

2022 Annual Report

Pension Fund of Credit Suisse Group (Switzerland)

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



Editorial

I – Editorial

Message from the CEO



Dear insured

An aging society coupled with financial and economic challenges highlights the importance of having a robust retirement provision. Many professionals realize only at the end of their working life how important the pension fund is in building personal wealth. For most, capital in the pension fund is the largest asset and the most important source of income in old age. Flexible employee contributions, substantial employer contributions, and an attractive rate of return form the basis for a high standard of living after retirement. The pension fund also offers protection against risks such as death and disability. The premiums for this risk insurance as well as the administrative costs are borne fully by the employer with our Pension Fund.

Start planning your retirement provision early and take advantage of the options offered by our Pension Fund in order to tailor your pension plan to suit you. Our pension advisors will be happy to help: at our branches, by telephone, or by email – and in four languages. You can also use the MyPension portal for insured participants. This allows you to access data and documents relating to your employee benefits insurance at any time and enables you to run through various scenarios that could affect your retirement benefits.

We are constantly working to improve our services. Digitalization and the MyPension portal for insured participants are important factors in this drive for optimization. Since April 2022, insured have been able to purchase pension benefits in the Pension Fund completely autonomously whenever they want via MyPension. Further innovations are also planned to provide intuitive and user-friendly ways for you to familiarize yourself with the employee benefits insurance and manage all aspects of your Pension Fund.

On March 19, the Federal Council announced the takeover of Credit Suisse Group AG by UBS Group AG. It is important to us to make it very clear to our insured that the acquisition of Credit Suisse has no influence on the independent operating activities of the Pension Fund. We are a legally independent foundation with our own organization and accounting. The entitlements and current pensions shown in the pension fund statement are not at risk in any way.

Martin Wagner, Chief Executive Officer

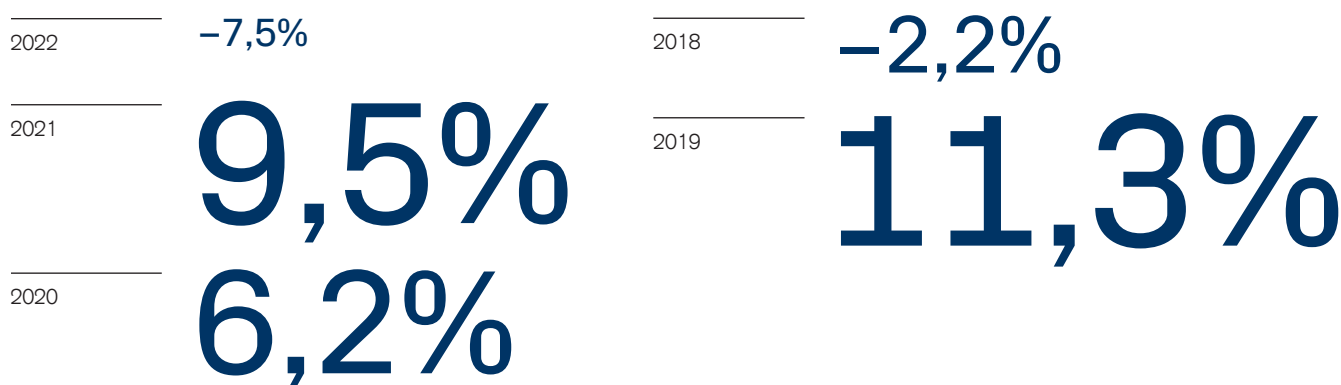
Financial situation

The key figures are as follows:

Key figures for the Pension Fund

	2022 in CHF mn	2021 in CHF mn
Pension payments	(508)	(516)
Lump-sum payments	(106)	(127)
Contributions	409	443
Total assets	17,405	19,376
Active participants' liabilities	6,629	6,404
Pensioners' liabilities	6,622	7,838
Actuarial provisions	96	364
Reserve for fluctuations in asset value	2,400	2,480
	in %	in %
Coverage ratio under Art. 44 BVV 2 (technical coverage ratio)	128.7	130.9
Technical interest rate	2.58	1.21
Economic coverage ratio	119.3	111.8
Technical interest rate (economic)	1.58	(0.09)
Performance	(7.5)	9.5
Interest on active participants' retirement savings capital	5.0	6.5

Performance in recent years



Economic coverage ratio and coverage ratio under Art. 44 BVV 2 (technical coverage ratio)

The Board of Trustees and the management use the economic coverage ratio for the assessment of the financial situation of the Pension Fund.

Economic coverage ratio

The economic coverage ratio is the ratio of the pension assets to the obligations of a pension fund. The derivation of the promised benefits is based on financial and economic principles. For example, to calculate pension recipients' actuarial reserves, the promised benefits are discounted at the due time at the current rate of return on government bonds (12-year Swiss government Eidgenossen bonds). In addition, to derive actuarial assumptions, generation tables are used that take into account factors such as changes in the life expectancy of the insured population.

Coverage ratio under Art. 44 BVV 2 (technical coverage ratio)

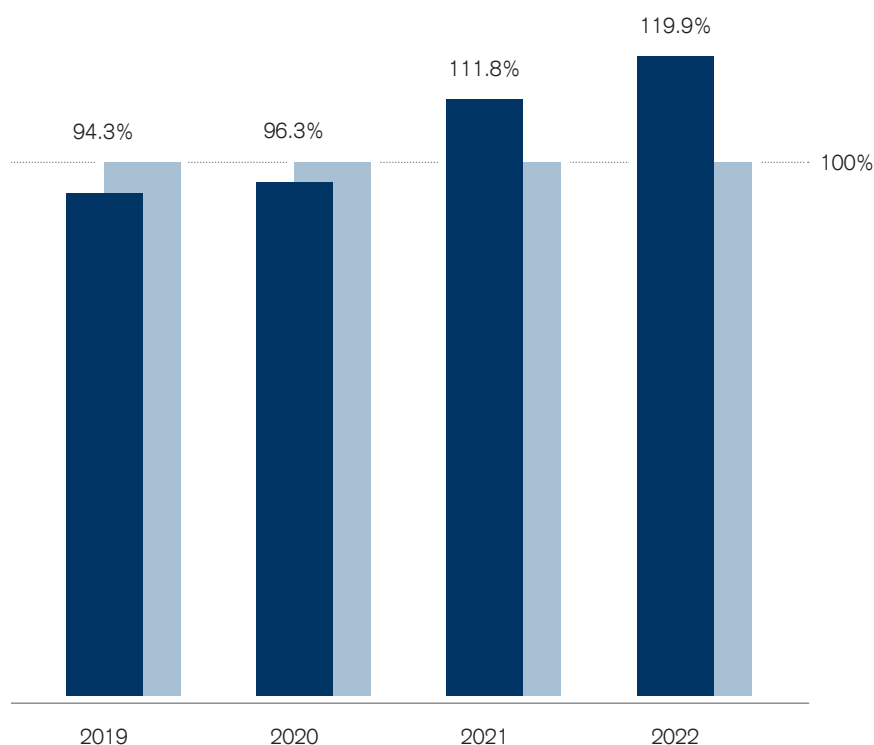
The technical coverage ratio is the ratio of the pension assets to the obligations of a pension fund. To calculate the obligations, the promised benefits are discounted at the technical interest rate. The technical coverage ratio is the regulatory key figure used for the financial assessment of a pension fund.

The coverage ratio under Art. 44 BVV 2 stood at 128.7% at the end of 2022 and thus fell slightly, since it stood at 130.9% at the end of 2021. The reserves for fluctuations in asset value have been increased fully. The Pension Fund thus has non-committed funds and unlimited risk ability.

Development of the different coverage ratios

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Economic coverage ratio	N/A	N/A	N/A	N/A	N/A	94.3	96.3	111.8	119.3
Coverage ratio under Art. 44 BVV 2 in %	115.8	107.8	108.5	115.6	112.1	116.4	120.5	130.9	128.7

Economic coverage ratio 2019–2022



Introducing the management



From left to right: Andreas Dänzer, Chief Investment Officer (CIO) | Martin Wagner, Chief Executive Officer (CEO) | Joachim Oechslin, Chair of the Board of Trustees | Holger Inhester, Chief Financial Officer (CFO) | Roger Nigg, Chief Pension Services (CPS)

Pension Services

The Pension Services area includes the pension advisory service, application ownership of the MyPension portal for insured participants and the xPlan pension application, internal and external communications, and the Legal department. The pension advisory service provides expert, client-oriented advice to active insured and pension recipients on their employee benefits insurance. The cooperative advisory approach is based on fairness, transparency, and equal treatment. In order to meet the needs of the insured and to ensure operational efficiency and effectiveness, business processes are gradually being digitalized. As part of this transformation, the digital purchasing process was successfully introduced in spring 2022.

Investment Management

The Investment Management area consists of the Research & Strategy, Portfolio Management TI/AI, Portfolio Management Real Estate, and Investment Operations departments, and is managed by the CIO. The CIO brings their expertise to the ALM process and is responsible for implementing the investment activities within the framework of the strategic guidelines. Investment Management develops investment concepts, defines the investment tactics, selects and monitors the asset managers, manages direct and indirect real estate investments, prepares investment reports, and is responsible for the operational investment processes. This area is also responsible for implementing sustainability requirements and objectives through the exercise of voting rights, memberships, and exclusions, as well as for organizing commitment processes.

Finance

The Finance area, under the leadership of the CFO, is responsible for accounting and controlling, risk management, IT, and project management. This includes the preparation of the annual financial statements and annual report, monitoring of the internal control system (ICS) for company-wide risk management, management of information security, IT service management, and financial management of the Pension Fund. During the reporting year, the asset and liability management (ALM) office was set up and an ALM study was carried out, which was approved by the Board of Trustees. The results of the study serve as a basis for any adjustments to the investment strategy and reviews of performance strategies decided by the Board of Trustees.

Insured participants and pension plan

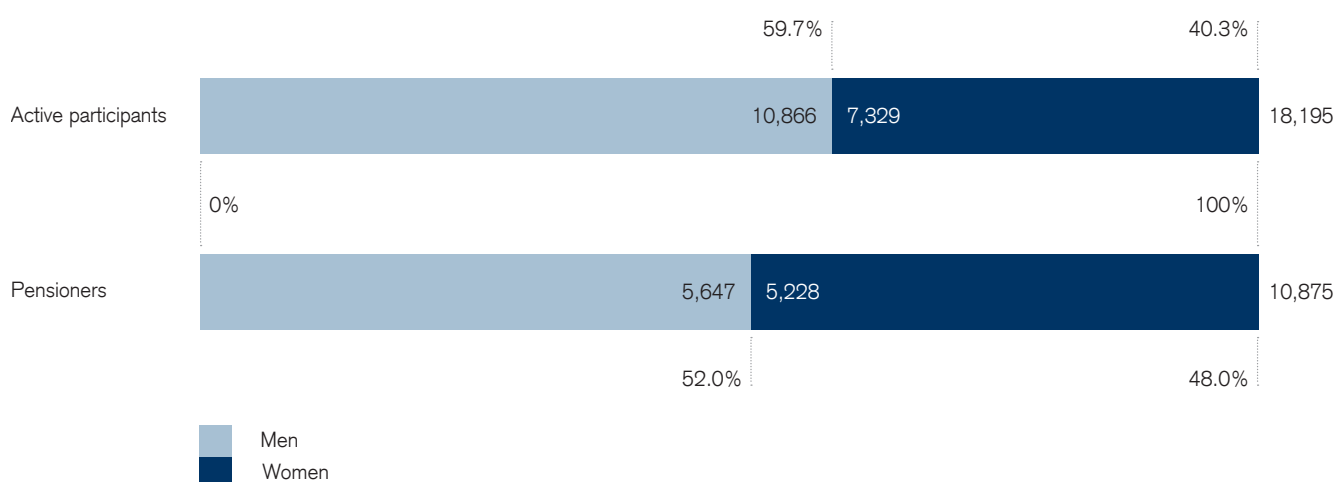
Number of insured participants

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

Number of insured participants as of December 31

	2022	2021
Number of insured participants	18,244	17,844
Insured only against the risks of death and disability	1,176	1,155
Fully insured	17,068	16,689
Pensioners	10,875	10,995
Retirement pension recipients	8,124	8,184
Disability pension recipients	479	513
Survivors' pension recipients (surviving spouse's pensions)	1,800	1,793
Divorced spouse's pension recipients	32	29
Support pension recipients	32	32
Child's pension recipients	408	444
Total number of active participants and pensioners	29,119	28,839

Number of insured participants as of December 31



Changes to the pension plan

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

- Expected pension: Upon retirement, insured participants can choose between a higher retirement pension and a higher surviving spouse's or cohabiting partner's pension in the event of death. Furthermore, the simulation options available in the MyPension portal for insured participants have been extended significantly.
- Stepless disability pension: As a result of the 2022 disability insurance reform, the disability pension amount will be fixed as a percentage of a full disability pension; there will no longer be quarter-pension stages as has been the case until now.

Innovations in MyPension: Digital purchasing process

The Pension Fund has completely digitalized the purchasing process: Since April 2022, insured participants have been able to make voluntary purchases online at any time via the MyPension portal for insured participants. Insured participants can find their maximum potential purchasing amount in the portal. A questionnaire guides them through the process and generates the QR bill showing the required purchase amount.

Purchase

Into which account would you like to make your purchases?

☒ Pension capital savings

☐ Retirement capital savings

How much do you want to purchase?

CHF 53,153

CHF 0

Purchasing potential incl. supplementary account CHF 737'282


Potential for purchasing additional pension capital benefits CHF 103'118

Your calculated retirement age is **65 years and 0 months**. Your retirement pension is estimated to be CHF 58'572 per year (projected interest of 2.0%).

[Cancel](#) [Back](#) [Next](#)

Purchase

The invoice can only be used once. You will receive an email once the payment has been received.

 Your invoice - purchase of pension capital savings

Amount: CH 117'729

Invoice expiration date: 12.06.2022

[View the invoice under "Documents and forms"](#)

[Download invoice as PDF](#)

[Discard the invoice](#)

Scan the QR code with your banking app.

In order to pay invoices with eBill in the future, you can include the Credit Suisse Pension Fund as the biller in your eBill portal.

[Close window](#)

In order to pay invoices with eBill, insured participants simply need to add the Pension Fund in their eBill portal as an invoice issuer.

Between April and the end of 2022, around 3,000 insured participants took advantage of the new feature that allows them to make their purchases autonomously via MyPension. Once the purchase has been successfully completed, the tax statement is uploaded directly to MyPension.

Investments

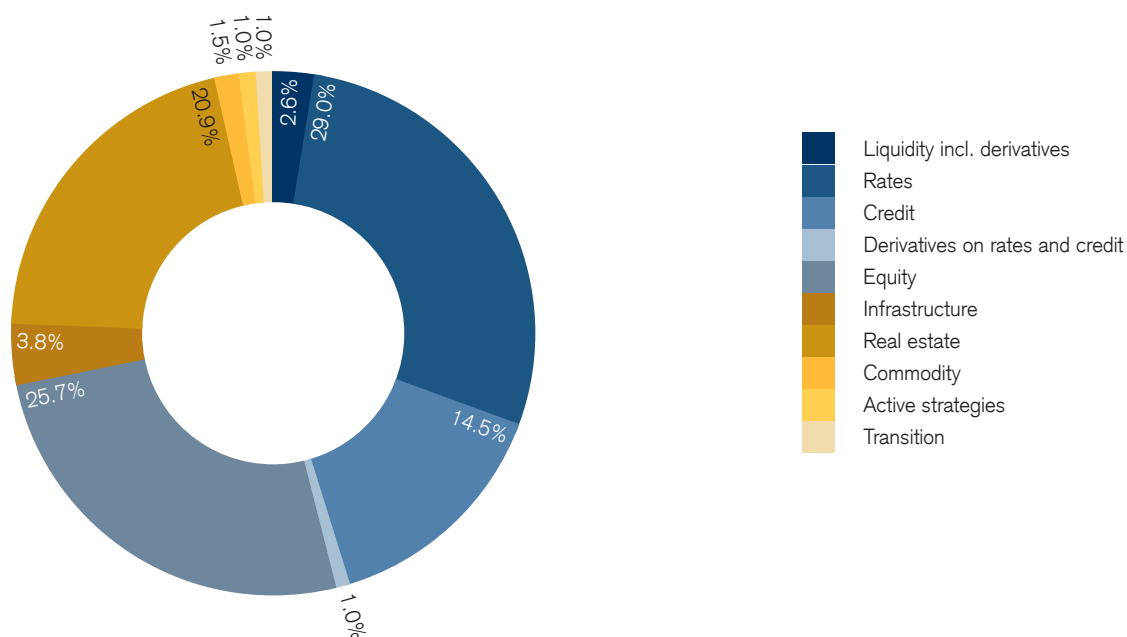
Review

In recent years, the capital markets have been supported by the loose monetary policy of central banks. For a long time, the latter saw no reason to raise interest rates in their mandate, and the economy had to be stimulated time and again over the course of various crises. With the sharp rise in inflation rates in western economies driven by high consumer demand, central bank policies have changed fundamentally. The outbreak of the war in Ukraine placed significant pressure on already heavily strained supply chains, and commodity prices added an additional boost to inflation. After many years of inflation not posing a threat, investors have faced high inflation rates over the past year. To combat this, base rates have been increased sharply in almost all western countries. In the euro zone and the United Kingdom, prices broadly rose by more than 10% at times compared to the previous year. It was only in the second half of the year, once many of the supply bottlenecks had been gradually overcome and commodity prices were declining, that inflation slowed and began to gradually decrease (from a very high level). Central banks also showed little tolerance toward the ever-worsening economic situation. Investments that benefited disproportionately from low or falling interest rates in previous years, such as growth stocks or bonds, were punished significantly. Investors will have to continue to endure some of the price-driving elements, such as bringing production sites home, moving to a sustainable economy fueled by renewable energy, and the low supply of labor. In summary, the investment year for mixed investment portfolios was extremely challenging, as both equities and bond investments simultaneously performed negatively, which historically is very rare.

Investments by the Pension Fund

Having enjoyed good investment years in the past, the Pension Fund of Credit Suisse Group (Switzerland) went into 2022 from a strong position. The overall risk budget was reduced by the Board of Trustees in the reporting year and the resulting long-term strategic asset allocation (SAA) was adjusted accordingly. The portfolio continued to be aligned with the SAA on an ongoing and situational basis. Thanks to smart strategic and tactical decisions, for example reducing equity risk at an early stage and skillfully timing the build-up of bond investments, as well as positive manager performance, negative performance was reduced and added value was created compared to the benchmark. Total assets performed at -7.5% for 2022, compared with -9.4% in the strategy. Investments in rates and credit at -2.6% and -1.5% respectively and in equity at -4.1% contributed negatively to the overall result, while real estate and infrastructure generated positive returns, making an important diversifying contribution.

Asset allocation as of December 31, 2022



Sustainability – ESG

The issue of sustainability and the consideration of environmental, social, and governance (ESG) aspects play a key role in investments by the Pension Fund and are taken into account accordingly throughout the investment process. This enables risks to be identified at an early stage and appropriate measures to be taken. This is done, for example, through the direct exclusion of companies from the portfolio or through dialogue with the relevant companies. In 2022, 1,516 voting rights were exercised and active dialogue was maintained with 893 companies. The measures taken and the results were published in detail for the first time in an “Active ownership report.” The “Sustainability report” was also revised to create even greater transparency by providing ESG and climate-related key figures for listed shares and bonds.

For a large part of the investment portfolio, an ESG integration approach was devised based on the sustainability and climate strategy published in 2022. ESG information is thus already taken into account prior to the investment decision being made with the aim of optimizing returns on a risk-adjusted basis. This process enables the Pension Fund to define ESG specifications from the outset when increasing strategic positions, such as infrastructure.

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:

- 2021 Annual Report and financial statements and discharge of the management
- Asset and liability management process
- Pension Fund regulations, adjustments
- Regulations on investments, adjustments
- Regulations on provisions, adjustments
- 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 17.4 billion, over 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 placing your trust 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	31.12.2022		31.12.2021	
		CHF	%	CHF	%
Assets					
Investments	3.6.4	17,389,148,761	99.9	19,354,455,692	99.9
Other assets and prepayments and accrued income	3.7.1	16,350,112	0.1	21,491,640	0.1
Total assets		17,405,498,873	100.0	19,375,947,331	100.0

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

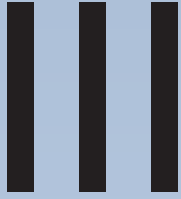
	Note	31.12.2022		31.12.2021	
		CHF	%	CHF	%
Liabilities					
Liabilities		159,524,647	0.9	179,099,142	0.9
Termination benefits and pensions		78,053,611	0.4	87,307,824	0.5
Other liabilities		18,940,378	0.1	24,001,678	0.1
Loans	3.7.3	62,530,658	0.4	67,789,640	0.3
Accrued liabilities and deferred income		3,429,723	0.0	6,902,734	0.0
Employer's contribution reserve	3.6.11	70,424,409	0.4	67,070,866	0.3
Pension liabilities and actuarial provisions		13,346,318,530	76.7	14,605,605,223	75.4
Active participants' liabilities	3.5.2	6,628,574,573	38.1	6,403,517,829	33.0
Pensioners' liabilities	3.5.4	6,621,626,957	38.0	7,837,995,394	40.5
Actuarial provisions	3.5.5	96,117,000	0.6	364,092,000	1.9
Reserve for fluctuations in asset value	3.6.3	2,400,000,000	13.8	2,480,000,000	12.8
Endowment capital, non-committed funds (+) / underfunding (-)		1,425,801,564	8.2	2,037,269,367	10.5
Balance as of January 1		2,037,269,367	11.7	672,642,228	3.5
Income surplus (+) / expense surplus (-)		(611,467,804)	(3.5)	1,364,627,139	7.0
Total liabilities		17,405,498,873	100.0	19,375,947,331	100.0

2.2 Operative account

Operative account

	Note	2022 CHF	2021 CHF
Ordinary and other contributions and lump-sum transfers			
Employee contributions		150,058,641	146,205,014
Employer contributions		258,447,776	296,637,111
One-time payments and purchase amounts		41,484,177	51,267,586
Transfers to employer's contribution reserve		–	12,000,000
Total ordinary and other contributions and lump-sum transfers		449,990,594	506,109,711
Lump-sum transfers on joining the Pension Fund			
Termination benefit transfers		153,058,180	125,534,436
Repayment of withdrawals for home ownership/divorce		7,925,286	12,019,679
Total lump-sum transfers on joining the Pension Fund		160,983,467	137,554,114
Inflow from contributions and lump-sum transfers on joining the Pension Fund		610,974,061	643,663,826
Regulatory benefits			
Retirement pensions		(408,612,191)	(410,951,246)
Survivors' pensions (surviving spouse's pensions)		(65,340,621)	(64,896,787)
Orphan's pensions		(1,135,413)	(1,268,982)
Disability pensions		(22,261,848)	(23,145,365)
Other regulatory benefits		(11,010,584)	(15,370,273)
Lump-sum payments on retirement		(98,412,194)	(120,569,855)
Lump-sum payments upon death or disability		(6,648,983)	(5,963,408)
Lump-sum payments upon divorce (pensioners)		(878,848)	(203,093)
Total regulatory benefits		(614,300,683)	(642,369,008)
Termination benefits			
Termination benefits on leaving the Pension Fund	3.5.2	(346,722,871)	(355,338,203)
Transfer of additional funds for collective withdrawals	3.9.1	(240,328)	(2,478,979)
Repayment of withdrawals for home ownership/divorce		(41,687,484)	(39,951,514)
Total termination benefits		(388,650,682)	(397,768,696)
Outflow for benefits and withdrawals		(1,002,951,365)	(1,040,137,704)
Increase / decrease in pension liabilities, actuarial provisions, and employer's contribution reserves			
Increase (–) / decrease (+) in active participants' liabilities	3.5.2	80,799,680	166,304,368
Interest on active participants' liabilities	3.5.2	(305,856,424)	(377,751,066)
Increase (–) / decrease (+) in pensioners' liabilities	3.5.4	1,216,368,437	193,667,119
Increase (–) / decrease (+) in actuarial provisions	3.5.5	267,975,000	276,936,671
Increase (–) / decrease (+) in employer's contribution reserve	3.6.11	67	(11,913,108)
Total increase / decrease in pension liabilities, actuarial provisions, and employer's contribution reserves		1,259,286,759	247,243,984
Insurance cost			
Contributions to Security Fund BVG		(1,763,074)	(1,726,259)
Net result of insurance activities		865,546,381	(150,956,153)

	Note	2022 CHF	2021 CHF
Investments			
Return on investments	3.6.8	(1,351,976,831)	1,804,124,524
Interest on termination benefits		(711,302)	(649,181)
Interest on loans	3.7.3	5,113,982	(5,812,030)
Interest on employer's contribution reserve	3.6.11	(3,353,610)	(3,366,436)
Asset management costs	3.6.9	(197,447,040)	(170,545,706)
Net return on investments		(1,548,374,800)	1,623,751,171
Other income			
		–	214,160
Other expenses			
		(308,551)	(233,101)
Administration cost			
General administration cost	3.7.2	(8,118,038)	(7,906,804)
Auditors and pension actuary		(180,630)	(207,480)
Supervisory authorities		(32,165)	(34,653)
Total administration costs		(8,330,833)	(8,148,937)
Income surplus / expense surplus before adding to or releasing from reserve for fluctuations in asset value			
		(691,467,804)	1,464,627,139
Increase (–) / decrease (+) in reserve for fluctuations in asset value			
		80,000,000	(100,000,000)
Income surplus (+) / expense surplus (–)			
		(611,467,804)	1,364,627,139



Explanatory notes

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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' dependents and surviving dependents, 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 ZH 1290. The foundation is affiliated with the BVG Security Fund.

3.1.3 Plan statutes and regulations

As of December 31, 2022, 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	10.12.2021	01.01.2022
Organizational regulations	25.10.2021	01.01.2022
Regulations on investments	12.12.2022	31.12.2022
ALM regulations	29.10.2020	01.01.2021
Regulations on provisions	12.12.2022	31.12.2022
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, 2022).

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)

Joachim Oechslin, Chair, Credit Suisse Group AG, Zurich (from March 1, 2022)
Ina Hasdenteufel, Credit Suisse AG, Zurich (from March 1, 2022)
André Helfenstein, Credit Suisse (Switzerland) Ltd., Zurich
Daniel Imhof, Credit Suisse AG, Zurich (from June 21, 2022)
Christian Stark, Credit Suisse Services Ltd., Zurich
Claude Täschler, Credit Suisse (Switzerland) Ltd., Zurich (from March 1, 2022)
Philip Hess, Chair, Credit Suisse Group AG, Zurich (until February 28, 2022)
Christian G. Machate, Credit Suisse AG, Zurich (until February 28, 2022)
Aaron Matzinger, Credit Suisse AG, Zurich (until May 31, 2022)

Employee representatives

Daniel Egli, Lucerne, Vice-Chair, Credit Suisse (Switzerland) Ltd., constituency 1
Moreno Ardia, Zurich, Credit Suisse (Switzerland) Ltd., constituency 1
Christian Braun, Zurich, Credit Suisse Asset Management (Switzerland) Ltd., constituency 3
Timoteo Gandolfi, Lugano, Credit Suisse (Switzerland) Ltd., constituency 2
Gaby Kuchta-Schmidt, Zurich, Credit Suisse AG, constituency 1
Joëlle Laprêvote, Zurich, Credit Suisse (Switzerland) Ltd., constituency 1 (from July 1, 2022)
Daniel Ammon, Bern, Credit Suisse (Switzerland) Ltd., constituency 1 (until June 30, 2022)

The constituencies are divided 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

Andreas Dänzer, Chair
Oliver Fässler, Deputy Chair
Christian Braun (from July 1, 2022)
Daniel Imhof (from July 1, 2022)
Kristian Ceko, external advisor
Michael Riesner, external advisor
Martin Wagner (non-voting)
Andreas Köster, external advisor (until February 28, 2022)
Aaron Matzinger (until May 31, 2022)
Daniel Ammon (until June 30, 2022)

ALM Committee

Christian Stark, Chair
Christian Braun
Daniel Egli
Joachim Oechslin
Andreas Dänzer
Holger Inhester
Martin Wagner (non-voting)

Sebastian Krejci (until May 31, 2022)

Compensation and Promotion Committee

Claude Täschler, Chair (from July 1, 2022)

Arnaud Erhard

Ina Hasdenteufel (from July 1, 2022)

Damian Hodel (from July 1, 2022)

Christian G. Machate, Chair (until February 28, 2022)

Philip Hess (until February 28, 2022)

Daniel Ammon (until June 30, 2022)

Audit and Risk Committee

Joëlle Laprêvotte, Chair

Moreno Ardia

Gaby Kuchta-Schmidt

Christian Stark

ESG Committee

At its meeting on December 12, 2022, the Board of Trustees decided to integrate the ESG Committee into the Investment Committee as of December 31, 2022.

Until its dissolution on December 31, 2022, the ESG Committee was composed as follows:

Arnaud Erhard, Chair

Christian Braun

Timoteo Gandolfi

Andreas Dänzer

Martin Wagner (non-voting)

Aaron Matzinger (until May 31, 2022)

Executive Committee

Joachim Oechslin, Chair (from March 1, 2022)

Daniel Egli

Martin Wagner

Philip Hess, Chair (until February 28, 2022)

Management

Martin Wagner, Chief Executive Officer (CEO)

Andreas Dänzer, Chief Investment Officer (CIO)

Holger Inhester, Chief Financial Officer (CFO)

Roger Nigg, Chief Pension Services (CPS)

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: 14) 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 contingent of pensioners 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	31.12.2022 Number of active participants	31.12.2021 Number of active participants	31.12.2022 Proportion of active participants in %	Proportion of pension obligations in %
Credit Suisse (Switzerland) Ltd.	8,082	8,068	44.30	50.80
Credit Suisse AG	6,029	5,863	33.05	32.22
Credit Suisse Services Ltd.	2,825	2,639	15.48	10.52
Credit Suisse Asset Management (Switzerland) Ltd.	574	569	3.15	2.61
BANK-now Ltd.	344	319	1.89	1.72
Credit Suisse Funds AG	84	80	0.46	0.38
Fides Treasury Services AG	68	63	0.37	0.29
Credit Suisse Trust Ltd.	34	46	0.19	0.31
Credit Suisse Insurance Linked Strategies Ltd.	45	51	0.25	0.24
Pension Fund of CSG (Switzerland)	61	58	0.33	0.24
Credit Suisse Group AG	73	66	0.40	0.25
Aventicum Capital Management (Suisse) SA	10	9	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
External insured participants	8	6	0.04	–
Provision for pension recipients remaining from previous affiliations	–	–	–	0.28
Total as of December 31	18,244	17,844	100.00	100.00
Number of affiliations with active participants	14	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 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. 49a(2) BVV 2

The Pension Fund exercises its voting rights in accordance with clear criteria; 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 1,516 voting rights at annual general meetings held by 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 at least once a year and, if necessary, updated or supplemented.

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

Total active participants

	31.12.2022	31.12.2021
Women	6,766	6,483
Women, insured only against the risks of death and disability	578	561
Men	10,302	10,206
Men, insured only against the risks of death and disability	598	594
Total	18,244	17,844

Change in number of total active participants

	Men	Women	Total
No. of participants as of December 31, 2021	10,800	7,044	17,844
New participants	1,534	1,253	2,787
Departures (total)	(1,434)	(953)	(2,387)
of which through disability	(10)	(7)	(17)
of which through retirement	(129)	(61)	(190)
of which through change of job	(1,286)	(882)	(2,168)
of which through death	(9)	(3)	(12)
No. of participants as of December 31, 2022	10,900	7,344	18,244
Change in number of persons	100	300	400
Change in %	0.9	4.3	2.2

Average age of active participants

	on 31.12.2022	on 31.12.2021
Women	41.9	41.8
Women, insured only against the risks of death and disability	22.3	22.4
Men	44.3	44.1
Men, insured only against the risks of death and disability	22.5	22.4

Pensionable salary, total in CHF

	2022	2021
Women	495,705,237	496,244,178
Women, insured only against the risks of death and disability	21,551,396	20,702,339
Men	927,254,620	938,226,780
Men, insured only against the risks of death and disability	22,982,469	22,960,911
Total	1,467,493,722	1,478,134,208

Pensionable salary, average in CHF

	2022	2021
Women	73,264	76,545
Women, insured only against the risks of death and disability	37,286	36,903
Men	90,007	91,929
Men, insured only against the risks of death and disability	38,432	38,655

3.2.2 Pensioners

Pensioners

	Men 1.1.2023	Men 1.1.2022	Women 1.1.2023	Women 1.1.2022	Total 1.1.2023	Total 1.1.2022
Retirement pension recipients	5,073	5,104	3,051	3,080	8,124	8,184
Disability pension recipients	218	239	261	274	479	513
Survivors' pension recipients (surviving spouse's pensions)	160	162	1,640	1,631	1,800	1,793
Divorced spouse's pension recipients	1	2	31	27	32	29
Support pension recipients	20	20	12	12	32	32
Child's pension recipients	175	194	233	250	408	444
Total pensioners	5,647	5,721	5,228	5,274	10,875	10,995
Change in number of persons	(74)		(46)		(120)	
Change in %	(1.3)		(0.9)		(1.1)	

The number of pensioners changed as follows:

Change in number of pensioners		
	2022	2021
Number of pensioners at the beginning of the financial year	10,995	11,030
New pensioners		
Retired active participants	150	178
Retired disability pension recipients	40	39
Disability pension recipients	25	39
Survivors' pension recipients (surviving spouse's pensions)	112	121
Divorced spouse's pension recipients	6	11
Support pension recipients	–	1
Child's pension recipients	52	73
Termination of pension entitlement		
Death of retirement pension recipient	(250)	(264)
Death of disability pension recipient	(5)	(4)
Reactivation of disability pension recipient	(2)	–
Retirement of disability pension recipient	(40)	(39)
Death of survivors' pension (surviving spouse's pension) recipient	(105)	(90)
Death of divorced spouse's pension recipient	(3)	–
Remarriage of survivors' pension (surviving spouse's pension) recipient	–	–
Expiry of child's pension and support pension	(100)	(100)
Number of pensioners at the end of the financial year	10,875	10,995

Average age of pensioners		
	on 1.1.2023	on 1.1.2022
Retirement pensions, women	75.5	75.1
Retirement pensions, men	74.6	74.2
Disability pension recipients	55.2	55.4
Survivors' pension recipients (surviving spouse's pension recipients)	79.4	79.1
Divorced spouse's pension recipients	69.6	69.4
Child's pension recipients	17.1	17.3

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 award (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 the retiree's child's pension and an AHV bridging pension. The AHV bridging pension amounting to the anticipated AHV pension is paid from the 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 payment 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 at the start of 2020 to form a separate 1e plan, managed under Pension Fund 2 of Credit Suisse Group (Switzerland). The 1e plan offers insured participants with a salary subject to AHV contributions of over CHF 129,060 (as of 2022) the opportunity to select one of eight investment strategies for their pension assets.

3.3.2 Financing, financing method

Contributions by the insured participants and the employer

The insured participants can choose the level of their savings contribution annually 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 rates for the employee are between 5.0% and 14.0% of the pensionable base salary and between 3.0% and 9.0% of the pensionable base salary excess and the variable salary (incentive award).

The age-dependent savings contributions for the employer are between 7.5% and 25.0% of the pensionable base salary. 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 1.5% on the pensionable base salary, the pensionable base salary excess, and the variable salary. From the age of 25, the risk contributions are 2.5% on the pensionable base salary, the pensionable base salary excess, and the variable salary.

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 2.2% and 3.9% (previous year: 2.4% and 4.1%).

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.

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 active participants' liabilities developed as follows in the reporting year:

Overall development of active participants' liabilities			
	2022 in CHF	2021 in CHF	Change in CHF
Active participants' liabilities as of January 1	6,403,517,829	6,192,071,131	211,446,698
Retrospective correction for migration	–	(570,679)	570,679
Employer's and employee's savings contributions	370,824,963	360,225,523	10,599,440
Purchase amounts and one-time payments	41,484,177	51,267,586	(9,783,409)
Termination benefit transfers	153,058,180	125,534,436	27,523,744
Repayment of withdrawals for home ownership/divorce	7,925,286	12,019,679	(4,094,392)
Termination benefits on leaving the Pension Fund	(346,722,871)	(355,338,203)	8,615,332
Withdrawals for encouragement of home ownership/divorce	(41,687,484)	(39,951,514)	(1,735,970)
Interest paid on retirement savings capital (5.00%/6.50%)	305,856,424	377,751,066	(71,894,642)
Lump-sum payments on retirement	(98,412,194)	(120,569,855)	22,157,661
Transfer to pensioners' liabilities due to retirement	(132,020,289)	(169,239,978)	37,219,689
Transfer to pensioners' liabilities due to partial retirement	(10,135,536)	(10,636,345)	500,808
Transfer to pensioners' liabilities due to disability	(11,199,435)	(13,263,553)	2,064,118
Transfer to pensioners' liabilities due to death	(13,914,477)	(5,781,464)	(8,133,013)
Total active participants' liabilities as of December 31	6,628,574,573	6,403,517,829	225,056,744

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		
	31.12.2022 in CHF mn	31.12.2021 in CHF mn
Retirement savings capital in accordance with the law on occupational pensions	1,457.7	1,411.7

3.5.4 Pensioners' liabilities

Development of pensioners' liabilities

The pensioners' liabilities developed as follows in the reporting year:

	2022 in CHF	2021 in CHF	Change in CHF
Pensioners' liabilities as of January 1	7,837,995,394	8,031,662,513	(193,667,119)
Interest on pensioners' liabilities	91,992,900	102,587,440	(10,594,540)
Pension payments	(508,360,657)	(515,632,652)	7,271,995
Transfer from active participants' liabilities	167,269,738	198,921,340	(31,651,602)
Increase in pension liabilities due to development of risk associated with active participants	45,459,034	70,723,944	(25,264,910)
Pensioners' risk result	14,129,721	674,845	13,454,876
Change in technical interest rate	(1,027,904,964)	87,390,904	(1,115,295,868)
Decrease in pension liabilities as a result of a change in biometric principles	–	(136,954,580)	136,954,580
Timing effects ¹	1,045,792	(1,378,360)	2,424,152
Total pensioners' liabilities as of December 31	6,621,626,957	7,837,995,394	(1,216,368,437)

¹ Timing effects are the result of simplifying assumptions; for example, it is assumed that deaths occurred mid-year.

Pensioners' liabilities comprise the following components:

Pensioners' liabilities

	31.12.2022 in CHF	31.12.2021 in CHF	Change in CHF
Retirement pensions	5,483,993,660	6,458,322,264	(974,328,604)
AHV bridging pensions	11,951,016	19,591,566	(7,640,550)
Survivors' pensions (surviving spouse's pensions)	682,190,660	782,382,541	(100,191,881)
Divorced spouse's pensions	14,043,862	14,604,468	(560,606)
Disability pensions	392,832,974	519,800,044	(126,967,070)
Disability bridging pensions	8,811,653	10,063,000	(1,251,347)
Child's pensions and support pensions	27,803,132	33,231,511	(5,428,379)
Total pensioners' liabilities	6,621,626,957	7,837,995,394	(1,216,368,437)

Cost-of-living allowance for pensioners

The Board of Trustees continuously monitors price development measured against the Swiss Consumer Price Index and annually reviews whether to grant a cost-of-living allowance. Pensions were last adjusted on January 1, 2007. The cumulative increase in the cost of living since then amounts to 4.9% as measured by the Swiss Consumer Price Index. The Board of Trustees has decided not to grant a cost-of-living allowance on pensions as of January 1, 2023.

3.5.5 Actuarial provisions

Actuarial provisions

	31.12.2022 in CHF	31.12.2021 in CHF	Change in CHF
Provision for increase in life expectancy	26,487,000	15,676,000	10,811,000
Provision for actuarial risks	68,407,000	28,431,000	39,976,000
Provision for retirement losses	–	318,609,000	(318,609,000)
Provision for pensioners remaining from previous affiliations	1,223,000	1,376,000	(153,000)
Total actuarial provisions	96,117,000	364,092,000	(267,975,000)

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.

	2022 in CHF	2021 in CHF
Provision for increase in life expectancy as of January 1	15,676,000	216,855,000
Decrease as a result of a change in actuarial principles CMI 2020 2.10%	–	(201,179,000)
Increase for future changes	10,811,000	–
Provision for increase in life expectancy as of December 31	26,487,000	15,676,000

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.

	2022 in CHF	2021 in CHF
Provision for actuarial risks as of January 1	28,431,000	28,030,000
Decrease	–	–
Increase	39,976,000	401,000
Provision for actuarial risks as of December 31	68,407,000	28,431,000

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.

	2022 in CHF	2021 in CHF
Provision for retirement losses as of January 1	318,609,000	394,615,671
Decrease as a result of a change in actuarial principles CMI 2020 2.10%	–	(3,151,000)
Increase (decrease) as a result of a change in the technical interest rate	(634,548,000)	77,204,000
Decrease due to retirements in the reporting year	(34,370,757)	(29,006,880)
Changes in the total to be taken into account and in the regulatory benefits	42,637,757	(21,440,792)
Decrease due to further regl. changes to the conversion rates	307,672,000	(99,612,000)
Provision for retirement losses as of December 31	–	318,609,000

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.

	2022 in CHF	2021 in CHF
Provision for pension recipients remaining from previous affiliations as of January 1	1,376,000	1,528,000
Decrease	(153,000)	(152,000)
Increase	–	–
Provision for pension recipients remaining from previous affiliations as of December 31	1,223,000	1,376,000

3.5.6 Conclusions of the last actuarial report

In its actuarial report as of December 31, 2022, the pension actuary confirmed the following:

- Regulatory actuarial provisions on benefits and financing are in line with current statutory requirements.

- As of December 31, 2022, 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. 52e(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		
	31.12.2022	31.12.2021
	BVG 2020, CMI with LTR 2.10%	BVG 2020, CMI with LTR 2.10%
Actuarial principles		
Technical interest rate	2.58%	1.21%

The variable technical interest rate is defined as the return on Swiss government Eidgenossen bonds for the duration of the liabilities (12 years), plus 100 basis points (bps) (previous year: 130 bps), subject to a cap of 450 bps (previous year: 200 bps). The supplement and any possible cap are determined by means of an ALM study. The most recent ALM study was conducted in 2022. As of the end of the reporting year, the technical interest rate according to this formula was 2.58%.

3.5.8 Changes in actuarial principles and assumptions

In the 2022 reporting year, the Pension Fund increased the technical interest rate from 1.21% to 2.58%. This increase resulted in a reduction in pensioners' liabilities of around CHF 1.03 billion as of December 31, 2022.

The biometric principles remained unchanged in the 2022 reporting year.

For the sake of completeness, we wish to point out that in the previous year (2021 reporting year) the Pension Fund switched the biometric principles to BVG 2020 on the recommendation of the pension actuary.

For the forecast of future mortality, the Pension Fund 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 2021 reporting year. The slight reduction in the technical interest rate from 1.31% to 1.21% also 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		31.12.2022 BVG 2020, CMI with LTR 2.10% 2.58% CHF	31.12.2021 BVG 2020, CMI with LTR 2.10% 1.21% CHF	Change in CHF
Technical interest rate	Note			
Pension liabilities, pension capital savings				
Active participants' liabilities	3.5.2	6,628,574,573	6,403,517,829	225,056,744
Pensioners' liabilities	3.5.4	6,621,626,957	7,837,995,394	(1,216,368,437)
Actuarial provisions	3.5.5	96,117,000	364,092,000	(267,975,000)
Pension liabilities and actuarial provisions (PL)		13,346,318,530	14,605,605,223	(1,259,286,693)
Assets				
Accrued liabilities, deferred income, and other liabilities	2.1	(162,954,370)	(186,001,875)	23,047,505
Employer's contribution reserve	3.6.11	(70,424,409)	(67,070,866)	(3,353,543)
Pension assets (PA)		17,172,120,094	19,122,874,590	(1,950,754,496)
Coverage ratio under Art. 44 BVV 2 in % (PA/PL)		128.7	130.9	(2.2)
Reserve for fluctuations in asset value	3.6.3	2,400,000,000	2,480,000,000	(80,000,000)
Non-committed funds		1,425,801,564	2,037,269,367	(611,467,804)

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 128.7% (previous year: 130.9%), the Pension Fund has non-committed funds of CHF 1.426 billion (previous year: CHF 2.037 billion) and unlimited risk ability.

Development of the coverage ratio

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Coverage ratio under Art. 44 BVV 2 in %	115.8	107.8	108.5	115.6	112.1	116.4	120.5	130.9	128.7

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.

The CIO implements the investment activities on the basis of the strategic requirements (including specified bandwidths) and the principles set out in the regulations on investments. The CIO is also responsible for the implementation of the sustainability requirements and objectives. The Investment Committee and the Board of Trustees monitor the CIO's investment activities.

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 and investment bandwidths currently apply:

Strategic asset allocation (SAA) and bandwidths

	SAA in %	Min. in %	Max. in %
Nominal assets			
Liquidity	5.5%	1.0%	15.5%
Rates	30.0%	23.0%	37.0%
Credits	15.5%	10.0%	18.0%
Total nominal assets	51.0%	–	–
Real assets			
Equity	25.0%	16.5%	29.5%
Infrastructure	3.5%	2.0%	8.0%
Real estate	19.5%	13.0%	29.5%
Commodities	0.0%	0.0%	20.0%
Total real assets	48.0%	–	–
Active strategies	0.0%	0.0%	20.0%
Transition	1.0%	0.0%	2.0%
Total	100.0%	–	–
Foreign currency	2.5%	0.0%	10.0%

Explanatory note on the investment groups and investment categories

The Pension Fund classifies the investments into four investment groups: nominal assets, real assets, active strategies, 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 refers to receivables with interest rate risk that involve little to no credit risk.
Credits	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

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 directly held properties as well as listed and non-listed holdings in real estate products in Switzerland and abroad.
Commodities	Commodities refers to direct or indirect commodities investments.

Active strategies

Active strategies either have a risk-reducing effect due to low or negative correlations with other investments or include investments that represent a temporary opportunity to increase the return on the overall portfolio.

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 investment experts 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. 48f(4) BVV 2:

External asset managers

Institution	Type of approval
Alpha Associates AG	FINMA
BlackRock Investment Management (UK) Limited	Financial Conduct Authority (FCA), UK
Colchester Global Investors Ltd	Financial Conduct Authority (FCA), UK
Credit Suisse (Switzerland) Ltd.	FINMA
Goldman Sachs International	Financial Conduct Authority (FCA), UK
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
Record Currency Management Ltd	Financial Conduct Authority (FCA), UK
Twelve Capital AG	FINMA
Vontobel Asset Management, Inc.	Securities and Exchange Commission (SEC), US
Wellington Management International Ltd.	Financial Conduct Authority (FCA), UK
Zürcher Kantonalbank	FINMA

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 investment experts, 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.

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 independent strategic investment controller also reviews the investments from a strategic 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.

Alternative investments

Alternative investments in accordance with BVV 2

	31.12.2022 in CHF mn	31.12.2021 in CHF mn
Hedge funds	–	222.5
Private equity	1,858.3	1,910.7
Commodities	418.9	491.3
Insurance-linked strategies	0.1	1.8
Senior secured loans (SSL)	10.6	467.6

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	13.2
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.	13.2
Alternative investments – gold	Only diversified collective investments	Permitted: assets in physical gold	1.0

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 technical 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 2022.

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 target value of the reserve for fluctuations in asset value is 18%.

Reserve for fluctuations in asset value

	31.12.2022	31.12.2021	Change
Target in % of pension liabilities and actuarial provisions	18.0	17.0	1
Target in CHF mn	2,400	2,480	(80)
Existing reserve for fluctuations in asset value in CHF mn	2,400	2,480	(80)
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 the interest paid on retirement savings capital is 5.00%, with the variable technical interest rate at 2.58%, the annual minimum return according to actuarial experts is 3.22%.

3.6.4 Breakdown of investments into investment categories (economic exposure)

The following table shows the actual asset allocation (financial 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. Swaps and options are also used to manage asset allocation.

Total assets after set-off of financial derivative instruments

Economic exposure

(actual asset allocation)

	31.12.2022 in CHF mn	31.12.2021 in CHF mn	31.12.2022 in %	31.12.2021 in %	Range min. – max.
Liquidity	484.4	2,143.9	2.8%	11.1%	
Liquidity effect, derivatives on nominal assets	(172.0)	(246.7)	(1.0)%	(1.3)%	
Liquidity effect, derivatives on real assets	144.8	185.7	0.8%	1.0%	
Total liquidity, incl. derivatives	457.2	2,082.9	2.6%	10.8%	1–15,5
Total rates	5,041.3	1,857.5	29.0%	9.6%	23–37
Total credit	2,520.4	3,402.7	14.5%	17.6%	10–18
Total derivatives on rates and credit	172.0	246.7	1.0%	1.3%	
Total rates and credit, incl. derivatives	7,733.7	5,506.9	44.5%	28.5%	
Total nominal assets, incl. derivatives	8,190.8	7,589.8	47.1%	39.2%	
Total equity	4,465.7	6,851.7	25.7%	35.4%	16,5–29,5
Total infrastructure	656.9	520.1	3.8%	2.8%	2–8
Total real estate	3,631.4	3,472.5	20.9%	17.9%	13–29,5
Total commodities	253.4	–	1.5%	–	
Total derivatives on real assets	(144.8)	(185.7)	(0.8)%	(1.0)%	
Total real assets, incl. derivatives	8,862.7	10,658.5	51.0%	55.1%	
Total active strategies	165.4	871.6	1.0%	4.5%	
Total active strategies, incl. derivatives	165.4	871.6	1.0%	4.5%	0–20
Total transition	170.2	234.6	1.0%	1.2%	0–2
Total investments	17,389.1	19,354.5	100.0%	100.0%	
Other assets and prepayments and accrued income	16.4	21.5			
Total assets	17,405.5	19,375.9			
Total foreign currencies	1,001.6	4,031.5	5.8%	20.8%	0–10
Investments in an employer's enterprise, not including liquidity	8.0	3.0	-	-	0–10

Compliance with the limitation on individual borrowers

The Pension Fund has complied with the provisions of BVV 2, in particular those concerning permissible investments (Art. 53 BVV 2), the limitation on individual borrowers (Art. 54, 54a, and 54b BVV 2), category limitation (Art. 55 BVV 2), and financial derivative instruments (Art. 56a BVV 2) in the reporting year as well as on the balance sheet date.

The necessary backing for all derivative positions is provided by liquid or near-liquid investments; further details can be found in Section 3.6.5 of the explanatory notes.

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

	31.12.2022 in CHF mn	31.12.2021 in CHF mn
Rates futures	–	–
Rates swaps	–	1.3
Derivatives on rates and credit	–	1.3
Equity futures	–	–
Equity options	1.0	–
Derivatives on equity	1.0	–
Commodity swaps	–	–
Derivatives on commodity	–	–
Derivatives on liquidity	114.7	96.2
Total market values of derivatives	115.7	97.5

Derivatives exposure

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

Exposure through directly held derivatives

	Exposure-increasing		Exposure-reducing	
	31.12.2022 in CHF mn	31.12.2021 in CHF mn	31.12.2022 in CHF mn	31.12.2021 in CHF mn
Rates futures	172.0	245.4	–	–
Rates swaps		1.3	–	–
Derivatives on rates	172.0	246.7	–	–
Equity futures	222.2	–	(94.3)	(185.7)
Equity options	–	–	(353.9)	–
Derivatives on equity	222.2	–	(448.2)	(185.7)
Commodity swaps	81.2	–	–	–
Derivatives on commodity	81.2	–	–	–
Derivatives on liquidity		–	(6,575.8)	(4,688.7)
Total exposure	475.3	246.7	(7,024.0)	(4,874.4)

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 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)

	31.12.2022 in CHF mn	31.12.2021 in CHF mn
Exposure		
Derivatives, directly held	475.3	246.7
Derivatives within single-investor funds	14.7	–
Available coverage		
Liquidity, bonds up to max. one year to maturity, minimum rating: A	850.0	2,260.5
Liquidity, bonds up to max. five years to maturity, minimum rating: BBB–; share of issue max. 5%	3,654.1	3,705.6
Coverage surplus	3,164.1	3,458.9

3.6.6 Open capital commitments

Within private equity, infrastructure, and private debt investments, there was no call on the capital commitments of CHF 940 million (previous year: CHF 1,060 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

	2022	2021
Average exposure in CHF mn	276.2	316.2
Income (net) in CHF mn	0.6	0.6
Income in %	0.2	0.2
Collateral coverage in %	105.3	105.2

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						
	2017	2018	2019	2020	2021	2022
In %	9.0	(2.2)	11.3	6.2	9.5	(7.5)

Performance (annualized)				
	Ø 1 year	Ø 3 years	Ø 5 years	Ø 10 years
In %	(7.5)	2.4	3.2	4.4

The realized volatility of the portfolio for the past year was 6.0% p.a. as of the balance sheet date; that of the SAA was 7.0%.

Performance contribution by investment category

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

Performance contribution by investment category		
Investment category	Contribution to overall performance as of 31.12.2022 in %	Contribution to overall performance as of 31.12.2021 in %
Liquidity	0.4	(0.3)
Rates	(2.6)	0.0
Credits	(1.5)	0.2
Total nominal assets	(3.7)	(0.1)
Equity	(4.1)	8.1
Infrastructure	0.4	0.5
Real estate	0.1	1.4
Commodities	(0.2)	–
Total real assets	(3.8)	10.0
Active strategies	0.2	0.0
Transition	(0.2)	(0.3)
Overall performance	(7.5)	9.5

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. These transactions are shown in the "Liquidity" investment category in the above table. The overlay transactions also include active and cost-efficient management of the interest rate risks and inflation risks using swaps, the results of which are reported under the "Rates" investment category in the above table.

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	2022 costs in CHF mn	2021 costs in CHF mn	2022 costs as % of total assets	2021 costs as % of total assets
Direct asset management costs	12.8	14.5	0.07	0.07
Sum of all key cost figures recorded in the operative account in CHF for collective investments	184.6	156.1	1.06	0.81
Bonds, TER costs	8.0	9.0	0.05	0.05
Shares, TER costs	9.9	16.2	0.06	0.08
Real estate, TER costs	11.0	8.1	0.06	0.04
Alternative investments, TER costs	155.7	122.8	0.90	0.63
Total asset management costs	197.4	170.5	1.14	0.88

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:

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

Sum of all key cost figures

Investment category	2022 costs in CHF mn	2021 costs in CHF mn	2022 costs as % of total assets	2021 costs as % of total assets
Hedge funds, TER costs	0.5	3.3	0.00	0.01
Private equity and infrastructure, TER costs	154.0	115.0	0.89	0.59
Insurance-linked strategies, TER costs	–	2.4	–	0.01
Senior secured loans (SSL), TER costs	0.8	2.1	0.00	0.01
Commodities, TER costs	0.4	–	0.00	–
Total asset management costs – alternative investments	155.7	122.8	0.90	0.63

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. 48a(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.

Investments in an employer's enterprise

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

	31.12.2022 in CHF mn	as % of total assets	31.12.2021 in CHF mn	as % of total assets
Liquid funds and money market	392.4	2.3	825.1	4.3
Shares, bonds, and other securities issued by Credit Suisse Group AG	8.0	0.0	3.0	0.0
Total investments in an employer's enterprise	400.4	2.3	828.1	4.3

In total, an asset value of CHF 400.4 million (2.3% of investments) was invested with the employer as of December 31, 2022, compared to CHF 828.1 million (4.3%) in 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

No employer's contribution reserves were transferred from Pension Fund 2 of Credit Suisse Group (Switzerland) to the Pension Fund of Credit Suisse Group (Switzerland) in the reporting year (previous year: CHF 12.0 million).

Change in the employer's contribution reserve

	2022 in CHF	2021 in CHF	Change in CHF
Reserve as of January 1	67,070,866	51,791,322	15,279,544
Transfer from Pension Fund 2 of Credit Suisse Group (Switzerland)	–	12,000,000	(12,000,000)
Allocations	–	–	–
Withdrawals	(67)	(86,892)	86,825
Reserve as of December 31 before interest	67,070,799	63,704,430	3,366,369
Interest on the reserve at beginning of year (5.00%/previous year: 6.50%)	3,353,610	3,366,436	(12,826)
Reserve as of December 31	70,424,409	67,070,866	3,353,543

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		
	31.12.2022 in CHF	31.12.2021 in CHF
Credit Suisse (Switzerland) Ltd.	29,295,522	27,900,497
Credit Suisse AG	26,526,411	25,263,249
Credit Suisse Services Ltd.	8,708,952	8,294,240
Credit Suisse Asset Management (Switzerland) Ltd.	2,616,834	2,492,223
BANK-now Ltd.	543,842	517,945
Credit Suisse Funds AG	180,295	171,710
Fides Treasury Services AG	84,038	80,036
Credit Suisse Trust Ltd.	2,071,634	1,972,985
Credit Suisse Insurance Linked Strategies Ltd.	126,967	120,921
Pension Fund of CSG (Switzerland)	87,572	83,402
Credit Suisse Group AG	130,894	124,661
Aventicum Capital Management (Suisse) SA	36,753	35,003
Credit Suisse Investment Partners (Switzerland) Ltd.	14,694	13,995
Total employer's contribution reserve	70,424,409	67,070,866

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		
	31.12.2022	31.12.2021
Receivables from direct real estate holdings	14,010,628	19,987,402
Withholding tax/tax at source on securities investments	277,163	123,053
Other receivables	9,548	430
Prepayments and accrued income from direct real estate holdings	155,944	564,418
Prepayments and accrued income from securities transactions	1,380,672	–
Accrued interest from investments	–	–
Other prepayments and accrued income	516,156	816,336
Total other assets and prepayments and accrued income	16,350,112	21,491,640

Other prepayments and accrued income include CHF 0.4 million of accruals from billing to Pension Fund 2 of Credit Suisse Group (Switzerland) for services provided in the reporting year (previous year: CHF 0.8 million).

3.7.2 Administration cost

The general administration cost amounted to CHF 8.1 million compared to CHF 7.9 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 8.3 million or CHF 287 per beneficiary (previous year: CHF 8.1 million or CHF 283), the Pension Fund is below the average for private pension funds, which is CHF 348 per beneficiary (see 2022 Swisscanto study).

The employer finances the risk contributions in full and therefore also the administrative 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 62.5 million (previous year: CHF 67.8 million).

3.8 Supervisory authority requirements

No requirements have been imposed by the supervisory authority.

3.9 Further information regarding the financial situation

3.9.1 Partial liquidations

On October 27, 2022, Credit Suisse Group announced restructuring measures. As a result, the Board of Trustees cannot conclusively determine whether the conditions for partial liquidation are met for the 2022 reporting year. In order to ensure the appropriate implementation of any partial liquidations, the Board of Trustees and the management will continuously review the situation until the completion of the restructuring program.

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 was December 31, 2021. The partial liquidations of 2021 have been completed.

In addition, the affiliation agreement with CS Life & Pensions AG was canceled in the previous year, but this did not involve 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 6.9% of the investments compared to 6.2% 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 2021, 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.

In 2022, the liquidation was continued as planned. In total, funds amounting to CHF 55.6 million have been transferred to the Pension Fund. The amount of the receivables has decreased accordingly and the risks have been further reduced.

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

On March 19, 2023, it was announced that UBS Group AG will acquire Credit Suisse Group AG. The merger is expected to be completed by the end of 2023. Until then, Credit Suisse Group AG will continue its business activities as usual while working closely with UBS Group AG. The Board of Trustees has assessed that this event will have no impact on the 2022 financial statements of the Pension Fund of Credit Suisse Group (Switzerland).

IV

Auditors' report

Report of the Statutory Auditor

to the Foundation Board of Pension Fund of Credit Suisse Group (Switzerland)

Zurich

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pension Fund of Credit Suisse Group (Switzerland) (the Occupational benefit scheme), which comprise the balance sheet as at 31 December 2022, the operating accounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 14 bis 45) comply with Swiss law, the foundation deed and the scheme regulations.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Occupational benefit scheme in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Foundation Board is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Foundation Board for the Financial Statements

The Foundation Board is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law, the foundation deed and the scheme regulations, and for such internal control as the Foundation Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Expert in Occupational Benefits for the Audit of the Financial Statements

For the audit the Foundation Board appoints a statutory auditor as well as an expert in occupational benefits. The expert in occupational benefits is responsible for evaluating the reserves necessary for underwriting insurance-related risk, consisting of pension liabilities and actuarial reserves. Assessing the evaluation of the pension liabilities and actuarial reserves is not one of the tasks of the statutory auditor pursuant to Art. 52c para. 1 let. a of the Swiss Occupational Pensions Act (OPA). Pursuant to Art. 52e para. 1 OPA, the expert in occupational benefits also evaluates whether the occupational benefit scheme can provide assurance that it can fulfil its obligations and that all insurance-related provisions regarding benefits and funding in the scheme regulations comply with the legal requirements.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Pension Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Foundation Board or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on Other Legal and Regulatory Requirements

The Foundation Board is responsible for ensuring that the legal requirements are met and that the statutory and regulatory provisions on organization, management and investments are applied. In accordance with Art. 52c para. 1 OPA and Art. 35 of the Occupational Pensions Ordinance 2 (OPO 2) we have performed the prescribed procedures.

We have assessed whether

- the organization and management comply with the legal and regulatory requirements and whether an internal control exists that is appropriate to the size and complexity of the Occupational benefit scheme;
- the investment of assets complies 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 duties of loyalty are fulfilled, and interests are disclosed;
- the legally required information and reports have been issued to the supervisory authority;
- the Occupational benefit scheme's interests are safeguarded in disclosed transactions with related parties.

We confirm that the applicable legal, statutory and regulatory requirements have been met.

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

PricewaterhouseCoopers AG



Johann Sommer
Licensed audit expert
Auditor in charge



Michel Weidmann
Licensed audit expert

Zurich, 20 April 2023

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 2.58%. The financial situation of the Fund as of December 31, 2022, shows:

- a surplus of net assets of CHF 3'825'801'564;
- a coverage ratio in accordance with the amendment to Art. 44 BVV 2 of 128.7% (previous year: 130.9%);
- a reserve for fluctuations in asset value of CHF 2'400'000'000;
- non-committed funds of CHF 1'425'801'564.



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 15, 2023



PENSION FUND OF CREDIT SUISSE GROUP (SWITZERLAND)

JPK

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