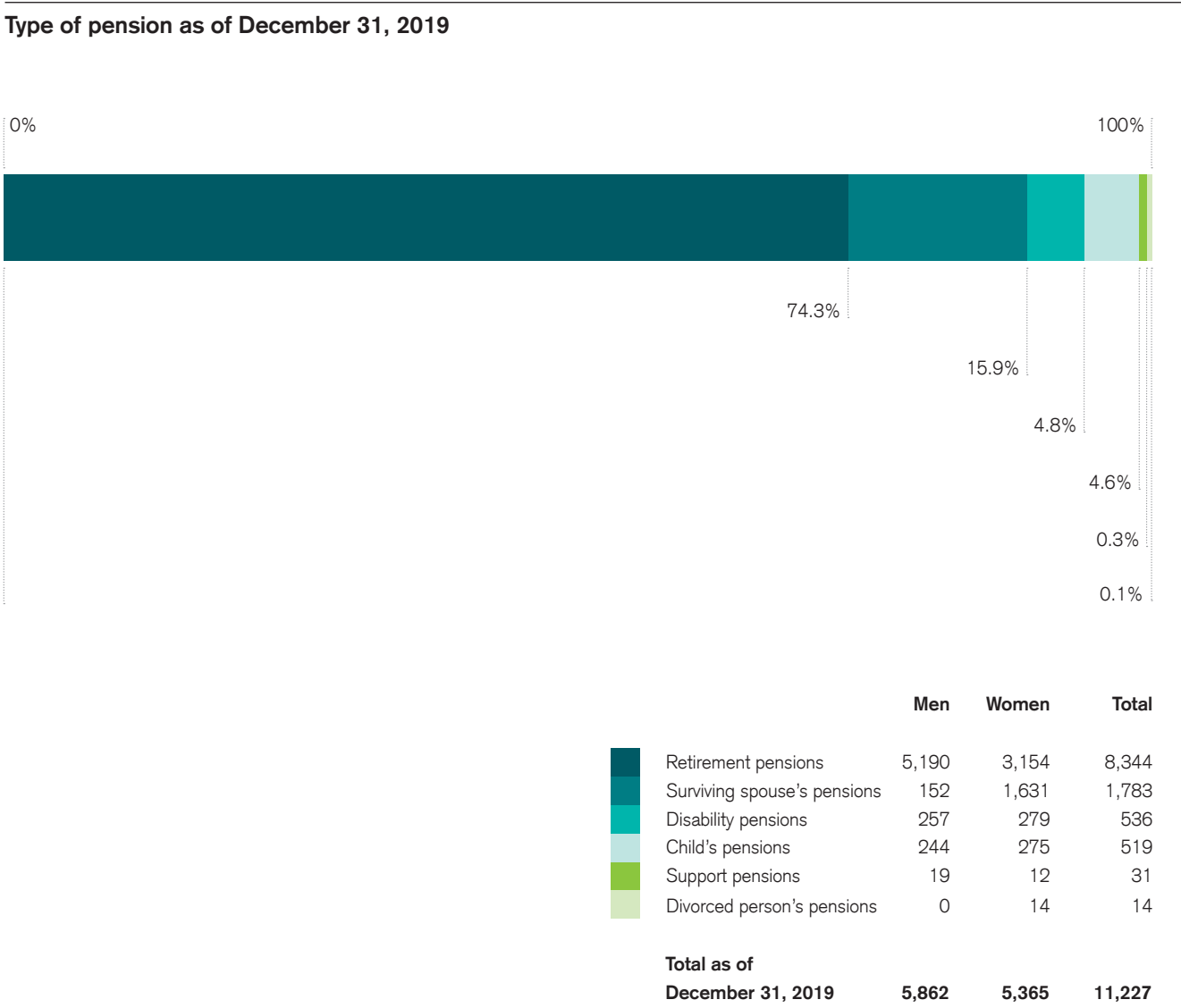


	2019	2018
Men	10,834	10,853
Women	6,902	6,770
Total number of active participants	17,736	17,623

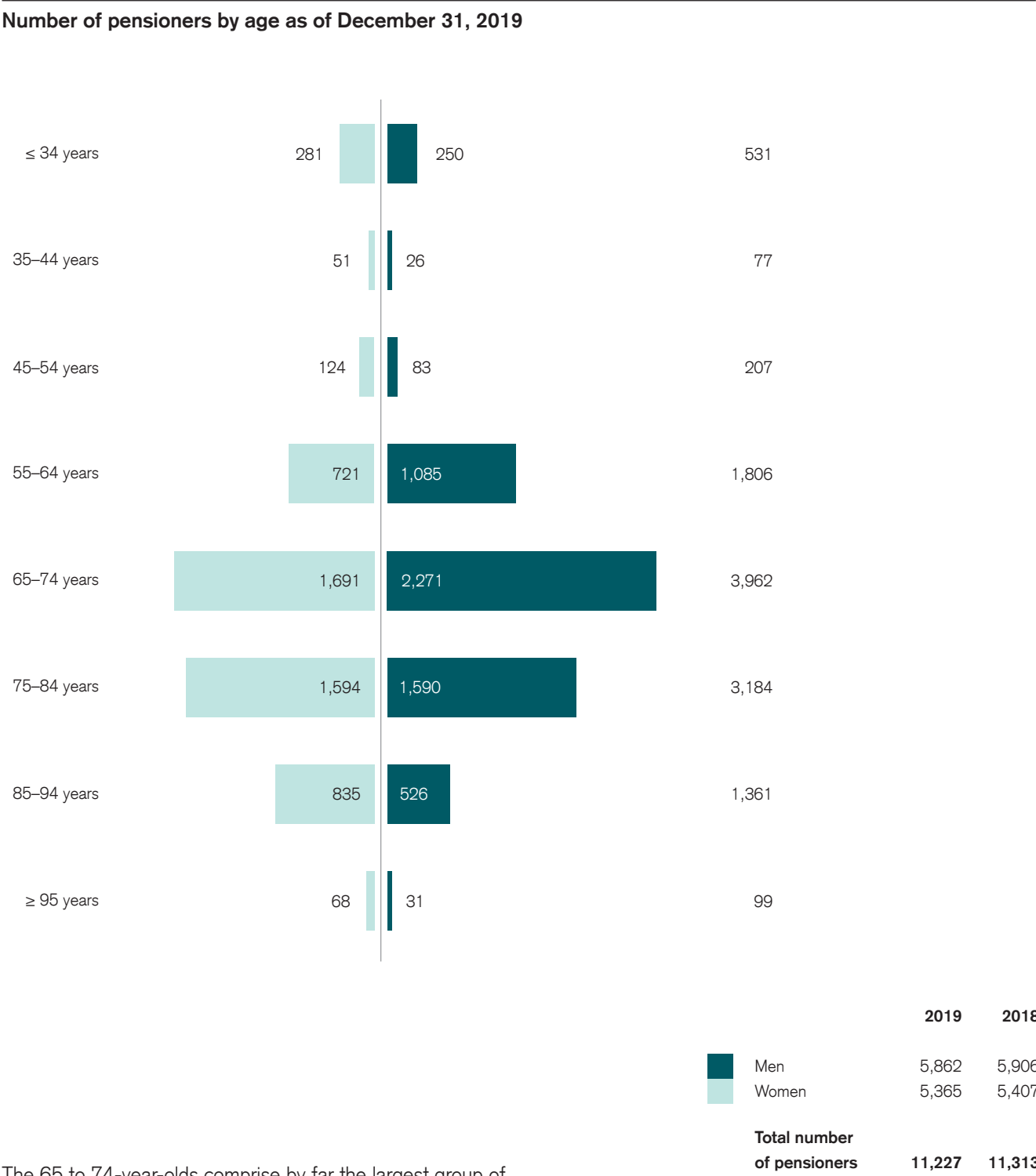
The largest age category, comprising 5,098 active participants, is the segment between 35 and 44 years old. The average age of active participants is 43.6 years for men and 41.5 years for women.

Pensioners

The total number of pensioners had decreased slightly by 86 people to 11,227 as of the end of the year. This figure includes all recipients of a pension, including retirement pension recipients, disability pension recipients, surviving spouse’s pension recipients, child’s pension recipients, and support pension recipients.



The 8,344 retirement pension recipients account for the majority of pensioners, making up 74% of the total. The 1,783 recipients of a surviving spouse's pension constitute the second-largest group at 16%. The Pension Fund also paid 14 divorced person's pensions in the 2019 reporting year. Such divorced person's pensions only came into being in 2017, following an amendment to the divorce law.



The 65 to 74-year-olds comprise by far the largest group of pension recipients in numerical terms, with a total of 3,962 people. There are 99 insured participants in the 95-plus age group.

Introduction of the 1e plan

The Pension Fund of Credit Suisse Group (Switzerland) introduced the 1e plan in January 2020. This savings plan gives insured participants with a salary subject to AHV contributions of over CHF 127,980 the opportunity to codetermine the investment strategy that is used to invest their pension assets.

After an initial announcement to all insured participants at the start of April 2019, details of the planned introduction of the 1e plan on January 1, 2020 were communicated in mid-August 2019. The new 1e plan will be implemented in a separate foundation (Pension Fund 2) and offers insured participants with a salary subject to AHV contributions of over CHF 127,980 the opportunity to select one of six investment strategies for their pension assets. Six different investment vehicles are offered with an equity component ranging from 0% to 75% in line with the risk profile and the chosen strategy. This gives insured participants the opportunity to invest the corresponding pension capital in line with their individual risk tolerance and risk ability. They therefore assume more personal responsibility: They participate in the performance of the assets, but they also bear the associated investment risk.

Insured participants have been able to make an individual selection from the various investment strategies since mid-August. The MyPension portal for insured participants is used to determine the risk profile and select the investment strategy.

Insured participants in the retirement capital savings plan had the one-off option in 2019 of transferring their assets in the current retirement capital savings plan either to the new 1e retirement capital savings plan or to the existing pension capital savings vehicle. This option had to be exercised by the end of September.

Further information about the 1e plan can be found on the Pension Fund website:
www.credit-suisse.com/pensionfund



Useful information

The Pension Fund of Credit Suisse Group (Switzerland) offers insured participants a high level of benefits in the event of retirement, disability, or death. Take the opportunity to optimize your pension fund benefits.



Changes in your circumstances
Analyze your pension situation on a regular basis. Changes in your circumstances, such as salary adjustments or divorce, can have an impact on your pension benefits.



Pension benefits
You can increase your pension benefits on retirement by changing the contribution option for your savings contributions, or by purchasing additional pension benefits.



Individual purchases
December 1 is the cut-off date for individual purchases, as well as for choosing your contribution option.



Order of beneficiaries
The order of beneficiaries lets you specify which surviving dependants benefit in the event of your death. To do this, please send us the completed "General order of beneficiaries" form.



Cohabiting partner
You can make your cohabiting partner your beneficiary in the event of your death by submitting the required documents to the Pension Fund ("Cohabiting partner contract" and/or "General order of beneficiaries" form).



Advance withdrawal for residential property
An advance withdrawal from the Pension Fund could enable you to finance the purchase of your own home.

Find out more by visiting the Pension Fund website at www.credit-suisse.com/pensionfund, or contact your pensions advisor. Contact details can be found on the Pension Fund website.

Board of Trustees

Employer representatives



Philip Hess

Chair of the Board of Trustees



Christian Stark

Head of Group Performance Analytics & Governance



Christian G. Machate

Global Head of Compensation, Benefits, Payroll & IAM



Thomas Gottstein

Chief Executive Officer



Michel Degen

Head of Credit Suisse Asset Management Switzerland & EMEA

Employee representatives



Thomas Isenschmid

Vice-Chair, Employee representative for German-speaking Switzerland



Daniel Ammon

Employee representative for German-speaking Switzerland



Daniel Egli

Employee representative for German-speaking Switzerland



Massimiliano Tagliabue

Employee representative for Ticino



Thomas Bärlocher

Employee representative for companies affiliated with Credit Suisse

Retiree representatives



Markus A. Beeler

Employer representative



Martin Klaus

Employee representative

Board of Trustees, 2017–2020 term of office
The Board of Trustees is the supreme body of the Pension Fund of Credit Suisse Group (Switzerland), and manages and monitors the Pension Fund’s activities. The Board of Trustees consists of an equal number of employee and employer representatives, 12 in all, whose term of office runs from 2017 to 2020. It determines the Pension Fund’s overall strategy, oversees its full implementation, and ensures that the promised benefits are delivered.

Management

Chief Executive Officer



Martin Wagner

Manager Pension Fund of Credit Suisse Group (Switzerland)

Members of the Pension Fund Management



Guido Bächli

Chief Investment Officer



Matthias Hochrein

Chief Operating Officer



Roger Nigg

Chief Pension Services



Sebastian Krejci

Chief Risk Officer

The Manager is in charge of managing the Pension Fund. The Chief Investment Officer, Chief Operating Officer, Chief Pension Services, and Chief Risk Officer report to the Manager. Together they constitute the Pension Fund Management.

Detailed information on the financial year

The full version of the Annual Report contains extensive information on the Pension Fund's performance in 2019, a detailed presentation of the financial statements, as well as explanatory notes. The 2019 Annual Report can be downloaded from the Pension Fund's website at www.credit-suisse.com/pensionfund.

Questions and contact

If you have any questions regarding the benefits offered by the Pension Fund, please contact your pensions advisor at the Pension Fund. Contact details can be found at www.credit-suisse.com/pensionfund.

Unless dictated otherwise by the context, the terms "Pension Fund," "foundation," and "pension plan" refer to the "Pension Fund of Credit Suisse Group (Switzerland)" when used in this Annual Report. Only the German version of the full Annual Report is valid for legal purposes. Any gender-specific terms used refer to both men and women. The term spouse includes registered partners in accordance with the Federal Act on the Registration of Partnerships for Same-Sex Couples.



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