

# 2020 Annual Report



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# Editorial

# I – Editorial

## In brief

### A successful start to the 1e plan

Following a two-year preparatory phase, the 1e plan began on January 1, 2020 with 9,135 insured participants. The administration is operated practically 100% digitally, in real time, via the MyPension portal. Personalized advice is also available from our trained pensions advisors. We are proud to be able to provide this high service quality to insured participants.

On January 13, CHF 326 mn of existing pension liabilities were transferred from Pension Fund 1 of Credit Suisse Group (Switzerland). This transfer was made based on the option that was exercised by each of the insured participants. Insured participants were able to exercise this option by the end of September 2020. By the end of the reporting year, total assets increased to CHF 568 mn as a result of growth in the number of participants and in contributions paid.

The 1e plan offers insured participants with a fixed annual AHV salary of over CHF 129,060 (as of 2021) the opportunity to select one of six investment strategies for their pension assets. This allows the corresponding pension capital to be invested in line with their individual risk tolerance and risk ability.

### Key figures

The key figures at year-end were as follows:

	2020 in CHF mn	2019 in CHF mn	Change in CHF mn
Total assets	567.9	0.5	567.4
Active participants' liabilities	541.7	–	541.7
Actuarial provisions	9.6	–	9.6
Non-committed funds	–	–	–
Total active participants	9,493	–	9,493
Performance of collective investments in %			
CSA Low-Risk Strategy CHF G	(0.54)	(0.45) <sup>1</sup>	
CSA Mixta-BVG 15 G	3.24	3.53 <sup>1</sup>	
CSA 2 Mixta-BVG 25 G	2.87	3.76 <sup>1</sup>	
CSA 2 Mixta-BVG 35 G	3.48	4.82 <sup>1</sup>	
CSA 2 Mixta-BVG 45 G	3.96	5.82 <sup>1</sup>	
CSA 2 Mixta-BVG 75 G	8.38	10.19 <sup>1</sup>	

<sup>1)</sup> 2019 performance since the launch of share class G on May 31, 2019.

## Insured participants and pension plan

### **MyPension portal for insured participants**

In the reporting year, selective improvements and adjustments were made to the MyPension portal. The processes for defining the risk profile and switching investment strategy are now entirely digital. Information, such as fact sheets, is also available for the investment strategies. The portal complies with stringent requirements for security and data protection through features such as two-factor authentication.

The MyPension portal is operated jointly by the Pension Fund and Pension Fund 2.

### **Administration costs**

Administration costs are financed entirely from the employer's contribution reserves. These costs total CHF 261 per beneficiary (previous year: CHF n/a).

## Investments

### **Investment strategies**

Various fund products are available from the Credit Suisse Investment Foundation (CSA) and Credit Suisse Investment Foundation 2 (CSA 2) with equity holdings between 0% and 75% and an attractive cost structure. The insured participants are each responsible for their own participation in the performance of the assets, but they also bear the associated investment risk. When an insured participant leaves Pension Fund 2 or retires, the fund products are divested and a lump-sum payment is made.

The MyPension portal is used to determine the risk profile and select the investment strategy.

Information about the investment strategies can be found at [www.credit-suisse.com/pensionfund](http://www.credit-suisse.com/pensionfund) in the Download section.

### **Sustainable investments/environmental, social, and governance (ESG)**

The Board of Trustees believes that sustainable investments incorporating ESG criteria are an important tool when it comes to adequately addressing the increased expectations and needs in this area. The six investment strategies implement Credit Suisse Asset Management's sustainable investment approach. This comprises the three core elements "exclusions," "integration of ESG criteria," and "active ownership."

All investment funds include ESG reporting in their monthly fact sheet. As well the ESG rating of the investment fund against its benchmark, the fact sheet also includes the intensity of carbon emissions or various ESG scores, broken down by topics such as climate change.

## Board of Trustees

### **Resolutions and activities of the Board of Trustees of Pension Fund 2 of Credit Suisse Group (Switzerland)**

The Board of Trustees dealt with the following items of business at the regular Board of Trustees meetings:

- 2019 Annual Report and financial statements and discharge of the management
- Selection of PricewaterhouseCoopers AG as Independent Auditors for 2020;
- Deed of foundation, new version
- Pension Fund regulations, adjustments;
- Regulations on investment, adjustments;
- Regulations on provisions, adjustments;
- Regulations on partial liquidation, adjustments.

We would like to thank you, the insured participants, for placing your trust in us.

PENSION FUND 2 OF CREDIT SUISSE GROUP (SWITZERLAND)



Philip Hess

Chairman of the Board of Trustees



Martin Wagner

Manager

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



# Balance sheet and operative account

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## II – Balance sheet and operative account

### 2.1 Balance sheet

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

	Note	31.12.2020		31.12.2019	
		CHF	%	CHF	%
<b>Assets</b>					
<b>Investments</b>	3.6	<b>567,509,472</b>	<b>99.9</b>	<b>525,130</b>	<b>100.0</b>
Liquid funds / money market investments		18,815,135	3.3	483,705	92.1
Investments – beneficiaries	3.6.3	543,789,604	95.7	–	–
Investments – own holdings	3.6.3	4,904,733	0.9	41,424	7.9
Loan to the Pension Fund of Credit Suisse Group (Switzerland)	3.6.3	–	–	1	0.0
Accounts receivable		–	–	–	–
<b>Prepayments and accrued income</b>		<b>426,303</b>	<b>0.1</b>	<b>–</b>	<b>–</b>
<b>Total assets</b>		<b>567,935,775</b>	<b>100.0</b>	<b>525,130</b>	<b>100.0</b>

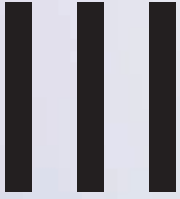
	Note	31.12.2020		31.12.2019	
		CHF	%	CHF	%
<b>Liabilities</b>		<b>2,127,841</b>	<b>0.4</b>	<b>42,036</b>	<b>8.0</b>
Termination benefits and pensions		2,121,957	0.4	–	–
Other liabilities		5,883	0.0	42,036	8.0
<b>Accrued liabilities and deferred income</b>		<b>14,053,193</b>	<b>2.5</b>	<b>30,000</b>	<b>5.7</b>
<b>Employer's contribution reserve</b>	3.6.10	<b>453,094</b>	<b>0.1</b>	<b>453,094</b>	<b>86.3</b>
<b>Pension liabilities and actuarial provisions</b>		<b>551,301,647</b>	<b>97.1</b>	<b>–</b>	<b>–</b>
Active participants' liabilities	3.5.2	541,667,647	95.4	–	–
Actuarial provisions	3.5.5	9,634,000	1.7	–	–
<b>Reserve for fluctuations in asset value</b>	3.6.4	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Non-committed funds (+) / underfunding (–)</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Balance as of January 1		–	–	–	–
Income surplus (+) / expense surplus (–)		–	–	–	–
<b>Total liabilities</b>		<b>567,935,775</b>	<b>100.0</b>	<b>525,130</b>	<b>100.0</b>



## 2.2 Operative account

Operative account	Note	2020 in CHF	2019 in CHF
<b>Ordinary and other contributions and lump-sum transfers</b>			
Employee contributions		67,782,040	–
Employer contributions		81,905,706	–
Other contributions and transfers		(415,490)	–
Withdrawal from employer's contribution reserve for financing contributions		–	–
One-time payments and purchase amounts		47,705,826	–
Transfers to employer's contribution reserve	3.6.10	30,747,581	1,900,000
<b>Total ordinary and other contributions and lump-sum transfers</b>		<b>227,725,663</b>	<b>1,900,000</b>
<b>Lump-sum transfers on joining the Pension Fund</b>			
Transfer of vested benefits from migration of Pension Fund 1 as of January 1, 2020		325,962,025	–
Termination benefit transfers		22,296,552	–
Transfers on take-over of assets		–	–
Repayment of withdrawals for home ownership/divorce		330,000	–
<b>Total lump-sum transfers of joining the Pension Fund</b>		<b>348,588,577</b>	<b>–</b>
<b>Inflow from contributions and lump-sum transfers on joining the Pension Fund</b>		<b>576,314,240</b>	<b>1,900,000</b>
<b>Regulatory benefits</b>			
Survivors' pensions (surviving spouses' pensions)		–	–
Disability pensions		–	–
Lump-sum payments on retirement		(3,062,167)	–
Lump-sum payments upon death or disability		(699,187)	–
<b>Total regulatory benefits</b>		<b>(3,761,354)</b>	<b>–</b>
<b>Termination benefits</b>			
Termination benefits on leaving the Pension Fund		(19,787,253)	–
Withdrawals for encouragement of home ownership/divorce		(2,380,303)	–
Transfer of employer's contribution reserve to Pension Fund 1		(13,736,528)	–
<b>Total termination benefits</b>		<b>(35,904,084)</b>	<b>–</b>
<b>Outflow for benefits and withdrawals</b>		<b>(39,665,438)</b>	<b>–</b>
<b>Increase/decrease of pension liabilities, actuarial provisions, and employer's contribution reserves</b>			
Increase (-) / decrease (+) in active participants' liabilities	3.5.2	(520,334,344)	–
Income from investments – beneficiaries	3.5.2	(21,333,302)	–
Increase (-) / decrease (+) in actuarial provisions	3.5.5	(9,634,000)	–
Increase (-) / decrease (+) in employer's contribution reserve	3.6.10	–	236,129
<b>Increase/decrease of pension liabilities, actuarial provisions, and employer's contribution reserves</b>		<b>(551,301,647)</b>	<b>236,129</b>

	Note	2020 in CHF	2019 in CHF
<b>Income from insurance benefits</b>			
Income from reinsurance	3.5.1	459,606	–
<b>Total income from insurance benefits</b>		<b>459,606</b>	<b>–</b>
<b>Insurance cost</b>			
Premium on reinsurance	3.5.1	(4,734,935)	–
- Risk premiums		(4,364,759)	–
- Cost premiums		(370,176)	–
Contributions to BVG Security Fund		(27,083)	–
<b>Total insurance cost</b>		<b>(4,762,018)</b>	<b>–</b>
<b>Net result of insurance activities</b>		<b>(18,955,257)</b>	<b>2,136,129</b>
<b>Investments</b>			
Income from liquid funds/money market investments		(242,739)	(5,708)
Income from investments – beneficiaries	3.6.7	23,011,256	–
Income from investments – own holdings	3.6.7	71,367	1,450
Income from loan to the Pension Fund of Credit Suisse Group (Switzerland)	3.6.7	45,440	8,435
Interest on termination benefits		(156)	–
Interest on employer's contribution reserve	3.6.10	–	–
Asset management costs	3.6.8	(1,449,059)	(496)
<b>Net return on investments</b>		<b>21,436,108</b>	<b>3,681</b>
<b>Other income</b>		<b>–</b>	<b>11</b>
<b>Other expenses</b>		<b>–</b>	<b>–</b>
<b>Administration cost</b>			
General administration cost	3.7.1	(2,434,990)	(2,125,830)
Independent Auditors and for pension actuary		(35,648)	(7,216)
Supervisory authorities		(10,214)	(6,776)
<b>Total administration costs</b>		<b>(2,480,851)</b>	<b>(2,139,822)</b>
<b>Income surplus (+) / expense surplus (–)</b>		<b>–</b>	<b>–</b>



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## III – Explanatory notes

### 3.1 General information and organization

#### 3.1.1 Legal form and objectives

"Pension Fund 2 of Credit Suisse Group (Switzerland)" (hereinafter "Pension Fund 2") is a foundation as defined by Art. 80 et seq. of the Swiss Civil Code (SCC), and Art. 331 of the Swiss Code of Obligations (SCO.)

The foundation provides additional provision against the financial consequences of retirement, death, and disability in favor of the employees of CREDIT SUISSE GROUP AG and companies that have close business and financial ties with it, together with their dependents and surviving dependents, as supplementary coverage to that provided by the Pension Fund of Credit Suisse Group (Switzerland). This additional provision is provided through the choice of different investment strategies pursuant to Art. 1(e) of the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV 2).

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

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

Pension Fund 2 is not registered in the register of occupational pension plans of the BVG- und Stiftungsaufsicht des Kantons Zürich (Office for Occupational Insurance and Foundations of the Canton of Zurich, BVS.) The foundation is affiliated with the BVG Security Fund.

#### 3.1.3 Plan statutes and regulations

Until the end of 2019, Pension Fund 2 was managed only as a "wrapper." For this reason, there were no Pension Fund regulations or regulations on partial liquidation in the previous year.

As of December 31, 2020, the following plan statutes and regulations were in force:

<b>Plan statutes and regulations</b>		
	<b>Approved on</b>	<b>Valid from</b>
Deed of foundation	08.02.2019	25.04.2019
Pension Fund regulations	09.06.2020	01.07.2020
Organizational regulations	20.09.2019	01.01.2020
Regulations on investments	29.10.2020	31.12.2020
Regulations on provisions	29.10.2020	31.12.2020
Regulations on partial liquidation	09.04.2020	09.04.2020
Regulations on the election of the Board of Trustees	31.10.2019	01.01.2020

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

#### **Board of Trustees**

The Board of Trustees is composed of an equal number of employee and employer representatives, ten in all, for the remaining term of office until April 2021. The names of the members of the Board of Trustees are listed below, along with the composition of the committees and the other governing bodies.

In the 2020 financial year, the Board of Trustees election was held for the term of office from 2021 until 2024. The new trustees take up their appointments at the ordinary meeting on April 14, 2021.

The Chair and Vice-Chair of the Board of Trustees and the Manager have joint signatory authority (dual authorization) on behalf of Pension Fund 2. The Board of Trustees is further entitled to grant joint signatory authority to other persons and to determine the nature and scope of this authority. The authorized signatories are listed in the Commercial Register.

#### **Employer representatives, appointed by Credit Suisse Group AG (founder)**

Philip Hess, Chair, Credit Suisse Group AG, Zurich  
Michel Degen, Credit Suisse Asset Management (Switzerland) Ltd., Zurich  
Thomas Gottstein, Credit Suisse (Switzerland) Ltd., Zurich (until April 9, 2020)  
André Helfenstein, Credit Suisse (Switzerland) Ltd., Zurich (from April 9, 2020)  
Christian G. Machate, Credit Suisse AG, Zurich  
Christian Stark, Credit Suisse Group AG, Zurich

#### **Employee representative**

Thomas Isenschmid, Zurich, Vice-Chair, Credit Suisse Asset Management (Switzerland) Ltd., German-speaking Switzerland  
Daniel Ammon, Bern, Credit Suisse (Switzerland) Ltd., German-speaking Switzerland  
Thomas Bärlocher, Horgen, BANK-now Ltd., affiliated companies  
Daniel Egli, Credit Suisse (Switzerland) Ltd., Lucerne, for the constituency of Western Switzerland  
Massimiliano Tagliabue, Lugano, Credit Suisse (Switzerland) Ltd., Ticino

#### **Investment Committee**

Oliver Fässler, Chair, Zurich  
Daniel Ammon, member, Bern  
Michel Degen, member, Zurich  
Thomas Isenschmid, member, Zurich  
Guido Bächli, Zurich (non-voting)  
Martin Wagner, Zurich (non-voting)

#### **Audit and Risk Committee**

Thomas Isenschmid, Chair, Zurich  
Thomas Bärlocher, Horgen  
Christian Stark, Zurich  
Martin Klaus, Zurich  
Executive Committee  
Philip Hess, Chair, Zurich  
Thomas Isenschmid, Zurich  
Martin Wagner, Zurich

#### **Management**

Martin Wagner, Chief Executive Officer (CEO), Zurich  
Guido Bächli, Chief Investment Officer (CIO), Zurich  
Matthias Hochrein, Chief Operating Officer (COO), Zurich (until October 31, 2020)  
Roger Nigg, Chief Pension Services (CPS), Zurich  
Sebastian Krejci, Chief Risk Officer (CRO), Zurich

#### **Branch office**

Pension Fund of Credit Suisse Group (Switzerland), Zurich (hereinafter Pension Fund 1)

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

#### Pension actuary

AON Schweiz AG, Zurich, contracting party  
Willi Thurnherr, actuary

#### Auditors

PricewaterhouseCoopers AG, Zurich, from January 1, 2020  
KPMG AG, Zurich, until December 31, 2019

#### Supervisory authority

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

### 3.1.6 Affiliated employers

As of the end of the reporting year, 14 (previous year: 0) different employers with active insured and with close business and financial ties to Credit Suisse Group AG were affiliated with Pension Fund 2. As a result of the full integration of Neue Aargauer Bank AG into Credit Suisse (Switzerland) Ltd. on November 27, 2020, the affiliation agreement was terminated and the insured participants were transferred to the affiliation agreement of Credit Suisse (Switzerland) Ltd.

#### Affiliated employers

Name of the affiliated employer	31.12.2020 Number of active participants	31.12.2019 Number of active participants	31.12.2020 Proportion in %
Credit Suisse (Switzerland) Ltd.	3,726	–	39.25
Credit Suisse AG	3,657	–	38.54
Credit Suisse Services Ltd.	1,289	–	13.58
Credit Suisse Asset Management (Switzerland) Ltd.	414	–	4.36
BANK-now AG	121	–	1.28
Credit Suisse Funds AG	60	–	0.63
Credit Suisse Insurance Linked Strategies Ltd.	45	–	0.47
Credit Suisse Trust Ltd.	42	–	0.44
Credit Suisse Group AG	36	–	0.38
Pension Fund of CSG (Switzerland)	28	–	0.30
Energy Infrastructure Partners AG	28	–	0.28
Fides Treasury Services AG	25	–	0.26
Aventicum Capital Management (Suisse) SA	17	–	0.18
Credit Suisse Investment Partners (Switzerland) Ltd.	5	–	0.05
Neue Aargauer Bank AG	–	–	–
<b>Total as of December 31</b>	<b>9,493</b>	<b>–</b>	<b>100.00</b>
<b>Number of affiliations with active participants</b>	<b>14</b>	<b>–</b>	

### 3.1.7 Corporate governance

#### Integrity and loyalty of the responsible persons

All internal persons subject to the charter – including the members of the Board of Trustees, its committees, and the branch office – must confirm their compliance with the loyal conduct regulations to Pension Fund 2 using a standardized form. The persons concerned have undertaken, furthermore, to disclose their bank account details at the request of the Board of Trustees and to comply with the rules of Credit Suisse AG governing personal account trading.

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

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

#### **Investments – beneficiaries and investments – own holdings**

The investment foundation, which distributes the collective investments (investment vehicles), generally exercises its voting and creditors' rights from equity and debt securities in the interests of the investors. The investment foundation systematically exercises voting rights associated with direct share ownership in Swiss companies. In the case of foreign companies, it can exercise the voting rights. Where it holds shares indirectly, the investment foundation gives the underlying target fund its voting recommendation.

### **Policy on retrocessions**

#### **Investments – beneficiaries and investments – own holdings**

For the available collective investments, income from reimbursements is credited to the relevant investment group/class and shown in the income statements of the investment groups/class concerned in the annual report.

### **Remuneration of the Board of Trustees and the committees**

The Board of Trustees receives no remuneration for its work.

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

## **3.2 Active participants and pensioners**

### **3.2.1 Active participants and change in number of active participants**

<b>Active participants</b>	<b>Men</b>	<b>Women</b>	<b>Total</b>
<b>Total as of December 31, 2019</b>	–	–	–
Entries from migration of 1e plan – January 1, 2020	7,024	2,111	9,135
New hires	694	334	
Departures (total)	(515)	(155)	(670)
of which through disability	(4)	–	(4)
of which through retirement	(68)	(9)	(77)
of which through change of job	(438)	(146)	(584)
of which through death	(5)	–	(5)
<b>Total as of December 31, 2020</b>	<b>7,203</b>	<b>2,290</b>	<b>9,493</b>
Change in number of persons	7,203	2,290	9,493
Change in %	100.0	100.0	100.0

## 3.2.2 Pensioners and change in number of pensioners

<b>Pensioners</b>						
	Men 1.1.2021	Men 1.1.2020	Women 1.1.2021	Women 1.1.2020	Total 1.1.2020	Total 1.1.2020
Disability pensions	–	–	–	–	–	–
Survivors' pensions	–	–	3	–	3	–
<b>Total pensioners</b>	–	–	<b>3</b>	–	<b>3</b>	–
Change in number of persons	–	–	3	–	3	–
Change in %	–	–	100.0	–	100.0	–

### **Pensioners, change in number of pensioners**

	2020	2019
<b>Number of pensioners at the beginning of the financial year</b>	–	–
<b>New pensioners</b>		
Disability pensions	–	–
Survivors' pensions	3	–
<b>Termination of pension entitlement</b>		
Death of disability pension recipient	–	–
Reactivation of disability pension recipient	–	–
Retirement of disability pension recipient	–	–
Death of spouse	–	–
<b>Number of pensioners at the end of the financial year</b>	<b>3</b>	–

## 3.3 Implementation of objectives

### 3.3.1 Characteristics of the pension plan

Pension Fund 2 provides purely extra-mandatory occupational employee benefits as defined in Art. 1e BVV 2. The Foundation operates two pension pots, the retirement capital and the retirement capital supplementary account (for early retirement), in the defined contribution system.

The death and disability benefits are determined on the basis of the pensionable salary. Congruent reinsurance coverage is provided by Schweizerische Mobiliar Lebensversicherungs-Gesellschaft AG (Mobiliar).

#### **Pensionable salary**

The pensionable salary is calculated using the maximum effective salary of CHF 796,320, consisting of the base salary, base salary excess, and variable salary (incentive award), minus a coordination deduction corresponding to 4.5 times the maximum annual AHV retirement pension (CHF 127,980.) The pensionable salary can be a maximum of CHF 668,340. The pensionable salary risk component equals the average of the last three pensionable variable salaries (incentive award).

#### **Retirement**

The reference age in Pension Fund 2 is 65. Retirement can be taken between the ages of 58 and 70 at the request of the bank or the insured participant.

#### **Retirement capital**

The retirement benefit is paid out as a lump sum. The retirement capital, consisting of the retirement capital and retirement capital supplementary account pension pots, forms the basis of the retirement benefits. The Foundation does not pay retirement pensions.



### **Disability benefits**

The amount of the temporary disability pension is calculated on the basis of the sum of 70% of the pensionable base salary, 45% of the pensionable base salary excess, and 45% of the pensionable salary risk component.

Moreover, the obligation to pay contributions into Pension Fund 2 is waived from the 366th day in the event of an uninterrupted period of inability to work (waiver of contributions). During the period of disability, Pension Fund 2 will pay both the employee's savings contributions and those of the employer in accordance with the Standard contribution option, based on the pensionable base salary, the base salary excess, and the pensionable salary risk component before the occurrence of the inability to work. Contributions are waived in respect of that portion of the salary which can no longer be earned. The waiver of contributions is granted for as long as the insured participant remains disabled, but only up to the age of 65.

As a general rule, the assets in the retirement capital supplementary account are paid out as a lump-sum payment under the regulations after Pension Fund 2 has been notified of the legally binding decision of the IV (Federal Disability Insurance).

### **Death benefits**

Should an active insured or recipient of a disability pension die, the surviving spouse or cohabiting partner within the meaning of the regulations will be paid a surviving spouse's pension or cohabiting partner's pension amounting to  $66\frac{2}{3}\%$  of the insured disability pension or of the disability pension already being drawn, provided that the surviving spouse or cohabiting partner fulfills one of the following criteria:

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

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

The surviving spouse's pension or cohabiting partner's pension is supplemented by a lump-sum death benefit.

Further information on the implementation and purpose of the pension plan can be found in the current Pension Fund Regulations "Retirement capital savings," accessible via [www.credit-suisse.com/pensionfund](http://www.credit-suisse.com/pensionfund).

## **3.3.2 Financing, financing method**

### **Employer's and employee's contributions**

The insured participants can annually choose the level of their savings contribution from the three contribution options: Basic, Standard, and Top. Where a selection is not actively made, insured participants will be assigned to the standard contribution option.

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

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

Transfers to the employer's contribution reserve are determined as follows: The transfers amount to 1.8% of the pensionable base salary and 0.8% of the pensionable base salary excess and the variable salary, up to the age of 25. From the age of 25, the transfers amount to 5.8% of the pensionable base salary and 2.8% of the pensionable base salary excess and the variable salary. The employer's contribution reserve is used in particular to pay the incurred risk premiums of the reinsurance company, the cost contributions for ongoing operations (operating activities), and the contributions for the build-up of the actuarial provisions.

Further information on contributions can be found in the current Pension Fund Regulations “Retirement capital savings,” accessible via [www.credit-suisse.com/pensionfund](http://www.credit-suisse.com/pensionfund).

## 3.4 Significant accounting policies and valuation methods, consistency

### 3.4.1 Statement of compliance with Swiss GAAP FER 26

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

### 3.4.2 Significant accounting policies and valuation methods

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

#### **Investments – beneficiaries**

Valuation is carried out at market value as of the balance sheet date.

#### **Investments – own holdings**

Valuation is carried out at market value as of the balance sheet date.

#### **Other assets**

Other assets are recognized at nominal value, minus any valuation adjustments required for operational purposes.

#### **Active participants’ liabilities**

The retirement capital of the active participants comprises the individual retirement capital of the insured. In each case, these assets correspond to the current value of the transaction account and the valuation price of the investment strategy including any positive and/or negative performance.

#### **Actuarial provisions**

The actuarial provisions are intended to offset short-term unfavorable fluctuations of the risks of death and disability for the active participants. The provisions are determined by the recommendations of the accredited pension actuary. These include the following provisions:

- Provision for actuarial risks
- Provision for operational risks

#### **Other liabilities**

Other liabilities are recognized at nominal value.

### 3.4.3 Changes in accounting policy and in bookkeeping

The accounting policy and bookkeeping are unchanged compared to the previous year.

Pension Fund 2 has been operating with a 1e plan since January 1, 2020. Consequently, the breakdown of the balance sheet, operative account, and explanatory notes in the 2020 Annual Report was adjusted to these new circumstances.

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

### 3.5.1 Type of risk benefit coverage, reinsurance agreements

Congruent reinsurance coverage is provided for the death and disability benefits by Schweizerische Mobiliar Lebensversicherungs-Gesellschaft AG (Mobiliar). Pension Fund 2 is the beneficiary vis-à-vis Mobiliar, finances the insurance premiums, and has the right to surplus sharing.

### 3.5.2 Active participants' liabilities

#### Development of active participants' liabilities

In the reporting year, the active participants' pension liabilities developed as follows:

Pension liabilities	2020 in CHF	2019 in CHF	Change in CHF
<b>Total pension liabilities as of January 1 before migration of 1e plan</b>	–	–	–
Migration of 1e plan – January 1, 2020	325,962,025	–	325,962,025
<b>Total pension liabilities as of January 1 after migration of 1e plan</b>	<b>325,962,025</b>	–	<b>325,962,025</b>
Employee savings contributions	67,735,489	–	67,735,489
Employer savings contributions	81,817,475	–	81,817,475
Exempt contributions at expense of PF2	134,783	–	–
One-time payments and purchase amounts	47,603,501	–	47,603,501
Termination benefit transfers	22,296,552	–	22,296,552
Repayment of withdrawals for home ownership/divorce	330,000	–	330,000
Termination benefits on leaving the Pension Fund	(19,958,837)	–	(19,958,837)
Withdrawals for encouragement of home ownership/divorce	(2,380,303)	–	(2,380,303)
Lump-sum payment in the event of disability	–	–	–
Lump-sum payment in the event of death	(261,727)	–	(261,727)
Lump-sum payments on retirement	(3,062,167)	–	(3,062,167)
Transfer of pension liabilities to reinsurer in the event of disability	–	–	–
Transfer of pension liabilities to reinsurer in the event of death	–	–	–
Interest income for the period from January 1 to initial investment on January 13, 2020 (1.0%)	117,555	–	117,555
<b>Total pension liabilities as of 31.12. excl. income from investments – beneficiaries</b>	<b>520,334,344</b>	–	<b>520,199,562</b>
Income from investments – beneficiaries	21,333,302	–	21,333,302
<b>Total pension liabilities as of 31.12. incl. income from investments – beneficiaries</b>	<b>541,667,647</b>	–	<b>541,667,647</b>

### 3.5.3 Total retirement savings capital in accordance with the Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans BVG ("shadow account")

The Foundation is exclusively active in the extra-mandatory sphere. There is no BVG retirement provision.

### 3.5.4 Liabilities under insurance contracts (surrender values)

<b>Liabilities under insurance contracts (surrender values)</b>			
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>Change in CHF</b>
Disability pensions	–	–	–
Survivors' pensions (surviving spouse's pensions)	1,810,778	–	1,810,778
<b>Total liabilities under insurance contracts (surrender values)</b>	<b>1,810,778</b>	<b>–</b>	<b>1,810,778</b>

The Foundation has congruent reinsurance coverage and does not bear any actuarial risks for its own account. The reported liabilities under insurance contracts (surrender values) serve the purposes of transparency and completeness.

### 3.5.5 Actuarial provisions

<b>Actuarial provisions</b>			
	<b>31.12.2020 in CHF</b>	<b>31.12.2019 in CHF</b>	<b>Change in CHF</b>
Provision for actuarial risks	6,423,000	–	6,423,000
Provision for operational risks	3,211,000	–	3,211,000
<b>Total actuarial provisions</b>	<b>9,634,000</b>	<b>–</b>	<b>9,634,000</b>

#### **Provision for actuarial risks**

The provision for actuarial risks is intended to offset short-term unfavorable fluctuations of the risks of death and disability for the active participants. The provision is determined by the recommendations of the accredited pension actuary based on a risk analysis. The provision is recalculated each year with a target value of at least 2.0% of the pensionable base salary savings in Pension Fund 2.

#### **Provision for operational risks**

The provision for operational risks is intended to indemnify the insured in the event of any operational errors. The provision is determined on the basis of a risk analysis. The provision is recalculated each year with a target value of at least 1.0% of the pensionable base salary savings in Pension Fund 2.

### 3.5.6 Conclusions of the last actuarial report

In its actuarial report as of December 31, 2020, the pension actuary confirmed that:

- The Foundation provides sufficient security to ensure that it can fulfill its regulatory obligations.
- Regulatory and actuarial provisions on benefits and financing are in line with statutory provisions.
- The measures taken to cover actuarial risks are adequate.

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

### 3.5.7 Actuarial principles and other significant actuarial assumptions

The Foundation has congruent reinsurance coverage and does not bear any actuarial risks for its own account.

### 3.5.8 Coverage ratio under Article 44 BVV 2

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

## Actuarial balance sheet

	Note	31.12.2020	31.12.2019	Change in CHF
<b>Pension liabilities</b>				
Active participants' liabilities	3.5.2	541,667,647	–	541,667,647
Liabilities under insurance contracts (surrender values)	3.5.4	1,810,778	–	1,810,778
Actuarial provisions	3.5.5	9,634,000	–	9,634,000
<b>Pension liabilities and actuarial provisions (PL)</b>		<b>553,112,425</b>	<b>–</b>	<b>553,112,425</b>
<b>Assets</b>				
<b>Assets</b>		<b>567,935,775</b>	<b>–</b>	<b>567,935,775</b>
Assets from insurance contracts	3.5.1	1,810,778	–	1,810,778
Accrued liabilities and deferred income and other liabilities		(16,181,034)	–	(16,181,034)
Employer's contribution reserve	3.6.10	(453,094)	–	(453,094)
<b>Pension assets (PA)</b>		<b>553,112,425</b>	<b>–</b>	<b>553,112,425</b>
<b>Coverage ratio under Art. 44 BVV 2 in % (PA/PL)</b>		<b>100.0</b>	<b>–</b>	<b>100.0</b>
Fluctuation reserve	3.6.4	–	–	–
Disposable assets		–	–	–

The coverage ratio as of December 31, 2020 was 100.0% (previous year n/a).

## 3.6 Explanatory notes on investments and net return on investments

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

The Regulations on investments for Pension Fund 2 set out the objectives and principles, organization, responsibilities and competencies, as well as the guidelines for the investment of assets and the monitoring thereof.

#### Board of Trustees

As the highest governing body, the Board of Trustees is responsible for the investment of assets, separated into investments – beneficiaries (individual level [investment strategies]) and investments – own holdings (foundation level). It determines the investment strategies available to insured participants and the underlying collective investments (investment groups). It also defines the investment organization and investment policy for own holdings. The Board of Trustees may delegate all or part of its duties of asset management to the Investment Committee (IC).

However, the Board of Trustees has sole responsibility for the overall process and the monitoring thereof, and cannot delegate this responsibility.

#### Investment Committee

The Investment Committee is the specialized body responsible for the management of the foundation's assets. It prepares investment-related decisions for the Board of Trustees and manages the implementation of these decisions. The Chair of the Investment Committee submits a report to the Board of Trustees at least quarterly on the investment activities and on the performance of the assets, separated into investments – beneficiaries (individual level) and investments – own holdings (foundation level).

The IC is responsible for periodically reviewing the available investment strategies. Each time there is a change to the available investment strategies, the Investment Committee must decide whether it is necessary to inform the insured and, if so, how this should be done.

### **Central custodianship account (Global Custodian)**

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

### **Asset managers**

Asset management is carried out by means of collective investments (investment funds) of the Credit Suisse Investment Foundation (CSA) and Credit Suisse Investment Foundation 2 (CSA 2). The investment foundations are overseen by the Occupational Pension Supervisory Commission (OPSC).

Pension Fund 2 has entrusted asset management exclusively to persons or institutions that meet the requirements pursuant to Arts. 48f to 48l BVV 2.

### **Liquid funds/money market investments**

The "Liquid funds/money market investments" item comprises the Foundation's operating funds.

### **Investments – beneficiaries (individual level)**

Investments – beneficiaries comprises the units of the collective investments of the insured participants, as well as the liquid funds required for the settlement of business transactions relating to the pension provision (e.g. investment of monthly contributions, individual purchases by insured persons, withdrawals for encouragement of home ownership, etc.).

The Board of Trustees decides on the focus and composition of the available investment strategies and selects the providers. In doing so, care is taken to ensure that each individual collective investment complies with investment regulations pursuant to BVV 2. The expansion of investment options is permitted under this ordinance (Art. 50(4) bis BVV 2). The available investment strategies are monitored periodically, at least once a year, and are adjusted or replaced as necessary.

The insured participants are responsible for selecting their individual investment strategy from the investment strategies on offer (the selection decision).

As a general rule, the insured may personally select or change the investment strategy only via the MyPension platform, which is made available through Pension Fund 2.

If the insured participant does not choose an investment strategy, the investment will be made in line with the "Default" investment strategy.

If an investment strategy is no longer offered, the insured will be given the opportunity to switch to another investment strategy in good time. If the insured does not choose an investment strategy, the investment will be made in line with the "Default" investment strategy.

The investment strategies available for selection differ especially with regard to risk and return profile. The "low risk" investment strategy is the default strategy. It invests in money market investments, bonds, and debt obligations with a duration of up to three years. The remaining strategies have an average equity holding between 15% (Mixta 15) and a maximum of 75% (Mixta 75).

There is no guarantee with regard to the performance of the selected investment strategy.

All relevant information on the available investment strategies can be found at [www.credit-suisse.com/pensionfund](http://www.credit-suisse.com/pensionfund).

### **Investments – own holdings (foundation level)**

The Foundation's own holdings consist of four Mixta-BVG products: "CSA Low-Risk Strategy CHF G," "CSA 2 Mixta-BVG 25 G," "CSA 2 Mixta-BVG 35 G," and "CSA 2 Mixta-BVG 45 G."

For these four investment funds, share class G was explicitly relaunched for Pension Fund 2 as of May 31, 2019. In this context, the Foundation has acquired ten shares per investment vehicle. The CSA 2 Mixta-BVG 45 portfolio was increased in the reporting year.

### Loan (foundation level)

In 2016, Pension Fund 2 and Pension Fund 1 mutually agreed a loan. At the time, the loan was found to be the ideal solution with regard to fulfilling the purpose of the Pension Fund, broad diversification, efficiency, and costs.

As part of the Foundation's reorientation in the area of non-mandatory benefits, the loan was terminated as of December 10, 2020.

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

#### Investments – beneficiaries

##### CSA 2 Mixta-BVG 75 G

For the CSA 2 Mixta-BVG 75 G investment group, the expansion of investment options will be utilized pursuant to Art. 50 (4) bis BVV 2. The investment group exceeds the equities asset category pursuant to Art. 55 (b) BVV 2 by 25% as of the reporting date.

The investment group has a clearly defined investment policy. Furthermore, the asset manager fulfills the requirements applicable to regulated and supervised collective investments, thereby ensuring due diligence in selection, management, and monitoring. As part of the pursued investment strategy, the investment group has a broad diversification and thus meets the requirement for appropriate risk spreading.

Insured participants are informed about the costs and risks in a transparent manner.

### 3.6.3 Totals and breakdown of investments into investment categories

#### Total investments – beneficiaries

	2020 in CHF	2019 in CHF	2020 in %	2019 in %	Change in CHF
Liquid funds – investments	11,314,743	–	2	–	11,314,743
CSA Low-Risk Strategy CHF G	67,103,701	–	12	–	67,103,701
CSA Mixta-BVG 15 G	61,126,020	–	11	–	61,126,020
CSA 2 Mixta-BVG 25 G	79,585,238	–	15	–	79,585,238
CSA 2 Mixta-BVG 35 G	114,600,618	–	21	–	114,600,618
CSA 2 Mixta-BVG 45 G	114,878,433	–	21	–	114,878,433
CSA 2 Mixta-BVG 75 G	95,180,851	–	18	–	95,180,851
<b>Total</b>	<b>543,789,604</b>	<b>–</b>	<b>100</b>	<b>–</b>	<b>543,789,604</b>

The breakdown of investments into investment categories (asset allocation) for the individual investment vehicles can be accessed via the MyPension portal.

#### Investments – own holdings

	2020 in CHF	2019 in CHF	2020 in %	2019 in %	Change in CHF
CSA Low-Risk Strategy CHF G	9,902	9,956	0	24	(54)
CSA 2 Mixta-BVG 25 G	10,674	10,384	0	25	290
CSA 2 Mixta-BVG 35 G	10,847	10,492	0	25	356
CSA 2 Mixta-BVG 45 G	4,873,310	10,593	99	26	4,862,717
<b>Total</b>	<b>4,904,733</b>	<b>41,424</b>	<b>100</b>	<b>100</b>	<b>4,863,309</b>

<b>Loan</b>	<b>2020 in CHF</b>	<b>2019 in CHF</b>	<b>2020 in %</b>	<b>2019 in %</b>	<b>Change in CHF</b>
Loan to the Pension Fund of Credit Suisse Group (Switzerland)	–	1	–	100	(1)
<b>Total</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>100</b>	<b>(1)</b>

The loan to the Pension Fund of Credit Suisse Group (Switzerland) was terminated on December 10, 2020 and invested in the CSA 2 Mixta-BVG 45 G investment vehicle.

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

Due to the structure, there is no need for fluctuation reserves.

### 3.6.5 Current (open) financial derivative instruments

Pension Fund 2 does not directly use any financial derivative instruments.

The investment guidelines of the individual collective investments permit the use of derivative instruments in compliance with the statutory provisions of BVG and BVV 2. Further information on the use of derivative instruments can be found in the annual report for the Credit Suisse Investment Foundations (CSA and CSA 2).

### 3.6.6 Market value and contracting parties of securities for securities lending

Pension Fund 2 does not directly engage in securities lending. The individual collective investments can engage in securities lending. The regulations of the Federal Act on Collective Investment Schemes apply in similar fashion (Art. 55(1)(a) Federal Act on Collective Investment Schemes (CISA), Art. 76 of the Ordinance on Collective Investment Schemes (CISO), and Art. 1 et seq. CISO-FINMA.)

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

The following table shows the performance of the individual collective investments. The individual performance of the insured participants may deviate from the figures shown here as a result of the inflow and outflow of capital.

<b>Performance</b>		
<b>Collective investments (investment groups)</b>	<b>2020 in %</b>	<b>2019 in %</b>
CSA Low-Risk Strategy CHF G	(0.54)	(0.45) <sup>1</sup>
CSA Mixta-BVG 15 G	3.24	3.53 <sup>1</sup>
CSA 2 Mixta-BVG 25 G	2.87	3.76 <sup>1</sup>
CSA 2 Mixta-BVG 35 G	3.48	4.82 <sup>1</sup>
CSA 2 Mixta-BVG 45 G	3.96	5.82 <sup>1</sup>
CSA 2 Mixta-BVG 75 G	8.38	10.19 <sup>1</sup>

<sup>1)</sup> Performance since the launch of share class G on May 31, 2019.



The following tables show the performance for the total number of investments – beneficiaries and investments – own holdings. An approximation method is used for calculation; capital inflows and outflows are not taken into account.

<b>Performance (approximation), investments – beneficiaries</b>		
	<b>2020</b>	<b>2019</b>
<b>Investments – beneficiaries</b>	<b>in CHF</b>	<b>in CHF</b>
Total investments – beneficiaries as of Jan. 1	–	–
Total investments – beneficiaries as of Dez. 31	543,789,604	–
<b>Average total investments – beneficiaries (unweighted)</b>	<b>271,894,802</b>	<b>–</b>
<b>Income from investments – beneficiaries (net)</b>	<b>21,574,383</b>	<b>–</b>
<b>Performance of investments – beneficiaries (in %)</b>	<b>7.9</b>	<b>n/a</b>

<b>Performance (approximation), investments – own holdings</b>		
	<b>2020</b>	<b>2019</b>
<b>Investments – own holdings</b>	<b>in CHF</b>	<b>in CHF</b>
Total assets – own holdings as of Jan. 1	41,424	–
Total assets – own holdings as of Dec. 31	4,904,733	41,424
<b>Average total investments – own holdings (unweighted)</b>	<b>2,473,079</b>	<b>20,712</b>
<b>Income from investments – own holdings (net)</b>	<b>70,659</b>	<b>1,450</b>
<b>Performance of investments – own holdings (in %)</b>	<b>2.9</b>	<b>7.0</b>

### **Loan**

The loan to the Pension Fund of Credit Suisse (Group) was terminated as of December 10, 2020. Up until termination, performance of 3.4% (previous year 11.3%) was recorded.

### **3.6.8 Explanatory note on asset management costs**

The asset management costs include all costs incurred in connection with the management of the assets.

#### **Investments – beneficiaries**

The following tables show the total expense ratio TER KGAST per collective investment, as well as the asset management costs according to the operative account for investments – beneficiaries and investments – own holdings.

<b>Total expense ratio (TER KGAST)</b>		
	<b>2020</b>	<b>2019</b>
	<b>in %</b>	<b>in %</b>
CSA Low-Risk Strategy CHF G	0.08	0.07
CSA Mixta-BVG 15 G	0.33	0.30
CSA 2 Mixta-BVG 25 G	0.28	0.29
CSA 2 Mixta-BVG 35 G	0.27	0.31
CSA 2 Mixta-BVG 45 G	0.30	0.29
CSA 2 Mixta-BVG 75 G	0.32	0.29

## Asset management costs

### Sum of all key cost figures

Investment category	2020 in CHF	2019 in CHF	2020 in %	2019 in %
Direct asset management costs Investments – beneficiaries	2,531	0	0.2	–
Direct asset management costs Investments – own holdings	0	0	–	–
Total of all TER costs for investments – beneficiaries collective investments recorded in the operative account	1,436,873	0	99.16	–
Total of all TER costs for investments – own holdings collective investments recorded in the operative account	708	50	0.05	10.08
Loan to the Pension Fund of Credit Suisse Group (Switzerland), Key cost figures	8,946	446	0.62	89.92
<b>Total asset management costs</b>	<b>1,449,059</b>	<b>496</b>	<b>100.00</b>	<b>100.00</b>

### Non-transparent investments

Pension Fund 2 has no non-transparent collective investments within the meaning of Art. 48(a)(3) BVV 2. The cost transparency ratio for investments – beneficiaries is 100.0% (previous year n/a).

The cost transparency ratio for investments – own holdings is 100.0% (previous year 100.0%).

### 3.6.9 Explanatory note on investments in an employer's enterprise

All investments with Credit Suisse Group AG or its subsidiaries are regarded as investments in an employer's enterprise. A further point to consider is a special regulation for banks (see Federal Social Insurance Office notices on employee benefits insurance no. 84, section 486): Investments with the employer that are of a business nature rather than an investment nature are not regarded as investments in an employer's enterprise if the employer is a bank. In this context, monies invested in liquid form for a specified period of time with a view to proposed (re)investment also constitute business transactions. This also includes pending strategy changes, purchases, and pending entries and departures.

Investments in Credit Suisse Group securities are possible within the scope of the individual collective investments. CSA and CSA 2 ensure that the 5% limit as defined by Art. 50 (4) bis BVV 2 in conjunction with Art. 57(2) BVV 2 is observed.

Otherwise there are no investments in an employer's enterprise.

### 3.6.10 Employer's contribution reserve

#### Change in the employer's contribution reserve

	2020 CHF	2019 CHF	Change in CHF
<b>Reserve as of January 1</b>	453,094	689,224	(236,130)
Transfer from Pension Fund of Credit Suisse Group (Switzerland)	–	1,900,000	(1,900,000)
Final payments	30,747,581	–	30,747,581
Withdrawals for 1e plan project financing	–	(2,136,129)	2,136,129
Withdrawals for risk contributions of the reinsurance company	(4,734,935)	–	(4,734,935)
Withdrawals for increase in actuarial provisions	(9,634,000)	–	(9,634,000)
Withdrawals for coverage of operating expenses	(2,642,118)	–	(2,642,118)
Withdrawal of employer's contribution reserve for transfer to PF1	(13,736,528)	–	(13,736,528)
<b>Reserve as of December 31 before interest</b>	<b>453,094</b>	<b>453,094</b>	–
Interest on the reserve at beginning of year (0% / previous year: 0%)	–	–	–
<b>Reserve as of December 31</b>	<b>453,094</b>	<b>453,094</b>	–

In particular, the employer's contribution reserve is used to pay the incurred risk premiums of the reinsurance company, the cost contributions for ongoing operations (operating activities), and the contributions for the build-up of the actuarial provisions.

The employer's contribution reserves from Pension Fund 2 are periodically transferred to the employer's contribution reserves of the Pension Fund of Credit Suisse Group (Switzerland).

This results in the following breakdown per employer:

#### Detailed employer's contribution reserve

	31.12.2020 in CHF	31.12.2019 in CHF
Credit Suisse AG	453,094	453,094
<b>Total employer's contribution reserve</b>	<b>453,094</b>	<b>453,094</b>

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

### **3.7.1 Administration cost**

Pension Fund 2 has no employees of its own. Administrative activities relating to the administration of insured participants are taken from Pension Fund 1. This cooperation is based on the Service Order agreement dated December 10, 2019. Around CHF 2.3 mn is attributable to the benefits drawn from PF 1, and CHF 0.1 mn to project expenses in connection with the introduction of the 1e plan.

Expenses in the previous year consisted mainly of project costs related to the introduction of the 1e plan.

Administration costs are financed entirely from the employer's contribution reserves. These costs total CHF 261 per beneficiary (previous year: CHF n/a).

## **3.8 Supervisory authority requirements**

None.

## **3.9 Further information regarding financial situation**

### **3.9.1 Legal proceedings in course**

There are currently no legal proceedings in course.

## **3.10 Events subsequent to the balance sheet date**

None.

# IV

Report of the Statutory  
Auditor

# Report of the statutory auditor

to the Foundation Board of Pensionskasse 2 der  
Credit Suisse Group (Schweiz)  
Zürich

## Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements on pages 8 to 28 of the annual report of Pensionskasse 2 der Credit Suisse Group (Schweiz), which comprise the balance sheet, operating accounts and notes, for the year ended 31 December 2020.

### Foundation Board's responsibility

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

### 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 controls relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements for the year ended 31 December 2020 comply with Swiss law and with the foundation's deed of formation and the regulations.

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### Other Matter

The financial statements of Pensionskasse 2 der Credit Suisse Group (Schweiz) for the year ended 31 December 2019 were audited by another firm of auditors whose report, dated 9 April 2020, expressed an unmodified opinion on those statements.

### Report on additional legal and other requirements

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

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

We have assessed whether

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

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

PricewaterhouseCoopers AG

Johann Sommer  
Audit expert  
Auditor in charge

Sebastian Heesch  
Audit expert

Zürich, 6 April 2021



# V

Confirmation of the  
pension actuary



## V – Confirmation of the pension actuary



Empower Results®

Aon Switzerland Ltd  
Vulkanstrasse 106 | Postfach | 8048 Zurich

### Confirmation of Pension Actuary

Dear Mr. President,  
Dear Madams, Dear Sirs,

As pension actuary, we prepared an actuarial report based on Art. 52(e) BVG, as instructed by the responsible persons at the Pension Fund 2 of Credit Suisse Group (Switzerland) (hereinafter referred to as the "Fund").

#### Declaration of Independence

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

We fulfil the professional prerequisites required under Art. 52(d)(2)(a) and (b) BVG regarding appropriate professional training and experience as well as knowledge of the relevant legal provisions. We fulfil the personal qualifications under Art. 52(d)(2)(c) BVG regarding good reputation and trustworthiness and are licensed by the Swiss Supervisory Commission on Occupational Pensions (OAK BV).

#### Confirmation of Pension Actuary

This actuarial report on the Fund has been prepared in accordance with the professional code of conduct for members of the Swiss Chamber of Pension Actuaries (SKPE) as well as with their specialist directives and with the directive OAK BV W-03/2014.

The Pension Fund 2 of Credit Suisse Group (Switzerland) reports its benefits obligations based on the Insured Base Salary (technical provisions) and the retirement assets of the active members. There are no pensioners in the Fund. Taking into account the pension plan and the applicable reinsurance solution in force for the risks of death and disability, only the risks of compensating for any fluctuations in the reinsurance risk premium, the risks of granting risk benefits in deviation from the reinsurance contract in accordance with the Pension Fund of Credit Suisse Group (Switzerland) and general operational risks are to be financed by the Fund.

The financial situation of the Fund as of December 31, 2020, shows:

- a surplus of net assets of CHF 0;
- a coverage ratio in accordance with the amendment to Art. 44 BVV 2 of 100.0%;



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

- the actuarial principles and the technical interest rate;
- the specialist principles for the valuation of obligations and the applicable regulatory provisions;
- the security measures taken to cover actuarial risks;
- current financing.

Based on our review of the Fund as of December 31, 2020, we can confirm that, as of that date:

- the Fund provides security as at the reference date that it can fulfil its regulatory obligations;
- regulatory actuarial provisions on benefits and financing are in line with current statutory requirements;
- the measures taken to cover the underwriting risks are sufficient.

By applying Article 19a FZG, the Fund deviates from the application of Articles 15 and 17 FZG. Due to the individual choice of investment strategy, the entire performance, whether positive or negative, is allocated to the savings accounts of the individual insured persons, which means that there is no need for the Fund to form a fluctuation reserve.

Aon Switzerland Ltd, Contractual Partner

Willi Thurnherr  
Responsible pension actuary

Marianne Frei

Responsible pension actuary: Willi Thurnherr  
Zurich, March 31, 2021



**PENSION FUND 2 OF CREDIT SUISSE GROUP (SWITZERLAND)**

JPK

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