

2021 Annual Report



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



Editorial

I – Editorial

Financial situation

Performance: 9.5%

The Pension Fund of Credit Suisse Group (Switzerland) achieved a performance after costs of 9.5% in the 2021 reporting year (previous year: 6.2%).

Coverage ratio: 130.9% and unlimited risk ability

The coverage ratio as of the end of 2021 stood at 130.9%; this represents a noticeable rise, since it stood at 120.5% as of the end of 2020. Ample reserves exist for fluctuations in asset value; the target value is currently 17.0%. The Pension Fund thus has non-committed funds and unlimited risk ability.

Development of the coverage ratio

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Coverage ratio under Art. 44 BVV 2 in %	111.6	115.8	107.8	108.5	115.6	112.1	116.4	120.5	130.9

Key figures

The key figures are as follows:

Key figures for the Pension Fund

	2021 in CHF mn	2020 in CHF mn
Coverage ratio in %	130.9	120.5
Technical interest rate in %	1.2	1.3
Performance in %	9.5	6.2
Total assets	19,376	18,095
Active participants' liabilities	6,404	6,192
Pensioners' liabilities	7,838	8,032
Actuarial provisions	364	641
Reserve for fluctuations in asset value	2,480	2,380

Use of the performance: Interest on retirement savings capital

Thanks to the very pleasing performance in recent years, the Pension Fund has steadily increased the reserves for fluctuations in asset value. The Board of Trustees considers financial security to be of strategic importance. With a coverage ratio of 130.9% at the end of 2021, compared with 120.5% in the previous year, the Pension Fund has a high level of financial stability and is well positioned to handle future challenges.

In view of the above, the Board of Trustees set an interest rate of 6.50% on the retirement savings capital for 2021. At the same time, it has defined a prospective interest rate of 1.0% for 2022. The prospective interest rate determines the intrayear interest paid on retirement savings capital, e.g. upon departure or retirement.

No cost-of-living allowances

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, 2022.

Pensions were last adjusted on January 1, 2007. The cumulative increase in the cost of living since then amounts to 3.2% as measured by the Swiss Consumer Price Index.

Insured participants and pension plan

Number of insured participants

The number of insured participants at the end of the year was as follows:

Number of insured participants as of December 31		
	2021	2020
Active participants with permanent employment contracts	17,844	17,893
Pensioners as of January 1 of the following year	10,995	11,030
Total number of active participants and pensioners	28,839	28,923

Changes to the pension plan

At the beginning of the previous year, the Pension Fund carved the former retirement capital savings plan (up to 2019) out into a 1e retirement capital savings plan. The new 1e plan has been managed under Pension Fund 2 of Credit Suisse Group (Switzerland) since 2020. It offers insured participants with a salary subject to AHV contributions of over CHF 129,060 (as of 2021) the opportunity to select one of six investment strategies for their pension assets.

In the reporting year, the following three changes were implemented in the Pension Fund regulations:

- “Hard” deadline (December 1) for purchases no longer applies.
- Monthly choice of contribution option.
- Cohabiting partners with shared dependent children no longer need to have lived together for five years to be entitled to survivors’ benefits.
- Insured participants aged 55 and above whose employment relationship has been terminated by the employer have the option to continue their insurance with the Pension Fund.
- Option to take phased early retirement (MyPartTime 58+).

MyPension portal for insured participants

In the reporting year, the MyPension portal for insured participants was expanded and adapted. The portal complies with stringent requirements for security and data protection, not least by means of two-factor authentication.

Administration costs

The employer fully finances the risk contributions and thus the administration costs. They amount to CHF 283 per beneficiary (previous year: CHF 235).

Investments

Review

The anticipated return to normality was still not in sight in the year after the outbreak of the COVID-19 pandemic.

Hopes of continued economic recovery were reinforced on the capital markets. High consumer demand drove up corporate profits. At the same time, the supply chains that had already been disrupted by the pandemic were increasingly pushed to their limits, dampening the recovery and increasing prices across the board. Interest rates rose considerably in many Western countries and the long-anticipated reversal in interest rates appeared to have arrived. Switzerland was not able to escape this environment, though the increases in interest rates and inflation were more moderate.

The appearance of the Delta variant and the new findings regarding the effectiveness of vaccinations resulted in increased risks. Meanwhile, share prices reached record highs, particularly shares in companies experiencing strong growth. China, the world's second-largest economy, also began to address the problems in its real estate sector and reduce inequality in the population.

Overall, the positive mood in the capital markets was not diminished by the increased risks. The past year was a superb one for the equity and commodity markets, which yielded above-average returns, although it was difficult to make money with bonds. The year 2021 has clearly shown that the (investment) world is in a state of upheaval. The years of low interest rates are over for the time being, inflation is making a comeback, the global economy is shifting to a more sustainable way of doing business, and the position of the US as the global hegemonic power is being continuously challenged by the second major power, China.

Investments by the Pension Fund

In 2021, the Pension Fund of Credit Suisse Group (Switzerland) fundamentally changed its investment approach. The long-term strategic asset allocation is based on an ALM process and serves as a guideline for implementation. By reducing the relative risks in the liquid asset classes, the investment portfolio was aligned more consistently with this guideline in the reporting year. The combination of the previous and new portfolio resulted in a very pleasing overall performance of 9.5%. While bonds made a slightly negative contribution of -0.5% to this performance, all other investment categories recorded a solid positive contribution. Foremost among these were shares at 5.2%, followed by alternative investments at 3.4%, and real estate at 1.4%.

Sustainable investments and environmental, social, and governance (ESG) criteria

On behalf of the Board of Trustees, the ESG Committee continued to examine the sustainability of investments in 2021 and pushed ahead with the development of specific implementation measures. For the first time, the ESG Committee has commissioned the drafting of an Active Ownership Report, which will provide more detail on the activities of the Pension Fund with regard to the exercise of voting rights and engagement in 2021.

An overarching sustainability and climate strategy, which sets out the objectives of the Pension Fund for both of these issues and specifies important guidelines for implementation in investments, was actively developed in 2021. Both documents will be published in 2022 and will form the basis for a discussion of potential implementation measures in the asset classes.

This discussion will bring our Pension Fund one key step closer to integrating sustainability aspects into investments.

Board of Trustees

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

In the reporting year, the Board of Trustees of the Pension Fund of Credit Suisse Group (Switzerland) focused primarily on the following items of business:

- 2020 Annual Report and financial statements and discharge of the management
- Asset and liability management process
- Pension Fund regulations, amendments
- Regulations on investments, amendments
- Regulations on provisions, amendments
- Proposals concerning sustainable investments (ESG)

Continuing education and introduction programs

The Board of Trustees takes regular steps to enhance its expertise and skills in employee benefits insurance and general investment issues. In the reporting year, experts within the Pension Fund provided training sessions on the topics of asset and liability management, and sustainable investments (ESG). In addition, members of the Board were able to attend external training courses. Pension Fund staff also provided new Board members with individual training.

Responsibility

The Pension Fund of Credit Suisse Group (Switzerland), with total assets of some CHF 19.4 billion, around 18,000 active participants, and approximately 11,000 pensioners, is one of the largest pension funds in Switzerland. 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. Those responsible for managing the Fund consider it very important to maintain a competitive level of benefits and ensure that the insured participants enjoy the most comprehensive insurance coverage possible.

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

PENSION FUND OF CREDIT SUISSE GROUP (SWITZERLAND)



Joachim Oechslin

Chair of the Board of Trustees



Martin Wagner

Chief Executive Officer



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 CHF. In individual cases, the total (in CHF and as a percentage) differs marginally from the sum of the individual values.

	Note	31.12.2021		31.12.2020	
		CHF	%	CHF	%
Assets					
Investments	3.6.4	19,354,455,692	99.9	18,062,600,277	99.8
Other assets and prepayments and accrued income	3.7.1	21,491,640	0.1	32,050,777	0.2
Total assets		19,375,947,331	100.0	18,094,651,054	100.0

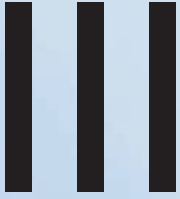
Investments in an employer's enterprise are reported and explained in Section 3.6.10 of the explanatory notes.

	Note	31.12.2021		31.12.2020	
		CHF	%	CHF	%
Liabilities					
Liabilities		179,099,142	0.9	120,293,228	0.7
Termination benefits and pensions		87,307,824	0.5	37,058,854	0.2
Other liabilities		24,001,678	0.1	21,892,264	0.1
Loans	3.7.3	67,789,640	0.3	61,342,110	0.3
Accrued liabilities and deferred income		6,902,734	0.0	5,161,960	0.0
Employer's contribution reserve	3.6.11	67,070,866	0.3	51,791,322	0.3
Pension liabilities and actuarial provisions		14,605,605,223	75.4	14,864,762,315	82.2
Active participants' liabilities	3.5.2	6,403,517,829	33.0	6,192,071,131	34.2
Pensioners' liabilities	3.5.4	7,837,995,394	40.5	8,031,662,513	44.4
Actuarial provisions	3.5.5	364,092,000	1.9	641,028,671	3.5
Reserve for fluctuations in asset value	3.6.3	2,480,000,000	12.8	2,380,000,000	13.2
Endowment capital, non-committed funds (+) / underfunding (-)		2,037,269,367	10.5	672,642,228	3.7
Balance as of January 1		672,642,228	3.5	54,406,264	0.3
Income surplus (+) / expense surplus (-)		1,364,627,139	7.0	618,235,965	3.4
Total liabilities		19,375,947,331	100.0	18,094,651,054	100.0

2.2 Operative account

Operative account			
	Note	2021 CHF	2020 CHF
Ordinary and other contributions and lump-sum transfers			
Employee contributions		146,205,014	142,657,705
Employer contributions		296,637,111	289,835,733
One-time payments and purchase amounts		51,267,586	41,023,414
Transfers to employer's contribution reserve		12,000,000	13,736,528
Total ordinary and other contributions and lump-sum transfers		506,109,711	487,253,380
Lump-sum transfers on joining the Pension Fund			
Termination benefit transfers		125,534,436	108,991,744
Transfers to actuarial provisions		–	–
Repayment of withdrawals for home ownership/divorce		12,019,679	9,443,385
Total lump-sum transfers on joining the Pension Fund		137,554,114	118,435,129
Inflow from contributions and lump-sum transfers on joining the Pension Fund		643,663,826	605,688,510
Regulatory benefits			
Retirement pensions		(410,951,246)	(414,178,696)
Survivors' pensions (surviving spouse's pensions)		(64,896,787)	(63,568,138)
Orphan's pensions		(1,268,982)	(1,410,311)
Disability pensions		(23,145,365)	(22,714,535)
Other regulatory benefits		(15,370,273)	(19,295,208)
Lump-sum payments on retirement		(120,569,855)	(77,025,558)
Lump-sum payments upon death or disability		(5,963,408)	(3,862,038)
Lump-sum payments upon divorce (pensioners)		(203,093)	(394,000)
Total regulatory benefits		(642,369,008)	(602,448,484)
Termination benefits			
Termination benefits on leaving the Pension Fund	3.5.2	(355,338,203)	(246,534,225)
Transfer of liabilities from retirement capital savings (migration to 1e plan)	3.5.2	–	(325,962,025)
Transfer of additional funds for collective withdrawals	3.9.1	(2,478,979)	500,000
Withdrawals for home ownership/divorce		(39,951,514)	(40,108,922)
Transfer of employer's contribution reserve to Pension Fund 2	3.6.11	–	–
Total termination benefits		(397,768,696)	(612,105,172)
Outflow for benefits and withdrawals		(1,040,137,704)	(1,214,553,656)
Increase / decrease in pension liabilities, actuarial provisions, and employer's contribution reserves			
Increase (-) / decrease (+) in active participants' liabilities	3.5.2	166,304,368	312,505,898
Interest on active participants' liabilities		(377,751,066)	(131,774,587)
Increase (-) / decrease (+) in pensioners' liabilities	3.5.4	193,667,119	141,577,965
Increase (-) / decrease (+) in actuarial provisions	3.5.5	276,936,671	(23,768,590)
Increase (-) / decrease (+) in employer's contribution reserve	3.6.11	(11,913,108)	(13,736,528)
Total increase / decrease in pension liabilities, actuarial provisions, and employer's contribution reserves		247,243,984	284,804,158
Insurance cost			
Contributions to Security Fund BVG		(1,726,259)	(1,700,911)
Net result of insurance activities		(150,956,153)	(325,761,900)

	Note	2021 CHF	2020 CHF
Investments			
Return on investments	3.6.8	1,804,124,524	1,050,742,494
Interest on termination benefits		(649,181)	(807,474)
Interest on loans	3.7.3	(5,812,030)	(3,611,617)
Interest on employer's contribution reserve	3.6.11	(3,366,436)	(837,392)
Asset management costs	3.6.9	(170,545,706)	(144,333,666)
Net return on investments		1,623,751,171	901,152,346
Other income		214,160	-
Other expenses		(233,101)	(356,383)
Administration cost			
General administration cost	3.7.2	(7,906,804)	(6,524,808)
Auditors and pension actuary		(207,480)	(237,870)
Supervisory authorities		(34,653)	(35,421)
Total administration costs		(8,148,937)	(6,798,099)
Income surplus / expense surplus before adding to or releasing from reserve for fluctuations in asset value		1,464,627,139	568,235,965
Increase (-) / decrease (+) in reserve for fluctuations in asset value		(100,000,000)	50,000,000
Income surplus (+) / expense surplus (-)		1,364,627,139	618,235,965



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III – Explanatory notes

3.1 General information and organization

3.1.1 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(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. Affiliation of a company requires a written affiliation agreement.

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

The foundation has been entered in the BVG- und Stiftungsaufsicht des Kantons Zürich (Office for Occupational Insurance and Foundations of the Canton of Zurich, BVS) register of occupational pension plans under number ZH1290. The foundation is affiliated with the BVG Security Fund.

3.1.3 Plan statutes and regulations

As of December 31, 2021, the following plan statutes and regulations were in force:

Plan statutes and regulations	Approved on	Valid from
Deed of foundation	08.02.2019	25.04.2019
Pension Fund regulations	04.12.2020	01.01.2021
Organizational regulations	29.10.2020	01.01.2021
Regulations on investments	25.10.2021	31.12.2021
ALM regulations	29.10.2020	01.01.2021
Regulations on provisions	25.10.2021	31.12.2021
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 Pension Fund bodies / authorized signatories

Board of Trustees

The Board of Trustees is composed of an equal number of employee and employer representatives, 12 in all, whose term of office runs from 2021 to 2024. 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 (as of December 31, 2021).

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

Until the end of the 2017 to 2020 term of office, pensioners were still represented by two members on the Board of Trustees. From the beginning of the 2021 to 2024 term of office, representatives of pensioners no longer sit on the Board of Trustees.

The members of the Board of Trustees and 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.

Employer representatives appointed by Credit Suisse Group AG (founder)

Philip Hess, Chair, Credit Suisse Group AG, Zurich

André Helfenstein, Credit Suisse (Switzerland) Ltd., Zurich

Christian G. Machate, Credit Suisse AG, Zurich

Aaron Matzinger, Credit Suisse AG, Zurich (from September 1, 2021)

Joachim Oechslin, Credit Suisse AG, Zurich (from April 14, 2021)

Christian Stark, Credit Suisse Group AG, Zurich

Michel Degen, Credit Suisse Asset Management (Switzerland) Ltd., Zurich (until March 9, 2021)

Employee representatives

Daniel Egli, Lucerne, Vice-Chair, Credit Suisse (Switzerland) Ltd., constituency 1

Daniel Ammon, Bern, Credit Suisse (Switzerland) Ltd., constituency 1

Moreno Ardia, Zurich, Credit Suisse (Switzerland) Ltd., constituency 1 (from April 14, 2021)

Christian Braun, Zurich, Credit Suisse Asset Management (Switzerland) Ltd., constituency 3 (from April 14, 2021)

Timoteo Gandolfi, Lugano, Credit Suisse (Switzerland) Ltd., constituency 2 (from April 14, 2021)

Gaby Kuchta-Schmidt, Kappel, Credit Suisse (Switzerland) Ltd., constituency 1 (from April 14, 2021)

Thomas Isenschmid, Zurich, Vice-Chair, Credit Suisse Asset Management (Switzerland) Ltd., German-speaking Switzerland (until April 14, 2021)

Thomas Bärlocher, Horgen, BANK-now Ltd., affiliated companies (until April 14, 2021)

Massimiliano Tagliabue, Lugano, Credit Suisse (Switzerland) Ltd., Ticino (until April 14, 2021)

The constituencies are as follows:

Constituency

1	Credit Suisse (Switzerland) Ltd. and Credit Suisse AG, German-speaking Switzerland
2	Credit Suisse (Switzerland) Ltd. and Credit Suisse AG, French-speaking and Italian-speaking Switzerland
3	Other affiliated companies

Pensioner representatives

Martin Klaus, employee representative, Zurich (until April 14, 2021)

Markus A. Beeler, employer representative, Zurich (until April 14, 2021)

Investment Committee

Andreas Dänzer, Chair (from March 1, 2021)

Oliver Fässler, Deputy Chair (from April 14, 2021)

Daniel Ammon, member

Aaron Matzinger (from September 8, 2021)

Kristian Ceko, external advisor (from June 7, 2021)

Andreas Köster, external advisor (from June 7, 2021)
Michael Riesner, external advisor (from June 7, 2021)
Martin Wagner (non-voting)
Philip Hess, Chair (until April 14, 2021)
Michel Degen (until March 9, 2021)
Daniel Egli (until April 14, 2021)
André Helfenstein (until April 14, 2021)
Thomas Isenschmid (until April 14, 2021)
Guido Bächli (non-voting) (until February 28, 2021)
Sebastian Krejci (non-voting, until April 14, 2021)

ALM Committee

Christian Stark, Chair
Christian Braun (from April 14, 2021)
Daniel Egli
Joachim Oechslin
Andreas Dänzer (from March 1, 2021)
Holger Inhester (from September 8, 2021)
Sebastian Krejci
Martin Wagner (non-voting)

Compensation and Promotion Committee

Christian G. Machate, Chair
Daniel Ammon
Arnaud Erhard (from April 14, 2021)
Philip Hess
Martin Klaus (until April 14, 2021)

Audit and Risk Committee

Joëlle Laprévotte, Chair (from April 14, 2021)
Moreno Ardia (from April 14, 2021)
Gaby Kuchta-Schmidt (from April 14, 2021)
Christian Stark
Thomas Isenschmid, Chair (until April 14, 2021)
Thomas Bärlocher (until April 14, 2021)
Martin Klaus (until April 14, 2021)

ESG Committee

Arnaud Erhard, Chair (from April 14, 2021)
Christian Braun (from April 14, 2021)
Timoteo Gandolfi (from April 14, 2021)
Aaron Matzinger (from September 8, 2021)
Andreas Dänzer (from March 1, 2021)
Martin Wagner (non-voting)
Thomas Isenschmid, Chair (until April 14, 2021)
Michel Degen (until March 9, 2021)
Martin Klaus (until April 14, 2021)
Massimiliano Tagliabue (until April 14, 2021)

Executive Committee

Philip Hess, Chair
Daniel Egli (from April 14, 2021)
Martin Wagner
Thomas Isenschmid (until April 14, 2021)

Management

Martin Wagner, Chief Executive Officer (CEO)
Andreas Dänzer, Chief Investment Officer (CIO) (from March 1, 2021)
Holger Inhester, Chief Financial Officer (CFO) (from June 1, 2021)
Roger Nigg, Chief Pension Services (CPS)

Guido Bächli, Chief Investment Officer (CIO) (until February 28, 2021)
Sebastian Krejci, Chief Risk Officer (CRO) (until May 31, 2021)

3.1.5 Actuaries, auditors, advisors, supervisory authority

Pension actuary

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

Auditors

PricewaterhouseCoopers AG, Bern

Real estate valuers

Wüest Partner AG, Zurich

Investment controller

PPCmetrics AG

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: 15) different employers with active participants and with close business and financial ties to Credit Suisse Group AG were affiliated with the Pension Fund of Credit Suisse Group (Switzerland).

On December 31, 2021, the affiliation agreements between the Pension Fund and the affiliated companies Energy Infrastructure Partners AG and kioSwiss were terminated. For more details, please see Section 3.9.1 Partial liquidations.

In the following table, the far right column lists pension obligations pertaining to the pensioner contingent as of the end of 2016; these were allocated proportionately to the affiliated employers on December 31, 2016.

Affiliated employers

Name of the affiliated employer	31.12.2021 Number of active participants	31.12.2020 Number of active participants	31.12.2021 Proportion of active participants in %	Proportion of pension obligations in %
Credit Suisse (Switzerland) Ltd.	8,068	8,445	45.21	50.80
Credit Suisse AG	5,863	5,704	32.86	32.22
Credit Suisse Services Ltd.	2,639	2,452	14.79	10.52
Credit Suisse Asset Management (Switzerland) Ltd.	569	566	3.19	2.61
BANK-now Ltd.	319	311	1.79	1.72
Credit Suisse Funds AG	80	75	0.45	0.38
Fides Treasury Services AG	63	59	0.35	0.29
Credit Suisse Trust Ltd.	46	57	0.26	0.31
Credit Suisse Insurance Linked Strategies Ltd.	51	56	0.29	0.24
Pension Fund of CSG (Switzerland)	58	56	0.33	0.24
Credit Suisse Group AG	66	44	0.37	0.25
Energy Infrastructure Partners AG	–	38	0.00	0.07
Aventicum Capital Management (Suisse) SA	9	22	0.05	0.11
Credit Suisse Investment Partners (Switzerland) Ltd.	5	5	0.03	–
Corby SA	2	2	0.01	0.01
Credit Suisse AG, Singapore Branch	–	–	–	0.02
kioSwiss Verband für Kiosk und Handel	–	–	–	0.01
External insured participants	6	1	0.03	–
Provision for pensioners remaining from previous affiliations	–	–	–	0.20
Total as of December 31	17,844	17,893	100.00	100.00
Number of affiliations with active participants	14	15		

3.1.7 Corporate governance

Integrity and loyalty of the responsible persons

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

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. 49(a)(2) BVV 2

The Pension Fund exercises its voting rights in accordance with clear criteria approved by the ESG Committee; the exercise of voting rights and the disclosure of voting behavior also comply with the legal requirements (Ordinance against excessive compensation with respect to listed stock corporations, OAEC). The Pension Fund exercises the shareholders' rights associated with equity investments in the interest of the insured participants. In the reporting year, the Pension Fund exercised its voting rights at just under 950 annual general meetings. This relates to listed joint-stock companies in Switzerland, Europe, the US, Canada, and the Asia Pacific region (APAC).

Votes were exercised in compliance with the voting policies defined by the Pension Fund. The voting policies are reviewed by the ESG Committee at least once a year and, if necessary, updated.

The voting behavior is described in detail on the Pension Fund's website.

Policy on retrocessions

The payment of retrocessions is dealt with in contractual agreements with the external asset managers. Any income accrues in full to the Pension Fund. Both the related accounts and any payments made are checked in detail by the Pension Fund. For the reporting year, all external asset managers have confirmed that they received no retrocessions.

Remuneration of the Board of Trustees and the committees

Pursuant to the Board of Trustees resolution of June 2021, employee representatives will be compensated as follows for their participation in the Board of Trustees and its committees:

Board of Trustees compensation

	Annual one-time payment in CHF	Attendance fee in CHF
Board of Trustees	2,000	1,500
Investment Committee	1,000	750
ALM Committee	1,000	750
ESG Committee	1,000	750
Compensation and Promotion Committee	1,000	750
Audit and Risk Committee	1,000	750
Executive Committee	1,000	750
Regulations working group	1,000	750

External advisors are compensated according to expenditure as part of their mandate. Meetings of the Pension Fund and Pension Fund 2 that take place on the same day are considered a single meeting.

Effective costs 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

Active participants

	Men	Women	Total
No. of participants as of December 31, 2020	10,900	6,993	17,893
New participants	1,318	992	2,310
Departures (total)	(1,418)	(941)	(2,359)
of which through disability	(9)	(6)	(15)
of which through retirement	(146)	(80)	(226)
of which through change of job	(1,256)	(854)	(2,110)
of which through death	(7)	(1)	(8)
No. of participants as of December 31, 2021	10,800	7,044	17,844
Change in number of persons	(100)	51	(49)
Change in %	(0.9)	0.7	(0.3)

3.2.2 Pensioners and change in number of pensioners

Pensioners						
	Men	Men	Women	Women	Total	Total
	1.1.2022	1.1.2021	1.1.2022	1.1.2021	1.1.2022	1.1.2021
Retirement pension recipients	5,104	5,127	3,080	3,104	8,184	8,231
Disability pension recipients	239	249	274	268	513	517
Survivors' pension recipients (surviving spouse's pensions)	162	147	1,631	1,615	1,793	1,762
Divorced spouse's pension recipients	2	2	27	16	29	18
Support pension recipients	20	19	12	12	32	31
Child's pension recipients	194	218	250	253	444	471
Total pensioners	5,721	5,762	5,274	5,268	10,995	11,030
Change in number of persons	(41)		6		(35)	
Change in %	(0.7)		0.1		(0.3)	

The number of pensioners changed as follows:

Change in number of pensioners		
	2021	2020
Number of pensioners at the beginning of the financial year	11,030	11,227
New pensioners		
Retired active participants	178	135
Retired disability pension recipients	39	38
Disability pension recipients	39	28
Survivors' pension recipients (surviving spouse's pensions)	121	173
Divorced spouse's pension recipients	11	9
Support pension recipients	1	1
Child's pension recipients	73	287
Termination of pension entitlement		
Death of retirement pension recipient	(264)	(286)
Death of disability pension recipient	(4)	(6)
Reactivation of disability pension recipient	–	(3)
Retirement of disability pension recipient	(39)	(38)
Death of survivors' pension (surviving spouse's pension) recipient	(90)	(194)
Death of divorced spouse's pension recipient	–	(5)
Remarriage of survivors' pension (surviving spouse's pension) recipient	–	–
Expiry of child's pension and support pension	(100)	(336)
Number of pensioners at the end of the financial year	10,995	11,030

3.2.3 Age structure of active participants and pensioners

Average age of active participants		
	on 31.12.2021	on 31.12.2020
Men	44.1	43.9
Women	41.8	41.7

Average age of pensioners

	on 1.1.2022	on 1.1.2021
Retirement pensions, men	74.2	73.8
Retirement pensions, women	75.1	74.7
Disability pension recipients	55.4	55.4
Survivors' pension recipients (surviving spouse's pension recipients)	79.1	78.7
Divorced spouse's pension recipients	69.4	71.5
Child's pension recipients	17.3	17.4

3.3 Implementation of objectives

As an autonomous pension institution, the Pension Fund has the legal form of a foundation. The foundation operates pension capital savings plans in the defined contribution system, consisting of two pension pots: a pension capital pot and a supplementary pension capital account (for early retirement).

3.3.1 Characteristics of the pension plan

Pensionable salary

All employees are insured as stipulated by the BVG.

The effective salary in the Pension Fund of Credit Suisse Group (Switzerland) consists of the base salary, the base salary excess, and the variable salary (incentive award). The effective salary may not exceed CHF 129,060. The maximum effective salary minus a coordination deduction of no more than CHF 28,680 results in the maximum pensionable salary of CHF 100,380.

The proportion exceeding the maximum pensionable salary in the Pension Fund of Credit Suisse Group (Switzerland) of CHF 100,380 is insured in the retirement capital savings plans of Pension Fund 2 of Credit Suisse Group (Switzerland).

The coordination deduction for part-time employees is adjusted in proportion to the level of employment. The pensionable salary risk component equals the average of the last three pensionable variable salaries (incentive awards).

Retirement

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

Retirement pension

The pension is calculated by multiplying the available capital in the pension-accumulating pension capital and pension capital supplementary account pension pots by the pension conversion rate corresponding to the age of the insured participant. The retirement pension is a maximum of CHF 100,380.

The retirement pension is supplemented by retiree's child's pensions and an AHV bridging pension. The AHV bridging pension amounting to the anticipated AHV pension is paid from the same date as the retirement pension until the insured participant starts receiving the retirement pension from the Swiss Federal Old Age and Survivors' Insurance.

Lump-sum payments

At the request of the insured participant, up to 50% of the pension capital and pension capital supplementary account can be drawn as a lump sum. The portion of the accrued assets over CHF 1,003,800 can even be drawn in full as a lump sum.

The proportion of the pension capital and the pension capital supplementary account not used for the lifelong retirement pension must be paid out as a lump sum or can be used to purchase an AHV bridging pension.

Disability pension

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. The disability pension is supplemented by a disability bridging pension, a disabled person's child's pension, and the lump-sum payment in the event of disability.

Moreover, the obligation to pay contributions into the Pension Fund 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, the Pension Fund 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 pensionable base salary excess, and the average of the last three pensionable Awards 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.

Death benefits

In the event of death of the insured participant, 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 66⅔% of the insured disability pension or of the retirement or 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, the surviving spouse is 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 payable at death and by orphan's pensions and support pensions for eligible children.

Provided that there is entitlement to a surviving spouse's pension or cohabiting partner's pension, the lump sum payable at death from the pension capital savings corresponds to half of the pensionable base salary, but no more than CHF 50,190, and the assets accumulated in the pension capital pot minus the individual maximum assets in the pension capital pot in accordance with the purchasing tables (Standard contribution option), and the assets accumulated in the pension capital supplementary account.

In all other cases, the lump sum payable at death corresponds to the termination benefits or the assets in the pension capital and pension capital supplementary account, but at least half of the sum of the pensionable base salary, base salary excess, and pensionable salary risk component (incentive award) insured in the pension capital savings plan.

1e retirement capital savings

Until December 31, 2019, in addition to pension capital savings, the Pension Fund operated a retirement capital savings plan consisting of two capital-accumulating pension pots: retirement capital and retirement capital supplementary account (for early retirement). This retirement capital savings plan was split off from the Pension Fund in early 2020 to form a separate 1e plan, managed under Pension Fund 2 of Credit Suisse Group (Switzerland). The new 1e plan offers insured participants with a salary subject to AHV contributions of over CHF 129,060 (as of 2021) the opportunity to select one of six investment strategies for their pension assets.

3.3.2 Financing, financing method

Contributions by the insured participants and the employer

The insured participants can annually choose the level of their savings contribution from the three contribution options: Basic, Standard, and Top. In the absence of active selection, they are assigned to the Standard contribution option.

The age-dependent savings contribution 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 variable salary (incentive award).

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

The risk contributions are fully financed by the employer in all three contribution options. The risk contributions up to the age of 25 are 1.8% on the pensionable base salary and 0.8% on the pensionable base salary excess and variable salary. From the age of 25, the risk contributions are 5.8% on the pensionable base salary and 2.8% on the pensionable base salary excess and variable salary. The employer pays the risk contributions in full.

Further information on the contributions can be found in the current "Pension capital savings" Pension Fund regulations at 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.

Securities

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

Swiss mortgages (mortgage deeds)

Swiss mortgages (mortgage deeds) are recognized in the balance sheet at nominal value minus any valuation adjustments required for operational purposes. At this time, no valuation adjustments are necessary.

Real estate

Direct real estate holdings are reported in the balance sheet at market value. The basis on which the external assessor determines the market value is the sum of the 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 the balance sheet date, the range for the discount rate was between 2.4% and 4.1% (previous year: 2.5% and 4.4%).

The real estate is appraised annually, and 20% of the real estate holdings are inspected on site at the time of review. All real estate must be inspected at five-year intervals. Indirect real estate holdings are recognized in the balance sheet at market prices.

Alternative investments

Listed alternative investments are reported in the balance sheet 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, checked for plausibility by the Pension Fund, and discussed and analyzed in regular meetings with the asset manager.

Other assets

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

Active participants' liabilities

The pension liabilities of active participants comprise the retirement assets in accordance with statutory and regulatory requirements. Pension liabilities are confirmed annually by the actuarial expert.

Pensioners' liabilities

The pension actuary calculates the pensioners' liabilities annually using actuarial bases and taking into account statutory and regulatory requirements.

Actuarial provisions

Actuarial provisions are calculated on the basis of the regulations on provisions and recommendations by the pension actuary. Actuarial provisions are calculated annually by the pension actuary.

Other liabilities

Other liabilities are recognized at nominal value.

3.4.3 Changes in accounting policy and in bookkeeping

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

In the reporting year, the Pension Fund switched its strategic and economic focus to managed investments. This was due in particular to the adjusted investment processes and principles. As a result of this change, tables in the 2021 Annual Report have been revised in terms of their format and breakdown. A direct comparison with the 2020 figures is possible at the "total" level. At the "sub-total" level, there may be deviations or shifts.

Performance is reported at the "total asset" level, whereas the contribution to overall performance is reported per investment category.

3.5 Actuarial risks / risk benefit coverage / coverage ratio

3.5.1 Type of risk benefit coverage, reinsurance agreements

The Pension Fund autonomously bears the risks of retirement, disability, and death. It has no reinsurance agreements.

3.5.2 Active participants' liabilities

Overall development of active participants' liabilities

The total active participants' liabilities in the pension capital savings and retirement capital savings plans developed as follows in the reporting year:

Overall development of active participants' liabilities			
	2021 in CHF	2020 in CHF	Change in CHF
Pension capital savings and retirement capital savings assets as of January 1	6,192,071,131	6,372,802,443	(180,731,312)
Transfer of liabilities from retirement capital savings (migration to 1e plan) – January 2020	–	(325,962,025)	325,962,025
Retrospective correction for migration	(570,679)	–	(570,679)
Employer's and employee's savings contributions	360,225,523	351,288,412	8,937,111
Purchase amounts and one-time payments	51,267,586	41,023,414	10,244,173
Termination benefit transfers	125,534,436	108,991,744	16,542,692
Repayment of withdrawals for home ownership/divorce	12,019,679	9,443,385	2,576,294
Termination benefits on leaving the Pension Fund	(355,338,203)	(246,534,225)	(108,803,978)
Withdrawals for home ownership/divorce	(39,951,514)	(40,108,922)	157,407
Interest paid on retirement savings capital (6.50%/2.25%)	377,751,066	131,774,587	245,976,479
Lump-sum payments on retirement	(120,569,855)	(77,025,558)	(43,544,297)
Transfer to pensioners' liabilities due to retirement	(169,239,978)	(103,183,631)	(66,056,348)
Transfer to pensioners' liabilities due to partial retirement	(10,636,345)	(10,753,504)	117,160
Transfer to pensioners' liabilities due to disability	(13,263,553)	(14,589,931)	1,326,378
Transfer to pensioners' liabilities due to death	(5,781,464)	(5,095,058)	(686,406)
Total liabilities, pension capital savings as of December 31	6,403,517,829	6,192,071,131	211,446,698

Insured participants with retirement capital savings had a one-off option until September 30, 2019, to transfer their assets accrued in retirement capital savings to the existing pension capital savings pot or to the new 1e retirement capital savings managed under Pension Fund 2 of Credit Suisse Group (Switzerland) from January 1, 2020, onward.

This resulted in CHF 326.0 million being transferred from the Pension Fund of Credit Suisse Group (Switzerland) to Pension Fund 2 of Credit Suisse Group (Switzerland) on January 13, 2020, on the basis of the options selected.

3.5.3 Total retirement savings capital in accordance with the law on occupational pensions (“shadow account”)

The retirement savings capital in accordance with the law on occupational pensions of the active participants is as follows:

BVG retirement savings capital		
	31.12.2021 in CHF mn	31.12.2020 in CHF mn
Retirement savings capital in accordance with the law on occupational pensions	1,411.7	1,397.2

3.5.4 Pensioners' liabilities

Development of pensioners' liabilities

Pensioners' liabilities comprise the following components:

Pensioners' liabilities	31.12.2021 in CHF	31.12.2020 in CHF	Change in CHF
Retirement pensions	6,458,322,264	6,630,165,734	(171,843,471)
AHV bridging pensions	19,591,566	29,907,295	(10,315,729)
Survivors' pensions (surviving spouse's pensions)	782,382,541	793,427,400	(11,044,859)
Divorced spouse's pensions	14,604,468	8,779,861	5,824,607
Disability pensions	519,800,044	524,829,616	(5,029,572)
Disability bridging pensions	10,063,000	10,719,419	(656,418)
Child's pensions and support pensions	33,231,511	33,833,188	(601,677)
Total pensioners' liabilities	7,837,995,394	8,031,662,513	(193,667,119)

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, 2022. Pensions were last adjusted on January 1, 2007. The cumulative increase in the cost of living since then amounts to 3.2% as measured by the Swiss Consumer Price Index.

3.5.5 Actuarial provisions

Actuarial provisions	31.12.2021 in CHF	31.12.2020 in CHF	Change in CHF
Provision for increase in life expectancy	15,676,000	216,855,000	(201,179,000)
Provision for actuarial risks	28,431,000	28,030,000	401,000
Provision for retirement losses	318,609,000	394,615,671	(76,006,671)
Provision for pensioners remaining from previous affiliations	1,376,000	1,528,000	(152,000)
Total actuarial provisions	364,092,000	641,028,671	(276,936,671)

Provision for increase in life expectancy

The provision for increase in life expectancy is intended to mitigate the impact of the changeover to newer generation tables. The provision is formed on the recommendation of the pension actuary as a flat-rate percentage of pensioners' liabilities.

Provision for actuarial risks

The provision for actuarial risks is intended to offset short-term unfavorable fluctuations in the risks of death and disability for active participants. The provision is formed on the recommendation of the pension actuary based on a risk analysis. The provision is recalculated each year and corresponds to 4.5% of the pensionable base salaries in the Pension Fund. Transitional provision: For the 2021 financial statements, the target value is 2.0% of the total pensionable salary amount.

Provision for retirement losses

The provision for retirement losses aims to cover expected losses for cases of new retirement where these are not covered by current financing. The amount of the provision is calculated by the pension actuary.

Provision for pensioners remaining from previous affiliations

This provision serves to compensate the lost restructuring potential of employers that are no longer affiliated for the share of pensioners allocated to them as of December 31, 2016. The amount of the

provision is calculated by the pension actuary and is defined as the difference between the “risk-free” assessment and the assessment in accordance with the technical interest rate.

3.5.6 Conclusions of the last actuarial report

In its actuarial report as of December 31, 2021, the pension actuary confirmed the following:

- Regulatory actuarial provisions on benefits and financing are in line with current statutory requirements.
- As of December 31, 2021, the Pension Fund of Credit Suisse Group (Switzerland) provides sufficient security to ensure that it can fulfill its actuarial obligations. It thus complies with the requirements of Art. 52(e)(1) BVG.

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

3.5.7 Actuarial principles and other significant actuarial assumptions

Actuarial principles / technical interest rate

	31.12.2021	31.12.2020
Actuarial principles	BVG 2020, CMI with LTR 2.10%	BVG 2010G
Technical interest rate	1.21%	1.31%

The variable technical interest rate is defined as the return on Swiss government Eidgenossen bonds for the duration of the liabilities (12 years), plus 130 basis points (bps), subject to a cap of 200 bps. The 130 bps supplement and any possible cap are reviewed annually by the Board of Trustees. As of the end of the reporting year, the technical interest rate according to this formula was 1.21%.

3.5.8 Changes in actuarial principles and assumptions

On the recommendation of the pension actuary, the Pension Fund switched the biometric principles to BVG 2020 in 2021. Compared to the BVG 2010 principles used previously, life expectancy at age 65 increases by around six months for men, while it falls slightly for women.

For the forecast of future mortality, the Pension Fund now uses the more accurate Continuous Mortality Investigation (CMI) method, with a long-term rate for mortality improvement (LTR) of 2.1%. The CMI method originates from a research contract of the Institute and Faculty of Actuaries (IFoA) in the UK.

This change to the biometric principles brought about a one-off change in the coverage ratio of approx. +1.3% in the reporting year.

The slight reduction in the technical interest rate from 1.31% to 1.21% resulted in a one-off increase in pensioners’ liabilities of around CHF 94.1 million as of December 31, 2021.

3.5.9 Coverage ratio under Article 44 BVV 2

Actuarial balance sheet				
Actuarial principles		31.12.2021 BVG 2020, CMI with LTR 2.10%	31.12.2020 BVG 2010G	
Technical interest rate	Note	1.21% CHF	1.31% CHF	Change in CHF
Pension liabilities, pension capital savings				
Active participants' liabilities	3.5.2	6,403,517,829	6,192,071,131	211,446,698
Pensioners' liabilities	3.5.4	7,837,995,394	8,031,662,513	(193,667,119)
Actuarial provisions	3.5.5	364,092,000	641,028,671	(276,936,671)
Pension liabilities and actuarial provisions (PL)		14,605,605,223	14,864,762,315	(259,157,092)
Assets				
Accrued liabilities, deferred income, and other liabilities	2.1	(186,001,875)	(125,455,188)	(60,546,687)
Employer's contribution reserve	3.6.11	(67,070,866)	(51,791,322)	(15,279,544)
Pension assets (PA)		19,122,874,590	17,917,404,543	1,205,470,047
Coverage ratio under Art. 44 BVV 2 in % (PA/PL)		130.9	120.5	10.4
Reserve for fluctuations in asset value	3.6.3	2,480,000,000	2,380,000,000	100,000,000
Non-committed funds		2,037,269,367	672,642,228	1,364,627,139

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

With a coverage ratio of 130.9% (previous year: 120.5%), the Pension Fund has non-committed funds of CHF 2.037 billion and unlimited risk ability.

Development of the coverage ratio									
	2013	2014	2015	2016	2017	2018	2019	2020	2021
Coverage ratio under Art. 44 BVV 2 in %	111.6	115.8	107.8	108.5	115.6	112.1	116.4	120.5	130.9

3.6 Explanatory notes on investments and net return on investments

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

The regulations on investments of the Pension Fund of Credit Suisse Group (Switzerland) specify the objectives and principles, the organization, the division of responsibilities, authority, and the guidelines for the investment of assets and monitoring this process.

In accordance with the legal provisions and based on the ALM process, the Board of Trustees defines strategic requirements that are tailored to the financial and structural risk ability of the Pension Fund. The Board of Trustees is supported by the ALM Committee in this matter.

On the basis of the strategic requirements and the principles set out in the regulations on investments, the Investment Committee manages the investments within the bandwidths and requirements stipulated by the Board of Trustees. The requirements of the Investment Committee are implemented by the CIO.

The ESG Committee is responsible for drawing up the sustainability strategy of the investments of the Pension Fund. The recommendations made by the ESG Committee regarding the sustainability strategy are incorporated into the strategic requirements for the investment of assets by the Board of Trustees. The ESG Committee also involves the Investment Committee in defining the sustainability considerations for the investment process.

Strategic asset allocation (SAA) and bandwidths

The strategic guidelines, in particular the neutral position, the bandwidths, and benchmarks (for example comparison indices) serve as a strategic control tool for the Board of Trustees. They are based on the investment categories defined in accordance with the regulations on investments; these categories deviate from statutory investment categorization in line with BVV 2. The following neutral positions, investment bandwidths, and benchmarks currently apply:

Strategic asset allocation (SAA) and bandwidths

	SAA in %	Min. in %	Max. in %
Nominal assets			
Liquidity	7.5%	0.0%	30.0%
Rates	12.5%	3.0%	25.0%
Credit	20.5%	6.0%	33.0%
Total nominal assets	40.5%	9.0%	88.0%
Real assets			
Equity	33.0%	15.0%	40.0%
Infrastructure	2.5%	2.0%	5.0%
Real estate	18.0%	5.0%	30.0%
Commodities	0.0%	0.0%	5.0%
Total real assets	53.5%	22.0%	75.0%
Diversifiers	4.0%	0.0%	10.0%
Transition	2.0%	0.0%	3.0%
Total	100.0%		
Foreign currency	23.0%	0.0%	30.0%
Illiquid investments	-	0.0%	35.0%

Explanatory note on the investment groups and investment categories

The Pension Fund classifies the investments into four investment groups: nominal assets, real assets, diversifiers, and transition. The investments are made in both CHF and foreign currencies.

Nominal assets

Nominal assets are claims to an amount in a currency. This investment group includes the following:

Nominal assets investment category

Liquidity	Liquidity refers to bank deposits, time deposits, and receivables with fixed or variable interest rates with a term that is generally less than one year. Mandates that can comply with this principle on average, even if certain investments have longer terms, are also included in the liquidity investment category.
Rates	Rates refer to receivables with interest rate risk that involve little to no credit risk.
Credit	Credit refers to receivables traded on exchanges or an active OTC market, as well as private market investments with dominant credit risk.

Real assets

Real assets are physical assets that have an intrinsic value due to their substance and properties. This investment group comprises the following:

Real assets investment category

Equity	Equity refers to direct or indirect equity stakes in companies that are traded on a stock exchange, as well as to holdings that are not traded. Holdings in real estate companies in Switzerland are not included in the equity investment category.
Infrastructure	Infrastructure refers to non-traded, direct or indirect holdings in infrastructure projects and companies.
Real estate	Real estate refers to direct or indirect holdings in real estate in Switzerland and abroad. This may be implemented in the form of real estate equities and real estate funds traded on a stock exchange or an OTC market, or via direct or indirect holdings in real estate.
Commodities	Commodities refers to direct or indirect commodities investments.

Diversifiers

Diversifiers reduce risk through low or negative correlations with other investment categories.

Transition

Transition refers to investments that the Board of Trustees deliberately does not consider part of the strategic orientation. A liquidation plan exists for the investments in this category.

Selection and management of investments

Asset management as a whole is conducted by internal asset managers employed by the Pension Fund. The Pension Fund is responsible for selecting and monitoring investments. As well as managing a proportion of the assets itself, the Pension Fund delegates asset management to external asset managers through various submandates. The table below lists the external asset managers. These institutions fulfill all the qualities required of professional asset managers under Art. 48(f)(4) BVV 2:

External asset managers

Institution	Type of approval
Alpha Associates AG	FINMA
BlackRock Investment Management (UK) Limited	Financial Conduct Authority (FCA), UK
Credit Suisse (Switzerland) Ltd.	FINMA
Fisch Asset Management AG	FINMA
Flossbach von Storch AG	Federal Financial Supervisory Authority (BaFin), Germany
J.P. Morgan Asset Management	Financial Conduct Authority (FCA), UK
Lombard Odier Asset Management Switzerland	FINMA
Manulife Investment Management (Europe) Limited	Financial Conduct Authority (FCA), UK
PK-SSL General Partner Limited	Guernsey Financial Services Commission (GFSC)
Swiss Life Asset Management AG	FINMA
Swiss Rock Asset Management AG	FINMA
Twelve Capital AG	FINMA
Vontobel Asset Management, Inc.	Securities and Exchange Commission (SEC), US
Wellington Management International Ltd.	Financial Conduct Authority (FCA), UK

The majority of the investments are managed by the above-mentioned external asset managers. Investments in direct and indirect real estate, liquid funds, and money market investments are managed in-house by the Pension Fund's own asset managers, as are overlay management and small exposures in bonds and shares.

Real estate is managed by Wincasa AG.

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

The Pension Fund holds single-investor funds for investments in shares, bonds, and real estate. These funds are fully allocated to the respective asset classes.

Security and risk allocation of investments

The Board of Trustees assigns high priority to the risk allocation of investments. To further improve the risk profile, the asset allocation is broadly diversified and supplemented by alternative investments. The lower correlation with the other asset classes thus allows portfolio risk to be reduced.

Investment monitoring

Investments are monitored by the Investment Management area, the Investment Committee, and the Board of Trustees. An external strategic investment controller also reviews the investments from a strategic and independent perspective. In addition, the global custodian and the fund management of the single-investor funds carry out important, independent compliance reviews, including regular reporting.

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

In the appendix to the regulations on investments, the Board of Trustees has approved the expansion of investment options pursuant to Art. 50(4) BVV 2 for alternative investments and foreign currencies.

Alternative investments

Alternative investments in accordance with BVV 2

	31.12.2021 in CHF mn	31.12.2020 in CHF mn
Hedge funds	222.5	518.0
Private equity	1,910.7	1,370.6
Commodities	491.3	433.2
Insurance-linked strategies	1.8	357.1
Senior secured loans (SSL)	467.6	438.2

For alternative investments, the Pension Fund uses the following expansions to the investment bandwidths:

Expanded investment options – alternative investments

	Limit in accordance with Art. 53 et seq. BVV 2	Limit in accordance with the regulations on investments	Current holdings as % of total assets
Alternative investments	15% of total assets	25% of total assets	19.4
Alternative investments	Only diversified collective investments	Investments in unlisted companies or other directly held investments are permitted if they are diversified at the lowest level.	19.4
Alternative investments – gold	Only diversified collective investments	Permitted: assets in physical gold	2.5

The Pension Fund manages its alternative investments with the same care as traditional investments. There are detailed implementation concepts for selection, management, and monitoring. In addition, specialist external advisors are consulted on a continuous basis. Experience shows that alternative investments can provide a valuable supplement to traditional investments, particularly during crisis periods. This means that they can be relied on to help ensure that the Pension Fund fulfills its purpose.

3.6.3 Target reserve for fluctuations in asset value and calculation of the reserve

The reserve for fluctuations in asset value is intended to offset price losses on assets and serves to ensure financial stability, i.e. a coverage ratio of at least 100%. For the determination of the desired target value, the Board of Trustees periodically commissions an asset and liability management study. The most recent study was carried out in 2020.

The target size of the reserve for fluctuations in asset value is measured using the conditional value at risk with a confidence level of 98% (CVaR 98%) at 20%. The conditional value at risk is also known as the expected shortfall. With this target, the Pension Fund holds sufficient reserves for fluctuations in asset value to bear the expected shortfall of the worst year from a 50-year period. The Fund plans to achieve the target value in stages over the four years to 2024. The target values for 2021 and 2022, 2023, and 2024 are 17% and 18%, 19%, and 20% respectively.

Reserve for fluctuations in asset value			
	31.12.2021	31.12.2020	Change
Target in % of pension liabilities and actuarial provisions	17.0	16.0	1
Target in CHF mn	2,480	2,380	100
Existing reserve for fluctuations in asset value in CHF mn	2,480	2,380	100
Required to reach target in CHF mn	–	–	–
Existing reserve for fluctuations in asset value as % of target	100.0	100.0	–

Minimum return

The return required to stabilize the coverage ratio is dependent on the interest paid on the retirement savings capital and the change in the variable technical interest rate. Assuming interest paid on retirement savings capital of 1.21%, the minimum return according to actuarial experts is 1.60% (tbc).

3.6.4 Breakdown of investments into investment categories (economic exposure)

The following table shows the actual asset allocation (economic exposure) on the balance sheet date. Foreign currencies are partially hedged by means of foreign-exchange forwards, while share exposure has been built up in part through futures. The profit or loss resulting from the foreign-exchange forwards is included in the presentation in the liquidity. In addition, swap transactions are used to manage duration.

Total assets after set-off of financial derivative instruments

Economic exposure

(actual asset allocation)

	31.12.2021 in CHF mn	31.12.2020 in CHF mn	31.12.2021 in %	31.12.2020 in %	Range min. – max.
Liquidity	2,143.9	2,442.0	11.1%	13.5%	
Liquidity effect, derivatives on nominal assets	(246.7)	7.2	(1.3)%	[-]	
Liquidity effect, derivatives on real assets	185.7	462.3	1.0%	2.6%	
Total liquidity, incl. derivatives	2,082.9	2,911.4	10.8%	16.1%	0–30
Total rates	1,857.5	3.6	9.6%	[-]	3–25
Total credit	3,402.7	4,791.4	17.6%	26.5%	6–33
Total derivatives on rates and credit	246.7	(7.2)	1.3%	[-]	
Total rates and credit, incl. derivatives	5,506.9	4,787.9	28.5%	26.5%	
Total nominal assets, incl. derivatives	7,589.8	7,699.4	39.2%	42.6%	9–88
Total equity	6,851.7	5,971.4	35.4%	33.1%	15–40
Total infrastructure	520.1	423.8	2.8%	2.3%	2–5
Total real estate	3,472.5	3,110.8	17.9%	17.2%	5–30
Total derivatives on real assets	(185.7)	(462.3)	(1.0)%	(2.6)%	
Total real assets, incl. derivatives	10,658.5	9,043.7	55.1%	50.1%	22–75
Total diversifiers	871.6	769.2	4.5%	4.3%	
Total diversifiers, incl. derivatives	871.6	769.2	4.5%	4.3%	0–10
Total transition	234.6	550.5	1.2%	3.0%	0–3
Total investments	19,354.5	18,062.6	100.0%	100.0%	
Other assets and prepayments and accrued income	21.5	32.1			
Total assets	19,375.9	18,094.6			
Total foreign currencies	4,031.5	4,678.2	20.8%	25.9%	0–30
Investments in an employer's enterprise, not including liquidity	3.0	77.5	[-]	0.5%	0–10

Compliance with the limitation on individual borrowers

The Pension Fund complied with the limitation on individual borrowers pursuant to Art. 54, 54(a), and 54(b) BVV 2 in the reporting year and on the balance sheet date.

3.6.5 Current (open) financial derivative instruments

The Pension Fund uses derivatives to manage risk. Such derivatives are not used to exert a leverage effect on total assets. Derivatives increasing exposure are covered by the available liquidity and cash equivalents, and derivatives reducing exposure are covered by the corresponding underlying assets.

Market values of derivatives

Market values of directly held derivatives

	31.12.2021 in CHF mn	31.12.2020 in CHF mn
Rates futures	–	–
Rates swaps	1.3	(7.2)
Derivatives on rates and credit	1.3	(7.2)
Equity futures	–	–
Derivatives on equity	–	–
Derivatives on liquidity	96.2	107.6
Total market values of derivatives	97.5	100.5

The replacement values of foreign-exchange forwards are recognized in the balance sheet under “Liquid funds / money market investments.”

Derivatives exposure

The following table shows the derivatives exposure for the directly held derivatives.

Exposure through directly held derivatives

	Exposure-increasing		Exposure-reducing	
	31.12.2021 in CHF mn	31.12.2020 in CHF mn	31.12.2021 in CHF mn	31.12.2020 in CHF mn
Rates futures	245.4	–	–	–
Rates swaps	1.3	–	–	(7.2)
Derivatives on rates	246.7	–	–	(7.2)
Equity futures	–	31.5	(185.7)	(493.8)
Derivatives on equity	–	31.5	(185.7)	(493.8)
Derivatives on liquidity	–	–	(4,688.7)	(3,936.3)
Total exposure	246.7	31.5	(4,874.4)	(4,437.2)

Derivatives coverage

All exposure-increasing derivatives, held directly or in single-investor funds, are covered by liquidity and cash equivalents, as indicated in the following table. It is not permitted for single-investor funds to exert a leverage effect on the fund assets with derivatives or to make naked short sales.

All exposure-reducing derivatives are covered by the corresponding underlying assets. The futures and options used are matched by a well-diversified portfolio that largely corresponds to the indices used.

Derivatives coverage (exposure-increasing)

	31.12.2021 in CHF mn	31.12.2020 in CHF mn
Exposure		
Derivatives, directly held	246.7	31.5
Derivatives within the fund structures	–	7.1
Available coverage		
Liquidity, bonds up to max. one year to maturity, minimum A rating	2,260.5	2,039.7
Liquidity, bonds up to max. five years to maturity, minimum rating: BBB–; share of issue max. 5%	3,705.6	3,088.7
Coverage surplus	3,458.9	3,050.1

3.6.6 Open capital commitments

Within private equity, infrastructure, and private debt investments, there was no call on the capital commitments of CHF 1,060 million (previous year: CHF 1,221 million).

3.6.7 Market value and contracting parties of securities for securities lending

Securities lending refers to the loan of Pension Fund securities to Credit Suisse (Switzerland) Ltd. 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, the title or rights to the securities, together with the accessory rights, transfer to Credit Suisse (Switzerland) Ltd. Conversely, the Pension Fund acquires a claim for restitution of securities of the same type, quality, and quantity.

In order to secure the claim for restitution of securities of the same type, quality, and quantity, Credit Suisse (Switzerland) Ltd. is required to deposit collateral for the Pension Fund in a collateral safe-keeping account, the value of which must at all times equal at least 105% of the market value of the borrowed securities.

Income from securities lending within the fund structures

	2021	2020
Average exposure in CHF mn	316.2	299.5
Income (net) in CHF mn	0.6	0.7
Income in %	0.2	0.2
Collateral coverage in %	105.2	105.4

The income from securities lending is calculated monthly and credited to the Pension Fund. In both the reporting year and the previous year, securities lending was only carried out within the framework of the fund structures.

3.6.8 Explanatory note on the net return on investments

The performance of the total portfolio is calculated by Credit Suisse (Switzerland) Ltd. in accordance with the time-weighted return method.

Performance

	2016	2017	2018	2019	2020	2021
In %	3.7	9.0	(2.2)	11.3	6.2	9.5

Performance (annualized)

	Ø 1 year	Ø 3 years	Ø 5 years	Ø 10 years
In %	9.5	9.0	6.6	6.1

The risk or currently expected volatility (ex-ante) of the portfolio was 8.2% p.a. as of the balance sheet date.

Performance contribution by investment category

The performance contribution by investment category is presented in the following table.

Investment category	Contribution to overall performance as of 31.12.2021 in %	Contribution to overall performance as of 31.12.2020 in %
	Liquidity	(0.3)
Rates	0.0	(0.0)
Credit	0.2	1.3
Total nominal assets	(0.1)	3.1
Equity	8.1	2.4
Infrastructure	0.5	(0.0)
Real estate	1.4	0.9
Commodities	–	–
Total real assets	10.0	3.3
Uncorrelated strategies	–	–
Risk mitigation strategies	0.0	0.0
Total diversifiers	0.0	0.0
Transition	(0.3)	(0.1)
Overall performance	9.5	6.2

For reasons of diversification, the Pension Fund invests in shares of foreign companies, foreign currency bonds, and a broad range of alternative investments. These investments sometimes lead to unwanted foreign currency exposure. Using overlay transactions, the overall risk of the portfolio is controlled and unwanted foreign currency exposure is hedged in CHF. In the operative 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 operative account. The income from the two overlay transactions is reported in the above table under “Bonds including liquidity and foreign currency overlay.”

3.6.9 Explanatory note on asset management costs

Cost-transparent investments

The asset management costs include all costs incurred in connection with the management of the assets. The reported costs comprise 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, insofar as a total expense ratio (TER) can be determined that is recognized by the Swiss Occupational Pension Supervisory Commission (OPSC). The total expense ratios also include performance-related fees recorded in the accounts that do not yet need to be realized.

The following table shows the costs and their share of the total assets.

Total asset management costs – investments in accordance with BVV 2

Sum of all key cost figures

Investment category	2021 costs in CHF mn	2020 costs in CHF mn	2021 costs as % of total assets	2020 costs as % of total assets
Direct asset management costs	14.5	12.1	0.07	0.07
Sum of all key cost figures recorded in the operative account in CHF for collective investments	156.1	132.2	0.81	0.73
Bonds, TER costs	9.0	8.7	0.05	0.05
Shares, TER costs	16.2	13.9	0.08	0.08
Real estate, TER costs	8.1	6.6	0.04	0.04
Alternative investments, TER costs	122.8	103.0	0.63	0.57
Total asset management costs	170.5	144.3	0.88	0.80

The following detailed table shows the costs of the alternative investments and their share of the total assets. The significantly higher asset management costs for alternative investments are often due to performance-based costs, which are reflected in a corresponding positive performance contribution on the income side (see Section 3.6.8):

Asset management costs – alternative investments in accordance with BVV 2 (detailed)

Sum of all key cost figures

Investment category	2021 costs in CHF mn	2020 costs in CHF mn	2021 costs as % of total assets	2020 costs as % of total assets
Hedge funds, TER costs	3.3	7.7	0.01	0.04
Private equity and infrastructure, TER costs	115.0	91.5	0.59	0.51
Insurance-linked strategies, TER costs	2.4	2.8	0.01	0.02
Senior secured loans (SSL), TER costs	2.1	1.0	0.01	0.01
Total asset management costs – alternative investments	122.8	103.0	0.63	0.57

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 income from the individual investment categories. The related costs are also taken into account in the investment performance.

Non-transparent investments

As in the previous year, the Pension Fund has no non-transparent collective investments within the meaning of Art. 48(a)(3) BVV 2. The cost transparency ratio is therefore 100.0% (previous year: 100.0%).

3.6.10 Explanatory note on investments in an employer's enterprise

Credit Suisse Group AG and the other affiliated companies transferred all employee and employer contributions to the Pension Fund on a monthly basis.

All investments with Credit Suisse Group AG, its subsidiaries, or other affiliated companies are regarded as investments in an employer's enterprise in accordance with Art. 57 BVV 2. 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, and a letter from the Office for Occupational Insurance and Foundations of the Canton of Zurich (BVS) dated February 12, 2008: 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. Gains and losses from foreign-exchange forwards and swap transactions are also reported under this item.

Investments in an employer's enterprise

(Art. 57 BVV 2, taking into account the special regulation for banks)

	31.12.2021 in CHF mn	31.12.2020 in CHF mn
Shares, bonds, and other securities issued by Credit Suisse Group AG	3.0	77.5
Total investments in an employer's enterprise	3.0	77.5

The following monies come under the special BVS provision:

Liquidity required for operations

	31.12.2021 in CHF mn	31.12.2020 in CHF mn
Liquid funds / money market investments ("look through" view)	696.1	1,002.2
Gain/loss on foreign-exchange forwards and swap transactions	129.0	117.6
Total liquidity required for operations	825.1	1,119.8

In total, an asset value of CHF 828.1 million (4.3% of investments) was invested with the employer as of December 31, 2021, compared to CHF 1,197.3 million (6.6%) the previous year.

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

3.6.11 Employer's contribution reserve

In the reporting year, employer's contribution reserves of CHF 12.0 million (previous year: CHF 13.7 million) were transferred from Pension Fund 2 of Credit Suisse Group (Switzerland) to the Pension Fund of Credit Suisse Group (Switzerland).

Change in the employer's contribution reserve

	2021 in CHF	2020 in CHF	Change in CHF
Reserve as of January 1	51,791,322	37,217,402	14,573,920
Transfer from Pension Fund 2 of Credit Suisse Group (Switzerland)	12,000,000	13,736,528	(1,736,528)
Allocations	–	–	–
Withdrawals	(86,892)	–	(86,892)
Reserve as of December 31 before interest	63,704,430	50,953,930	12,750,500
Interest on the reserve at beginning of year (6.50% / previous year: 2.25%)	3,366,436	837,392	2,529,044
Reserve as of December 31	67,070,866	51,791,322	15,279,544

The employer's contribution reserve can be freely disposed of by the respective employer. The following table shows the breakdown per employer:

Detailed employer's contribution reserve		
	31.12.2021	31.12.2020
	in CHF	in CHF
Credit Suisse (Switzerland) Ltd.	27,900,497	21,975,251
Credit Suisse AG	25,263,249	19,292,270
Credit Suisse Services Ltd.	8,294,240	6,175,830
Credit Suisse Asset Management (Switzerland) Ltd.	2,492,223	1,841,695
BANK-now Ltd.	517,945	342,240
Credit Suisse Funds AG	171,710	86,821
Fides Treasury Services AG	80,036	36,175
Credit Suisse Trust Ltd.	1,972,985	1,812,411
Credit Suisse Insurance Linked Strategies Ltd.	120,921	65,116
Pension Fund of CSG (Switzerland)	83,402	40,516
Credit Suisse Group AG	124,661	52,093
Energy Infrastructure Partners AG	–	39,069
Aventicum Capital Management (Suisse) SA	35,003	24,599
Credit Suisse Investment Partners (Switzerland) Ltd.	13,995	7,235
Total employer's contribution reserve	67,070,866	51,791,322

3.7 Explanatory notes on other balance sheet and operative account items

3.7.1 Other assets and prepayments and accrued income

Other assets and prepayments and accrued income		
	31.12.2021	31.12.2020
Receivables from direct real estate holdings	19,987,402	19,206,248
Withholding tax/tax at source on securities investments	123,053	295,720
Other receivables	430	–
Prepayments and accrued income from direct real estate holdings	564,418	(95,811)
Accrued interest from investments	–	(1,412,266)
Other prepayments and accrued income	816,336	14,056,886
Total other assets and prepayments and accrued income	21,491,640	32,050,777

Other prepayments and accrued income include CHF 0.8 million of accruals from billing to Pension Fund 2 of Credit Suisse Group (Switzerland) for services provided in the reporting year. In the previous year, other prepayments and accrued income primarily consisted of accruals due to the planned transfer of employer's contribution reserves from Pension Fund 2 of Credit Suisse Group (Switzerland) to the Pension Fund of Credit Suisse Group (Switzerland) in the amount of CHF 13.7 million. The transfer took place in the first quarter of 2021.

3.7.2 Administration cost

The general administration cost amounted to CHF 7.9 million compared to CHF 6.5 million in the previous year. The costs for the external auditors, the pension actuary, and supervision are not included in the general administration cost. They are reported separately in the operative account.

With total administration costs of CHF 8.1 million or CHF 283 per beneficiary (previous year: CHF 6.8 million or CHF 235), the Pension Fund is below the average for private pension funds, which is CHF 357 per beneficiary (see 2021 Swisscanto study).

The employer finances the risk contributions in full and therefore also the administration costs.

3.7.3 Loans

Hardship Fund

Since 2014, there has been a loan agreement between the Hardship Fund of Credit Suisse Group (Switzerland) and the Pension Fund of Credit Suisse Group (Switzerland). In return for the participating loan, the Hardship Fund receives interest ("current account interest income") commensurate with the performance of the total assets of the Pension Fund for the calendar year in question. The loan amounts to CHF 67.8 million (previous year: CHF 61.3 million).

Pension Fund 2

The loan was terminated as of December 10, 2020.

3.8 Supervisory authority requirements

No requirements have been imposed by the supervisory authority.

3.9 Further information regarding financial situation

3.9.1 Partial liquidations

The Board of Trustees has determined that there were no partial liquidations in 2020.

However, the affiliation agreements with Energy Infrastructure Partners AG and kioSwiss were terminated as of the end of 2021, resulting in a partial liquidation in each case. Pursuant to Art. 3(2) of the regulations on partial liquidation, the balance sheet date is December 31, 2021. In addition, the affiliation agreement with CS Life & Pensions AG was canceled in the reporting year, but this did not involve partial liquidation.

Energy Infrastructure Partners AG

In 2022, the partial liquidation relating to Energy Infrastructure Partners AG will result in an outflow of assets of approx. CHF 10.3 million, or 0.05% of the total assets. A total of 54 active participants and no pensioners will transfer to a new pension fund.

kioSwiss

In 2022, the partial liquidation relating to kioSwiss will result in a total outflow of assets of approx. CHF 1.0 million, or 0.005% of the total assets. This affects three active participants (last departure 2018) and no pensioners.

CS Life & Pensions AG

The affiliation agreement was concluded in 2019; however no insured participants were ever registered under this agreement. The affiliation agreement was canceled in 2021, but there will be no partial liquidation.

3.9.2 Pledge of assets

To manage the asset allocation more efficiently, the Pension Fund uses share 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 (Switzerland) Ltd., have sufficient funding at all times, the Pension Fund has granted Credit Suisse (Switzerland) Ltd. 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 1.2 billion (equivalent to 6.2% of the investments compared to 6.6% in the previous year) has been contractually

agreed, which, in addition to funding the margin for futures, can be used to fund margin payments for OTC transactions and traded options contracts.

3.9.3 Insurance-linked securities (ILS)

In 2020, the Investment Committee of the Pension Fund decided to restructure investments in insurance-linked securities (ILS) with a volume of CHF 357.1 million. This involves the existing contracts with Humboldt Re being settled in an orderly manner by means of run-off and no new business being generated.

In the 2021 reporting year, it was possible to sell Humboldt Re en bloc. The transaction is structured in such a way that the outstanding residual amount will flow back to the Pension Fund in tranches until 2024 and, at the same time, the Pension Fund will be liable for its own underwritten risks up to 2024. As such, no further operating costs will be incurred by the Pension Fund.

3.9.4 Legal proceedings in course

There are currently no significant legal proceedings in course.

3.10 Events subsequent to the balance sheet date

There are no events subsequent to the balance sheet date requiring disclosure in the 2021 report.

IV

Auditors' report

Report of the statutory auditor

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

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements presented on pages 9 to 40 of the annual report of Pensionskasse der Credit Suisse Group (Schweiz), which comprise the balance sheet, operating accounts and notes, for the year ended 31 December 2021.

Foundation Board's responsibility

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

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 2021 comply with Swiss law and with the foundation's deed of formation and the regulations.

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, CH-8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, Telefax: +41 58 792 44 10, www.pwc.ch

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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;
- 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 and regulatory requirements have been met.

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

PricewaterhouseCoopers AG



Johann Sommer
Audit expert
Auditor in charge



Michel Weidmann
Audit expert

Zürich, 11 April 2022



V

Confirmation of the
pension actuary

V – Confirmation of the pension actuary



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 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 of Credit Suisse Group (Switzerland) reports its benefit obligations in the balance sheet based on the actuarial principles of the BVG 2020, CMI 2.10%, applying a technical interest rate of 1.21%. The financial situation of the Fund as of December 31, 2021, shows:

- a surplus of net assets of CHF 4'517'269'367;
- a coverage ratio in accordance with the amendment to Art. 44 BVV 2 of 130.9% (previous year: 120.5%);
- a reserve for fluctuations in asset value of CHF 2'480'000'000;
- non-committed funds of CHF 2'037'269'367.

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;
- the security measures taken to cover actuarial risks;
- the level of the reserve for fluctuations in asset value;
- accessibility to restructuring;
- structural and financial risk ability;
- current financing;
- the expected medium-term development of the financial situation.

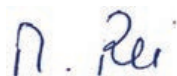
Based on our review of the Fund as of December 31, 2021, we can confirm in accordance with Art. 52(e) BVG that, as of that date:

- the technical interest rate is reasonably adequate, and the actuarial principles used are appropriate;
- the Fund provides security as at the reference date that it can fulfil its regulatory obligations;
- the Fund provides sufficient security to ensure that it can fulfil its regulatory obligations at all times;
- regulatory actuarial provisions on benefits and financing are in line with current statutory requirements;
- the financial situation of the Fund can be described as healthy overall;
- the overall risk capacity is sufficient;
- there is no structural deficit;
- the level of the reserve for fluctuations in asset value is adequate;
- the financing of the Fund is actuarially correct.

Aon Switzerland Ltd, Contractual Partner



Willi Thurnherr
Responsible pension actuary



Marianne Frei

Responsible pension actuary: Willi Thurnherr
Zurich, March 31, 2022



PENSION FUND OF CREDIT SUISSE GROUP (SWITZERLAND)

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