

2021 Annual Report



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



Editorial

I – Editorial

In brief

A successful start to the 1e plan...

Following a two-year preparatory phase, the 1e plan began on January 1, 2020, with 9,135 insured participants. At its launch, CHF 326 mn of existing pension liabilities were transferred from Pension Fund 1 of Credit Suisse Group (Switzerland). This transfer was made based on the option that was exercised by each of the insured participants.

The 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. This allows the corresponding pension capital to be invested in line with their individual risk tolerance and risk ability.

... and successful operation

The administration of the 1e plan is completely digital, and is carried out in real time via the MyPension portal. Personalized retirement planning is also available from our trained employees. We are proud to be able to offer this high quality of service to insured participants.

Key figures

The key figures at year-end were as follows:

	2021 in CHF mn	2020 in CHF mn	Change in CHF mn
Total assets	786.0	567.9	218.0
Active participants' liabilities	752.7	541.7	211.1
Actuarial provisions	9.9	9.6	0.3
Non-committed funds	–	–	–
Total active participants	9,505	9,493	12
Performance of collective investments in %			
CSA Low-Risk Strategy CHF G	(0.73)	(0.54)	
CSA Mixta-BVG 15 G	4.63	3.24	
CSA 2 Mixta-BVG 25 G	5.94	2.87	
CSA 2 Mixta-BVG 35 G	8.00	3.48	
CSA 2 Mixta-BVG 45 G	10.24	3.96	
CSA 2 Mixta-BVG 75 G	18.22	8.38	

Insured participants and pension plan

MyPension portal for insured participants

In the reporting year, selective improvements and adjustments were made to the MyPension portal. The processes for defining the risk profile and switching investment strategy are carried out digitally. Furthermore, fact sheets provide current information about the investment strategies.

The portal complies with stringent requirements for security and data protection, not least by means of two-factor authentication. The MyPension portal for insured participants is operated jointly by the Pension Fund and Pension Fund 2.

Administration costs

Administration costs are financed entirely from the employer's contribution reserves. These costs amount to CHF 313 per beneficiary (previous year: CHF 261).

Investments

Investment strategies

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

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

Information about the investment strategies can be found at www.credit-suisse.com/pensionfund in the Download section.

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

The Board of Trustees believes that sustainable investments incorporating ESG criteria are an important tool when it comes to adequately taking into account the increased expectations and needs in this area.

The six investment strategies implement Credit Suisse Asset Management's sustainable investment approach. All investment funds include ESG reporting in their monthly fact sheet. As well as the ESG rating of the investment fund against its benchmark, the fact sheet also includes the intensity of carbon emissions and various ESG scores, broken down by topics such as climate change.

Board of Trustees

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

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

- 2020 Annual Report and financial statements and discharge of the management
- Pension Fund regulations, amendments
- Regulations on investments, amendments
- Regulations on provisions, amendments

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

PENSION FUND 2 OF CREDIT SUISSE GROUP (SWITZERLAND)

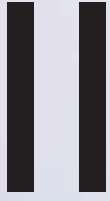


Joachim Oechslin

Martin Wagner

Chairman of the Board of Trustees

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.

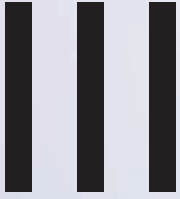
	Note	31.12.2021		31.12.2020	
		CHF	%	CHF	%
Assets					
Investments	3.6	780,983,571	99.4	567,509,472	99.9
Liquid funds / money market investments		6,230,429	0.8	18,815,135	3.3
Investments – beneficiaries	3.6.3	764,048,742	97.2	543,789,604	95.7
Investments – own holdings	3.6.3	10,704,400	1.4	4,904,733	0.9
Loan to the Pension Fund of Credit Suisse Group (Switzerland)	3.6.3	–	–	–	–
Accounts receivable		–	–	–	–
Prepayments and accrued income		4,988,433	0.6	426,303	0.1
Total assets		785,972,004	100.0	567,935,775	100.0

	Note	31.12.2021		31.12.2020	
		CHF	%	CHF	%
Liabilities					
Liabilities		11,400,848	1.5	2,127,841	0.4
Termination benefits and pensions		11,327,779	1.4	2,121,957	0.4
Other liabilities		73,069	0.0	5,883	0.0
Accrued liabilities and deferred income		944,331	0.1	14,053,193	2.5
Employer's contribution reserve	3.6.10	11,014,862	1.4	453,094	0.1
Pension liabilities and actuarial provisions		762,611,962	97.0	551,301,647	97.1
Active participants' liabilities	3.5.2	752,720,962	95.8	541,667,647	95.4
Actuarial provisions	3.5.5	9,891,000	1.3	9,634,000	1.7
Reserve for fluctuations in asset value	3.6.4	–	–	–	–
Non-committed funds (+) / underfunding (–)		–	–	–	–
Balance as of January 1		–	–	–	–
Income surplus (+) / expense surplus (–)		–	–	–	–
Total liabilities		785,972,004	100.0	567,935,775	100.0

2.2 Operative account

Operative account	Note	2021 in CHF	2020 in CHF
Ordinary and other contributions and lump-sum transfers			
Employee contributions		67,956,518	67,782,040
Employer contributions		82,518,555	81,905,706
Other contributions and transfers		(65,498)	(415,490)
Withdrawal from employer's contribution reserve for financing contributions		–	–
One-time payments and purchase amounts		45,285,821	47,705,826
Transfers to employer's contribution reserve	3.6.10	30,711,537	30,747,581
Total ordinary and other contributions and lump-sum transfers		226,406,933	227,725,663
Lump-sum transfers on joining the Pension Fund			
Transfer of termination benefits from migration of Pension Fund 1 as of January, 2020		–	325,962,025
Termination benefit transfers		23,798,320	22,296,552
Transfers on takeover of assets		–	–
Repayment of withdrawals for home ownership/divorce		539,959	330,000
Total lump-sum transfers on joining the Pension Fund		24,338,279	348,588,577
Inflow from contributions and lump-sum transfers on joining the Pension Fund		250,745,212	576,314,240
Regulatory benefits			
Survivors' pensions (surviving spouse's pensions)		(289,770)	–
Disability pensions		–	–
Lump-sum payments on retirement		(9,016,133)	(3,062,167)
Lump-sum payments upon death or disability		(206,071)	(699,187)
Total regulatory benefits		(9,511,974)	(3,761,354)
Termination benefits			
Termination benefits on leaving the Pension Fund		(49,607,518)	(19,787,253)
Transfer of additional funds for collective withdrawals		(94,007)	–
Withdrawals for home ownership/divorce		(2,198,556)	(2,380,303)
Transfer of employer's contribution reserve to Pension Fund 1		(12,000,000)	(13,736,528)
Total termination benefits		(63,900,081)	(35,904,084)
Outflow for benefits and withdrawals		(73,412,055)	(39,665,438)
Increase / decrease in pension liabilities, actuarial provisions, and employer's contribution reserves			
Increase (-) / decrease (+) in active participants' liabilities	3.5.2	(159,135,438)	(520,334,344)
Income from investments – beneficiaries	3.5.2	(51,917,878)	(21,333,302)
Increase (-) / decrease (+) in actuarial provisions	3.5.5	(257,000)	(9,634,000)
Increase (-) / decrease (+) in employer's contribution reserve	3.6.10	(10,561,768)	–
Increase / decrease in pension liabilities, actuarial provisions, and employer's contribution reserves		(221,872,083)	(551,301,647)

	Note	2021 in CHF	2020 in CHF
Income from insurance benefits			
Income from reinsurance	3.5.1	306,924	459,606
Total income from insurance benefits		306,924	459,606
Insurance cost			
Premium on reinsurance	3.5.1	(4,767,762)	(4,734,935)
- Risk premiums		(4,454,927)	(4,364,759)
- Cost premiums		(312,835)	(370,176)
Contributions to BVG Security Fund		(37,781)	(27,083)
Total insurance cost		(4,805,543)	(4,762,018)
Net result of insurance activities		(49,037,545)	(18,955,257)
Investments			
Income from liquid funds/money market investments		(209,946)	(242,739)
Income from investments – beneficiaries	3.6.7	53,545,813	23,011,256
Income from investments – own holdings	3.6.7	833,969	71,367
Income from loan to the Pension Fund of Credit Suisse Group (Switzerland)	3.6.7	–	45,440
Interest on termination benefits		(39)	(156)
Interest on employer's contribution reserve	3.6.10	–	–
Asset management costs	3.6.8	(2,155,766)	(1,449,059)
Net return on investments		52,014,032	21,436,108
Other income			–
Other expenses			–
Administration cost			
	3.7.1		
General administration cost		(2,910,471)	(2,434,990)
Auditors and pension actuary		(46,366)	(35,648)
Supervisory authorities		(19,650)	(10,214)
Total administration costs		(2,976,487)	(2,480,851)
Income surplus (+) / expense surplus (–)		–	–



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III – Explanatory notes

3.1 General information and organization

3.1.1 Legal form and objectives

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

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

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

3.1.2 BVG registration and registration with the BVG Security Fund

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

3.1.3 Plan statutes and regulations

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	08.02.2021	01.01.2021
Regulations on investments	25.10.2021	31.12.2021
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 Supreme body, management, and 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 the 2020 reporting year, 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.

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

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

Philip Hess, Chair, Credit Suisse Group AG, Zurich
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 Group 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)
Arnaud Erhard, Geneva, Credit Suisse (Switzerland) Ltd., constituency 2 (from April 14, 2021)
Joëlle Laprévotte, Dürnten, 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

Investment Committee

Oliver Fässler, Chair
Daniel Ammon
Joëlle Laprévotte (from April 14, 2021)
Andreas Dänzer (from April 14, 2021)
Martin Wagner (non-voting)
Michel Degen (until March 9, 2021)
Thomas Isenschmid (until April 14, 2021)
Guido Bächli (non-voting) (until February 28, 2021)

Audit and Risk Committee

Joëlle Laprèvote, 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)

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)

Branch office

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

3.1.5 Actuaries, auditors, advisors, supervisory authority

Pension actuary

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

Auditors

PricewaterhouseCoopers AG, Bern

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, 13 (previous year: 14) different employers with active insured and with close business and financial ties to Credit Suisse Group AG were affiliated with Pension Fund 2. As of December 31, 2021, the affiliation agreement between the Pension Fund and the affiliated company Energy Infrastructure Partners AG was terminated. For more details, please see Section 3.9.1 Partial liquidations.

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 in %
Credit Suisse (Switzerland) Ltd.	3,575	3,726	37.61
Credit Suisse AG	3,750	3,657	39.45
Credit Suisse Services Ltd.	1,365	1,289	14.36
Credit Suisse Asset Management (Switzerland) Ltd.	422	414	4.44
BANK-now Ltd.	122	121	1.28
Credit Suisse Funds AG	63	60	0.66
Credit Suisse Insurance Linked Strategies Ltd.	41	45	0.43
Credit Suisse Trust Ltd.	34	42	0.36
Credit Suisse Group AG	55	36	0.58
Pension Fund of CSG (Switzerland)	32	28	0.34
Energy Infrastructure Partners AG	–	28	0.00
Fides Treasury Services AG	33	25	0.35
Aventicum Capital Management (Suisse) SA	7	17	0.07
Credit Suisse Investment Partners (Switzerland) Ltd.	5	5	0.05
External insured participants	1	–	0.01
Total as of December 31	9,505	9,493	100.00
Number of affiliations with active participants	13	14	

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, its committees, and the branch office – must confirm their compliance with the loyal conduct regulations to Pension Fund 2 using a standardized form. The persons concerned have undertaken, furthermore, to disclose their bank 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

Investments – beneficiaries and investments – own holdings

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

Policy on retrocessions

Investments – beneficiaries and investments – own holdings

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

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:

Remuneration of the Board of Trustees

	Annual one-time payment in CHF	Attendance fee in CHF
Board of Trustees	2,000	1,500
Investment Committee	1,000	750
Audit and Risk Committee	1,000	750
Executive Committee	1,000	750

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
Total as of December 31, 2020	7,203	2,290	9,493
New hires	720	295	1,015
Departures (total)	(760)	(243)	(1,003)
of which through disability	(7)	(2)	(9)
of which through retirement	(108)	(15)	(123)
of which through change of job	(639)	(226)	(865)
of which through death	(6)	–	(6)
Total as of December 31, 2021	7,163	2,342	9,505
Change in number of persons	(40)	52	12
Change in %	(0.6)	2.3	0.1

3.2.2 Pensioners and change in number of pensioners

Pensioners

	Men 1.1.2022	Men 1.1.2021	Women 1.1.2022	Women 1.1.2021	Total 1.1.2022	Total 1.1.2021
Disability pensions	–	–	–	–	–	–
Survivors' pensions	–	–	3	3	3	3
Total pensioners	–	–	3	3	3	3
Change in number of persons	–	–	–	3	–	3
Change in %	–	–	–	100.0	–	100.0

Pensioners, change in number of pensioners		
	2021	2020
Number of pensioners at the beginning of the financial year	3	-
New pensioners		
Disability pensions	-	-
Survivors' pensions	-	3
Termination of pension entitlement		
Death of disability pension recipient	-	-
Reactivation of disability pension recipient	-	-
Retirement of disability pension recipient	-	-
Death of surviving spouse's pension recipient	-	-
Number of pensioners at the end of the financial year	3	3

3.3 Implementation of objectives

3.3.1 Characteristics of the pension plan

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

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

Pensionable salary

The pensionable salary is calculated using the maximum effective salary of CHF 803,040, consisting of the base salary, base salary excess, and variable salary (incentive award), minus a coordination deduction corresponding to 4.5 times the maximum annual AHV retirement pension (CHF 129,060). The pensionable salary can be a maximum of CHF 673,980. The pensionable salary risk component equals the average of the last three pensionable variable salaries (incentive award).

Retirement

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

Retirement capital

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

Disability benefits

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

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

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

Death benefits

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

- They are responsible for financially supporting one or more children.
- At the time of the insured participant's death, 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.

Further information on the implementation and purpose of the pension plan can be found in the current "Retirement capital savings" Pension Fund regulations at www.credit-suisse.com/pensionfund.

3.3.2 Financing, financing method

Employer's and employee's contributions

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

Transfers to the employer's contribution reserve are determined as follows: The transfers amount to 1.8% of the pensionable base salary and 0.8% of the pensionable base salary excess and the variable salary, up to the age of 25. From the age of 25, the transfers amount to 5.8% of the pensionable base salary and 2.8% of the pensionable base salary excess and the variable salary.

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

Further information on contributions can be found in the current "Retirement 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.

Investments – beneficiaries

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

Investments – own holdings

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

Other assets

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

Active participants' liabilities

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

Actuarial provisions

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

- Provision for actuarial risks
- Provision for operational risks

Other liabilities

Other liabilities are recognized at nominal value.

3.4.3 Changes in accounting policy and in bookkeeping

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

3.5 Actuarial risks / risk benefit coverage / coverage ratio

3.5.1 Type of risk benefit coverage, reinsurance agreements

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

3.5.2 Active participants' liabilities

Development of active participants' liabilities

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

Pension liabilities

	2021 in CHF	2020 in CHF	Change in CHF
Total pension liabilities as of January 1	541,667,647	–	541,667,647
Migration of 1e plan – January 2020	–	325,962,025	(325,962,025)
Total pension liabilities as of January 1 after migration of 1e plan	541,667,647	325,962,025	215,705,622
Employee savings contributions	67,917,043	67,735,489	181,554
Employer savings contributions	82,476,838	81,817,475	659,364
Exempt contributions at expense of PF2	51,992	134,783	(82,791)
Exempt contributions reinsured	15,893	–	15,893
One-time payments and purchase amounts	45,283,083	47,603,501	(2,320,417)
Termination benefit transfers	23,798,320	22,296,552	1,501,768
Repayment of withdrawals for home ownership/divorce	539,959	330,000	209,959
Termination benefits on leaving the Pension Fund	(49,642,760)	(19,958,837)	(29,683,923)
Withdrawals for home ownership/divorce	(2,198,556)	(2,380,303)	181,747
Lump-sum payment in the event of disability	–	–	–
Lump-sum payment in the event of death	(90,242)	(261,727)	171,485
Lump-sum payments on retirement	(9,016,133)	(3,062,167)	(5,953,966)
Transfer of pension liabilities to reinsurer in the event of disability	–	–	–
Transfer of pension liabilities to reinsurer in the event of death	–	–	–
Interest income for the period from January 1 to initial investment on January 13, 2020 (1.0%)	–	117,555	(117,555)
Total pension liabilities as of 31.12., excl. income from investments – beneficiaries	700,803,085	520,334,344	180,468,740
Income from investments – beneficiaries	51,917,878	21,333,302	30,584,576
Total pension liabilities as of 31.12., incl. income from investments – beneficiaries	752,720,962	541,667,647	211,053,316

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

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

3.5.4 Liabilities under insurance contracts (surrender values)

Liabilities under insurance contracts (surrender values)

	31.12.2021 in CHF	31.12.2020 in CHF	Change in CHF
Disability pensions	911,944	–	911,944
Survivors' pensions (surviving spouse's pensions)	1,633,155	1,810,778	(177,623)
Total liabilities under insurance contracts (surrender values)	2,545,099	1,810,778	734,321

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

3.5.5 Actuarial provisions

Actuarial provisions	31.12.2021 in CHF	31.12.2020 in CHF	Change in CHF
Provision for actuarial risks	6,594,000	6,423,000	171,000
Provision for operational risks	3,297,000	3,211,000	86,000
Total actuarial provisions	9,891,000	9,634,000	257,000

Provision for actuarial risks

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

Provision for operational risks

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

3.5.6 Conclusions of the last actuarial report

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

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

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

3.5.7 Actuarial principles and other significant actuarial assumptions

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

3.5.8 Coverage ratio under Article 44 BVV 2

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

Actuarial balance sheet

	Note	31.12.2021 in CHF	31.12.2020 in CHF	Change in CHF
Pension liabilities				
Active participants' liabilities	3.5.2	752,720,962	541,667,647	211,053,316
Liabilities under insurance contracts (surrender values)	3.5.4	2,545,099	1,810,778	734,321
Actuarial provisions	3.5.5	9,891,000	9,634,000	257,000
Pension liabilities and actuarial provisions (PL)		765,157,061	553,112,425	212,044,637
Assets				
Assets from insurance contracts	3.5.1	2,545,099	1,810,778	734,321
Accrued liabilities and deferred income and other liabilities		(12,345,180)	(16,181,034)	3,835,855
Employer's contribution reserve	3.6.10	(11,014,862)	(453,094)	(10,561,768)
Pension assets (PA)		765,157,061	553,112,425	212,044,637
Coverage ratio under Art. 44 BVV 2 in % (PA/PL)		100.0	100.0	-
Reserve for fluctuations in asset value	3.6.4	-	-	-
Non-committed funds		-	-	-

The coverage ratio as of December 31, 2021, was 100.0% (previous year 100.0%).

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 Pension Fund 2 specify the objectives and principles, the organization, the division of responsibilities, authority, and the guidelines for the investment of assets and monitoring this process.

Board of Trustees

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

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

Investment Committee

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

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

Central custodianship account (global custodian)

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

Asset managers

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

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

Liquid funds / money market investments

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

Investments – beneficiaries (individual level)

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

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

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

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

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

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

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

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

All relevant information on the available investment strategies can be found at www.credit-suisse.com/pensionfund.

Investments – own holdings (foundation level)

The foundation's own holdings consist of four Mixta-BVG products: CSA Low-Risk Strategy CHF G, CSA 2 Mixta-BVG 25 G, CSA 2 Mixta-BVG 35 G, and CSA 2 Mixta-BVG 65 Real G.

CSA 2 Mixta-BVG 65 Real G was explicitly relaunched for Pension Fund 2 as of October 29, 2021. The aim is to make this new product available to the insured participants from 2022. In this context, the foundation has fully divested from CSA 2 Mixta-BVG 45 and invested in the new product.

Loan (foundation level)

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

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

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

Investments – beneficiaries

CSA 2 Mixta-BVG 75 G

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

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

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

3.6.3 Totals and breakdown of investments into investment categories

Total investments – beneficiaries

	2021 in CHF	2020 in CHF	2021 in %	2020 in %	Change in CHF
Liquid funds – investments	20,435,859	11,314,743	3	2	9,121,116
CSA Low-Risk Strategy CHF G	99,957,250	67,103,701	13	12	32,853,549
CSA Mixta-BVG 15 G	66,101,654	61,126,020	9	11	4,975,633
CSA 2 Mixta-BVG 25 G	94,691,417	79,585,238	12	15	15,106,178
CSA 2 Mixta-BVG 35 G	168,334,339	114,600,618	22	21	53,733,721
CSA 2 Mixta-BVG 45 G	163,182,692	114,878,433	21	21	48,304,258
CSA 2 Mixta-BVG 75 G	151,345,532	95,180,851	20	18	56,164,681
Total	764,048,742	543,789,604	100	100	220,259,138

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

Investments – own holdings

	2021 in CHF	2020 in CHF	2021 in %	2020 in %	Change in CHF
CSA Low-Risk Strategy CHF G	9,830	9,902	0	0	(72)
CSA 2 Mixta-BVG 25 G	11,308	10,674	0	0	634
CSA 2 Mixta-BVG 35 G	11,715	10,847	0	0	868
CSA 2 Mixta-BVG 45 G	–	4,873,310	–	99	(4,873,310)
CSA 2 Mixta-BVG Real 65 G	10,671,547	–	100	–	10,671,547
Total	10,704,400	4,904,733	100	100	5,799,667

Loan

The loan to the Pension Fund of Credit Suisse Group (Switzerland) was terminated as of December 10, 2020.

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

Due to the structure, there is no need for reserves for fluctuations in asset value.

3.6.5 Current (open) financial derivative instruments

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

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

3.6.6 Market value and contracting parties of securities for securities lending

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

3.6.7 Explanatory note on the net return on investments

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

Performance		
Collective investments (investment groups)	2021 in %	2020 in %
CSA Low-Risk Strategy CHF G	(0.73)	(0.54)
CSA Mixta-BVG 15 G	4.63	3.24
CSA 2 Mixta-BVG 25 G	5.94	2.87
CSA 2 Mixta-BVG 35 G	8.00	3.48
CSA 2 Mixta-BVG 45 G	10.24	3.96
CSA 2 Mixta-BVG Real 65 G	1.35 ¹	
CSA 2 Mixta-BVG 75 G	18.22	8.38

¹ 2021 performance since the launch of share class G on October 29, 2021.

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

Performance (approximation), investments – beneficiaries

Investments – beneficiaries	2021 in CHF	2020 in CHF
Total investments – beneficiaries as of Jan. 1	543,789,604	–
Total investments – beneficiaries as of Dec. 31	764,048,742	543,789,604
Average total investments – beneficiaries (unweighted)	653,919,173	271,894,802
Income from investments – beneficiaries (net)	51,428,890	21,574,383
Performance of investments – beneficiaries (in %)	7.9	7.9

Performance (approximation), investments – own holdings

Investments – own holdings	2021 in CHF	2020 in CHF
Total assets – own holdings as of Jan. 1	4,904,733	41,424
Total assets – own holdings as of Dec. 31	10,704,400	4,904,733
Average total investments – own holdings (unweighted)	7,804,567	2,473,079
Income from investments – own holdings (net)	799,672	70,659
Performance of investments – own holdings (in %)	10.2	2.9

Loan

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

3.6.8 Explanatory note on asset management costs

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

Investments – beneficiaries

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

Total expense ratio (TER KGAST)

	2021 in %	2020 in %
CSA Low-Risk Strategy CHF G	0.09	0.08
CSA Mixta-BVG 15 G	0.32	0.33
CSA 2 Mixta-BVG 25 G	0.31	0.28
CSA 2 Mixta-BVG 35 G	0.30	0.27
CSA 2 Mixta-BVG 45 G	0.28	0.30
CSA 2 Mixta-BVG Real 65 G	0.55 ¹	N/A ¹
CSA 2 Mixta-BVG 75 G	0.37	0.32

¹TER ex-ante, as launch of share class G on October 29, 2021.

Asset management costs

Sum of all key cost figures

Investment category	2021 in CHF	2020 in CHF	2021 in %	2020 in %
Direct asset management costs Investments – beneficiaries	4,545	2,531	0.2	0.2
Direct asset management costs Investments – own holdings	–	–	–	–
Total of all TER costs for investments – beneficiaries collective investments recorded in the operative account	2,116,923	1,436,873	98.20	99.16
Total of all TER costs for investments – own holdings collective investments recorded in the operative account	34,298	708	1.59	0.05
Loan to the Pension Fund of Credit Suisse Group (Switzerland), key cost figures	–	8,946	–	0.62
Total asset management costs	2,155,766	1,449,059	100.00	100.00

Non-transparent investments

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

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

3.6.9 Explanatory note on investments in an employer's enterprise

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

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

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

3.6.10 Employer's contribution reserve

Change in the employer's contribution reserve			
	2021 in CHF	2020 in CHF	Change in CHF
Reserve as of January 1	453,094	453,094	–
Transfer from Pension Fund of Credit Suisse Group (Switzerland)	–	–	–
Transfers to employer's contribution reserve	30,711,537	30,747,581	(36,044)
Withdrawals for 1e plan project financing	–	–	–
Withdrawals for risk contributions of the reinsurance company	(4,767,762)	(4,734,935)	(32,827)
Withdrawals for increase in actuarial provisions	(257,000)	(9,634,000)	9,377,000
Withdrawals for coverage of operating expenses	(3,085,000)	(2,642,118)	(442,882)
Transfer of employer's contribution reserve upon termination of affiliation	(40,007)	–	(40,007)
Withdrawal of employer's contribution reserve for transfer to PF1	(12,000,000)	(13,736,528)	1,736,528
Reserve as of December 31 before interest	11,014,862	453,094	10,561,768
Interest on the reserve at beginning of year (0% / previous year: 0%)	–	–	–
Reserve as of December 31	11,014,862	453,094	10,561,768

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

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

This results in the following breakdown per employer:

Detailed employer's contribution reserve		
	31.12.2021 in CHF	31.12.2020 in CHF
Credit Suisse AG	4,620,458	453,094
Credit Suisse Services Ltd.	1,516,921	–
Credit Suisse Asset Management (Switzerland) Ltd.	468,967	–
BANK-now Ltd.	135,578	–
Credit Suisse Funds AG	70,012	–
Credit Suisse Insurance Linked Strategies Ltd.	45,563	–
Pension Fund of CSG (Switzerland)	35,561	–
Fides Treasury AG	36,673	–
Credit Suisse Group AG	61,121	–
Aventicum Capital Management (Suisse) SA	7,779	–
Credit Suisse (Switzerland) Ltd.	3,972,887	–
Credit Suisse Investment Partners (Switzerland) Ltd.	5,556	–
Credit Suisse Trust Ltd.	37,784	–
Total employer's contribution reserve	11,014,862	453,094

3.7 Explanatory notes on other balance sheet and operative account items

3.7.1 Administration cost

Pension Fund 2 has no employees of its own. Administrative activities relating to the administration of insured participants are carried out by Pension Fund 1. This cooperation is based on the Service Order agreement dated December 10, 2019. Around CHF 2.8 mn is attributable to the services

provided by Pension Fund 1 (previous year CHF 2.3 mn). Project expenses amounted to CHF 0.02 mn (previous year CHF 0.1 mn) in the reporting year.

Administration costs are financed entirely from the employer's contribution reserves. These costs amount to CHF 313 per beneficiary (previous year: CHF 261).

3.8 Supervisory authority requirements

None.

3.9 Further information regarding financial situation

3.9.1 Partial liquidations

The Board of Trustees has established that there were no partial liquidations in 2020 and 2021.

Energy Infrastructure Partners AG

As of the end of 2021, the affiliation agreement with Energy Infrastructure Partners AG was terminated, resulting in a partial liquidation. Pursuant to Art. 3(2) of the regulations on partial liquidation, the balance sheet date is December 31, 2021.

The partial liquidation relating to Energy Infrastructure Partners AG will result in an outflow of assets of approx. CHF 3.3 mn, or 0.4% of the total assets, in 2022. A total of 36 active participants and no pensioners will transfer to a new pension fund.

3.9.2 Legal proceedings in course

There are currently no 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 2 der
Credit Suisse Group (Schweiz)
Zürich

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements presented on pages 8 to 29 of the annual report of Pensionskasse 2 der Credit Suisse Group (Schweiz), which comprise the balance sheet, operating accounts and notes, for the year ended 31 December 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
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PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

Report on additional legal and other requirements

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

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

We have assessed whether

- organisation and management comply with the legal and regulatory requirements and whether internal controls exist that is appropriate to the size and complexity of the foundation;
- funds are invested in accordance with legal and regulatory requirements;
- measures have been taken to ensure loyalty in fund management and whether the Governing Body has ensured to a sufficient degree that fund managers fulfil their duties of loyalty and disclosure of interests;
- the 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 2 of Credit Suisse Group (Switzerland) (hereinafter referred to as the "Fund").

Declaration of Independence

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

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

Confirmation of Pension Actuary

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

The Pension Fund 2 of Credit Suisse Group (Switzerland) reports its benefits obligations based on the Insured Base Salary (technical provisions) and the retirement assets of the active members. Currently there are three survivor pensioners in the Fund, whose benefits are completely reinsured within the framework of the applicable reinsurance solution of the Fund. Consequently, the corresponding liabilities are not accounted for. Taking into account the pension plan and the applicable reinsurance solution in force for the risks of death and disability, only the risks of compensating for any fluctuations in the reinsurance risk premium, the risks of granting risk benefits in deviation from the reinsurance contract in accordance with the Pension Fund of Credit Suisse Group (Switzerland) and general operational risks are to be financed by the Fund.

The financial situation of the Fund as of December 31, 2021, shows:

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



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

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

Based on our review of the Fund as of December 31, 2021, we can confirm that, as of that date:

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

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

Aon Switzerland Ltd, Contractual Partner

Willi Thurnherr
Responsible pension actuary

Marianne Frei

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



PENSION FUND 2 OF CREDIT SUISSE GROUP (SWITZERLAND)

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