

## FIFTH SUPPLEMENT DATED 19 MAY 2023

### TO CREDIT SUISSE AG REGISTRATION DOCUMENT DATED 10 JUNE 2022 AND THE PROSPECTUSES LISTED IN SCHEDULE 1

This supplement (the “**Fifth Supplement**”) dated 19 May 2023 supplements (i) for the purposes of Article 10(1) and Article 23(5) of Regulation (EU) 2017/1129, the Credit Suisse AG EU Registration Document which is dated and was approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) on 10 June 2022 (the “**EU Registration Document**”), and (ii) the Credit Suisse AG Swiss Registration Document which is dated and was approved by the Swiss Reviewing Body on 10 June 2022 (the “**Swiss Registration Document**”, and, together with the EU Registration Document, the “**Registration Document**”) in each case on the terms and for the purposes described therein. This Fifth Supplement constitutes the fifth supplement to the EU Registration Document and the Swiss Registration Document respectively. The terms used but not defined in this Fifth Supplement have the same meaning as such terms used in the Registration Document. For the avoidance of doubt, this Fifth Supplement has been approved by the CSSF only insofar as it relates to the EU Registration Document.

This Fifth Supplement is dated, and has been filed with the Swiss Reviewing Body on, 19 May 2023. For the avoidance of doubt, this Fifth Supplement has been approved by the Swiss Reviewing Body only insofar as it relates to the Swiss Registration Document.

This Fifth Supplement is supplemental to, and should be read in conjunction with, the Registration Document as supplemented by the first supplement to the Registration Document dated 9 August 2022, the second supplement to the Registration Document dated 17 November 2022, the third supplement to the Registration Document dated 2 December 2022 and the fourth supplement to the Registration Document dated 13 February 2023 (together, the “**Existing Supplements**”), including the documents incorporated by reference therein. To the extent that there is any inconsistency between (a) any statement in this Fifth Supplement or any statement or information incorporated by reference into the Registration Document by this Fifth Supplement and (b) any other statement or information in or incorporated by reference into the Registration Document as supplemented by the Existing Supplements and/or (c) any other statement or information in or incorporated by reference into the prospectuses listed in Schedule 1 hereto, the statements or information in (a) above will prevail.

This Fifth Supplement has been produced to (i) incorporate by reference specified portions of the Form 6-K Dated 9 March 2023, the Form 20-F Dated 14 March 2023, the Report of the Statutory Auditor and Parent company financial statements of CS, the Form 6-K Dated 14 March 2023, the Form 6-K Dated 16 March 2023, the Form 6-K dated 20 March 2023 and the Form 6-K Dated 24 April 2023 (each as defined below) and (ii) update the sections headed “*Risk factors relating to CS*” (pages 4 to 28), “*About this Registration Document—1. Information Incorporated by Reference*” (pages 29 to 35), “*About this Registration Document—3. Availability of Documents*” (pages 35 to 36), “*General Information—5. Significant and Material Change*” (page 40), “*General Information—6. Names and Addresses of Directors and Executives*” (pages 40 to 64), “*General Information—10. Legal and Arbitration Proceedings*” (page 65) and “*Appendix 1 – Information for the purposes of Art. 26(4) of the Regulation (EU) 2017/1129*” (pages A-3 to A-5).

#### **Information Incorporated by Reference**

The section of the Registration Document headed “*About this Registration Document—1. Information Incorporated by Reference*” (pages 29 to 35) is hereby amended to include the following information, as indicated in the cross-reference table below (pages 2 to 5):

Form 6-K Dated 9 March 2023

xxvi. The Form 6-K of CSG and CS filed with the SEC on 9 March 2023 (the “**Form 6-K Dated 9 March 2023**”), which contains a media release titled “Credit Suisse announces technical delay of publication of 2022 Annual Report”.

Form 20-F Dated 14 March 2023

xxvii. The Form 20-F of CSG and CS filed with the SEC on 14 March 2023 (the “**Form 20-F**”

**Dated 14 March 2023**”), which contains the Credit Suisse Annual Report 2022 (the **“Annual Report 2022”**) attached as an exhibit thereto.

Report of the Statutory Auditor and Parent company financial statements of CS

xxviii. The report of the statutory auditor and the Parent company financial statements of CS published on the website of CS on 14 March 2023 (the **“Report of the Statutory Auditor and Parent company financial statements of CS”**).

Form 6-K Dated 14 March 2023

xxix. The Form 6-K of CSG and CS filed with the SEC on 14 March 2023 (the **“Form 6-K Dated 14 March 2023”**), which contains a media release titled “Credit Suisse publishes the agenda for the 2023 Annual General Meeting of Shareholders and publishes its 2022 Annual Report and Sustainability Report”.

Form 6-K Dated 16 March 2023

xxx. The Form 6-K of CSG and CS filed with the SEC on 16 March 2023 (the **“Form 6-K Dated 16 March 2023”**), which contains a media release titled “Credit Suisse Group takes decisive action to pre-emptively strengthen liquidity and announces public tender offers for debt securities”.

Form 6-K Dated 20 March 2023

xxxi. The Form 6-K of CSG and CS filed with the SEC on 20 March 2023 (the **“Form 6-K Dated 20 March 2023”**), which contains a media release titled “Credit Suisse and UBS to Merge”.

Form 6-K Dated 24 April 2023

xxxii. The Form 6-K of CSG and CS filed with the SEC on 24 April 2023 (the **“Form 6-K Dated 24 April 2023”**), which contains the Credit Suisse Earnings Release 1Q23 (the **“Earnings Release 1Q23”**) attached as an exhibit thereto.

Section Number	Section Heading	Sub-heading	Page(s) of the PDF file
<b>Form 6-K Dated 9 March 2023</b>			
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<b>Form 6-K Dated 16 March 2023</b>			
	Media release	Whole document, except for the sentence "Further information about Credit Suisse can be found at www.credit-suisse.com."	1 to 7
<b>Form 6-K Dated 20 March 2023</b>			
	Media release	Whole document, except for the quote from the Chairman of the Board of Directors on page 3 and the sentence "Further information about Credit Suisse can be found at www.credit-suisse.com."	1 to 7
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The information identified in the above table is incorporated by reference into, and forms part of, the Registration Document (and any information not listed in the above table but included in the documents referred to in the above table is not incorporated by reference into the Registration Document and either (a) is covered elsewhere in the Registration Document as supplemented by the Existing Supplements and this Fifth Supplement; or (b) is not relevant for investors).

Only the specified portions of the above-referenced documents have been incorporated by reference into the Registration Document, and not, for the avoidance of doubt, any other parts of such documents or the websites referred to in this Fifth Supplement.

#### **Availability of Documents**

The section of the Registration Document headed "About this Registration Document—3.

*Availability of Documents*" (pages 35 to 36) is hereby amended to include the following information:

Copies of the Form 6-K Dated 9 March 2023, the Form 20-F Dated 14 March 2023, the Report of the Statutory Auditor and Parent company financial statements of CS, the Form 6-K Dated 14 March 2023, the Form 6-K Dated 16 March 2023, the Form 6-K Dated 20 March 2023 and the Form 6-K Dated 24 April 2023 can be obtained, free of charge, on the website of CS (<https://www.credit-suisse.com/>) at:

- <https://www.credit-suisse.com/media/assets/about-us/docs/investor-relations/financial-regulatory-disclosures/regulatory-disclosures/company-registration-documents/form-6-k-dated-9-march-2023.pdf> (the Form 6-K Dated 9 March 2023).
- <https://www.credit-suisse.com/media/assets/corporate/docs/about-us/investor-relations/financial-disclosures/sec-filings/form-20f-2022.pdf> (the Form 20-F Dated 14 March 2023).
- <https://www.credit-suisse.com/media/assets/corporate/docs/about-us/investor-relations/financial-disclosures/financial-reports/csg-ar22-parent-company-financial-statements-bank-en.pdf> (the Report of the Statutory Auditor and Parent company financial statements of CS).
- <https://www.credit-suisse.com/media/assets/about-us/docs/investor-relations/financial-regulatory-disclosures/regulatory-disclosures/company-registration-documents/form-6-k-dated-14-march-2023.pdf> (the Form 6-K Dated 14 March 2023).
- <https://www.credit-suisse.com/media/assets/about-us/docs/investor-relations/financial-regulatory-disclosures/regulatory-disclosures/company-registration-documents/form-6-k-dated-16-march-2023.pdf> (the Form 6-K Dated 16 March 2023).
- <https://www.credit-suisse.com/media/assets/about-us/docs/investor-relations/financial-regulatory-disclosures/regulatory-disclosures/company-registration-documents/form-6-k-dated-20-march-2023.pdf> (the Form 6-K Dated 20 March 2023).
- <https://www.credit-suisse.com/media/assets/corporate/docs/about-us/investor-relations/financial-disclosures/sec-filings/2023-q1-6k-group-bank-2404.pdf> (the Form 6-K Dated 24 April 2023).

### **Profit Forecast**

The Earnings Release 1Q23 contains a profit forecast relating to a loss for the Wealth Management division in the second quarter of 2023 and a substantial loss before taxes for the Investment Bank division and the Group in 2Q23 and 2023. This has been compiled and prepared on a basis which is both comparable with historical financial information and consistent with CS's accounting policies. Please see the section headed "*Credit Suisse – Results summary*" in the Earnings Release 1Q23, for more detail.

### **Announcement regarding a merger agreement between CSG and UBS Group AG and Credit Suisse's access to significant credit facilities**

On 19 March 2023, it was announced that CSG and UBS Group AG have entered into a merger agreement following the intervention of the Swiss Federal Department of Finance, the Swiss National Bank (the "**SNB**") and the Swiss Financial Market Supervisory Authority FINMA. The SNB has granted Credit Suisse access to significant credit facilities that provide substantial liquidity support to Credit Suisse. For further information, see the Form 6-K Dated 20 March 2023 and the section headed "*Credit Suisse – Other information – Credit Suisse and UBS to merge*" in the Earnings Release 1Q23.

### **Amendments to the section headed "*Risk factors relating to CS*" in the Registration Document**

The risks under the section of the Registration Document headed "*Risk factors relating to CS*" (pages 4 to 28), in sections 1 to 8, are hereby amended and restated as follows:

**CS's businesses are exposed to a variety of risks that could adversely affect its results of**

**operations and financial condition, including, among others, those described below, and many of these factors are beyond its control.** All references to CS in the following risk factors are also related to the consolidated businesses carried on by CSG and its subsidiaries (including the Bank) and therefore should also be read as references to CSG. Any of the risk factors described below, either by itself or together with other risk factors, could materially and adversely affect CS's businesses, results of operations and financial condition.

## **1. Risks related to the announced merger between UBS Group AG and CSG**

### **1.1. *The merger the Group previously announced with UBS Group AG is subject to closing conditions that, if not satisfied or, to the extent waivable, waived, would result in the merger not being completed, which could seriously jeopardise the Group's financial viability and raise substantial doubt about its ability to continue as a going concern***

The merger is subject to the satisfaction (or waiver, to the extent waivable, by UBS Group AG ("**UBS**")) of a number of conditions as set forth in the merger agreement, including, among others, (i) receipt of approval of the transaction by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") and granting by FINMA of arrangements separately agreed upon and such decisions and arrangements remaining in full force and effect and not having been amended, conditioned or revoked before completion, (ii) receipt of certain other regulatory approvals that are not subject to any condition, restriction or undertaking that would reasonably be capable of causing a material adverse effect on the Group, UBS, any of the Group's or UBS's subsidiaries or other affiliates, or the combined group and (iii) receipt of certain governmental approvals that are not subject to any condition, restriction, obligation or undertaking that would result in any disposal of any UBS asset or business or that would reasonably be capable of causing a material adverse effect on the Group, UBS, any of the Group's or UBS's subsidiaries or other affiliates, or the combined group. There can be no assurance as to when these conditions to the transaction will be satisfied (or, to the extent waivable, waived by UBS), if at all, or that other events will not intervene to delay or result in the failure to complete the transaction. While Credit Suisse believes these conditions will be satisfied and that the merger will be successfully consummated, if the merger were not to be completed, the Group's financial viability could be jeopardised, which would raise substantial doubt regarding the Group's ability to continue as a going concern.

### **1.2. *Until the merger is consummated, the risks to the Group's business and operations are exacerbated***

In light of the announced merger and other recent events leading to it, many of the risks contained in this section are exacerbated. These risks include, among others, risks to the Group's operations, the loss of clients, higher employee attrition, additional net asset and deposit outflows and further asset impairments, including subsidiary participation valuations (with potential impacts on CS's capital), IT impairments and goodwill. For example, recent developments have already increased the Group's employee attrition. Delays in the timely consummation of the merger could therefore have a material adverse effect on the Group's business.

## **2. Liquidity risk**

Liquidity, or ready access to funds, is essential to all of CS's businesses. CS seeks to maintain available liquidity to meet its obligations in a stressed liquidity environment. For information on CS's liquidity management, refer to "*Liquidity and funding management*" in "*III – Treasury, Risk, Balance sheet and Off-balance sheet*" in the Annual Report 2022.

### **2.1. *CS's liquidity could be impaired if it were unable to access the capital markets, sell its assets or if its liquidity costs increased***

CS's ability to borrow on a secured or unsecured basis and the cost of doing so can be affected by increases in interest rates or credit spreads, the availability of credit, regulatory requirements relating to liquidity, or the market perceptions of risk relating to CS, certain of its counterparties or the banking sector as a whole, including CS's perceived or actual creditworthiness. An inability to obtain financing in the unsecured long-term or short-term debt capital markets, or to access the secured lending markets, could have a substantial adverse effect on CS's liquidity. In challenging credit markets, CS's funding costs may increase or it may be unable to raise funds to support or expand its businesses, adversely affecting its results of operations. For further

information, refer to “Regulatory framework” and “Regulatory developments” in “III – Treasury, Risk, Balance sheet and Off-balance sheet – Liquidity and funding management” in the Annual Report 2022. For further information relating to the first quarter of 2023, refer to “Credit Suisse – Other information – Credit Suisse and UBS to merge” and “Credit Suisse – Other information – Liquidity issues in 1Q23” in the Earnings Release 1Q23.

If CS is unable to raise needed funds in the capital markets (including through offerings of equity, regulatory capital securities and other debt), it may need to liquidate unencumbered assets to meet its liabilities. In a time of reduced liquidity, CS may be unable to sell some of its assets, or it may need to sell assets at depressed prices, which in either case could adversely affect its results of operations and financial condition.

## **2.2. CS’s businesses rely significantly on its deposit base for funding**

CS’s businesses benefit from short-term funding sources, including primarily demand deposits, inter-bank loans, time deposits and cash bonds. Although deposits have been, over time, a stable source of funding, this may not continue, and CS may experience, as it did in the fourth quarter of 2022, deposit outflows at levels that substantially exceed rates typically incurred. Deposits could also be negatively affected by clients instead choosing to seek deposits or securities products offering higher yields, clients switching to an alternative financial institution which they perceive to be safer or changes in client spending behaviour as a result of inflation or other economic developments resulting in an increased need for cash. In any such case, CS’s liquidity position could be adversely affected, and it might be unable to meet deposit withdrawals on demand or at their contractual maturity, to repay borrowings as they mature or to fund new loans, investments and businesses. For further information relating to the first quarter of 2023, refer to “Credit Suisse – Other information – Liquidity issues in 1Q23” in the Earnings Release 1Q23.

## **2.3. Significant negative consequences of liquidity issues and outflows in assets under management in the fourth quarter of 2022**

As previously disclosed, early in the fourth quarter of 2022, CS began experiencing significantly higher withdrawals of cash deposits, non-renewal of maturing time deposits and net asset outflows at levels that substantially exceeded the rates incurred in the third quarter of 2022. These outflows stabilised to much lower levels but had not yet reversed as of the date of the Annual Report 2022. These outflows led the Group to partially utilise liquidity buffers at the Group and legal entity level, and the Group fell below certain legal entity-level regulatory requirements.

These circumstances have exacerbated and may continue to exacerbate the risks described above in this section. In addition, this reduction in assets under management is expected to lead to reduced net interest income and recurring commissions and fees for the Group, which in turn could affect CS’s ability to achieve its capital position objectives. A failure to reverse these outflows and to restore CS’s assets under management and deposits could have a material adverse effect on CS’s results of operations and financial condition. For further information, refer to “Liquidity issues in the fourth quarter of 2022” and “Outflows in assets under management in the fourth quarter of 2022” in “II – Operating and financial review – Credit Suisse – Other information” in the Annual Report 2022. For further information relating to the first quarter of 2023, refer to “Credit Suisse – Other information – Liquidity issues in 1Q23” in the Earnings Release 1Q23.

## **2.4. Changes in CS’s ratings may adversely affect its business**

Ratings are assigned by rating agencies and are subject to such agencies’ ongoing review in light of various firm-specific factors and factors relating to the financial services industry as a whole. Firm-specific factors that might influence their ratings include CS’s financial strength, performance, operations and strategy, including the implementation of its new strategic direction, as well as the consequences of the significant liquidity issues and asset under management outflows CS experienced in the fourth quarter of 2022. Factors relevant to the financial services industry as a whole, which includes factors outside of CS’s control, that might influence their ratings include potential declines in profitability, asset quality deterioration, asset price volatility, risk and governance controls, capital adequacy, the impact from any potential easing or enhancement of regulatory requirements and challenges from increased costs related to compliance and litigation. In May 2022, Standard and Poor’s Global Ratings Europe Limited (“S&P”) lowered its long-term issuer credit ratings, and Fitch Ratings Limited (“Fitch”) lowered its long-term issuer default ratings of CS and CSG by one notch. In August 2022, Moody’s



Investors Service (“**Moody’s**”) lowered its long-term senior unsecured debt and deposit ratings of CS and its senior unsecured debt ratings of CSG by one notch, and Fitch lowered its long-term issuer default ratings of CSG and the long- and short-term issuer default ratings of CS, in each case by one notch. On 1 November 2022, Moody’s downgraded the long-term senior unsecured debt and deposit ratings of CS by one notch, and also downgraded all the short-term ratings by one notch and maintained the “negative” outlook on all ratings. S&P downgraded the long-term issuer credit ratings of CSG and the long- and short-term issuer credit ratings of CS, in each case by one notch on 1 November 2022. The outlook on these ratings was revised from “negative” to “stable.” Following the announcement of the merger between CSG and UBS, each of Moody’s, S&P and Fitch revised their credit outlooks. On 20 March 2023, Moody’s placed on review for upgrade all long-term ratings of CSG and CS, as well as the short-term ratings of CS, and at the same time revised the outlook for CSG and CS to “Ratings under review” from “Negative”. Also on 20 March 2023, S&P placed the long and short-term issuer credit ratings of CSG and CS on “Credit Watch Positive” from “Stable”. On 21 March 2023, Fitch placed CSG’s Long-Term Issuer Default Rating and the Long-Term and Short-Term Issuer Default Ratings of CS AG on “Rating Watch Evolving” from “Negative”.

Rating agencies may lower, indicate their intention to lower or withdraw their ratings at any time and there is no assurance that CS’s credit ratings will not be put on “negative” outlook or be downgraded in the future. In addition, any such “negative” outlook or downgrade could occur at times when CS’s ability to respond may be limited due to broader market instability and/or lower general investor confidence.

These downgrades in CS’s ratings increasingly elevated CS’s borrowing costs and limited its ability to renew maturing short-term funding and to access short-term funding markets. The downgrades have increased CS’s cost of capital and adversely affected and may in the future continue to adversely affect the ability of its businesses to sell or market their products, engage in business transactions, particularly financing and derivative transactions, and retain its clients. For example, some of CS’s clients and counterparties could have ratings limitations on their permissible counterparties, which CS may or may not be aware of, and certain clients and counterparties may choose to re-assess their business relationships with CS and/or limit certain contracts or market instruments in response to any ratings downgrades. If CS’s trading or other agreements are terminated in relation to a credit rating downgrade, it may sustain losses or reductions to its liquidity that require CS to seek other financing sources or make significant payments, whether in cash or securities. Additionally, although certain potential impacts stem from CS’s contracts and are therefore quantifiable, other adverse effects of a credit rating downgrade may not currently be known to CS and may be dependent on various factors and assumptions, such as the relationship between long- and short-term credit ratings and how clients, investors and counterparties behave. Further downgrades, including any downgrade below investment grade, could therefore negatively impact CS’s operating results and financial position. For further information relating to credit ratings, refer to “*Credit ratings*” in “*III – Treasury, Risk, Balance sheet and Off-balance sheet – Liquidity and funding management – Funding management*” in the Annual Report 2022. For further information relating to the first quarter of 2023, refer to “*Credit Suisse – Other information – Credit ratings*” in the Earnings Release 1Q23.

### **3. Archegos and SCFF-related risks**

#### **3.1. Significant negative consequences of the Archegos and supply chain finance funds matters**

As previously reported, the Group incurred a net charge of CHF 4.8 billion in 2021 in respect of the US-based hedge fund matter described on page 400 of the Annual Report 2022 (“**Archegos**”). The Group also previously reported that it is reasonably possible that it will incur a loss in respect of the supply chain finance funds (“**SCFF**”) matter, though it is not yet possible to estimate the full extent of any loss. However, the ultimate cost of resolving the SCFF matter may be material to the Group’s operating results.

A number of regulatory and other inquiries, investigations, enforcement and other actions have been initiated or are being considered in respect of each of these matters. In addition, CS has been required by FINMA to take certain capital and related actions, as well as certain remedial measures. Furthermore, Credit Suisse is subject to various litigation claims and criminal complaints in respect of these matters and it may become subject to additional litigation, disputes or other actions. For further information, refer to “*Note 40 – Litigation*” in “*VI – Consolidated financial statements – Credit Suisse Group*” in the Annual Report 2022.

On 29 July 2021, the Group published the report based on the independent external investigation into Archegos, which found, among other things, a failure to effectively manage risk in the Investment Bank's prime services business by both the first and second lines of defence as well as a lack of risk escalation. On 10 February 2022, the Group announced that the separate report related to the SCFF matter has been completed and that the findings have been made available to the Board of Directors of CSG (the "CSG Board") and the report was shared with FINMA.

The combined effect of these two matters, including the material loss incurred in respect of Archegos, may have other material adverse consequences for CS, including negative effects on its business and operating results from actions that the Group has taken and may be required or decide to take in the future in response to these matters. In addition, the CSG Board has conducted a review of the Group's business strategy and risk appetite. There can be no assurance that these or other measures instituted to manage related risks will be effective in all instances. The changes resulting from the implementation of the Group's strategic initiatives will also entail the incurrence of certain costs and charges, such as the ones CS has previously reported.

There can be no assurance that any additional losses, damages, costs and expenses, as well as any further regulatory and other investigations and actions or any further downgrade of CS's credit ratings, will not be material to CS, including from any impact on its business, financial condition, results of operations, prospects, liquidity, capital position or reputation. For example, CS has suffered and may continue to suffer reputational harm and reductions in certain areas of its business, such as outflows of assets, attributable, at least in part, to these matters. The ongoing effect of these matters, and this harm and these reductions, can continue to affect its business overall, including CS's ability to attract and retain customers, clients, investors and employees and to conduct business transactions with CS's counterparties. CS's employee attrition has been higher over the last year, undoubtedly owing at least in part to these matters. While steps the Group has taken in response to the Archegos and SCFF matters are designed to reduce the Group's risks, some of these changes will constrain certain areas of its business, thereby impacting negatively its results of operations. These challenges are taking place in the context of worsening macroeconomic and market conditions, potentially amplifying some of the negative consequences noted above. The foregoing challenges may also make it more difficult to implement the Group's strategic initiatives announced on 27 October 2022, as well as achievement of the targets and objectives associated with those initiatives.

#### **4. Market and credit risks**

##### ***4.1. CS may incur significant losses on its trading and investment activities due to market fluctuations and volatility***

Although CS continues to strive to reduce its balance sheet and has made significant progress in implementing its strategy over the past few years, CS also continues to maintain large trading and investment positions and hedges in the debt, currency and equity markets, and in private equity, hedge funds, real estate and other assets. These positions could be adversely affected by volatility in financial and other markets, that is, the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. To the extent that CS owns assets, or has net long positions, in any of those markets, a downturn in those markets could result in losses from a decline in the value of its net long positions. Conversely, to the extent that CS has sold assets that it does not own, or has net short positions, in any of those markets, an upturn in those markets could expose it to potentially significant losses as it attempts to cover its net short positions by acquiring assets in a rising market. Market fluctuations, downturns and volatility can adversely affect the fair value of CS's positions and its results of operations. Adverse market or economic conditions or trends have caused, and in the future may cause, a significant decline in CS's net revenues and profitability.

##### ***4.2. CS's businesses and organisation are subject to the risk of loss from adverse market conditions and unfavourable economic, monetary, political, legal, regulatory and other developments in the countries in which it operates***

As a global financial services company, CS's businesses could be materially adversely affected by unfavourable global and local economic and market conditions, including the risk of global recession, as well as geopolitical events and other developments in Europe, the United States of America (the "US"), Asia and elsewhere around the world (even in countries in which CS does

not currently conduct business). For example, the protraction or escalation of the conflict related to Russia's invasion of Ukraine could lead to additional regional and/or global instability, as well as adversely affect commodity and other financial markets or economic conditions. The US, the European Union (the "EU"), the United Kingdom (the "UK"), Switzerland and other countries have imposed, and may further impose, financial and economic sanctions and export controls targeting certain Russian entities, individuals, and/or sectors, and CS may face additional restrictions on engaging with certain consumer and/or institutional businesses due to any current or impending sanctions and laws (including any Russian countermeasures), which could adversely affect its business. Further, numerous countries have experienced severe economic disruptions particular to that country or region, including extreme currency fluctuations, increased energy costs, high inflation, or low or negative economic growth, among other negative conditions, which could have an adverse effect on CS's operations and investments. Global equity markets continued their downward trend in 2022, and volatility increased. The economic environment may experience further volatility, increased inflation or other negative economic impacts. For further information, refer to "Regulation and supervision" and "Key risk developments" in "III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management" in the Annual Report 2022.

In Europe, political uncertainty, including in relation to the UK's withdrawal from the EU, remains elevated and could cause disruptions in market conditions in Europe and around the world and could further have an adverse impact on financial institutions, including CS. The economic and political impact of the UK leaving the EU, including on investments and market confidence in the UK and the remainder of the EU, may adversely affect CS's future results of operations and financial condition.

Following the UK's withdrawal from the EU, CS's legal entities that are organised or operate in the UK face limitations on providing services or otherwise conducting business in the EU, which require CS to implement significant changes to its legal entity structure. In addition, as part of an overarching legal entity simplification programme, the Group has developed a comprehensive EU entity strategy and is also defining a strategy to optimise the legal entity structure across regions, including expediting the closure of redundant entities. There are a number of uncertainties that may affect the feasibility, scope and timing of the intended results, including the outcome of the ongoing negotiations between the EU and the UK for a framework for regulatory cooperation on financial services and the operation of their unilateral and autonomous processes for recognising each other's regulatory framework as equivalent. Finally, future significant legal and regulatory changes, including possible regulatory divergence between the EU and the UK, affecting the Group and its operations may require the Group to make further changes to its legal structure. The implementation of these changes has required, and may further require, the investment of significant time and resources and has increased, and may potentially further increase, operational, regulatory, compliance, capital, funding and tax costs as well as the Group's counterparties' credit risk. For further information, refer to "UK-EU relationship" in "Regulation and supervision – Regulatory framework – EU" and "Corporate Governance framework" in "IV – Corporate Governance – Overview" in the Annual Report 2022.

The environment of political uncertainty in countries and regions in which CS conducts business may also affect CS's business. The increased popularity of nationalist and protectionist sentiments, including implementation of trade barriers and restrictions on market access, may result in significant shifts in national policy and a decelerated path to further European integration. Similar uncertainties exist regarding the impact of supply chain disruptions, labour shortages, wage pressures, rising inflation, the ongoing conflict related to Russia's invasion of Ukraine and the continuing COVID-19 pandemic, any of which may be disruptive to global economic growth and may also negatively affect CS's business.

In the past, the low interest rate environment has adversely affected CS's net interest income and the value of its trading and non-trading fixed income portfolios, and resulted in a loss of customer deposits as well as an increase in the liabilities relating to CS's existing pension plans. Furthermore, while interest rates may remain relatively lower for a longer period of time, major central banks have begun increasing or signalling that they expect to increase interest rates in response to rising inflation concerns. Future changes in interest rates, including increasing interest rates or changes in the current short-term interest rates in CS's home market, could adversely affect its businesses and results. In addition, movements in equity markets have affected the value of CS's trading and non-trading equity portfolios, while the historical strength of the Swiss franc has adversely affected CS's revenues and net income and exposed it to currency exchange rate risk. Further, diverging monetary policies among the major economies in which CS operates, in particular among the Board of Governors of the US Federal Reserve

System (the “Fed”), the European Central Bank (the “ECB”) and the Swiss National Bank (the “SNB”), may adversely affect its results.

Such adverse market or economic conditions may negatively impact CS’s investment banking and wealth management businesses and adversely affect net revenues it receives from commissions and spreads. These conditions may result in lower investment banking client activity, adversely impacting CS’s financial advisory and underwriting fees. Such conditions may also adversely affect the types and volumes of securities trades that CS executes for customers. Cautious investor behaviour in response to adverse conditions could result in generally decreased client demand for CS’s products, which could negatively impact its results of operations and opportunities for growth. Unfavourable market and economic conditions have affected CS’s businesses in the past, including the low interest rate environment, continued cautious investor behaviour and changes in market structure. These negative factors could be reflected, for example, in lower commissions and fees from CS’s client-flow sales and trading and asset management activities, including commissions and fees that are based on the value of its clients’ portfolios.

CS’s response to adverse market or economic conditions may differ from that of its competitors and an investment performance that is below that of competitors or asset management benchmarks could also result in a decline in assets under management and related fees, making it harder to attract new clients. There could be a shift in client demand away from more complex products, which may result in significant client deleveraging, and CS’s results of operations related to wealth management and asset management activities could be adversely affected. Adverse market or economic conditions, including as a result of the COVID-19 pandemic or Russia’s invasion of Ukraine, could exacerbate such effects.

In addition, several of CS’s businesses engage in transactions with, or trade in obligations of, governmental entities, including supranational, national, state, provincial, municipal and local authorities. These activities can expose CS to enhanced sovereign, credit-related, operational and reputational risks, which may also increase as a result of adverse market or economic conditions. Risks related to these transactions include the risks that a governmental entity may default on or restructure its obligations or may claim that actions taken by government officials were beyond the legal authority of those officials, which have in the past and may in the future adversely affect CS’s financial condition and results of operations.

Adverse market or economic conditions could also affect CS’s private equity investments. If a private equity investment substantially declines in value, CS may not receive any increased share of the income and gains from such investment (to which CS is entitled in certain cases when the return on such investment exceeds certain threshold returns), may be obligated to return to investors previously received excess carried interest payments and may lose its pro rata share of the capital invested. In addition, it could become more difficult to dispose of the investment, as even investments that are performing well may prove difficult to exit.

In addition to the macroeconomic factors discussed above, other political, social and environmental developments beyond CS’s control, including terrorist attacks, cyber-attacks, military conflicts, diplomatic tensions, including any escalation of tensions between China and Taiwan, economic or political sanctions, disease pandemics, war, political or civil unrest and widespread demonstrations, climate change, natural disasters, or infrastructure issues, such as transportation or power failures, could have a material adverse effect on economic and market conditions, market volatility and financial activity, with a potential related effect on CS’s businesses and results. In addition, as geopolitical tensions rise, compliance with legal or regulatory obligations in one jurisdiction may be seen as supporting the law or policy objectives of that jurisdiction over another jurisdiction, creating additional risks for CS’s business.

For further information, refer to “Non-financial risk” in “III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management – Risk coverage and management” in the Annual Report 2022.

**4.3. Uncertainties regarding the discontinuation of benchmark rates may adversely affect CS’s business, financial condition and results of operations and are requiring adjustments to CS’s agreements with clients and other market participants, as well as to CS’s systems and processes**

In July 2017, the UK Financial Conduct Authority (the “FCA”), which regulates the London

Interbank Offered Rate (“**LIBOR**”), announced that it will no longer compel banks to submit rates for the calculation of the LIBOR benchmark after year-end 2021. Other interbank offered rates (“**IBORs**”) may also be permanently discontinued or cease to be representative. As of 1 January 2022, all CHF, EUR, GBP and JPY LIBOR settings and the one-week and two-month USD LIBOR settings are no longer available on a representative basis. The remaining USD LIBOR settings will permanently cease to be provided by any administrator or will no longer be representative immediately after 30 June 2023, providing additional time to address the legacy contracts that reference such USD LIBOR settings. The FCA has also proposed to continue requiring the publication of synthetic USD LIBOR until 30 September 2024, potentially providing more time to remediate legacy contracts, although such proposal is yet to be confirmed. However, there is no certainty that the extended period of time to transition to alternative reference rates (“**ARRs**”) is sufficient given how widely USD LIBOR is referenced. A number of initiatives have been developed to support the transition, such as the publication by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) of Supplement number 70 to the 2006 ISDA Definitions (the “**IBOR Supplement**”) and the accompanying IBOR Protocol (the “**IBOR Protocol**”). Although these measures may help facilitate the derivatives markets’ transition away from IBORs, CS’s clients and other market participants may not adhere to the IBOR Protocol or may not be otherwise willing to apply the provisions of the IBOR Supplement to relevant documentation. Furthermore, no similar multilateral mechanism exists to amend legacy loans or bonds, many of which must instead be amended individually, which may require the consent of multiple lenders or bondholders. As a consequence, there can be no assurance that market participants, including CS, will be able to successfully modify all outstanding IBOR referencing contracts or otherwise be sufficiently prepared for the uncertainties resulting from cessation, potentially leading to disputes. Legislation has been proposed or enacted in a number of jurisdictions to address affected contracts without robust fallback provisions. For example, the United States has enacted the Adjustable Interest Rate (LIBOR) Act of 2021 (the “**LIBOR Act**”) providing for the replacement of USD LIBOR-based benchmarks in certain agreements by operation of law. However, the scope of this legislation is limited. In addition, it is uncertain whether, when and how other jurisdictions will enact similar legislation. Furthermore, the terms and scope of existing and future legislative solutions may be inconsistent and potentially overlapping.

CS has identified a significant number of its liabilities and assets, including credit instruments such as credit agreements, loans and bonds, linked to IBORs across its businesses that require transition to ARR. Aside from a small amount of legacy contracts that currently rely on synthetic LIBOR, CS’s legacy non-USD LIBOR portfolio has been remediated, either by active transition to ARRs, or by adding robust fallback provisions intended to govern the transition to ARRs upon the cessation of LIBORs. While CS has a significant level of liabilities and assets linked to USD LIBOR, derivatives make up the majority of the legacy portfolio, and many of its derivative counterparts have already adhered to the IBOR Protocol. Further, under the final rules adopted by the Fed pursuant to the LIBOR Act, the “Fallback Rate (SOFR)” as defined in the IBOR Protocol will apply to derivative contracts governed by US law that reference overnight and one-, three-, six- and 12-month tenors of USD LIBOR and do not have suitable fallback provisions and provide permanent transition out of LIBOR. Non-US law contracts may benefit from the proposed “synthetic” (but time limited) USD LIBOR that the FCA is currently consulting on. The discontinuation of IBORs or future changes in the administration of benchmarks could result in adverse consequences to the return on, value of and market for securities, credit instruments and other instruments whose returns or contractual mechanics are linked to any such benchmark, including those issued and traded by the Group. For example, ARR-linked products may not provide a term structure and may calculate interest payments differently than benchmark-linked products, which could lead to greater uncertainty with respect to corresponding payment obligations. The transition to ARRs also raises concerns of liquidity risk, which may arise due to slow acceptance, take-up and development of liquidity in products that use ARRs, leading to market dislocation or fragmentation. It is also possible that such products will perform differently to IBOR products during times of economic stress, adverse or volatile market conditions and across the credit and economic cycle, which may impact the value, return on and profitability of CS’s ARR-based assets. The transition to ARRs also requires a change in contractual terms of existing products currently linked to IBORs.

Further, the replacement of IBORs with an ARR in existing securities and other contracts, or in internal discounting models, could negatively impact the value of and return on such existing securities, credit instruments and other contracts and result in mispricing and additional legal, financial, tax, operational, market, compliance, reputational, competitive or other risks to CS, its clients and other market participants. For example, CS may face a risk of litigation, disputes or

other actions from clients, counterparties, customers, investors or others regarding the interpretation or enforcement of related contractual provisions or if it fails to appropriately communicate the effect that the transition to ARR's will have on existing and future products. Further, litigation, disputes or other action may occur as a result of the interpretation or application of legislation, in particular, if there is an overlap between legislation introduced in different jurisdictions. In addition, the transition to ARR's requires changes to CS's documentation, methodologies, processes, controls, systems and operations, which has resulted and may continue to result in increased effort and cost. There may also be related risks that arise in connection with the transition. For example, CS's hedging strategy may be negatively impacted or market risk may increase in the event of different ARR's applying to its assets compared to its liabilities. In particular, CS's swaps and similar instruments that reference an IBOR and that are used to manage long-term interest rate risk related to CS's credit instruments could adopt different ARR's than the related credit instruments, resulting in potential basis risk and potentially making hedging CS's credit instruments more costly or less effective. For further information, refer to "*Replacement of interbank offered rates*" in "*II – Operating and financial review – Credit Suisse – Other information*" in the Annual Report 2022.

#### **4.4. CS may incur significant losses in the real estate sector**

CS finances and acquires principal positions in a number of real estate and real estate-related products, primarily for clients, and originates loans secured by commercial and residential properties. As of 31 December 2022, the Group's real estate loans as reported to the SNB totalled approximately CHF 143.7 billion. CS also securitises and trades in commercial and residential real estate and real estate-related whole loans, mortgages and other real estate and commercial assets and products, including commercial mortgage-backed securities and residential mortgage-backed securities. CS's real estate-related businesses and risk exposures could be adversely affected by any downturn in real estate markets, other sectors and the economy as a whole. Should these conditions persist or deteriorate, they could create additional risk for CS's commercial real estate-related businesses. In addition, the risk of potential price corrections in the real estate market in certain areas of Switzerland could have a material adverse effect on CS's real estate-related businesses.

#### **4.5. Holding large and concentrated positions can expose CS to large losses**

Concentrations of risk can expose CS to large losses given that CS has provided or may in the future provide sizeable loans to, conduct sizeable transactions with and own securities holdings in certain customers, clients, counterparties, industries, countries or any pool of exposures with a common risk characteristic. Decreasing economic growth in any sector in which CS makes significant commitments, for example, through underwriting, lending or advisory services, could also negatively affect CS's net revenues. In addition, a significant deterioration in the credit quality of one of CS's borrowers or counterparties could lead to concerns about the creditworthiness of other borrowers or counterparties in similar, related or dependent industries. This type of interrelationship could exacerbate CS's credit, liquidity and market risk exposure and potentially cause it to incur losses.

CS has significant risk concentration in the financial services industry as a result of the large volume of transactions it routinely conducts with broker-dealers, banks, funds and other financial institutions, and in the ordinary conduct of CS's business, it can be subject to risk concentration with a particular counterparty. In addition, CS, and other financial institutions, may pose systemic risk in a financial or credit crisis, and may be vulnerable to market sentiment and confidence, particularly during periods of severe economic stress. CS, like other financial institutions, continues to adapt its practices and operations in consultation with its regulators to better address an evolving understanding of its exposure to, and management of, systemic risk and risk concentration to financial institutions. Regulators continue to focus on these risks, and there are numerous new regulations and government proposals, and significant ongoing regulatory uncertainty, about how best to address them. There can be no assurance that the changes in CS's industry, operations, practices and regulation will be effective in managing these risks. For further information, refer to "*I - Information on the company – Regulation and supervision*" in the Annual Report 2022.

Risk concentration can cause CS to suffer losses even when economic and market conditions are generally favourable for others in its industry.

#### **4.6. CS's hedging strategies may not prevent losses**

If any of the variety of instruments and strategies CS uses to hedge its exposure to various types of risk in its businesses is not effective, it can incur losses. CS may be unable to purchase hedges or be only partially hedged, or its hedging strategies may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk.

#### **4.7. Market risk may increase the other risks that CS faces**

In addition to the potentially adverse effects on CS's businesses described above, market risk could exacerbate the other risks that CS faces. For example, if CS were to incur substantial trading losses, its need for liquidity could rise sharply while its access to liquidity could be impaired. In conjunction with another market downturn, CS's customers and counterparties could also incur substantial losses of their own, thereby weakening their financial condition and increasing CS's credit and counterparty risk exposure to them.

#### **4.8. CS may suffer significant losses from its credit exposures**

CS's businesses are subject to the fundamental risk that borrowers and other counterparties will be unable to perform their obligations. CS's credit exposures exist across a wide range of transactions that it engages in with a large number of clients and counterparties, including lending relationships, commitments and letters of credit, as well as derivative, currency exchange and other transactions. CS's exposure to credit risk can be exacerbated by adverse economic or market trends, as well as increased volatility in relevant markets or instruments. For example, adverse economic effects arising from rising inflation and recession risk, disruptions to economic activity, global supply chain issues and labour shortages, will likely continue to negatively impact the creditworthiness of certain counterparties and result in increased credit losses for CS's businesses. In addition, disruptions in the liquidity or transparency of the financial markets may result in CS's inability to sell, syndicate or realise the value of its positions, thereby leading to increased concentrations. Any inability to reduce these positions may not only increase the market and credit risks associated with such positions, but also increase the level of risk-weighted assets ("**RWA**") on CS's balance sheet, thereby increasing its capital requirements, all of which could adversely affect its businesses. For information on management of credit risk, refer to "Credit risk" in "III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management – Risk coverage and management" in the Annual Report 2022.

CS's regular review of the creditworthiness of clients and counterparties for credit losses does not depend on the accounting treatment of the asset or commitment. Changes in creditworthiness of loans and loan commitments that are fair valued are reflected in trading revenues.

The Group's accounting standards generally require management to estimate lifetime current expected credit losses ("**CECL**") on the Group's credit exposure held at amortised cost, which may result in volatility in earnings and capital levels. The determination by CS's management of the provision for credit losses and the related estimation and application of forward-looking information requires quantitative analysis and significant expert judgment. The Group's estimation of expected credit losses is based on a discounted probability-weighted estimate that considers macroeconomic scenarios. The scenarios are probability-weighted according to the Group's best estimate of their relative likelihood based on historical frequency, an assessment of the current business and credit cycles as well as the macroeconomic factor trends. Expected credit losses are not solely derived from macroeconomic factor projections. Model overlays based on expert judgment are also applied, considering historical loss experience and industry and counterparty reviews. Such overlays are designed to address circumstances where in management's judgment the CECL model outputs are overly sensitive to the effect of economic inputs that exhibit significant deviation from their long-term historical averages. Overlays may also be used to capture judgment on the economic uncertainty from global or regional developments with severe impacts on economies. CS can suffer unexpected losses if the models and assumptions that are used to estimate its allowance for credit losses are not sufficient to address CS's credit losses. For further information, refer to "Note 1 – Summary of significant accounting policies", "Note 9 – Provision for credit losses", "Note 19 – Loans" and "Note 20 – Financial instruments measured at amortized cost and credit losses" in "VI – Consolidated financial statements – Credit Suisse Group" in the Annual Report 2022.

Under certain circumstances, CS may assume long-term credit risk, extend credit against illiquid collateral and price derivative instruments aggressively based on the credit risks that it takes. As

a result of these risks, CS's capital and liquidity requirements may continue to increase.

#### **4.9. Defaults by one or more large financial institutions could adversely affect financial markets generally and CS specifically**

Concerns, rumours about or an actual default by one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships between institutions. This risk is typically referred to as systemic risk. Concerns about defaults by and failures of many financial institutions could lead to material losses or defaults by financial institutions and financial intermediaries with which CS interacts on a daily basis, such as clearing agencies, clearing houses, banks, securities firms and exchanges. CS's credit risk exposure will also materially increase if the collateral it holds cannot be realised or can only be liquidated at prices insufficient to cover the full amount of the exposure.

#### **4.10. The information that CS uses to manage its credit risk may be inaccurate or incomplete**

Although CS regularly reviews its credit exposure to specific clients and counterparties and to specific industries, countries and regions that it believes may present credit concerns, default risk may arise from events or circumstances that are difficult to foresee or detect, such as fraud. CS may also lack correct and complete information with respect to the credit or trading risks of a counterparty or risk associated with specific industries, countries and regions or misinterpret such information that is received or otherwise incorrectly assess a given risk situation. Additionally, there can be no assurance that measures instituted to manage such risk will be effective in all instances.

### **5. Strategy risk**

#### **5.1. CSG and its subsidiaries, including CS, may not achieve some or all of the expected benefits of the strategic initiatives the Group has announced**

On 27 October 2022, Credit Suisse announced a comprehensive new strategic direction for the Group and significant changes to its structure and organisation, including establishing a more capital-light Investment Bank, divesting non-core businesses and accelerating cost reduction. The Group has announced its objective to implement most of these measures by 2025.

Credit Suisse's goals, its strategy for implementing them, and the completion of these measures are based on a number of key assumptions, including in relation to the future economic environment and the economic growth of certain geographic regions, the regulatory landscape, the Group's ability to meet certain financial goals, and the confidence of clients, counterparties, employees and other stakeholders, including regulatory authorities, in this strategy and the Group's ability to implement it. If any of these assumptions prove inaccurate in whole or in part, the Group may not be able to achieve some or all of the expected benefits of its strategic initiatives, including generating the intended structural cost savings, strengthening and reallocating its capital, reducing the Group's RWA and leverage exposure in certain divisions, divesting non-core businesses, generating sustainable returns, and achieving the Group's other targets and strategic goals. Furthermore, many of the factors that could affect these assumptions are beyond the Group's control, including but not limited to market and economic conditions, changes in laws, rules or regulations, execution risk related to the implementation of its strategy and other challenges and risk factors discussed in this Registration Document, which could limit the Group's ability to achieve some or all of the expected benefits of this strategy. A failure to reverse the outflows and to restore the Group's assets under management and deposits following the developments in the fourth quarter of 2022 also could negatively affect its ability to achieve its strategic objectives, including as to its capital position. The Group's ability to implement its strategic initiatives also might be limited by restrictions on capital payments from subsidiaries as a result of regulatory, tax or other constraints. The Group's ability to achieve its objectives in connection with the reduction of RWA could also be dependent upon it obtaining certain relief from its regulators. The breadth of the Group's strategic initiatives and goals also increases the challenges and risks of executing and implementing such initiatives. If the Group is unable to implement its strategy successfully in whole or in part, or should the strategic initiatives once implemented fail to produce the expected benefits, the Group's financial results and CSG's share price may be materially and adversely affected. Even if the Group is able to successfully implement its strategy, its proposed goals may increase the Group's exposure to certain risks,



including but not limited to credit risks, market risks, liquidity risks, operational risks and regulatory risks, and such risks may evolve in a way that is not under the Group's control or entirely possible to predict. For further information on the Group's strategic direction, refer to "Strategy" in "Information on the Company" in the Annual Report 2022.

The Group's strategy involves a change in focus within certain areas of its business, including exiting certain businesses. For example, the Group has announced its intention to sell a significant part of the Securitised Products Group ("SPG") and other related financing businesses and to carve out CS First Boston as a leading capital markets and advisory business. These changes may have negative effects in these and other areas of the Group's business and may result in an adverse effect on its business as a whole.

Moreover, any reputational harm resulting from prior events or from reactions to the Group's strategic initiatives may make it more difficult to implement those strategic initiatives or achieve the related targets and objectives. For further information, refer to "Significant negative consequences of the Archegos and supply chain finance funds matters".

The Group anticipates that revenues and income for the Investment Bank will be materially reduced by the planned disposal of the majority of SPG's assets, as well as by the targeted reduction in capital for the Investment Bank. The Group's ability to attract and retain clients also may be adversely affected by these changes. The Group's capital-light Investment Bank may also face increased competition in areas such as leveraged finance and underwriting, particularly from competitors that have access to larger amounts of capital. In addition, the new structure of the Investment Bank may pose challenges for the division to build upon other businesses and relationships of the Group and may limit the division's ability to deliver cross-selling opportunities to other Group businesses.

Market conditions, the ability to attract potential purchasers, regulatory approvals and consents, and other similar uncertainties may also affect the Group's ability to dispose of assets, achieve favourable prices or terms for these disposals, or complete any announced but not yet completed disposals, which may lead it to dispose of assets at a loss, at a higher than expected loss, hold these assets for a longer period of time than desired or planned, or fail to dispose of assets at all. A significant element of the Group's strategic plans is to transfer a majority of SPG's assets, including the sale of a significant portion of SPG to certain entities and funds managed by affiliates of Apollo Global Management. This transaction involves phased closings through the first half of 2023, subject to regulatory approvals, customer consents and other customary closing conditions. If the Group is unable to dispose of these assets as proposed or announced, including the contemplated sale of other portfolio assets to third-party investors, it may not be able to reduce its RWAs and leverage exposure according to plan or achieve the capital targets set out in its strategy.

In addition, the Group anticipates these disposals and changes to the Group may result in further impairments and write-downs, including in relation to goodwill and the revaluation of its deferred tax assets, which may have a material adverse effect on its results of operations and financial condition. These changes may also lead to further impairments of the capital effective component of the values of CS's participations in certain of its subsidiaries, which would negatively impact its Swiss CET1 ratio.

The Group's strategy also includes certain financial goals and targets. The Group's ability to achieve these targets is based on a number of macro-economic factors and underlying business assumptions, such as a higher interest rate environment and its ability to hold and attract client assets at levels and rates similar to those in the past. For example, a period of stagflation may have negative effects on the Group's ability to achieve its financial goals and targets. Furthermore, the Group does not expect geopolitical risks to escalate significantly. Deviations from any of these assumptions would impact its ability to achieve its financial goals and targets.

The Group is also seeking to achieve significant cost savings as part of its plan. The Group is targeting to reduce its costs based on the assumption that, in addition to specific strategic business exit and curtailment activities that account for a significant proportion of the intended cost savings, more savings can be achieved through efficiency measures. Implementing these measures will entail the incurrence of significant restructuring expenses, including software and real estate impairments, estimated to be approximately CHF 2.9 billion through the end of 2024, although they could exceed this level. These measures include de-scoping of business and internal footprint, organisational effectiveness and simplification, workforce management and

third-party cost management. For example, the Group expects to run the bank with ~43,000 full-time-equivalent employees by the end of 2025 compared to ~52,000 at the end of the third quarter of 2022, reflecting natural attrition and targeted headcount reductions. Furthermore, the Group has identified short-term actions to set the right trajectory to meet its cost ambitions. These include a 30 per cent. reduction in contractor spend and a 50 per cent. reduction in consultancy spend in 2023. The Group's ability to achieve these cost savings is dependent on the execution of these measures on time and to their full extent. There is also a risk that these measures impact the revenue generation capabilities of the business beyond what has been taken into account currently for the strategic business curtailment activities. In addition, the Group's planned exit from certain businesses and disposals of certain assets may entail higher costs or take more time than anticipated, or it may take longer than anticipated to reduce associated costs from activities it has exited, and accordingly this may impact its ability to achieve its targeted cost savings. Furthermore, additional costs could arise from any number of anticipated or unanticipated developments, such as costs relating to compliance with additional regulatory requirements and increased regulatory charges. Across all of the Group's businesses, it needs to attract and retain highly qualified employees. The anticipated changes in the Group as part of its strategic initiatives may negatively impact its ability to hire and retain highly qualified employees, including due to any changes or reductions in compensation. In addition, the Group's employee attrition has been higher over the last year, as noted above. If the Group is unable to attract and/or retain highly qualified employees across its businesses, this may have a material adverse effect on its ability to implement its strategy.

In addition, as part of its overarching legal entity simplification programme, the Group is further reviewing its legal entity footprint in light of its strategic changes. The development of a strategy to optimise the legal entity structure across regions, taking into account the comprehensive strategic review, includes expediting the closure of redundant entities. There are a number of uncertainties that may affect the feasibility, scope and timing of the intended results, including macroeconomic factors as well as significant legal and regulatory considerations.

## **6. Country and currency exchange risk**

### **6.1. Country risks may increase market and credit risks CS faces**

Country, regional and political risks are components of market and credit risk. Financial markets and economic conditions generally have been and may in the future be materially affected by such risks. Economic or political pressures in a country or region, including those arising from local market disruptions, currency crises, monetary controls or other factors such as geopolitical issues, may adversely affect the ability of clients or counterparties located in that country or region to obtain foreign currency or credit and, therefore, to perform their obligations to CS, which in turn may have an adverse impact on CS's results of operations.

### **6.2. CS may face significant losses in emerging markets**

An element of the Group's strategy is to increase its wealth management businesses in emerging market countries. The Group's implementation of this strategy will increase CS's existing exposure to economic instability in those countries. CS monitors these risks and seeks diversity in the sectors in which it invests. CS's efforts at limiting emerging market risk, however, may not always succeed. In addition, various emerging market countries have experienced and may continue to experience severe economic, financial and political disruptions or slower economic growth than in previous years, including significant devaluations of their currencies, defaults or threatened defaults on sovereign debt and capital and currency exchange controls. In addition, sanctions have been imposed on certain individuals and companies in these markets that prohibit or restrict dealings with them and certain related entities or activities and further sanctions are possible. The possible effects of any such disruptions may include an adverse impact on CS's businesses and increased volatility in financial markets generally.

### **6.3. Currency fluctuations may adversely affect CS's results of operations**

CS is exposed to risk from fluctuations in exchange rates for currencies, particularly the US dollar. In particular, a substantial portion of CS's assets and liabilities are denominated in currencies other than the Swiss franc, which is the primary currency of its financial reporting. CS's capital is also stated in Swiss francs, and it does not fully hedge its capital position against changes in currency exchange rates. The Swiss franc remained strong in 2022. As CS incurs a significant part of its expenses in Swiss francs while it generates a large proportion of its revenues

in other currencies, its earnings are sensitive to changes in the exchange rates between the Swiss franc and other major currencies. Although CS has implemented a number of measures designed to offset the impact of exchange rate fluctuations on its results of operations, the appreciation of the Swiss franc in particular and exchange rate volatility in general have had an adverse impact on CS's results of operations and capital position in recent years and may continue to have an adverse effect in the future.

## **7. Operational, risk management and estimation risks**

### ***7.1. CS may suffer operational system failures or disruptions, including due to human or technological error, which could negatively impact its results of operations, financial condition and reputation***

CS's business is highly dependent on the effectiveness of its operational systems and those of its clients, partners and counterparties. CS continues to be exposed to operational risk arising from errors made in the execution, confirmation or settlement of transactions or from transactions not being properly recorded or accounted for, whether by CS or by third parties on which it relies. Operational system failures or disruptions can be unpredictable and may arise from different sources, including sources out of CS's control. In addition, certain errors may not always be immediately identified by CS's technological processes or by its controls and other procedures, which are meant to detect and prevent such errors. Even if such errors are immediately identified and addressed, they could have an adverse effect on CS's results of operations, financial condition and reputation.

### ***7.2. CS is exposed to a wide variety of data breach, cybersecurity and other information technology risks***

In recent years and in the wake of the COVID-19 pandemic, CS continues to be an increasingly attractive target for cyber threat actors due in large part to the highly valuable critical data processed by financial services institutions, leading to heightened cybersecurity and information technology risks, including risks of cyber attacks and other hacking incidents. As a global financial services company, CS relies heavily on its financial, accounting and other data processing systems, which are varied and complex, and it has faced and may continue to face additional technology risks due to the global nature of its operations and reliance on cloud technologies. For example, CS's business depends on its ability to process a large volume of diverse and complex transactions within a short space of time, including derivatives transactions, which have increased in volume and complexity. In general, although CS has incident response and business continuity plans, its businesses continue to face a wide variety of operational risks, including technology risk that stems from dependencies on information technology, third-party suppliers and the telecommunications infrastructure as well as from the interconnectivity of multiple financial institutions with central agents, exchanges and clearing houses. CS may rely on automation, robotic processing, machine learning and artificial intelligence ("AI") for certain operations, and this reliance may increase in the future with corresponding advancements in technology, which could expose it to additional cybersecurity risks. In addition to such information technology risks and an increased risk of cyber attacks, CS may also face heightened risks associated with a lesser degree of data and intellectual property protection in certain foreign jurisdictions in which it operates, even if it takes all reasonable precautions, including to the extent required by law. Regulatory requirements in these areas continue to increase and are expected to increase further, including potential regulatory requirements to disclose information about a material cybersecurity incident even prior to a full investigation or resolution of the matter. Evolving regulations may vary and potentially conflict across different jurisdictions.

Information security, data confidentiality and integrity are of critical importance to CS's businesses, and there has been recent regulatory scrutiny on the ability of companies to safeguard the non-public or personal information of individuals in accordance with data protection regulation, including the European General Data Protection Regulation, US data protection laws such as the federal Gramm-Leach-Bliley Act and California Consumer Privacy Act as amended by the California Privacy Rights Act and the Swiss Federal Act on Data Protection. Governmental authorities, including foreign, federal and state data protection agencies, employees, individual customers or business partners may initiate proceedings against CS as a result of security breaches affecting the confidentiality or integrity of non-public or personal information, as well as the failure, or perceived failure, to comply with data protection regulations. The adequate monitoring of operational risks and adherence to data protection regulations have also come under increased regulatory scrutiny. Any failure by the Group to

adequately ensure the security of data and to address the increased technology-related operational risks could also lead to regulatory sanctions or investigations and a loss of trust in CS's systems, which may adversely affect its reputation, business and operations. For further information, refer to *"Regulatory framework – Switzerland – Cybersecurity"*, *"Regulatory framework – US – Data protection and cybersecurity"* and *"Regulatory framework – Global initiatives – Data protection regulation"* each in *"I – Information on the company – Regulation and supervision"* in the Annual Report 2022.

Threats to CS's cybersecurity and data protection systems require it to dedicate significant financial and human resources to protect the confidentiality, integrity and availability of its systems and information. Despite CS's wide range of security measures, it is not always possible to anticipate the evolving threat landscape and mitigate all risks to its systems and information. These threats may derive from human error, misconduct (including errors in judgment, fraud or malice and/or engaging in violations of applicable laws, rules, policies or procedures), or may result from accidental technological failure. There may also be attempts to fraudulently induce employees, clients, third parties or other users of CS's systems to disclose sensitive information in order to gain access to its data or that of its clients. Additionally, because CS shares information with third party vendors and service providers to conduct its business, it could also be affected by risks to the systems and information of such third parties, particularly where such third party fails to implement adequate data-security practices, to comply with CS's information-sharing terms and policies or otherwise suffers a network or other security breach. In addition, hardware, software or applications CS procures from third parties may contain security vulnerabilities, defects in design or manufacture or other problems that could unexpectedly compromise information security. For example, the increasing trend of remote working discussed further below may require CS's employees to use third party technology, which may not provide the same level of information security as CS's own information systems. Additionally, risks relating to cyber attacks on CS's vendors and other third parties have continued to increase due to more frequent and severe supply chain attacks impacting software and information technology service providers, which may be further exacerbated in light of the ongoing conflict related to Russia's invasion of Ukraine. Security breaches may involve substantial remediation costs, affect CS's ability to carry out its businesses or impair the trust of its clients or potential clients, any of which could have a material adverse effect on CS's business and financial results. In addition, CS may introduce new products or services or change processes, resulting in new operational risks that it may not fully appreciate or identify.

The shift to remote working for CS's employees increases the vulnerability of its information technology systems and the likelihood of damage as a result of a cybersecurity incident. For example, the use of remote devices to access the firm's networks could impact CS's ability to quickly detect and mitigate security threats and human errors as they arise. Additionally, it is more challenging to ensure the comprehensive roll-out of system security updates and CS also has less visibility over the physical security of CS's devices and systems. Due to the evolving nature of cybersecurity risks and CS's reduced visibility and control in light of remote working, CS's efforts to provide appropriate policies and security measures may prove insufficient to mitigate all cybersecurity and data protection threats.

Cybersecurity risks have also significantly increased in recent years in part due to the growing number and increasingly sophisticated activities of malicious cyber actors, including organised crime groups, state-sponsored actors, terrorist organisations, extremist parties and hackers. Although CS has developed reasonable systems and processes designed to protect the non-public and/or personal information of its clients and other third parties from data loss or other security breaches or incidents, CS's security measures have not always fully protected against such matters in the past. CS and other financial institutions have suffered and may continue to suffer cyber-attacks, ransomware attacks, information or security breaches, personal data breaches, losses or misappropriations and other forms of attacks, incidents and failures, including those involving disgruntled employees, activists and other third parties, such as those engaged in corporate espionage. For example, in March 2021, CS became aware that a former employee had improperly exfiltrated from Credit Suisse certain records relating to certain Group employees and suppliers, including human resources-related information and bank account numbers used to make payments, while employed by the Group several years ago when he emailed certain of the data to a limited number of recipients that included regulators, media outlets and ex-employees. After lengthy and still ongoing legal proceedings, it was only at the end of 2022 that CS learned the full extent of the scope of this improper exfiltration. CS has conducted a forensic review and believes that the incident has been contained. Relevant notifications have been made as appropriate to regulators, data protection authorities and

individual data subjects.

CS expects to continue to be the target of such attacks in the future, and it may experience other forms of cybersecurity or data protection incidents or failures in the future, including with respect to damages from computer viruses, worms, and other malicious software programmes or other attacks, covert introduction of malware to computers and networks, unauthorised access, including impersonation of unauthorised users, efforts to discover and exploit any security vulnerabilities or security weaknesses, and other similar disruptions. In the event of a cyber attack, information or security breach, personal data breach or technology failure, CS has experienced and may in the future experience operational issues, the infiltration of payment systems or the unauthorised release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information relating to Credit Suisse, its clients, employees, vendors, service providers, counterparties or other third parties. Emerging technologies, including the increasing use of automation, AI and robotics, as well as the broad utilisation of third-party financial data aggregators, could further increase CS's cybersecurity risk and exposure.

Given CS's global footprint and the high volume of transactions it processes, the large number of clients, partners and counterparties with which it does business, CS and its clients' growing use of digital, mobile, cloud- and internet-based services and platforms, and the increasing frequency, sophistication and evolving nature of cyber attacks, a cyber attack, information or security breach, personal data breach or technology failure may occur, whether on CS's systems or that of a third party, without detection for an extended period of time. In addition, CS expects that any investigation of a cyber attack, information or security breach, personal data breach or technology failure will be inherently unpredictable and it may take time before any investigation is complete. These factors may inhibit CS's ability to provide timely, accurate and complete information about the event to its clients, employees, regulators, other stakeholders and the public. During such time, it may not know the extent of the harm or how best to remediate it and certain errors or actions may be repeated or compounded before they are discovered and rectified, all or any of which would further increase the costs and consequences of a cyber attack, information or security breach, personal data breach or technology failure.

If any of CS's systems, or the systems of third parties on which it relies, do not operate properly or are compromised as a result of cyber attacks, information or security breaches, personal data breaches, technology failures, unauthorised access, loss or destruction of data, unavailability of service, computer viruses or other events that could have an adverse security impact, CS could, among other things, be subject to litigation or suffer financial loss not covered by insurance, a disruption of its businesses, liability to its clients, employees, counterparties or other third parties, damage to relationships with its vendors or service providers, regulatory intervention or reputational damage. Any such event could also require CS to expend significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures. CS may also be required to expend resources to comply with new and increasingly expansive regulatory requirements related to cybersecurity.

### **7.3. CS may suffer losses due to employee misconduct**

CS's businesses are exposed to risk from potential non-compliance with policies or regulations, employee misconduct or negligence and fraud, which could result in civil, regulatory or criminal investigations, litigation and charges, regulatory sanctions and serious reputational or financial harm. In recent years, a number of multinational financial institutions have suffered material losses due to, for example, the actions of traders executing unauthorised trades or other employee misconduct. It is not always possible to deter or fully prevent employee misconduct and the precautions CS takes to prevent and detect this activity have not always been, and may not always be, fully effective.

### **7.4. CS risk management procedures and policies may not be fully effective in mitigating its risk exposures in all market environments or against all types of risk, which can result in unexpected, material losses in the future**

CS seeks to monitor and control its risk exposure through a broad and diversified set of risk management policies and procedures as well as hedging strategies, including the use of models in analysing and monitoring the various risks CS assumes in conducting its activities. These risk management strategies, techniques, models, procedures and policies, however, may not be fully effective in mitigating CS's risk exposure in all economic market environments or against all types

of risk, including risks that it fails to identify, anticipate or mitigate, in whole or in part, which may result in unexpected, material losses.

Some of CS's quantitative tools and metrics for managing risk, including value-at-risk and economic risk capital, are based upon its use of observed historical market behaviour. CS's risk management tools and metrics may fail to predict important risk exposures. In addition, CS's quantitative modelling does not take all risks into account and makes numerous assumptions and judgments regarding the overall environment, and therefore cannot anticipate every market development or event or the specifics and timing of such outcomes. As a result, risk exposures could arise from factors CS did not anticipate or correctly evaluate in its statistical models. This could limit CS's ability to manage its risks, and in these and other cases, it can also be difficult to reduce its risk positions due to the activity of other market participants or widespread market dislocations. As a result, CS's losses may be significantly greater than what the historical measures may indicate.

In addition, inadequacies or lapses in CS's risk management procedures and policies can expose it to unexpected losses, and CS's financial condition or results of operations could be materially and adversely affected. For example, in respect of the Archegos matter, the independent report found, among other things, a failure to effectively manage risk in the Investment Bank's prime services business by both the first and second lines of defence as well as a lack of risk escalation. Such inadequacies or lapses can require significant resources and time to remediate, lead to non-compliance with laws, rules and regulations, attract heightened regulatory scrutiny, expose CS to regulatory investigations or legal proceedings and subject it to litigation or regulatory fines, penalties or other sanctions, or capital surcharges or add-ons. In addition, such inadequacies or lapses can expose CS to reputational damage. If existing or potential customers, clients or counterparties believe CS's risk management is inadequate, they could take their business elsewhere or seek to limit their transactions with CS, which could have a material adverse effect on CS's results of operations and financial condition. For information on CS's risk management, refer to "*Risk management*" in "*III – Treasury, Risk, Balance sheet and Off-balance sheet*" in the Annual Report 2022.

#### **7.5. CS has identified material weaknesses in its internal control over financial reporting as of 31 December 2022 and 2021**

CS is subject to requirements under the Sarbanes-Oxley Act of 2002, as amended, to perform system and process evaluation and testing of its internal control over financial reporting to allow CS's management to assess the effectiveness of its internal controls. CS's management has identified certain material weaknesses in its internal control over financial reporting as a result of which CS's management has concluded that, as of 31 December 2022, the Group's internal control over financial reporting was not effective, and for the same reasons, CS's management has reassessed and has reached the same conclusion regarding 31 December 2021, as more fully described in the Annual Report 2022. CS's management has also accordingly concluded that CS's disclosure controls and procedures were not effective.

The material weaknesses that have been identified relate to the failure to design and maintain an effective risk assessment process to identify and analyse the risk of material misstatements in CS's financial statements and the failure to design and maintain effective monitoring activities relating to (i) providing sufficient management oversight over the internal control evaluation process to support the Group's internal control objectives; (ii) involving appropriate and sufficient management resources to support the risk assessment and monitoring objectives; and (iii) assessing and communicating the severity of deficiencies in a timely manner to those parties responsible for taking corrective action. These material weaknesses contributed to an additional material weakness, as CS's management did not design and maintain effective controls over the classification and presentation of the consolidated statement of cash flows. This material weakness resulted in the revisions contained in CS's previously issued consolidated financial statements for the three years ended 31 December 2021 as disclosed in the Annual Report 2021.

Notwithstanding these material weaknesses, CS confirms that its consolidated financial statements as included in the Annual Report 2022 fairly present, in all material respects, its consolidated financial condition as of 31 December 2022 and 2021, and its consolidated results of operations and cash flows for the years ended 31 December 2022, 2021 and 2020, in conformity with US GAAP. CS's management is developing a remediation plan to address the material weaknesses referred to above, including strengthening the risk and control frameworks, and which will build on the significant attention that CS's management has devoted to controls

to date. While CS is taking steps to address these material weaknesses, which could require it to expend significant resources to correct the material weaknesses or deficiencies, any gaps or deficiencies in CS's internal control over financial reporting may result in it being unable to provide required financial information in a timely and reliable manner and/or incorrectly reporting financial information, which could reduce confidence in its published information, impact access to capital markets, impact the trading price of its securities or subject it to potential regulatory investigations and sanctions. In addition, there can be no assurance that these measures will remediate the material weaknesses in CS's internal control over financial reporting or that additional material weaknesses in CS's internal control over financial reporting will not be identified in the future. Any of the foregoing could materially and adversely affect CS's business, results of operations and financial condition.

#### **7.6. CS's actual results may differ from its estimates and valuations**

CS makes estimates and valuations that affect its reported results, including determining the fair value of certain assets and liabilities, establishing provisions for contingencies and losses for loans, litigation and regulatory proceedings, accounting for goodwill and intangible asset impairments, evaluating its ability to realise deferred tax assets, valuing equity-based compensation awards, modelling its risk exposure and calculating expenses and liabilities associated with its pension plans. These estimates are based on judgment and available information, and CS's actual results may differ materially from these estimates. For information on these estimates and valuations, refer to "*Critical accounting estimates*" in "*II – Operating and financial review*" and "*Note 1 – Summary of significant accounting policies*" in "*VI – Consolidated financial statements – Credit Suisse Group*" in the Annual Report 2022.

CS's estimates and valuations rely on models and processes to predict economic conditions and market or other events that might affect the ability of counterparties to perform their obligations to CS or impact the value of assets. To the extent CS's models and processes become less predictive due to unforeseen market conditions, illiquidity or volatility, its ability to make accurate estimates and valuations could be adversely affected.

#### **7.7. CS's accounting treatment of off-balance sheet entities may change**

CS enters into transactions with special purpose entities ("**SPEs**") in its normal course of business, and certain SPEs with which CS transacts and conducts business are not consolidated and their assets and liabilities are off-balance sheet. CS may have to exercise significant management judgment in applying relevant accounting consolidation standards, either initially or after the occurrence of certain events that may require it to reassess whether consolidation is required. If CS is required to consolidate an SPE, its assets and liabilities would be recorded on CS's consolidated balance sheets and it would recognise related gains and losses in its consolidated statements of operations, and this could have an adverse impact on CS's results of operations and capital and leverage ratios. For information on CS's transactions with and commitments to SPEs, refer to "*Off-balance sheet*" in "*III – Treasury, Risk, Balance sheet and Off-balance sheet – Balance sheet and off-balance sheet*" in the Annual Report 2022.

#### **7.8. CS is exposed to Environmental, Social and Governance ("ESG") risks, including climate change, which could adversely affect its business operations, reputation, clients and customers, as well as the creditworthiness of its counterparties**

CS operates in many regions, countries and communities around the world where its businesses, and the activities of its clients, could be impacted by climate change and broader ESG-related issues. These issues pose both short- and long-term risks to CS and its clients. Climate change could expose CS to financial risk either through its physical (e.g., climate or weather-related events) or transition (e.g., changes in climate policy or in the regulation of financial institutions with respect to climate change risks) effects. Transition risks could be further accelerated by the increasingly frequent occurrence of changes in the physical climate, such as hurricanes, floods, wildfires and extreme temperatures.

Physical and transition climate risks could have a financial impact on CS either directly, through its physical assets, costs and operations, or indirectly, through its financial relationships with its clients. These risks are varied and include, but are not limited to, the risk of declines in values and/or liquidity of assets, including in connection with CS's real estate investments, credit risk associated with loans and other credit exposures to its clients, business risk, including loss of

revenues associated with reducing exposure to traditional business with clients that do not have a credible transition plan, decreased assets under management if such clients decide to move assets away, increased defaults and reallocation of capital as a result of changes in global policies, and regulatory risk, including ongoing legislative and regulatory uncertainties and changes regarding climate risk management and best practices. Additionally, the risk of reduced availability of insurance, operational risk related to CS-owned buildings and infrastructure, the risk of significant or prolonged interruptions to business operations, as well as the need to make changes in response to those consequences are further examples of climate-related risks.

The Group has set for itself the ambition of reaching net zero emissions by 2050 in line with a 1.5°C trajectory across its lending and investment portfolios, as well as its own operations and supply chain. Based on the Group's commitment to develop interim 2030 science-based goals for key sectors, in 2022 the Group set goals and outlined initial progress for additional sectors, besides oil, gas & coal. In March 2022, Credit Suisse Asset Management also joined the Net Zero Asset Managers initiative, and in December 2022, Credit Suisse Asset Management and Investment Solutions & Sustainability within Credit Suisse Wealth Management disclosed their joint Climate Action Plan, setting a 2030 interim goal of a 50 per cent. reduction in investment-associated emissions in intensity terms versus 2019. In addition, with respect to the Group's ambition for its supply chain to achieve net zero emissions, while the Group is actively engaging with its strategic suppliers to align on emissions data collection as well as target plans and opportunities for reduction, there can be no assurance that these suppliers will address climate risks responsibly, including because they may not have a credible transition plan or be able to implement it within the timeframe the Group has set for its own objectives. In order to reach these ambitions and goals or any other related aspirations the Group may set from time to time, it will need to incorporate climate considerations into its business strategy, products and services, as well as its financial and non-financial risk management processes, and hire and train employees with the skills and qualifications to help the Group achieve its ambitions and goals, and it may incur significant cost and effort in doing so. At the same time, data relating to ESG, including climate change, may be limited in availability and variable in quality and consistency, and methodologies and capabilities for modelling and analysing climate-related risks remain in the development stages, which may limit CS's ability to perform robust climate-related risk and other sustainability risk analyses and realise its ambitions and goals.

Further, national and international standards, industry and scientific knowledge and practices, regulatory requirements and market expectations regarding ESG initiatives are under continuous development, may rapidly change and are subject to different interpretations. Although the Group has adopted its ESG strategy based upon what it believes are current criteria, there can be no assurance that such standards, knowledge, practices, regulatory requirements and market expectations will not be interpreted differently than the Group's interpretation when setting its related goals and ambitions, or change in a manner that substantially increases the cost or effort for it to achieve such goals and ambitions, or requires the Group to adjust its goals and ambitions or that its goals and ambitions may prove to be considerably more difficult or even impossible to achieve. This may be exacerbated if the Group chooses or is required to accelerate its goals and ambitions or change its approach based on national or international regulatory developments, stakeholder expectations or business trends, including as they may change over time. Furthermore, as an individual financial institution, the Group's ability to influence the direction of or approach to ESG issues is limited, and the achievement of its goals and ambitions is highly dependent on the collective effort and actions of governments, other corporations, individuals, non-profit organisations and other stakeholders. Achievement of ESG-related goals and initiatives is also dependent on technological advancements and other concurrent actions and efforts by external parties and other actors that are outside of the Group's control. The Group's ability to make progress on its goals and ambitions may be further impacted by external factors outside of its control, including geopolitical matters, energy security issues or considerations such as a just transition to a lower-carbon economy and society.

Given the growing volume of nascent climate and sustainability-related laws, rules and regulations, increasing demand from various stakeholders for environmentally sustainable products and services and regulatory scrutiny, CS and other financial institutions may also be subject to increasing litigation, enforcement and contract liability risks in connection with climate change, environmental degradation and other ESG-related issues. For example, the issue of climate risk at financial institutions has received sharpened focus from regulators and other governmental authorities, as evidenced by proposed rules related to disclosure and management of climate-related risks put forth by various regulatory bodies, including in the US, the EU, Switzerland and Asia Pacific. In addition, the public holds diverse and often conflicting views on



ESG-related issues, and CS's reputation and client relationships may be damaged by CS or its clients' involvement in certain business activities associated with climate change and other ESG-related issues or as a result of negative public sentiment, regulatory scrutiny or reduced investor and stakeholder confidence due to CS's response to climate change and its climate change strategy. For example, the integration of climate risk considerations into CS's business risk analysis has been subjected to particular scrutiny by external stakeholders in 2022, as CS saw polarised views emerging across the globe. While some government agencies may accuse CS and other financial institutions of boycotting the energy sector, other stakeholders have been asking CS to introduce stricter sector policies and further limit its lending activities in climate sensitive and carbon related sectors. CS's results of operations and financial condition may be adversely affected if national, state or local governments take steps to discourage financial institutions from doing business with companies in certain industries or, conversely, penalise them if they do not do business with such companies.

Beyond climate impacts, CS may also be impacted by human rights risks, including discrimination, particularly with respect to its employees and its clients, as well as modern slavery in its supply chains and those of CS's clients. CS's employees, business and reputation may be negatively impacted by a failure to adequately manage these risks, which failure may result in challenges related to hiring and retention of employees. Moreover, any existing global tensions with respect to human rights, such as between the US and China, may be exacerbated for CS, given its global reach and presence in various markets around the world.

If CS fails to appropriately measure and manage the various risks it faces as a result of climate change and other ESG-related issues, fails or is perceived by stakeholders to have failed to prioritise the "correct" ESG-related goals, fails to achieve the goals and ambitions the Group has set (or can only do so at a significant expense to its business), or fails to adapt its strategy and business model to the changing regulatory requirements and market expectations, CS's reputation, business, results of operations and financial condition could be materially adversely affected, including, with respect to climate-related risks, given the unpredictability of the timing, nature and severity of climate change impacts. For further information on CS's risk management procedures relating to climate change, refer to "*Climate-related risks*" in "*III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management – Risk coverage and management*" in the Annual Report 2022.

## **8. Legal, regulatory and reputational risks**

### **8.1. The Group's exposure to legal liability is significant**

The Group faces significant legal risks in its businesses, and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms continue to increase in many of the principal markets in which CS operates.

CSG and its subsidiaries, including CS, are subject to a number of material legal proceedings, regulatory actions and investigations, and an adverse result in one or more of these proceedings could have a material adverse effect on the Group's operating results for any particular period, depending, in part, on its results for such period. For information relating to these and other legal and regulatory proceedings involving the Group's investment banking and other businesses, refer to "*Note 40 – Litigation*" in "*VI – Consolidated financial statements – Credit Suisse Group*" in the Annual Report 2022.

It is inherently difficult to predict the outcome of many of the legal, regulatory and other adversarial proceedings involving the Group's businesses, particularly those cases in which the matters are brought on behalf of various classes of claimants, seek damages of unspecified or indeterminate amounts or involve novel legal claims. CS's management is required to establish, increase or release reserves for losses that are probable and reasonably estimable in connection with these matters, all of which requires the application of significant judgment and discretion. For further information, refer to "*Critical accounting estimates*" in "*II – Operating and financial review*" and "*Note 1 – Summary of significant accounting policies*" in "*VI – Consolidated financial statements – Credit Suisse Group*" in the Annual Report 2022.

### **8.2. CS's business is highly regulated, and existing, new or changed laws, rules and regulations may adversely affect its business and ability to execute its strategic plans**

In many areas of its business, CS is subject to extensive laws, rules and regulations by governments, governmental agencies, supervisory authorities and self-regulatory organisations in Switzerland, the EU, the UK, the US and other jurisdictions in which CS operates, including an evolving and complex set of sanctions regimes. CS has in the past faced, and expects to continue to face, increasingly extensive and complex laws, rules, regulations and regulatory scrutiny and possible enforcement actions. In recent years, costs related to CS's compliance with these requirements and the penalties and fines sought and imposed on the financial services industry by regulatory authorities have increased significantly. CS expects such increased regulation and enforcement to continue to increase its costs, including, but not limited to, costs related to compliance, systems and operations, and to negatively affect CS's ability to conduct certain types of business. These increased costs and negative impacts on CS's business could adversely affect its profitability and competitive position. These laws, rules and regulations often serve to limit CS's activities, including through the application of increased or enhanced capital, leverage and liquidity requirements, the implementation of additional capital surcharges for risks related to operational, litigation, regulatory and similar matters, customer protection and market conduct regulations, anti-money laundering, anti-corruption and anti-bribery laws, rules and regulations, compliance with evolving ESG standards and requirements and direct or indirect restrictions on the businesses in which CS may operate or invest. Such limitations can have a negative effect on CS's business and its ability to implement strategic initiatives. To the extent CS is required to divest certain businesses, it could incur losses, as CS may be forced to sell such businesses at a discount, which in certain instances could be substantial, as a result of both the constrained timing of such sales and the possibility that other financial institutions are liquidating similar investments at the same time.

Since 2008, regulators and governments have focused on the reform of the financial services industry, including enhanced capital, leverage and liquidity requirements, changes in compensation practices (including tax levies) and measures to address systemic risk, including ring-fencing certain activities and operations within specific legal entities. These regulations and requirements could require the Group to reduce assets held in certain subsidiaries or inject capital or other funds into or otherwise change its operations or the structure of its subsidiaries and the Group. Differences in the details and implementation of such regulations may further negatively affect the Group, including CS, as certain requirements are currently not expected to apply equally to all of the Group's competitors or to be implemented uniformly across jurisdictions.

Moreover, as a number of these requirements are currently being finalised and implemented, their regulatory impact may further increase in the future and their ultimate impact cannot be predicted at this time. For example, the Basel III reforms are still being finalised and implemented and/or phased in, as applicable. The additional requirements related to minimum regulatory capital, leverage ratios and liquidity measures imposed by Basel III, as implemented in Switzerland, together with more stringent requirements imposed by the Swiss legislation and their application by FINMA, and the related implementing ordinances and actions by CS's regulators, have contributed to its decision to reduce RWA and the size of its balance sheet, and could potentially affect its business, impact its access to capital markets and increase its funding costs. In addition, various reforms in the US, including the "Volcker Rule" and derivatives regulation, have imposed, and will continue to impose, new regulatory duties on certain of CS's operations. These requirements have contributed to the Group's decision to exit certain businesses (including a number of its private equity businesses) and may lead the Group to exit other businesses. Recent Commodity Futures Trading Commission, the United States Securities and Exchange Commission (the "**SEC**") and Fed rules and proposals have materially increased, or could in the future materially increase, the operating costs, including margin requirements, compliance, information technology and related costs, associated with CS's derivatives businesses with US persons, while at the same time making it more difficult for CS to operate a derivatives business outside the US. Further, in 2014, the Fed adopted a final rule under the Dodd-Frank Wall Street Reform and Consumer Protection Act that introduced a new framework for regulation of the US operations of foreign banking organisations such as CS. Implementation is expected to continue to result in CS incurring additional costs and to affect the way CS conducts its business in the US, including through its US intermediate holding company. Further, current and possible future cross-border tax regulation with extraterritorial effect, such as the US Foreign Account Tax Compliance Act, the Organisation for Economic Co-operation and Development global minimum tax rate levels and rules ("**Pillar Two**") and other bilateral or multilateral tax treaties and agreements on the automatic exchange of information in tax matters, impose detailed reporting obligations and increased compliance and systems-related costs on CS's businesses, and, as concerns the Pillar Two system of global minimum tax, may affect CS's

tax rate. In addition, the US tax reform enacted on 22 December 2017 introduced substantial changes to the US tax system, including the lowering of the corporate tax rate and the introduction of the US base erosion and anti-abuse tax. The Inflation Reduction Act of 2022 made significant changes to US tax law, including the introduction of a corporate alternative minimum tax of 15 per cent. on certain domestic corporations and a 1 per cent. excise tax on stock repurchases by certain domestic corporations. Additionally, implementation of regulations such as the Capital Requirements Directive V (“**CRD V**”) in the EU, FinSA in Switzerland, and other reforms may negatively affect CS’s business activities. Whether or not the FinSA, together with supporting or implementing ordinances and regulations, will be deemed equivalent to the Markets in Financial Instruments Directive (Directive 2014/65/EU) (as amended) (“**MiFID II**”), currently remains uncertain. Swiss banks, including CS, may accordingly be limited from participating in certain businesses regulated by MiFID II. Finally, CS expects that total loss-absorbing capacity (“**TLAC**”) requirements, currently in force in Switzerland, the US and in the UK, as well as in the EU, and which are being finalised in many other jurisdictions, as well as new requirements and rules with respect to the internal total loss-absorbing capacity (“**iTLAC**”) of global systemically important banks and their operating entities, may increase CS’s cost of funding and restrict its ability to deploy capital and liquidity on a global basis as needed once the TLAC and iTLAC requirements are implemented across all relevant jurisdictions.

CS is subject to economic sanctions laws and regulatory requirements of various countries. These laws and regulatory requirements generally prohibit or restrict transactions involving certain countries/territories and parties. CS’s costs of monitoring and complying with frequent, complex and potentially conflicting changes to applicable economic sanctions laws and regulatory requirements have increased and there is an increased risk that CS may not identify and stop prohibited or sanctionable activities before they occur or that it may otherwise fail to comply with economic sanctions laws and regulatory requirements. Any conduct targeted by or in violation of a sanctions programme could subject CS to significant civil and potentially criminal penalties or other adverse consequences. For further information, refer to “*Sanctions developments*” in “*Information on the Company – Regulation and supervision – Recent regulatory developments and proposals – Global initiatives*” in the Annual Report 2022.

The Group expects the financial services industry and its members, including CS, to continue to be affected by the significant uncertainty over the scope and content of regulatory reform in 2023 and beyond, in particular, uncertainty in relation to the future US regulatory agenda, which includes a variety of proposals to change existing regulations or the approach to regulation of the financial industry as well as potential new tax policy and potential changes in regulation following the UK’s withdrawal from the EU and the results of European national elections. In addition, CS faces regulatory and legislative uncertainty in the US and other jurisdictions with respect to climate change and other ESG-related issues, including with respect to any new or changing disclosure requirements, and with respect to data protection and security, including various new and changing regulations addressing the collection, storing, sharing, use, disclosure, disposal and protection of certain types of data, as well as cybersecurity. Changes in laws, rules or regulations, or in their interpretation or enforcement, or the implementation of new laws, rules or regulations, may adversely affect CS’s results of operations, including in ways that may require it to modify its internal policies and practices and incur substantial compliance-related costs and expenses that are likely to increase over time. For further information on related regulations, refer to “*Information on the Company – Regulation and supervision*” in the Annual Report 2022.

Despite CS’s best efforts to comply with applicable laws, rules and regulations, a number of risks remain, including in areas where applicable laws, rules or regulations may be unclear or inconsistent across jurisdictions, where they are enacted with extra-territorial impact or where CS’s global operations mean it is obliged to give effect to local laws and regulations on a wider basis or where governments, regulators or international bodies, organisations or unions revise their previous guidance or courts overturn previous rulings. Additionally, authorities in many jurisdictions have the power to bring administrative or judicial proceedings against CS, which could result in, among other things, suspension or revocation of its licenses, cease and desist orders, fines, civil penalties, criminal penalties, deferred prosecution agreements or other disciplinary action. Such matters have in the past and could in the future materially adversely affect CS’s results of operations and seriously harm its reputation. For a description of the Group’s regulatory regime and a summary of some of the significant regulatory and government reform proposals affecting the financial services industry, refer to “*Information on the Company – Regulation and supervision*” in the Annual Report 2022. For information regarding CS’s current regulatory framework and expected changes to this framework affecting capital and liquidity

standards, refer to “*Liquidity and funding management*” and “*Capital management*”, each in “*III – Treasury, Risk, Balance sheet and Off-balance sheet*” in the Annual Report 2022.

### **8.3. *Damage to CS’s reputation can significantly harm its businesses, including its competitive position and business prospects***

CS suffered reputational harm as a result of the Archegos and SCFF matters and may suffer further reputational harm in the future as a result of these matters or other events. CS also suffered reputational harm as a result of the significant negative outflows of deposits and assets under management in the fourth quarter of 2022. CS’s ability to attract and retain customers, clients, investors and employees, and conduct business transactions with its counterparties, can be adversely affected to the extent its reputation is damaged. Harm to CS’s reputation can arise from various sources, including failures or apparent failures in its procedures and controls to prevent employee misconduct, negligence and fraud, to address conflicts of interest and breach of fiduciary obligations, to produce materially accurate and complete financial and other information, to identify credit, liquidity, operational and market risks inherent in its business or to prevent adverse legal or regulatory actions or investigations. Additionally, CS’s reputation can be harmed by actual or alleged compliance failures, information or security breaches, personal data breaches, cyber incidents, technology failures, challenges to the suitability or reasonableness of its particular trading or investment recommendations or strategies and the activities of its customers, clients, counterparties and third parties. Actions by the financial services industry generally or by certain members or individuals in the industry also can adversely affect CS’s reputation. In addition, CS’s reputation may be negatively impacted by its ESG practices and disclosures, including those related to climate change and any actual or perceived overstatement of the ESG-related benefits of CS’s products and services, and how it addresses ESG concerns in its business activities, or by its clients’ involvement in certain business activities associated with climate change. Adverse publicity or negative information in the media, posted on social media, or otherwise, whether or not factually correct, can also have a material adverse impact on CS’s business prospects and financial results, which risk can be magnified by the speed and pervasiveness with which information is disseminated through those channels.

A reputation for financial strength and integrity is critical to CS’s performance in the highly competitive environment arising from globalisation and convergence in the financial services industry, and its failure to address, or the appearance of it failing to address, these and other issues gives rise to reputational risk that can harm its business, results of operations and financial condition. Failure to appropriately address any of these issues could also give rise to additional regulatory restrictions and legal risks, which may further lead to reputational harm. For further information, refer to “*Reputational risk*” in “*III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management – Risk coverage and management*” in the Annual Report 2022.

### **8.4. *Resolution proceedings and resolution planning requirements may affect CS’s shareholders and creditors***

Pursuant to Swiss banking laws, FINMA has broad powers and discretion in the case of resolution proceedings with respect to a Swiss bank, such as Credit Suisse AG or Credit Suisse (Schweiz) AG (a wholly-owned subsidiary of Credit Suisse AG), and to a Swiss parent company of a financial group, such as CSG. These broad powers include the power to initiate restructuring proceedings with respect to Credit Suisse AG, Credit Suisse (Schweiz) AG or CSG and, in connection therewith, cancel the outstanding equity of the entity subject to such proceedings, convert such entity’s debt instruments and other liabilities into equity and/or cancel such debt instruments and other liabilities, in each case, in whole or in part, and stay (for a maximum of two business days) certain termination and netting rights under contracts to which such entity is a party, as well as the power to order protective measures, including the deferment of payments, and institute liquidation proceedings with respect to Credit Suisse AG, Credit Suisse (Schweiz) AG or CSG. The scope of such powers and discretion and the legal mechanisms that would be applied are subject to development and interpretation.

The Group is currently subject to resolution planning requirements in Switzerland, the US, the EU and the UK and may face similar requirements in other jurisdictions. If a resolution plan is determined by the relevant authority to be inadequate, relevant regulations may allow the authority to place limitations on the scope or size of the Group’s business in that jurisdiction, require the Group to hold higher amounts of capital or liquidity, require the Group to divest assets or subsidiaries or to change its legal structure or business to remove the relevant impediments

to resolution. For a description of the current resolution regime under Swiss, US, EU and UK banking laws as they apply to the Group, refer to “*Switzerland – Resolution regime*”, “*US – Resolution regime*”, “*EU – Resolution regime*” and “*UK – Resolution regime*”, each in “*I – Information on the Company – Regulation and supervision – Regulatory framework*” in the Annual Report 2022.

#### **8.5. Changes in monetary policy are beyond CS’s control and difficult to predict**

CS is affected by the monetary policies adopted by the central banks and regulatory authorities of Switzerland, the US and other countries. The actions of the SNB and other central banking authorities directly impact CS’s cost of funds for lending, capital raising and investment activities and may impact the value of financial instruments CS holds and the competitive and operating environment for the financial services industry. Many central banks, including the Fed and the ECB, have implemented significant changes to their monetary policy or have experienced significant changes in their management and may implement or experience further changes. CS cannot predict whether these changes will have a material adverse effect on CS or its operations. In addition, changes in monetary policy may affect the credit quality of CS’s customers. Any changes in monetary policy are beyond CS’s control and difficult to predict.

#### **8.6. Legal restrictions on CS’s clients may reduce the demand for CS’s services**

CS may be materially affected not only by regulations applicable to it as a financial services company, but also by regulations and changes in enforcement practices applicable to its clients. CS’s business could be affected by, among other things, existing and proposed tax legislation, antitrust and competition policies, corporate governance initiatives and other governmental regulations and policies, and changes in the interpretation or enforcement of existing laws and rules that affect business and the financial markets. For example, focus on tax compliance and changes in enforcement practices could lead to further asset outflows from CS’s wealth management businesses.

### **9. Competition**

#### **9.1. CS faces intense competition**

CS faces intense competition in all sectors of the financial services markets and for the products and services it offers. Consolidation through mergers, acquisitions, alliances and cooperation, including as a result of financial distress, has increased competitive pressures. Competition is based on many factors, including the products and services offered, pricing, distribution systems, customer service, brand recognition, perceived financial strength and the willingness to use capital to serve client needs. Consolidation has created a number of firms that, like CS, have the ability to offer a wide range of products and services, from loans and deposit taking to brokerage, investment banking and asset management services. Some of these firms may be able to offer a broader range of products than CS does, or offer such products at more competitive prices. In addition, current market conditions have had a fundamental impact on client demand for products and services. Some new competitors in the financial technology sector, including nonbank entities, have sought to target existing segments of CS’s businesses that could be susceptible to disruption by innovative or less regulated business models and lead to a loss of market share for traditional banks. Emerging technology, including robo-advising services, digital asset services and other financial products and services, may also result in further competition in the markets in which CS operates, for example, by allowing e-commerce firms or other companies to provide products and services similar to CS’s at a lower price or in a more competitive manner in terms of customer convenience. CS may face a competitive disadvantage if these services or its other competitors are subject to different and, in certain cases, less restrictive legal and/or regulatory requirements. CS can give no assurance that its results of operations will not be adversely affected.

#### **9.2. CS must recruit and retain highly skilled employees**

CS’s performance is largely dependent on the talents and efforts of highly skilled individuals. Competition for qualified employees is intense and the hiring market in the financial services and other industries has been and is expected to continue to be extremely competitive. In addition, the impact of COVID-19 on evolving workforce norms, practices and expectations, as well as persistent labour shortages, could adversely affect CS’s ability to recruit and retain employees. Employee performance or CS’s control environment could be impacted by an increase in the

usage of hybrid work models, but at the same time, reducing or discontinuing hybrid work models could have an adverse effect on CS's employee recruitment and retention efforts. CS has devoted considerable resources to recruiting, training and compensating employees. CS's continued ability to compete effectively in its businesses depends on its ability to attract new employees and to retain and motivate its existing employees. The failure to attract and/or retain highly qualified employees could also have a negative impact on CS's ability to comply with its legal and compliance obligations. The continued public focus on compensation practices in the financial services industry, and related regulatory changes, may have an adverse impact on CS's ability to attract and retain highly skilled employees. In particular, limits on the amount and form of executive compensation imposed by existing or future legislation, including the Swiss Code of Obligations and the Capital Requirements Directive V in the EU and the UK, could potentially have an adverse impact on CS's ability to retain certain of its most highly skilled employees and hire new qualified employees in certain businesses. Additionally, the anticipated changes in the Group as part of its strategic initiatives announced on 27 October 2022, can also negatively impact CS's ability to hire and retain highly qualified employees, including due to any changes or reductions in compensation. Any matters impacting CS's financial results or reputation can negatively impact its ability to retain employees and recruit new talent as well as reduce employee morale. Competitors may also seize upon these negative developments to hire some of CS's employees. For example, CS has experienced high attrition, attributable at least in part to the challenges the Group has been facing in recent years.

If CS is unable to attract and/or retain highly qualified employees across its businesses, this may have a material adverse effect on its ability to implement its strategic initiatives and on its results of operations and financial condition. Cost-cutting measures and headcount reductions could contribute to these concerns.

### **9.3. CS faces competition from new technologies**

CS's businesses face competitive challenges from new technologies, including new trading technologies and trends towards direct access to automated and electronic markets with low or no fees and commissions, and the move to more automated trading platforms. Such technologies and trends may adversely affect CS's commission and trading revenues, exclude its businesses from certain transaction flows, reduce its participation in the trading markets and the associated access to market information and lead to the establishment of new and stronger competitors. CS has made, and may continue to be required to make, significant additional expenditures to develop and support new trading systems or otherwise invest in technology to maintain its competitive position.

The evolution of internet-based financial solutions has also facilitated growth in new technologies, including distributed ledgers, such as digital assets and blockchain, which may disrupt the financial services industry and require CS to commit further resources to adapt its products and services. Wider adoption of such emerging technologies may also increase CS's costs for complying with evolving laws, rules and regulations, and if CS is not timely or successful in adapting to evolving consumer or market preferences, CS's business and results of operations may be adversely affected. Additionally, as CS develops new products and services that involve emerging technologies, CS may face new risks if they are not designed and governed adequately.

#### **Amendments to the section headed "General Information—5. Significant and Material Change" in the Registration Document**

The three paragraphs in the section of the Registration Document headed "*General Information—5. Significant and Material Change—EU Registration Document*" (page 40) are hereby amended and restated as follows:

Apart from the potential consequences and outcomes of the matters disclosed in the section headed "Credit Suisse" in the Earnings Release 1Q23, there has been no significant change in the financial performance of CS and its consolidated subsidiaries since 31 March 2023.

Apart from the potential consequences and outcomes of the matters disclosed in the section headed "Credit Suisse" in the Earnings Release 1Q23, there has been no significant change in the financial position of CS and its consolidated subsidiaries since 31 March 2023.

Apart from the potential consequences and outcomes of the matters disclosed in the section

headed “Credit Suisse” in the Earnings Release 1Q23, there has been no material adverse change in the prospects of CS and its consolidated subsidiaries since 31 December 2022.

The paragraph in the section of the Registration Document headed “*General Information—5. Significant and Material Change—Swiss Registration Document*” (page 40) is hereby amended and restated as follows:

Except as otherwise disclosed in this Registration Document (as supplemented), no material changes have occurred in CS’s assets and liabilities, financial position or profits and losses since 31 March 2023.

**Amendments to the section headed “General Information—6. Names and Addresses of Directors and Executives” in the Registration Document**

The information on the Board of Directors under the section headed “*General Information—6. Names and Addresses of Directors and Executives*”, on pages 40 to 55 of the Registration Document, is hereby amended to include the following information:

As a result of the announced planned merger between CSG and UBS, certain members of the Board of Directors of CSG and CS did not stand for re-election. The members of the Board of Directors\* who were re-elected for a term until the closing of the planned merger, representing the current composition of the Board of Directors of CS, are:

<b>Member and Business Address</b>	<b>Function</b>	<b>Current principal activities outside CS and CSG</b>
Axel P. Lehmann  Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland	Chairman of the Board of Directors	Swiss Bankers Association (SBA), Board Member, Board of Directors Committee Member and Audit Committee Member; Swiss Finance Council (SFC), Board Member; Institute of International Finance (IIF), Board Member; European Financial Services Round Table (EFR), Board Member; University of St. Gallen (HSG), Adjunct Professor and International Advisory Board Member; Institute of Insurance Economics at the University of St. Gallen (I.VW), Chairman of the Executive Board; Swiss-American Chamber of Commerce, Member.
Mirko Bianchi  Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland	Member of the Board of Directors	GSTS -Gui Sheng Tang Sinomedica Holding SA, Board Member; European Audit Committee Leadership Network, Member.
Iris Bohnet  Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland	Member of the Board of Directors	Publicis Groupe, (listed company), Diversity Progress Council Member; Economic Dividends for Gender Equality (EDGE), Advisory Board Member; We Shape Tech, Advisory Board Member; Women in Banking and Finance, Patron; UK Government Equalities Office/BIT, Advisor.

<p>Clare Brady</p> <p>Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland</p>	<p>Member of the Board of Directors</p>	<p>Fidelity Asian Values PLC (listed company), Non-Executive Director, Senior Independent Director and Member of the Audit Committee, the Management Engagement Committee and the Nominations Committee; The Golden Charter Trust and the Golden Charter Trust Limited, Trustee and Non-Executive Director (resp.), Member of the Audit Committee and Nominations and Remuneration Committee; International Federation of Red Cross and Red Crescent Societies (IFRC), Member of the Audit and Risk Commission.</p>
<p>Christian Gellerstad</p> <p>Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland</p>	<p>Member of the Board of Directors, Vice-Chair and Lead Independent Director</p>	<p>Investis Holding SA, (Listed company) Board Member; Elatior SA, Chairman; Nubica SA, Board Member; FAVI SA, Board Member; AFICA SA, Board Member; Tsampéhro SA, Board Member; Lucerne Festival, Member of the Board of Trustees; Fondation G-F. Barras European Masters, Member of the Board of Trustees.</p>
<p>Keyu Jin</p> <p>Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland</p>	<p>Member of the Board of Directors</p>	<p>Alnovation Technology Group (listed company), Non-Executive Director; Richemont Group (listed company), Non-Executive Director; Stanhope-Forbes Family Trust, Non-Executive Director.</p>
<p>Amanda (Mandy) Norton</p> <p>Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland</p>	<p>Member of the Board of Directors</p>	<p>Risk Management Association, Director and Member of the Executive Committee; The Nature Conservancy, North Carolina Chapter, Trustee.</p>

\*As of the date hereof, the composition of the Board of Directors of CSG and the Board of Directors of CS is identical.

There are no conflicts of interest between the private interests or other duties of the members of the Board of Directors listed above and their respective duties to CS.

**Amendments to the section headed “General Information—10. Legal and Arbitration Proceedings” in the Registration Document**

The paragraph in the section of the Registration Document headed “General Information—10. Legal and Arbitration Proceedings—EU Registration Document” (page 65) is hereby amended and restated as follows:

Except as disclosed under the heading “Litigation” in note 40 to the consolidated financial



statements of CSG on 389 to 400 (pages 411 to 422 of the PDF file) of the Form 20-F Dated 14 March 2023, there are no, and have not been during the period of 12 months ending on the date of this Fifth Supplement, governmental, legal or arbitration proceedings which may have, or have had in the recent past, significant effects on CS's financial position or profitability, and CS is not aware of any such proceedings being either pending or threatened.

The section of the Registration Document headed "*General Information—10. Legal and Arbitration Proceedings—Swiss Registration Document*" (page 65) is hereby amended and restated as follows:

Except as otherwise disclosed in the Registration Document (as supplemented), including the documents incorporated therein by reference, there are no pending or threatened court, arbitral or administrative proceedings of which CS is aware that are of material importance to CS's assets and liabilities or profits and losses.

### **Appendix 1**

The information included in Appendix 1 hereto (i) amends and restates in its entirety the section headed "*APPENDIX 1 – INFORMATION FOR THE PURPOSES OF ART. 26(4) OF THE REGULATION (EU) 2017/1129*" in the EU Registration Document, and (ii) does not form part of the Swiss Registration Document and has neither been approved nor reviewed by the Swiss Reviewing Body.

### **General**

This Fifth Supplement and the documents incorporated by reference into the Registration Document by this Fifth Supplement have been filed with the CSSF and the Swiss Reviewing Body, and copies of the Registration Document, the Existing Supplements and this Fifth Supplement and the documents incorporated by reference into the Registration Document (as supplemented by the Existing Supplements and this Fifth Supplement) will be available, free of charge, (i) in electronic form on the website of the Luxembourg Stock Exchange at [www.luxse.com](http://www.luxse.com), and on CS's website at <https://www.credit-suisse.com/about-us/en/investor-relations/financial-regulatory-disclosures/regulatory-disclosures/company-registration-documents.html>, and (ii) in printed form during normal business hours from CS at its registered head office at Paradeplatz 8, 8001 Zurich, Switzerland.

Except for the copies of the documents incorporated by reference into the Registration Document as supplemented by the Existing Supplements and this Fifth Supplement that are available on the Luxembourg Stock Exchange website ([www.luxse.com](http://www.luxse.com)) or CS's website, no information contained on the websites to which links have been provided is incorporated by reference in the Registration Document.

Save as disclosed in the Existing Supplements and this Fifth Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Registration Document has arisen or been noted, as the case may be, since the publication of the Registration Document.

In accordance with Article 23(2) of Regulation (EU) 2017/1129, investors (excluding investors in Switzerland) who have already agreed to purchase or subscribe for securities pursuant to the prospectuses listed in Schedule 1 hereto before this Fifth Supplement is published have the right, exercisable within two working days after the publication of this Fifth Supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in Article 23(1) of Regulation (EU) 2017/1129 arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first. In connection therewith, investors should contact (i) in the case of prospectuses listed in section 1, CS at its head office at Paradeplatz 8, 8001 Zurich, Switzerland; and (ii) in the case of prospectuses listed in section 2, the Distributor (as defined in the relevant prospectus) of such securities. The final date of the right of withdrawal will be 23 May 2023.

### **Responsibility Statement**

#### **EU Registration Document**

CS takes responsibility for the Registration Document, as supplemented by the Existing

Supplements and this Fifth Supplement. Having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document, as supplemented by the Existing Supplements and this Fifth Supplement, is, to the best knowledge of CS, in accordance with the facts and contains no omission likely to affect its import.

Swiss Registration Document

CS accepts responsibility for the Registration Document, as supplemented by the Existing Supplements and this Fifth Supplement, and declares that the information contained in the Registration Document, as supplemented by the Existing Supplements and this Fifth Supplement is, to the best of its knowledge, correct and no material facts or circumstances have been omitted therefrom.

This Fifth Supplement is not for use in, and may not be delivered to or inside, the United States save where it is incorporated into or referred to in securities offering documentation issued by CS which may be delivered to or inside, the United States.

**SCHEDULE 1 – LIST OF PROSPECTUSES TO WHICH THIS  
SUPPLEMENT RELATES**

**Section 1**

<b>Name</b>	<b>Approving Authority</b>	<b>File Number</b>
Securities Note for the issuance of Yield Enhancement Products of Credit Suisse AG dated 20 June 2022 constituting a base prospectus together with the Registration Document.	BaFin  SIX Prospectus Office	Prospekt ID: 42337550  Prospekt ID: ZA12-00000004M4X8
Securities Note for the issuance of Participation Products of Credit Suisse AG dated 20 June 2022 constituting a base prospectus together with the Registration Document.	BaFin  SIX Prospectus Office	Prospekt ID: 42688423  Prospekt ID: ZA12-000000004MHX6
Securities Note for the issuance by Credit Suisse AG of Complex Products with a Minimum Redemption Amount dated 20 June 2022 constituting a base prospectus together with the Registration Document.	BaFin  SIX Prospectus Office	Prospekt ID: 42709800  Prospekt ID: ZA12-000000004N7H3
Securities Note for the issuance of Mini-Futures of Credit Suisse AG dated 22 June 2022 constituting a base prospectus together with the Registration Document.	BaFin  SIX Prospectus Office	Prospekt ID: 44205857  Prospekt ID: ZA12-000000004N829
Securities Note for the issuance of Warrants of Credit Suisse AG dated 22 June 2022 constituting a base prospectus together with the Registration Document.	BaFin  SIX Prospectus Office	Prospekt ID: 44210956  Prospekt ID: ZA12-000000004N750
Securities Note for the issuance of Fixed Income Products of Credit Suisse AG dated 21 June 2022 constituting a base prospectus together with the Registration Document.	BaFin  SIX Prospectus Office	Prospekt ID: 43232796  Prospekt ID: ZA12-000000004LRU7

**Section 2**

<b>Name</b>	<b>Approving Authority</b>	<b>File Number</b>
Securities Note comprising part of the Trigger Redeemable and Phoenix Securities Base Prospectus dated 7 July 2022.	CSSF	C-027444
Securities Note comprising part of the Preference Share-Linked Securities (Andrea Preference Share-Linked Securities) Base Prospectus dated 8 July 2022.	CSSF	C-027502
Securities Note comprising part of the Put and Call Securities Base Prospectus dated 13 July 2022.	CSSF	C-027531
Securities Note comprising part of the Reverse Convertible and Worst of Reverse Convertible Securities Base Prospectus dated 14 July 2022.	CSSF	C-027553
Securities Note comprising part of the Bonus and Participation Securities Base Prospectus dated 15 July 2022.	CSSF	C-027558
Securities Note comprising part of the Credit Suisse AG French Law Programme for the Issuance of Notes dated 29 July 2022.	AMF	Approval number: 22-329

**Section 3**

<b>Name</b>	<b>Approving Authority</b>	<b>File Number</b>
Securities Note comprising part of the Credit-linked Securities Base Prospectus dated 8 February 2023.	CSSF	C-028217

## APPENDIX 1 – INFORMATION FOR THE PURPOSES OF ART. 26(4) OF THE REGULATION (EU) 2017/1129

This Appendix forms part of the EU Registration Document only. This Appendix does not form part of the Swiss Registration Document approved by the Swiss Reviewing Body under the FinSA and has neither been approved nor reviewed by the Swiss Reviewing Body.

Binding English language version:

<b>KEY INFORMATION ON THE ISSUER</b>				
<b>Who is the Issuer of the Securities?</b>				
<b>Domicile and legal form, law under which the Issuer operates and country of incorporation</b>				
Credit Suisse AG (“CS”) (LEI: ANGGYXNX0JLX3X63JN86) is incorporated under Swiss law as a corporation ( <i>Aktiengesellschaft</i> ) and domiciled in Zurich, Switzerland and operates under Swiss law.				
<b>Issuer’s principal activities</b>				
The principal activities of CS are the provision of financial services in the areas of private banking, investment banking and asset management.				
<b>Major shareholders, including whether it is directly or indirectly owned or controlled and by whom</b>				
CS is wholly owned by Credit Suisse Group AG.				
<b>Key managing directors</b>				
The key managing directors of the issuer are members of the issuer’s Executive Board. These are: Ulrich Körner (Chief Executive Officer), Francesco De Ferrari, Markus Diethelm, Christine Graeff, Joanne Hannaford, Dixit Joshi, Edwin Low, Francesca McDonagh, Nita Patel and David Wildermuth.				
<b>Statutory auditors</b>				
CS’s independent auditor and statutory auditor for the fiscal years ending 31 December 2022, 31 December 2021 and 31 December 2020 was PricewaterhouseCoopers AG, Birchstrasse 160 8050 Zurich, Switzerland.				
CS has mandated BDO AG, Fabrikstrasse 50, 8031 Zurich, as special auditor for the purposes of issuing the legally required report for capital increases in accordance with Article 652f of the Swiss Code of Obligations.				
<b>What is the key financial information regarding the Issuer?</b>				
CS derived the key financial information included in the tables below as of and for the years ended 31 December 2022, and 2021 from the Annual Report 2022, except where noted. CS derived the key financial information included in the tables below as of and for the periods ended 31 March 2023 and 31 March 2022 from the Form 6-K Dated 24 April 2023, which contains the Earnings Release 1Q23 attached as an exhibit thereto, except where noted. The consolidated financial statements were prepared in accordance with accounting principles generally accepted in the US (US GAAP) and are stated in Swiss francs (CHF).				
<b>CS consolidated statements of operations</b>				
<b>(CHF million)</b>	<b>As of 31 March 2023 (unaudited)</b>	<b>As of 31 March 2022 (unaudited)</b>	<b>Year ended 31 December 2022 (audited)</b>	<b>Year ended 31 December 2021 (audited)</b>
Net revenues	17,630	4,443	15,213	23,042
Of which: Net interest income	984	1,465	5,397	5,925
Of which: Commissions and fees	1,733	2,590	8,861	13,180
Of which: Trading revenues	(20)	(55)	(525)	2,371
Provision for credit losses	82	(110)	15	4,209
Total operating expenses	5,735	5,056	18,529	18,924
Of which: Commission expenses	207	298	1,012	1,243
Income/(loss) before taxes	11,813	(503)	(3,331)	(91)
Net income/(loss) attributable to shareholders	11,517	(330)	(7,273)	(929)
<b>CS consolidated balance sheets</b>				
<b>(CHF million)</b>	<b>As of 31 March 2023 (unaudited)</b>	<b>As of 31 December 2022 (audited)</b>	<b>As of 31 December 2021 (audited)</b>	

Total assets	538,568	530,039	759,214
Of which: Net loans	265,221	268,104	300,358
Of which: Brokerage receivables	4,851	13,818	16,689
Total liabilities	482,036	481,563	711,127
Of which: Customer deposits	167,209	234,554	393,841
Of which: Short-term borrowings	120,026	14,489	25,336
Of which: Long-term debt	145,269	150,661	160,695
Of which: Brokerage payables	2,682	11,442	13,062
Total equity	56,532	48,476	48,087
Of which: Total shareholders' equity	55,947	47,871	47,390
<b>Metrics (in %)</b>			
Swiss CET1 ratio	*	16.4	16.5
Swiss TLAC ratio	*	39.1	37.5
Swiss TLAC leverage ratio	*	15.0	11.2

\*not published as of the date hereof

### What are the key risks that are specific to the Issuer?

The Issuer is subject to the following key risks:

1. The merger previously announced with UBS Group AG is subject to closing conditions that, if not satisfied or, to the extent waivable, waived, would result in the merger not being completed, which could seriously jeopardise the Group's financial viability and raise substantial doubt about the Group's ability to continue as a going concern. Until the merger is consummated, the risks to the Group's business and operations are exacerbated.
2. Liquidity risk arising from potential inability to borrow or access the capital markets on suitably favourable terms (including due to further adverse changes in its credit ratings) or to sell its assets. This may also arise from increased liquidity costs and utilisation of liquidity buffers. CS relies significantly on its deposit base, which may not continue to be a stable source of funding over time. CS has also experienced, and may continue to experience, deposit outflows at levels that substantially exceed rates typically incurred, significant withdrawals of cash deposits, non-renewal of maturing time deposits and net outflows in assets under management. CS has suffered reputational harm as a result of the significant negative outflows of deposits and assets under management.
3. Risks arising from the suspension and ongoing liquidation of certain supply chain finance funds and the failure of a US-based hedge fund to meet its margin commitments (and CS's exit from its positions relating thereto), in respect of which a number of regulatory and other inquiries, investigations, enforcement and other actions have been initiated or are being considered, including litigation and criminal complaints. In addition, there are risks arising from the impact of market fluctuations and volatility on CS's investment activities (against which its hedging strategies may not prove effective).

CS is also exposed to other unfavourable economic, monetary, political, geopolitical, legal, regulatory and other developments, including the risk of global recession, any escalation of tensions between China and Taiwan, or protraction or escalation of the conflict related to Russia's invasion of Ukraine, as a result of which the United States, European Union, United Kingdom and other countries have imposed, and may further impose, financial and economic sanctions and export controls targeting certain Russian entities, individuals and/or sectors (such that CS may face additional restrictions (including any Russian countermeasures) on engaging with certain consumer and/or institutional businesses), and which could lead to regional and/or global instability, as well as adversely affect financial markets or economic conditions. In addition, there are uncertainties regarding the discontinuation of benchmark rates. CS's significant positions in the real estate sector, and other large and concentrated positions, can also expose it to larger losses. Many of these market risk factors, including the impact of COVID-19, may increase other risks, including CS's credit risk exposures, which exist across a large variety of transactions and counterparties and in respect of which it may have inaccurate or incomplete information. These are exacerbated by adverse economic conditions and market volatility, including as a result of any defaults by large financial institutions (or any concerns relating thereto).

4. On 27 October 2022, CS announced a comprehensive new strategic direction and significant changes to its structure and organisation. CS's goals, its strategy for implementing them, and the completion of the announced measures are based on a number of key assumptions, including in relation to the future economic environment and the economic growth of certain geographic regions, the regulatory landscape, its ability to meet certain financial goals, and the confidence of clients, counterparties, employees and other stakeholders, including regulatory authorities, in this strategy and in CS's ability to implement it. Furthermore, many of the factors that could affect these assumptions are beyond CS's control, including but not limited to market and economic conditions, changes in laws, rules or regulations, execution risk related to the implementation of its strategy and other challenges. A failure to reverse the outflows and to restore CS's assets under management and deposits following the developments in the fourth quarter of 2022 and first quarter of 2023, could also negatively affect CS's ability to achieve its strategic objectives, including as to its capital position. This might be limited by restrictions on capital payments from subsidiaries as a result of regulatory, tax or other constraints. If CS is unable to implement its strategy successfully in whole or in part, or should the strategic initiatives once implemented fail to produce the expected benefits, CS's financial results and its share

price may be materially and adversely affected. CS's proposed goals may also increase its exposure to certain risks, including but not limited to credit risks, market risks, liquidity risks, operational risks and regulatory risks, and such risks may evolve in a way that is not under CS's control or entirely possible to predict. CS's strategy involves exiting certain businesses, and CS anticipates that revenues and income for the Investment Bank in particular will be materially reduced as a result. CS's ability to attract and retain clients, as well as its ability to hire and retain highly qualified employees, also may be adversely affected by these changes. CS anticipates that the implementation of its strategy may result in further impairments and write-downs, including in relation to goodwill and the revaluation of its deferred tax assets, which may have a material adverse effect on its results of operations and financial condition. In addition, implementing certain measures will entail the incurrence of significant restructuring expenses, including software and real estate impairments. In addition, country, regional and political risk in the regions in which CS has clients or counterparties, may affect their ability to perform their obligations to CS. In part because an element of CS's strategy is to increase CS's wealth management businesses in emerging market countries, it may face increased exposure to economic, financial and political disruptions in those countries, which could result in significant losses. Related fluctuations in exchange rates for currencies (particularly for the US dollar) may also adversely affect CS.

5. A wide variety of operational risks arising from inadequate or failed internal processes, people, operational system failures or disruptions, including material weaknesses that CS has identified in its internal control over financial reporting as of 31 December 2022 and 2021, or from external events, including data breaches, cybersecurity and other failures of information technology (whether by CS or a third party with which CS shares information). CS relies heavily on financial, accounting and other data processing systems, which are varied and complex, and CS may continue to face additional technology risks due to the global nature of its operations and reliance on cloud technologies. CS is thereby exposed to risks arising from human error, negligence, employee misconduct (including errors in judgement, fraud, malice, and/or engaging in violations of applicable laws, rules, policies or procedures), accidental technology failure, cyber-attack and information or security breaches. This also exposes CS to risk from non-compliance with existing policies or regulations. Protecting against threats to CS's cybersecurity and data protection systems requires significant financial and human resources. Cybersecurity risks have also significantly increased in recent years in part due to the growing number and increasingly sophisticated activities of malicious cyber actors. CS continues to be an increasingly attractive target for cyber threat actors due in large part to the highly valuable critical data processed by financial services institutions, leading to heightened cybersecurity and information technology risks, including risks of cyber-attacks and other hacking incidents. The vulnerability and likelihood of damage to CS's information technology systems as a result of a cybersecurity incident has also increased because of the shift to remote working for CS's employees. CS's existing risk management procedures and policies may not be fully effective in mitigating its risk exposures in all economic market environments or against all types of risk, including risks that CS fails to identify, anticipate or mitigate, in whole or in part, which may result in unexpected, material losses. In addition, inadequacies or lapses in CS's risk management procedures, policies, tools, metrics and modelling can require significant resources and time to remediate, lead to non-compliance with laws, rules and regulations and attract heightened regulatory scrutiny, exposing CS to regulatory investigations or legal proceedings and subjecting it to litigation or regulatory fines, penalties or other sanctions, or capital surcharges or add-ons, as well as reputational damage. Moreover, CS's actual results may differ materially from its estimates and valuations, which are based upon judgement and available information and rely on predictive models and processes. The same is true of CS's accounting treatment of off-balance sheet entities, including special purpose entities, which requires it to exercise significant management judgement in applying accounting standards.

In addition, physical and transition climate risks could have a financial impact on CS either directly, through its physical assets, costs and operations, or indirectly, through its financial relationships with its clients. Given the growing volume of nascent climate and sustainability-related laws, rules and regulations, increasing demand from various stakeholders for environmentally sustainable products and services and regulatory scrutiny, CS may be subject to increasing litigation, enforcement and contract liability risks in connection with climate change, environmental degradation and other environmental social and governance ("ESG") related issues. In addition, CS's reputation and client relationships may be negatively impacted by its ESG practices and disclosures, including those related to climate change, any actual or perceived overstatement of the ESG-related benefits of its products and services, or as a result of negative public sentiment, regulatory scrutiny or reduced investor and stakeholder confidence due to CS's response to climate change and its climate change strategy.

6. CS's exposure to legal risks is significant and difficult to predict and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms continues to increase in many of the principal markets in which CS operates. CS's business is highly regulated, and existing, new or changed laws, rules and regulations (including an evolving and complex set of sanctions regimes) and monetary policy applicable to CS (as well as regulations and changes in enforcement practices applicable to its clients) may adversely affect its business and ability to execute its strategic plans and increase costs (including substantial compliance-related costs), as well as impact the demand from clients for CS's services. In addition, CS faces regulatory and legislative uncertainty in the US and other jurisdictions with respect to climate change and other ESG-related issues, data protection, security and cybersecurity, including with respect to any new or changing disclosure requirements. Moreover, CS's ability to attract and retain customers, clients, investors and employees, and conduct business transactions with its counterparties, could be adversely affected to the extent its reputation is damaged, which could arise from various sources, including if its procedures and controls fail (or appear to fail). In addition, Swiss resolution proceedings may affect CS's shareholders and creditors.

7. CS faces intense competition in all financial services markets, from competitors (including new and nonbank entities) and emerging technologies. New technologies, including distributed ledgers, such as digital assets and blockchain, may disrupt the financial services industry and require CS to commit further resources to adapt its products and services. In this highly competitive environment, CS's performance is affected by its ability to recruit and retain highly skilled employees, which could also have a negative impact on its ability to comply with its legal and compliance obligations, its ability to implement its strategic initiatives and its results of operation and financial condition. Cost-cutting measures and headcount reductions could contribute to these concerns.