

# VII

## **Consolidated financial statements – Credit Suisse (Bank)**

- 375 Report of the Statutory Auditor**
- 377 Consolidated financial statements**
- 384 Notes to the consolidated financial statements**  
(see the following page for a detailed list)
- 459 Controls and procedures**
- 460 Report of the Independent  
Registered Public Accounting Firm**

## Consolidated financial statements

377	Consolidated statements of operations
377	Consolidated statements of comprehensive income
378	Consolidated balance sheets
380	Consolidated statements of changes in equity
382	Consolidated statements of cash flows

## Notes to the consolidated financial statements

384	1	Summary of significant accounting policies	403	22	Deposits
385	2	Recently issued accounting standards	404	23	Long-term debt
385	3	Business developments and subsequent events	405	24	Accumulated other comprehensive income
385	4	Discontinued operations	406	25	Offsetting of financial assets and financial liabilities
387	5	Segment information	408	26	Tax
388	6	Net interest income	412	27	Employee deferred compensation
389	7	Commissions and fees	415	28	Related parties
389	8	Trading revenues	416	29	Pension and other post-retirement benefits
389	9	Other revenues	423	30	Derivatives and hedging activities
390	10	Provision for credit losses	427	31	Guarantees and commitments
390	11	Compensation and benefits	431	32	Transfers of financial assets and variable interest entities
390	12	General and administrative expenses	435	33	Financial instruments
391	13	Securities borrowed, lent and subject to repurchase agreements	454	34	Assets pledged and collateral
391	14	Trading assets and liabilities	455	35	Capital adequacy
392	15	Investment securities	456	36	Litigation
393	16	Other investments	456	37	Significant subsidiaries and equity method investments
394	17	Loans, allowance for loan losses and credit quality	458	38	Significant valuation and income recognition differences between US GAAP and Swiss GAAP banking law (true and fair view)
401	18	Premises and equipment		39	Risk assessment
401	19	Goodwill			
402	20	Other intangible assets			
403	21	Other assets and other liabilities			



**KPMG AG**  
**Audit Financial Services**  
Badenerstrasse 172  
CH-8004 Zurich

Postfach  
CH-8026 Zurich

Telefon +41 58 249 31 31  
Telefax +41 58 249 44 06  
Internet [www.kpmg.ch](http://www.kpmg.ch)

Report of the Statutory Auditor on the Consolidated Financial Statements to the General Meeting of Shareholders of

**Credit Suisse AG, Zurich**

---

As statutory auditor, we have audited the accompanying consolidated financial statements of Credit Suisse AG and subsidiaries (the "Bank"), which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of operations, changes in equity, comprehensive income and cash flows, and notes for each of the years in the three-year period ended December 31, 2013.

*Board of Directors' Responsibility*

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Swiss law and Swiss Auditing Standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements give a true and fair view of the financial position as of December 31, 2013 and 2012, and the results of operations and cash flows for each of the years in the three-year period ended December 31, 2013, in accordance with U.S. generally accepted accounting principles and comply with Swiss law.



### Report on Other Legal and Regulatory Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) (Switzerland) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

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

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Bank's internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control – Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated April 3, 2014 expressed an unqualified opinion on the effectiveness of the Bank's internal control over financial reporting.

KPMG AG

A handwritten signature in black ink, appearing to read 'S. Ryder'.

Simon Ryder  
*Licensed Audit Expert  
Auditor in Charge*

A handwritten signature in black ink, appearing to read 'Anthony Anzevino'.

Anthony Anzevino  
*Global Lead Partner*

Zurich, Switzerland  
April 3, 2014

# Consolidated financial statements

## Consolidated statements of operations

	Reference to notes	2013	2012	in 2011
<b>Consolidated statements of operations (CHF million)</b>				
Interest and dividend income	6	19,021	21,544	22,411
Interest expense	6	(11,306)	(14,734)	(16,404)
Net interest income	6	7,715	6,810	6,007
Commissions and fees	7	13,058	12,549	12,360
Trading revenues	8	2,764	1,329	4,741
Other revenues	9	1,793	2,490	1,745
<b>Net revenues</b>		<b>25,330</b>	<b>23,178</b>	<b>24,853</b>
<b>Provision for credit losses</b>	10	<b>93</b>	<b>88</b>	<b>123</b>
Compensation and benefits	11	11,187	12,219	12,976
General and administrative expenses	12	8,654	7,204	7,328
Commission expenses		1,726	1,685	1,915
Total other operating expenses		10,380	8,889	9,243
<b>Total operating expenses</b>		<b>21,567</b>	<b>21,108</b>	<b>22,219</b>
<b>Income from continuing operations before taxes</b>		<b>3,670</b>	<b>1,982</b>	<b>2,511</b>
Income tax expense	26	1,177	447	444
<b>Income from continuing operations</b>		<b>2,493</b>	<b>1,535</b>	<b>2,067</b>
Income/(loss) from discontinued operations, net of tax	4	145	(40)	(25)
<b>Net income</b>		<b>2,638</b>	<b>1,495</b>	<b>2,042</b>
Net income/(loss) attributable to noncontrolling interests		860	(600)	901
<b>Net income/(loss) attributable to shareholder</b>		<b>1,778</b>	<b>2,095</b>	<b>1,141</b>
of which from continuing operations		1,633	2,135	1,166
of which from discontinued operations		145	(40)	(25)

## Consolidated statements of comprehensive income

		2013	2012	in 2011
<b>Comprehensive income (CHF million)</b>				
Net income		2,638	1,495	2,042
Gains/(losses) on cash flow hedges		2	7	(32)
Foreign currency translation		(2,215)	(1,233)	(293)
Unrealized gains/(losses) on securities		(18)	(43)	(3)
Actuarial gains/(losses)		(43)	58	142
Net prior service credit/(cost)		0	(1)	(1)
Other comprehensive income/(loss), net of tax		(2,274)	(1,212)	(187)
<b>Comprehensive income</b>		<b>364</b>	<b>283</b>	<b>1,855</b>
<b>Comprehensive income/(loss) attributable to noncontrolling interests</b>		<b>824</b>	<b>(811)</b>	<b>940</b>
<b>Comprehensive income attributable to shareholder</b>		<b>(460)</b>	<b>1,094</b>	<b>915</b>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

## Consolidated balance sheets

	Reference to notes	2013	end of 2012
<b>Assets (CHF million)</b>			
Cash and due from banks		68,077	61,376
of which reported at fair value		527	569
of which reported from consolidated VIEs		952	1,750
Interest-bearing deposits with banks		3,385	3,719
of which reported at fair value		311	627
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	13	160,013	183,446
of which reported at fair value		96,587	113,664
of which reported from consolidated VIEs		1,959	117
Securities received as collateral, at fair value		22,800	30,045
of which encumbered		17,964	17,767
Trading assets, at fair value	14	229,736	256,602
of which encumbered		72,976	70,948
of which reported from consolidated VIEs		3,610	4,697
Investment securities	15	1,627	1,939
of which reported at fair value		1,627	1,939
of which reported from consolidated VIEs		100	23
Other investments	16	10,207	11,816
of which reported at fair value		7,590	8,892
of which reported from consolidated VIEs		1,983	2,289
Net loans	17	231,157	227,498
of which reported at fair value		19,457	20,000
of which encumbered		638	535
of which reported from consolidated VIEs		4,207	6,053
allowance for loan losses		(691)	(721)
Premises and equipment	18	4,895	5,416
of which reported from consolidated VIEs		481	546
Goodwill	19	7,121	7,510
Other intangible assets	20	210	243
of which reported at fair value		42	43
Brokerage receivables		52,044	45,768
Other assets	21	61,556	72,782
of which reported at fair value		31,518	37,259
of which encumbered		722	1,495
of which reported from consolidated VIEs		14,329	14,508
Assets of discontinued operations held-for-sale		1,584	–
<b>Total assets</b>		<b>854,412</b>	<b>908,160</b>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

## Consolidated balance sheets (continued)

	Reference to notes	2013	end of 2012
<b>Liabilities and equity (CHF million)</b>			
Due to banks	22	23,147	30,574
of which reported at fair value		1,460	3,431
Customer deposits	22	321,851	297,690
of which reported at fair value		3,241	4,626
of which reported from consolidated VIEs		265	247
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	13	94,032	132,721
of which reported at fair value		76,104	108,784
Obligation to return securities received as collateral, at fair value		22,800	30,045
Trading liabilities, at fair value	14	76,812	91,091
of which reported from consolidated VIEs		93	125
Short-term borrowings		20,193	14,838
of which reported at fair value		6,053	4,513
of which reported from consolidated VIEs		4,286	5,779
Long-term debt	23	126,641	146,997
of which reported at fair value		61,853	64,774
of which reported from consolidated VIEs		12,992	14,532
Brokerage payables		73,154	64,676
Other liabilities	21	51,079	57,367
of which reported at fair value		21,971	26,799
of which reported from consolidated VIEs		710	1,164
Liabilities of discontinued operations held-for-sale		1,140	–
<b>Total liabilities</b>		<b>810,849</b>	<b>865,999</b>
Common shares / participation securities		4,400	4,400
Additional paid-in capital		34,617	28,686
Retained earnings		15,169	13,637
Accumulated other comprehensive income/(loss)	24	(14,194)	(11,956)
<b>Total shareholder's equity</b>		<b>39,992</b>	<b>34,767</b>
Noncontrolling interests		3,571	7,394
<b>Total equity</b>		<b>43,563</b>	<b>42,161</b>
<b>Total liabilities and equity</b>		<b>854,412</b>	<b>908,160</b>

end of	2013	2012
<b>Additional share information</b>		
Par value (CHF)	1.00	100.00
Issued shares	4,399,665,200	43,996,652
Shares outstanding	4,399,665,200	43,996,652

The Bank's total share capital is fully paid and consists of 4,399,665,200 and 43,996,652 registered shares as of December 31, 2013 and 2012, respectively. The increase in the number of shares reflects the split of the par value per share from CHF 100 to CHF 1 effective November 19, 2013. Each share is entitled to one vote. The Bank has no warrants on its own shares outstanding.

The accompanying notes to the consolidated financial statements are an integral part of these statements.

## Consolidated statements of changes in equity

	Attributable to shareholder							Total equity
	Common shares/ participation securities	Additional paid-in capital	Retained earnings	Treasury shares, at cost <sup>1</sup>	Accumulated other comprehensive income	Total shareholder's equity	Non-controlling interests	
<b>2013 (CHF million)</b>								
<b>Balance at beginning of period</b>	<b>4,400</b>	<b>28,686</b>	<b>13,637</b>	<b>0</b>	<b>(11,956)</b>	<b>34,767</b>	<b>7,394</b>	<b>42,161</b>
Purchase of subsidiary shares from non-controlling interests, changing ownership	–	–	–	–	–	–	(22)	(22)
Purchase of subsidiary shares from non-controlling interests, not changing ownership <sup>2,3</sup>	–	–	–	–	–	–	(5,060)	(5,060)
Sale of subsidiary shares to noncontrolling interests, not changing ownership <sup>3</sup>	–	–	–	–	–	–	693	693
Net income/(loss)	–	–	1,778	–	–	1,778	872 <sup>4</sup>	2,650
Total other comprehensive income/(loss), net of tax	–	–	–	–	(2,238)	(2,238)	(36)	(2,274)
Share-based compensation, net of tax	–	196 <sup>5</sup>	–	–	–	196	–	196
Dividends on share-based compensation, net of tax	–	(87)	–	–	–	(87)	–	(87)
Dividends paid	–	–	(246)	–	–	(246)	(59)	(305)
Changes in redeemable noncontrolling interests	–	(13)	–	–	–	(13)	–	(13)
Changes in scope of consolidation, net	–	–	–	–	–	–	(211)	(211)
Other	–	5,835 <sup>6</sup>	–	–	–	5,835	–	5,835
<b>Balance at end of period</b>	<b>4,400</b>	<b>34,617</b>	<b>15,169</b>	<b>0</b>	<b>(14,194)</b>	<b>39,992</b>	<b>3,571</b>	<b>43,563</b>
<b>2012 (CHF million)</b>								
<b>Balance at beginning of period</b>	<b>4,400</b>	<b>24,134</b>	<b>11,824</b>	<b>0</b>	<b>(10,955)</b>	<b>29,403</b>	<b>8,948</b>	<b>38,351</b>
Purchase of subsidiary shares from non-controlling interests, changing ownership	–	252	–	–	–	252	(90)	162
Purchase of subsidiary shares from non-controlling interests, not changing ownership	–	–	–	–	–	–	(875)	(875)
Sale of subsidiary shares to noncontrolling interests, not changing ownership	–	–	–	–	–	–	240	240
Net income/(loss)	–	–	2,095	–	–	2,095	(589)	1,506
Total other comprehensive income/(loss), net of tax	–	–	–	–	(1,001)	(1,001)	(211)	(1,212)
Share-based compensation, net of tax	–	889	–	–	–	889	–	889
Dividends on share-based compensation, net of tax	–	(50)	–	–	–	(50)	–	(50)
Dividends paid	–	–	(267)	–	–	(267)	(54)	(321)
Changes in redeemable noncontrolling interests	–	(7)	–	–	–	(7)	–	(7)
Changes in scope of consolidation, net	–	–	–	–	–	–	25	25
Other	–	3,468	(15)	–	–	3,453	–	3,453
<b>Balance at end of period</b>	<b>4,400</b>	<b>28,686</b>	<b>13,637</b>	<b>0</b>	<b>(11,956)</b>	<b>34,767</b>	<b>7,394</b>	<b>42,161</b>

<sup>1</sup> Reflects Credit Suisse Group shares which are reported as treasury shares. Those shares are held to economically hedge share award obligations.

<sup>2</sup> Distributions to owners in funds include the return of original capital invested and any related dividends.

<sup>3</sup> Transactions with and without ownership changes related to fund activity are all displayed under "not changing ownership".

<sup>4</sup> Net income attributable to noncontrolling interests excludes CHF (12) million due to redeemable noncontrolling interests.

<sup>5</sup> Includes a net tax charge of CHF 24 million from the excess recognized compensation expense over fair value of shares delivered.

<sup>6</sup> Includes a contribution in kind of preferred shares in Credit Suisse Holdings (USA), Inc. from Credit Suisse Group AG to Credit Suisse AG and a capital contribution from Credit Suisse Group AG to Credit Suisse AG.



## Consolidated statements of changes in equity (continued)

	Attributable to shareholder							Total equity
	Common shares/ participation securities	Additional paid-in capital	Retained earnings	Treasury shares, at cost	Accumulated other comprehensive income	Total shareholder's equity	Non-controlling interests	
<b>2011 (CHF million)</b>								
<b>Balance at beginning of period</b>	<b>4,400</b>	<b>24,993</b>	<b>11,105</b>	<b>0</b>	<b>(10,729)</b>	<b>29,769</b>	<b>11,381</b>	<b>41,150</b>
Purchase of subsidiary shares from non-controlling interests, changing ownership	–	(5)	–	–	–	(5)	4	(1)
Purchase of subsidiary shares from non-controlling interests, not changing ownership	–	–	–	–	–	–	(3,369)	(3,369)
Sale of subsidiary shares to noncontrolling interests, not changing ownership	–	–	–	–	–	–	544	544
Net income/(loss)	–	–	1,141	–	–	1,141	852	1,993
Total other comprehensive income/(loss), net of tax	–	–	–	–	(226)	(226)	39	(187)
Issuance of common shares	–	(2)	–	–	–	(2)	–	(2)
Sale of treasury shares	–	3	–	612	–	615	–	615
Repurchase of treasury shares	–	–	–	(612)	–	(612)	–	(612)
Share-based compensation, net of tax	–	(145)	–	–	–	(145)	(2)	(147)
Dividends on share-based compensation, net of tax	–	(85)	–	–	–	(85)	–	(85)
Dividends paid	–	–	(422)	–	–	(422)	(59)	(481)
Changes in redeemable noncontrolling interests	–	(625)	–	–	–	(625)	(140)	(765)
Changes in scope of consolidation, net	–	–	–	–	–	–	(302)	(302)
<b>Balance at end of period</b>	<b>4,400</b>	<b>24,134</b>	<b>11,824</b>	<b>0</b>	<b>(10,955)</b>	<b>29,403</b>	<b>8,948</b>	<b>38,351</b>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

## Consolidated statements of cash flows

in	2013	2012	2011
<b>Operating activities of continuing operations (CHF million)</b>			
<b>Net income</b>	<b>2,638</b>	<b>1,495</b>	<b>2,042</b>
(Income)/loss from discontinued operations, net of tax	(145)	40	25
<b>Income from continuing operations</b>	<b>2,493</b>	<b>1,535</b>	<b>2,067</b>
<b>Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities of continuing operations (CHF million)</b>			
Impairment, depreciation and amortization	1,337	1,264	1,181
Provision for credit losses	93	88	123
Deferred tax provision/(benefit)	668	(180)	39
Share of net income/(loss) from equity method investments	33	35	(41)
Trading assets and liabilities, net	10,443	(14,033)	38,728
(Increase)/decrease in other assets	(3,249)	(1,122)	(7,724)
Increase/(decrease) in other liabilities	10,126	(4,214)	5,645
Other, net	94	4,644	(2,923)
Total adjustments	19,545	(13,518)	35,028
<b>Net cash provided by/(used in) operating activities of continuing operations</b>	<b>22,038</b>	<b>(11,983)</b>	<b>37,095</b>
<b>Investing activities of continuing operations (CHF million)</b>			
(Increase)/decrease in interest-bearing deposits with banks	443	315	(1,020)
(Increase)/decrease in central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	17,120	46,933	(14,681)
Purchase of investment securities	(676)	(276)	(1,232)
Proceeds from sale of investment securities	176	936	2,118
Maturities of investment securities	673	1,442	2,294
Investments in subsidiaries and other investments	(1,338)	(1,947)	(1,410)
Proceeds from sale of other investments	3,165	2,918	6,324
(Increase)/decrease in loans	(7,850)	(10,251)	(14,813)
Proceeds from sales of loans	1,483	1,090	689
Capital expenditures for premises and equipment and other intangible assets	(895)	(1,227)	(1,727)
Proceeds from sale of premises and equipment and other intangible assets	9	26	11
Other, net	115	3,676	189
<b>Net cash provided by/(used in) investing activities of continuing operations</b>	<b>12,425</b>	<b>43,635</b>	<b>(23,258)</b>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

## Consolidated statements of cash flows (continued)

in	2013	2012	2011
<b>Financing activities of continuing operations (CHF million)</b>			
Increase/(decrease) in due to banks and customer deposits	22,347	(14,454)	27,429
Increase/(decrease) in short-term borrowings	6,002	(11,643)	4,098
Increase/(decrease) in central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(36,347)	(39,958)	7,182
Issuances of long-term debt	37,914	37,217	33,650
Repayments of long-term debt	(56,312)	(54,465)	(36,591)
Issuances of common shares	0	0	(2)
Sale of treasury shares	0	0	615
Repurchase of treasury shares	0	0	(612)
Dividends paid	(305)	(321)	(481)
Excess tax benefits related to share-based compensation	0	42	0
Other, net	1,181	3,603	(2,779)
<b>Net cash provided by/(used in) financing activities of continuing operations</b>	<b>(25,520)</b>	<b>(79,979)</b>	<b>32,509</b>
<b>Effect of exchange rate changes on cash and due from banks (CHF million)</b>			
Effect of exchange rate changes on cash and due from banks	(1,215)	(1,175)	(691)
<b>Net cash provided by/(used in) discontinued operations (CHF million)</b>			
Net cash provided by/(used in) discontinued operations	(1,027)	(346)	222
<b>Net increase/(decrease) in cash and due from banks (CHF million)</b>			
Net increase/(decrease) in cash and due from banks	6,701	(49,848)	45,877
Cash and due from banks at beginning of period	61,376	111,224	65,347
<b>Cash and due from banks at end of period</b>	<b>68,077</b>	<b>61,376</b>	<b>111,224</b>

## Supplemental cash flow information

in	2013	2012	2011
<b>Cash paid for income taxes and interest (CHF million)</b>			
Cash paid for income taxes	769	962	1,038
Cash paid for interest	11,686	14,881	17,100
<b>Assets acquired and liabilities assumed in business acquisitions (CHF million)</b>			
Fair value of assets acquired	4	2,418	0
Fair value of liabilities assumed	0	2,418	0
<b>Assets and liabilities sold in business divestitures (CHF million)</b>			
Assets sold	338	0	0
Liabilities sold	162	0	0

# Notes to the consolidated financial statements

## 1 Summary of significant accounting policies

The accompanying consolidated financial statements of Credit Suisse AG (the Bank), a Swiss bank subsidiary of Credit Suisse Group AG (the Group), are prepared in accordance with accounting principles generally accepted in the US (US GAAP) and are stated in Swiss francs (CHF). The financial year for the Bank ends on December 31. Certain reclassifications have been made to the prior year's consolidated financial statements to conform to the current year's presentation which had no impact on net income/(loss) or total shareholder's equity.

In preparing the consolidated financial statements, management is required to make estimates and assumptions including, but not limited to, the fair value measurements of certain financial assets and liabilities, the allowance for loan losses, the evaluation of variable interest entities (VIEs), the impairment of assets other than loans, recognition of deferred tax assets, tax uncertainties, pension liabilities, as well as various contingencies. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the dates of the consolidated balance sheets and the reported amounts of revenues and expenses during the reporting period. While management evaluates its estimates and assumptions on an ongoing basis, actual results could differ materially from management's estimates. Market conditions may increase the risk and complexity of the judgments applied in these estimates.

▶ Refer to "Note 1 – Summary of significant accounting policies" in V – Consolidated financial statements – Credit Suisse Group for a summary of significant accounting policies, with the exception of the following accounting policies.

### Pensions and other post-retirement benefits

Credit Suisse sponsors a Group defined benefit pension plan in Switzerland that covers eligible employees of the Bank domiciled in Switzerland. The Bank also has single-employer defined benefit pension plans and defined contribution pension plans in Switzerland and other countries around the world.

For the Bank's participation in the Group defined benefit pension plan, no retirement benefit obligation is recognized in the consolidated balance sheets of the Bank and defined contribution accounting is applied, as the Bank is not the sponsoring entity of the Group plan.

For single-employer defined benefit plans, the Bank uses the projected unit credit actuarial method to determine the present value of its projected benefit obligations (PBO) and the current and past service costs or credits related to its defined benefit and other post-retirement benefit plans. The measurement date used to perform the actuarial valuation is December 31.

Certain key assumptions are used in performing the actuarial valuations. These assumptions must be made concerning the future events that will determine the amount and timing of the benefit payments and thus require significant judgment and estimates by Bank management. For example, assumptions have to be made

with regard to discount rates, expected return on plan assets and salary increases.

The assumed discount rates reflect the rates at which the pension benefits could be effectively settled. These rates are determined based on yields of high-quality corporate bonds currently available and are expected to be available during the period to maturity of the pension benefits. In countries where no deep market in high-quality corporate bonds exists, the estimate is based on governmental bonds adjusted to include a risk premium reflecting the additional risk for corporate bonds.

The expected long-term rate of return on plan assets is determined on a plan-by-plan basis, taking into account asset allocation, historical rate of return, benchmark indices for similar-type pension plan assets, long-term expectations of future returns and investment strategy.

Health care cost trend rates are determined by reviewing external data and the Bank's own historical trends for health care costs. Salary increases are determined by reviewing external data and considering internal projections.

The funded status of the Bank's defined benefit post-retirement and pension plans is recognized in the consolidated balance sheets.

Actuarial gains and losses in excess of 10% of the greater of the PBO or the market value of plan assets and unrecognized prior service costs or credits are amortized to net periodic pension and other post-retirement benefit costs on a straight-line basis over the average remaining service life of active employees expected to receive benefits.

The Bank records pension expense for defined contribution plans when the employee renders service to the company, essentially coinciding with the cash contributions to the plans.

### Own shares, own bonds and financial instruments on Group shares

The Bank's shares are wholly-owned by Credit Suisse Group AG and are not subject to trading. The Bank may buy and sell Credit Suisse Group AG shares (Group shares), own bonds and financial instruments on Group shares within its normal trading and market-making activities. In addition, the Bank may hold Group shares to economically hedge commitments arising from employee share-based compensation awards. Group shares are reported as trading assets, unless those shares are held to economically hedge share award obligations. Hedging shares are reported as treasury shares, resulting in a reduction to total shareholder's equity. Financial instruments on Group shares are recorded as assets or liabilities and carried at fair value. Dividends received on Group shares and unrealized and realized gains and losses on Group shares are recorded according to the classification of the shares as trading assets or treasury shares. Purchases of bonds originally issued by the Bank are recorded as an extinguishment of debt.

## 2 Recently issued accounting standards

► Refer to “Note 2 – Recently issued accounting standards” in V – Consolidated financial statements – Credit Suisse Group for recently adopted accounting standards and standards to be adopted in future periods.

The impact on the Bank’s and Group’s financial position, results of operations or cash flows was or is expected to be identical.

## 3 Business developments and subsequent events

► Refer to “Note 3 – Business developments, significant shareholders and subsequent events” in V – Consolidated financial statements – Credit Suisse Group for further information.

## 4 Discontinued operations

In July 2013, the Bank completed the sale of its exchange-traded funds (ETF) business to BlackRock and recognized a pre-tax gain on disposal of CHF 146 million in the third quarter of 2013 net of allocated goodwill of CHF 72 million. The sale price received by the Bank may increase through future contingent payments, if specified thresholds are met. BlackRock is a company unrelated to the Bank.

In August 2013, the Bank announced the sale of Customized Fund Investment Group (CFIG), its private equity fund of funds and co-investment business, to Grosvenor Capital Management. This transaction was completed in January 2014 and related gains of approximately CHF 90 million will be recognized in the first quarter of 2014. As of December 31, 2013, CFIG had total assets of CHF 31 million that were held-for-sale. The Bank will continue to hold investments in, and have unfunded commitments to, investment funds managed by CFIG. Grosvenor Capital Management is a company unrelated to the Bank.

In August 2013, the Bank completed the sale of Strategic Partners, its dedicated secondary private equity business, to Blackstone and recognized a pre-tax gain on disposal of CHF 91 million in the third quarter of 2013 net of allocated goodwill of CHF 37 million. The Bank will continue to receive carried interest from (and guarantee related claw-back obligations), hold limited partner interests in, and have unfunded commitments to, investment funds managed by Strategic Partners. The Bank will also continue to guarantee minimum investment returns to certain third-party investors under existing side letter agreements. Blackstone is a company unrelated to the Bank.

In December 2013, the Bank completed the spin-off of DLJ Investment Partners, a dedicated private equity mezzanine investment business of the Bank, to Portfolio Advisors, LLC with no gain or loss from disposal and insignificant impact on net revenues, operating expenses and net income/(loss) from discontinued operations for any of the periods reported. Portfolio Advisors, LLC is a company unrelated to the Bank.

In December 2013, the Bank announced the sale of its domestic private banking business booked in Germany (German

private banking business) to ABN AMRO. This transaction is subject to customary closing conditions and is expected to close in the course of 2014. As of December 31, 2013, the German private banking business had total assets and liabilities of CHF 1,553 million and CHF 1,140 million, respectively, that were held-for-sale. ABN AMRO is a company unrelated to the Bank.

► Refer to “Note 4 – Discontinued operations” in V – Consolidated financial statements – Credit Suisse Group for further information.

### Assets held-for-sale

end of	2013
<b>German private banking business (CHF million)</b>	
Cash	960
Loans	575
Other assets	18
<b>Total assets held-for-sale</b>	<b>1,553</b>
<b>CFIG (CHF million)</b>	
Fees receivable	8
Goodwill	23
<b>Total assets held-for-sale</b>	<b>31</b>
<b>Bank (CHF million)</b>	
<b>Total assets held-for-sale</b>	<b>1,584</b>

### Liabilities held-for-sale

end of	2013
<b>German private banking business (CHF million)</b>	
Deposits	1,118
Other liabilities	22
<b>Total liabilities held-for-sale</b>	<b>1,140</b>
<b>Bank (CHF million)</b>	
<b>Total liabilities held-for-sale</b>	<b>1,140</b>

## Income/(loss) from discontinued operations

in	2013	2012	2011
<b>Operations-related (CHF million)</b>			
<b>Net revenues</b>	<b>233</b>	<b>288</b>	<b>284</b>
of which German private banking business	52	54	61
of which ETF business	29	53	36
of which Strategic Partners	33	60	42
of which CFG	114	116	127
Operating expenses	158	296	294
of which German private banking business	71	108	98
of which ETF business	23	49	50
of which Strategic Partners	8	38	30
of which CFG	51	88	98
Income tax expense/(benefit)	38	32	15
of which German private banking business	(6)	2	(11)
of which ETF business	5	2	(2)
of which Strategic Partners	10	15	7
of which CFG	29	16	21
<b>Income/(loss), net of tax</b>	<b>37</b>	<b>(40)</b>	<b>(25)</b>
of which German private banking business	(13)	(56)	(26)
of which ETF business	1	2	(12)
of which Strategic Partners	15	7	5
of which CFG	34	12	8
<b>Transaction-related (CHF million)</b>			
<b>Gain on disposal</b>	<b>237</b>	<b>-</b>	<b>-</b>
of which ETF business	146	-	-
of which Strategic Partners	91	-	-
Transaction-related expenses	93	-	-
of which ETF business	11	-	-
of which Strategic Partners	22	-	-
of which CFG	56	-	-
Income tax expense/(benefit)	36	-	-
of which ETF business	21	-	-
of which Strategic Partners	40	-	-
of which CFG	(24)	-	-
<b>Income/(loss), net of tax</b>	<b>108</b>	<b>-</b>	<b>-</b>
of which ETF business	114	-	-
of which Strategic Partners	29	-	-
of which CFG	(32)	-	-
<b>Discontinued operations – total (CHF million)</b>			
<b>Income/(loss) from discontinued operations, net of tax</b>	<b>145</b>	<b>(40)</b>	<b>(25)</b>
of which German private banking business	(13)	(56)	(26)
of which ETF business	115	2	(12)
of which Strategic Partners	44	7	5
of which CFG	2	12	8

## 5 Segment information

For the purposes of the presentation of reportable segments, the Bank has included accounts of affiliate entities wholly owned by the same parent which are managed together with the operating segments of the Bank. These affiliate entities include certain bank and trust affiliates, primarily managed by Private Banking & Wealth Management. Income from continuing operations before taxes of these non-consolidated affiliate entities included in the segment presentation for the years ended December 31, 2013, 2012 and 2011 was CHF 243 million, CHF 237 million and CHF

259 million, respectively. For the same periods, net revenues of these non-consolidated affiliate entities included in the segment presentation were CHF 659 million, CHF 684 million and CHF 707 million, respectively, and total assets of these non-consolidated affiliate entities included in the segment presentation as of December 31, 2013 and 2012, were CHF 25.4 billion and CHF 25.8 billion, respectively.

► Refer to "Note 5 – Segment information" in V – Consolidated financial statements – Credit Suisse Group for further information.

### Net revenues and income/(loss) from continuing operations before taxes

in	2013	2012	2011
<b>Net revenues (CHF million)</b>			
Private Banking & Wealth Management	13,442	13,474	13,397
Investment Banking	12,565	12,558	10,460
Adjustments <sup>1,2</sup>	(677)	(2,854)	996
<b>Net revenues</b>	<b>25,330</b>	<b>23,178</b>	<b>24,853</b>
<b>Income/(loss) before taxes (CHF million)</b>			
Private Banking & Wealth Management	3,240	3,775	2,961
Investment Banking	1,719	2,002	(593)
Adjustments <sup>1,3</sup>	(1,289)	(3,795)	143
<b>Income before taxes</b>	<b>3,670</b>	<b>1,982</b>	<b>2,511</b>

<sup>1</sup> Adjustments represent certain consolidating entries and balances, including those relating to items that are managed but are not legally owned by the Bank and vice versa, and certain expenses that were not allocated to the segments.

<sup>2</sup> Includes noncontrolling interest-related revenues of CHF 682 million, CHF 365 million and CHF 900 million in 2013, 2012 and 2011, respectively, from the consolidation of certain private equity funds and other entities in which the Bank does not have a significant economic interest in such revenues.

<sup>3</sup> Includes noncontrolling interest income of CHF 635 million, CHF 307 million and CHF 816 million in 2013, 2012 and 2011, respectively, from the consolidation of certain private equity funds and other entities in which the Bank does not have a significant economic interest in such income.

### Total assets

end of	2013	2012
<b>Total assets (CHF million)</b>		
Private Banking & Wealth Management	279,139	275,683
Investment Banking	502,799	563,758
Adjustments <sup>1</sup>	72,474	68,719
<b>Total assets</b>	<b>854,412</b>	<b>908,160</b>

Beginning in the first quarter of 2013, segment assets exclude intra-group balances between the segments. Prior period has been reclassified to conform to the current presentation.

<sup>1</sup> Adjustments represent certain consolidating entries and balances, including those relating to items that are managed but are not legally owned by the Bank and vice versa, and certain expenses that were not allocated to the segments.

### Net revenues and income/(loss) from continuing operations before taxes by geographic location

in	2013	2012	2011
<b>Net revenues (CHF million)</b>			
Switzerland	7,479	7,968	7,754
EMEA	4,797	3,444	6,389
Americas	10,847	9,942	9,011
Asia Pacific	2,207	1,824	1,699
<b>Net revenues</b>	<b>25,330</b>	<b>23,178</b>	<b>24,853</b>
<b>Income/(loss) from continuing operations before taxes (CHF million)</b>			
Switzerland	300	1,170	(176)
EMEA	195	(1,374)	1,312
Americas	3,317	3,023	2,330
Asia Pacific	(142)	(837)	(955)
<b>Income from continuing operations before taxes</b>	<b>3,670</b>	<b>1,982</b>	<b>2,511</b>

The designation of net revenues and income/(loss) from continuing operations before taxes is based on the location of the office recording the transactions. This presentation does not reflect the way the Bank is managed.

### Total assets by geographic location

end of	2013	2012
<b>Total assets (CHF million)</b>		
Switzerland	181,584	183,735
EMEA	194,825	221,476
Americas	398,127	422,181
Asia Pacific	79,876	80,768
<b>Total assets</b>	<b>854,412</b>	<b>908,160</b>

The designation of total assets by region is based upon customer domicile.

## 6 Net interest income

in	2013	2012	2011
<b>Net interest income (CHF million)</b>			
Loans	4,323	4,318	4,307
Investment securities	28	52	74
Trading assets	10,058	11,949	11,700
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	2,517	2,940	3,265
Other	2,095	2,285	3,065
Interest and dividend income	19,021	21,544	22,411
Deposits	(958)	(1,324)	(1,650)
Short-term borrowings	(67)	(71)	(69)
Trading liabilities	(5,083)	(6,833)	(7,125)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(1,155)	(1,676)	(1,621)
Long-term debt	(3,794)	(4,554)	(5,537)
Other	(249)	(276)	(402)
Interest expense	(11,306)	(14,734)	(16,404)
<b>Net interest income</b>	<b>7,715</b>	<b>6,810</b>	<b>6,007</b>



## 7 Commissions and fees

in	2013	2012	2011
<b>Commissions and fees (CHF million)</b>			
Lending business	1,774	1,474	1,247
Investment and portfolio management	3,854	3,625	3,653
Other securities business	101	137	68
Fiduciary business	3,955	3,762	3,721
Underwriting	1,681	1,561	1,479
Brokerage	3,901	3,654	4,016
Underwriting and brokerage	5,582	5,215	5,495
Other services	1,747	2,098	1,897
<b>Commissions and fees</b>	<b>13,058</b>	<b>12,549</b>	<b>12,360</b>

## 8 Trading revenues

in	2013	2012	2011
<b>Trading revenues (CHF million)</b>			
Interest rate products	1,056	2,868	6,578
Foreign exchange products	1,202	560	(4,456)
Equity/index-related products	952	112	1,605
Credit products	(879)	(3,306)	522
Commodity, emission and energy products	340	198	361
Other products	93	897	131
<b>Total</b>	<b>2,764</b>	<b>1,329</b>	<b>4,741</b>

Represents revenues on a product basis which are not representative of business results within segments, as segment results utilize financial instruments across various product types.

- ▶ Refer to "Note 8 – Trading revenues" in V – Consolidated financial statements – Credit Suisse Group for further information.

## 9 Other revenues

in	2013	2012	2011
<b>Other revenues (CHF million)</b>			
Noncontrolling interests without significant economic interest	695	333	794
Loans held-for-sale	(5)	(37)	(4)
Long-lived assets held-for-sale	30	456	(43)
Equity method investments	240	136	137
Other investments	255	752	330
Other	578	850	531
<b>Other revenues</b>	<b>1,793</b>	<b>2,490</b>	<b>1,745</b>

## 10 Provision for credit losses

in	2013	2012	2011
<b>Provision for credit losses (CHF million)</b>			
Provision for loan losses	91	77	78
Provision for lending-related and other exposures	2	11	45
<b>Provision for credit losses</b>	<b>93</b>	<b>88</b>	<b>123</b>

## 11 Compensation and benefits

in	2013	2012	2011
<b>Compensation and benefits (CHF million)</b>			
Salaries and variable compensation	9,455	10,440	10,971
Social security	763	751	842
Other <sup>1</sup>	969	1,028	1,163
<b>Compensation and benefits<sup>2</sup></b>	<b>11,187</b>	<b>12,219</b>	<b>12,976</b>

<sup>1</sup> Includes pension and other post-retirement expense of CHF 658 million, CHF 747 million and CHF 926 million in 2013, 2012 and 2011, respectively.

<sup>2</sup> Includes severance and other compensation expense relating to headcount reductions of CHF 218 million, CHF 427 million and CHF 576 million as of 2013, 2012 and 2011, respectively.

► Refer to "Note 11 – Compensation and benefits" in V – Consolidated financial statements – Credit Suisse Group for further information.

## 12 General and administrative expenses

in	2013	2012	2011
<b>General and administrative expenses (CHF million)</b>			
Occupancy expenses	1,168	1,191	1,094
IT, machinery, etc.	1,508	1,456	1,433
Provisions and losses	2,136	682	707
Travel and entertainment	342	380	425
Professional services	1,912	1,868	2,016
Goodwill impairment	12	0	0
Amortization and impairment of other intangible assets	25	28	30
Other	1,551	1,599	1,623
<b>General and administrative expenses</b>	<b>8,654</b>	<b>7,204</b>	<b>7,328</b>

### 13 Securities borrowed, lent and subject to repurchase agreements

end of	2013	2012
<b>Securities borrowed or purchased under agreements to resell (CHF million)</b>		
Central bank funds sold and securities purchased under resale agreements	100,235	121,234
Deposits paid for securities borrowed	59,778	62,212
<b>Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions</b>	<b>160,013</b>	<b>183,446</b>
<b>Securities lent or sold under agreements to repurchase (CHF million)</b>		
Central bank funds purchased and securities sold under repurchase agreements	86,828	120,164
Deposits received for securities lent	7,204	12,557
<b>Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions</b>	<b>94,032</b>	<b>132,721</b>

► Refer to "Note 14 – Securities borrowed, lent and subject to repurchase agreements" in V – Consolidated financial statements – Credit Suisse Group for further information.

### 14 Trading assets and liabilities

end of	2013	2012
<b>Trading assets (CHF million)</b>		
Debt securities	110,115	135,814
Equity securities <sup>1</sup>	76,835	74,945
Derivative instruments <sup>2</sup>	31,787	33,416
Other	10,999	12,427
<b>Trading assets</b>	<b>229,736</b>	<b>256,602</b>
<b>Trading liabilities (CHF million)</b>		
Short positions	40,162	51,501
Derivative instruments <sup>2</sup>	36,650	39,590
<b>Trading liabilities</b>	<b>76,812</b>	<b>91,091</b>

<sup>1</sup> Including convertible bonds.

<sup>2</sup> Amounts shown net of cash collateral receivables and payables.

### Cash collateral on derivative instruments

end of	2013	2012
<b>Cash collateral – netted (CHF million)<sup>1</sup></b>		
Cash collateral paid	23,929	36,715
Cash collateral received	20,512	33,274
<b>Cash collateral – not netted (CHF million)<sup>2</sup></b>		
Cash collateral paid	8,359	10,904
Cash collateral received	11,664	12,224

<sup>1</sup> Recorded as cash collateral netting on derivative instruments in Note 25 – Offsetting of financial assets and financial liabilities.

<sup>2</sup> Recorded as cash collateral on derivative instruments in Note 21 – Other assets and other liabilities.

## 15 Investment securities

end of	2013	2012
<b>Investment securities (CHF million)</b>		
Securities available-for-sale	1,627	1,939
<b>Total investment securities</b>	<b>1,627</b>	<b>1,939</b>

### Investment securities by type

end of	2013				2012			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
<b>2013 (CHF million)</b>								
Debt securities issued by foreign governments	1,136	29	1	1,164	1,288	67	0	1,355
Corporate debt securities	262	0	0	262	465	0	0	465
Collateralized debt obligations	100	0	0	100	23	1	0	24
Debt securities available-for-sale	1,498	29	1	1,526	1,776	68	0	1,844
Banks, trust and insurance companies	74	18	0	92	73	14	0	87
Industry and all other	9	0	0	9	8	0	0	8
Equity securities available-for-sale	83	18	0	101	81	14	0	95
<b>Securities available-for-sale</b>	<b>1,581</b>	<b>47</b>	<b>1</b>	<b>1,627</b>	<b>1,857</b>	<b>82</b>	<b>0</b>	<b>1,939</b>

### Gross unrealized losses on investment securities and the related fair value

end of	Less than 12 months		12 months or more		Total	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
<b>2013 (CHF million)</b>						
Debt securities issued by foreign governments	89	1	0	0	89	1
<b>Debt securities available-for-sale</b>	<b>89</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>89</b>	<b>1</b>

There were no unrealized losses on investment securities in 2012. No significant impairment was recorded as the Bank does not intend to sell the investments, nor is it more likely than not that the

Bank will be required to sell the investments before the recovery of their amortized cost bases, which may be maturity.

### Proceeds from sales, realized gains and realized losses from available-for-sale securities

in	2013		2012		2011	
	Debt securities	Equity securities	Debt securities	Equity securities	Debt securities	Equity securities
<b>Additional information (CHF million)</b>						
Proceeds from sales	163	13	294	642	2,117	1
Realized gains	7	1	14	294	40	0
Realized losses	0	0	(2)	0	(22)	0

### Amortized cost, fair value and average yield of debt securities

end of	Debt securities available-for-sale		
	Amortized cost	Fair value	Average yield (in %)
<b>2013 (CHF million)</b>			
Due within 1 year	386	388	1.13
Due from 1 to 5 years	1,012	1,038	2.01
Due from 5 to 10 years	100	100	2.62
<b>Total debt securities</b>	<b>1,498</b>	<b>1,526</b>	<b>1.82</b>

### 16 Other investments

end of	2013	2012
<b>Other investments (CHF million)</b>		
Equity method investments	2,008	2,147
Non-marketable equity securities <sup>1</sup>	5,988	7,156
Real estate held for investment	557	641
Life finance instruments <sup>2</sup>	1,654	1,872
<b>Total other investments</b>	<b>10,207</b>	<b>11,816</b>

<sup>1</sup> Includes private equity, hedge funds and restricted stock investments as well as certain investments in non-marketable mutual funds for which the Bank has neither significant influence nor control over the investee.

<sup>2</sup> Includes life settlement contracts at investment method and SPIA contracts.

Non-marketable equity securities include investments in entities that regularly calculate net asset value per share or its equivalent.

► Refer to "Note 33 – Financial instruments" for further information on such investments.

Substantially all non-marketable equity securities are carried at fair value. There were no non-marketable equity securities not carried at fair value that have been in a continuous unrealized loss position.

The Bank performs a regular impairment analysis of real estate portfolios. The carrying values of the impaired properties

were written down to their respective fair values, establishing a new cost base. For these properties, the fair values were measured based on either discounted cash flow analyses or external market appraisals. Impairments of CHF 48 million, CHF 13 million and CHF 3 million were recorded in 2013, 2012 and 2011, respectively.

Accumulated depreciation related to real estate held for investment amounted to CHF 289 million, CHF 280 million and CHF 278 million for 2013, 2012 and 2011, respectively.

► Refer to "Note 17 – Other investments" in V – Consolidated financial statements – Credit Suisse Group for further information.

## 17 Loans, allowance for loan losses and credit quality

end of	2013	2012
<b>Loans (CHF million)</b>		
Mortgages	81,115	78,328
Loans collateralized by securities	31,472	27,248
Consumer finance	3,025	3,931
Consumer	115,612	109,507
Real estate <sup>1</sup>	24,673	23,209
Commercial and industrial loans <sup>1</sup>	60,375	59,837
Financial institutions <sup>1</sup>	28,473	33,624
Governments and public institutions <sup>1</sup>	2,864	2,163
Corporate & institutional	116,385	118,833
<b>Gross loans</b>	<b>231,997</b>	<b>228,340</b>
of which held at amortized cost	212,540	208,340
of which held at fair value	19,457	20,000
Net (unearned income)/deferred expenses	(149)	(121)
Allowance for loan losses	(691)	(721)
<b>Net loans</b>	<b>231,157</b>	<b>227,498</b>
<b>Gross loans by location (CHF million)</b>		
Switzerland	135,813	135,439
Foreign	96,184	92,901
<b>Gross loans</b>	<b>231,997</b>	<b>228,340</b>
<b>Impaired loan portfolio (CHF million)</b>		
Non-performing loans	659	637
Non-interest-earning loans	255	281
Total non-performing and non-interest-earning loans	914	918
Restructured loans	6	30
Potential problem loans	274	450
Total other impaired loans	280	480
<b>Gross impaired loans</b>	<b>1,194</b>	<b>1,398</b>

<sup>1</sup> Prior period has been corrected to reclassify certain counterparty exposures from real estate and commercial and industrial loans to loans to financial institutions, and from governments and public institutions to commercial and industrial loans, respectively.

## Allowance for loan losses

	2013			2012			2011		
	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total
<b>Allowance for loan losses (CHF million)</b>									
Balance at beginning of period	143	578	721	159	563	722	157	675	832
Changes in scope of consolidation	0	(1)	(1)	(18)	0	(18)	0	0	0
Net movements recognized in statements of operations	7	84	91	26	51	77	21	57	78
Gross write-offs	(38)	(147)	(185)	(42)	(80)	(122)	(58)	(175)	(233)
Recoveries	20	30	50	19	20	39	33	4	37
Net write-offs	(18)	(117)	(135)	(23)	(60)	(83)	(25)	(171)	(196)
Provisions for interest	5	20	25	4	20	24	0	11	11
Foreign currency translation impact and other adjustments, net	(3)	(7)	(10)	(5)	4	(1)	6	(9)	(3)
<b>Balance at end of period</b>	<b>134</b>	<b>557</b>	<b>691</b>	<b>143</b>	<b>578</b>	<b>721</b>	<b>159</b>	<b>563</b>	<b>722</b>
of which individually evaluated for impairment	104	407	511	116	416	532	130	387	517
of which collectively evaluated for impairment	30	150	180	27	162	189	29	176	205
<b>Gross loans held at amortized cost (CHF million)</b>									
<b>Balance at end of period</b>	<b>115,601</b>	<b>96,939</b>	<b>212,540</b>	<b>109,495</b>	<b>98,845</b>	<b>208,340</b>	<b>105,561</b>	<b>94,000</b>	<b>199,561</b>
of which individually evaluated for impairment <sup>1</sup>	354	840	1,194	422	976	1,398	425	947	1,372
of which collectively evaluated for impairment	115,247	96,099	211,346	109,073	97,869	206,942	105,136	93,053	198,189

<sup>1</sup> Represents gross impaired loans both with and without a specific allowance.

## Purchases, reclassifications and sales

in	2013			2012			2011		
	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total
<b>Loans held at amortized cost (CHF million)</b>									
Purchases <sup>1</sup>	0	4,611	4,611	348	4,605	4,953	0	4,121	4,121
Reclassifications from loans held-for-sale <sup>2</sup>	0	275	275	0	216	216	0	0	0
Reclassifications to loans held-for-sale <sup>3</sup>	0	996	996	0	1,323	1,323	0	1,363	1,363
Sales <sup>3</sup>	0	698	698	0	1,058	1,058	0	1,117	1,117

<sup>1</sup> Includes drawdowns under purchased loan commitments.

<sup>2</sup> Includes loans previously reclassified to held-for-sale that were not sold and were reclassified back to loans held-to-maturity.

<sup>3</sup> All loans held at amortized cost which are sold are reclassified to loans held-for-sale on or prior to the date of the sale.

## Gross loans held at amortized cost by internal counterparty rating

end of	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	Total
<b>2013 (CHF million)</b>											
Mortgages	295	2,189	16,030	49,618	12,052	732	36	0	0	163	81,115
Loans collateralized by securities	182	348	4,208	24,442	2,101	89	2	6	0	94	31,472
Consumer finance	0	14	222	2,339	335	19	0	0	0	85	3,014
Consumer	477	2,551	20,460	76,399	14,488	840	38	6	0	342	115,601
Real estate	1,343	991	3,330	12,484	5,701	308	0	1	0	69	24,227
Commercial and industrial loans	135	675	1,716	20,337	21,620	3,453	227	6	0	596	48,765
Financial institutions	1,319	1,689	10,274	6,045	2,436	776	14	1	0	112	22,666
Governments and public institutions	37	275	141	386	146	73	223	0	0	0	1,281
Corporate & institutional	2,834	3,630	15,461	39,252	29,903	4,610	464	8	0	777	96,939
<b>Gross loans held at amortized cost</b>	<b>3,311</b>	<b>6,181</b>	<b>35,921</b>	<b>115,651</b>	<b>44,391</b>	<b>5,450</b>	<b>502</b>	<b>14</b>	<b>0</b>	<b>1,119</b>	<b>212,540</b>
Value of collateral <sup>1</sup>	2,540	4,842	26,486	107,470	37,699	3,066	85	0	0	514	182,702
<b>2012 (CHF million)</b>											
Mortgages	378	708	11,277	51,295	14,088	413	8	8	0	153	78,328
Loans collateralized by securities	79	57	944	23,289	2,686	91	6	1	0	95	27,248
Consumer finance	0	6	98	3,171	473	18	0	0	1	152	3,919
Consumer	457	771	12,319	77,755	17,247	522	14	9	1	400	109,495
Real estate <sup>2</sup>	330	367	2,039	13,397	6,522	159	0	0	0	50	22,864
Commercial and industrial loans <sup>2</sup>	142	307	1,442	21,079	21,319	3,268	203	1	40	676	48,477
Financial institutions <sup>2</sup>	2,288	2,086	12,490	5,168	3,552	381	0	33	14	147	26,159
Governments and public institutions	68	34	324	464	125	101	229	0	0	0	1,345
Corporate & institutional	2,828	2,794	16,295	40,108	31,518	3,909	432	34	54	873	98,845
<b>Gross loans held at amortized cost</b>	<b>3,285</b>	<b>3,565</b>	<b>28,614</b>	<b>117,863</b>	<b>48,765</b>	<b>4,431</b>	<b>446</b>	<b>43</b>	<b>55</b>	<b>1,273</b>	<b>208,340</b>
Value of collateral <sup>1</sup>	2,899	2,577	18,358	107,275	40,170	2,835	170	43	4	664	174,995

<sup>1</sup> Includes the value of collateral up to the amount of the outstanding related loans. For mortgages, collateral values are generally values at the time of granting the loan.

<sup>2</sup> Prior period has been corrected to reclassify certain counterparty exposures from real estate and commercial and industrial loans to loans to financial institutions.



## Gross loans held at amortized cost – aging analysis

end of	Current				Past due		Total	Total
	Up to 30 days	31-60 days	61-90 days	More than 90 days	Total			
<b>2013 (CHF million)</b>								
Mortgages	80,823	103	25	24	140	292	81,115	
Loans collateralized by securities	31,272	95	2	12	91	200	31,472	
Consumer finance	2,650	277	38	28	21	364	3,014	
Consumer	114,745	475	65	64	252	856	115,601	
Real estate	24,139	18	2	1	67	88	24,227	
Commercial and industrial loans	48,035	272	73	72	313	730	48,765	
Financial institutions	22,477	84	2	1	102	189	22,666	
Governments and public institutions	1,276	5	0	0	0	5	1,281	
Corporate & institutional	95,927	379	77	74	482	1,012	96,939	
<b>Gross loans held at amortized cost</b>	<b>210,672</b>	<b>854</b>	<b>142</b>	<b>138</b>	<b>734</b>	<b>1,868</b>	<b>212,540</b>	
<b>2012 (CHF million)</b>								
Mortgages	78,023	154	14	10	127	305	78,328	
Loans collateralized by securities	26,919	220	3	3	103	329	27,248	
Consumer finance	3,508	314	33	26	38	411	3,919	
Consumer	108,450	688	50	39	268	1,045	109,495	
Real estate <sup>1</sup>	22,709	106	2	2	45	155	22,864	
Commercial and industrial loans <sup>1</sup>	47,334	640	22	136	345	1,143	48,477	
Financial institutions <sup>1</sup>	25,926	53	2	34	144	233	26,159	
Governments and public institutions	1,310	35	0	0	0	35	1,345	
Corporate & institutional	97,279	834	26	172	534	1,566	98,845	
<b>Gross loans held at amortized cost</b>	<b>205,729</b>	<b>1,522</b>	<b>76</b>	<b>211</b>	<b>802</b>	<b>2,611</b>	<b>208,340</b>	

<sup>1</sup> Prior period has been corrected to reclassify certain counterparty exposures from real estate and commercial and industrial loans to loans to financial institutions.

## Gross impaired loans by category

end of	Non-performing and non-interest earning loans			Other impaired loans			Total
	Non-performing loans	Non-interest-earning loans	Total	Restructured loans	Potential problem loans	Total	
<b>2013 (CHF million)</b>							
Mortgages	144	7	151	0	21	21	172
Loans collateralized by securities	20	71	91	0	5	5	96
Consumer finance	81	5	86	0	0	0	86
Consumer	245	83	328	0	26	26	354
Real estate	52	13	65	0	5	5	70
Commercial and industrial loans	291	126	417	6	215	221	638
Financial institutions	71	33	104	0	28	28	132
Corporate & institutional	414	172	586	6	248	254	840
<b>Gross impaired loans</b>	<b>659</b>	<b>255</b>	<b>914</b>	<b>6</b>	<b>274</b>	<b>280</b>	<b>1,194</b>
<b>2012 (CHF million)</b>							
Mortgages	125	9	134	0	39	39	173
Loans collateralized by securities	18	74	92	0	3	3	95
Consumer finance	143	10	153	0	1	1	154
Consumer	286	93	379	0	43	43	422
Real estate	42	4	46	0	15	15	61
Commercial and industrial loans	251	146	397	30	327	357	754
Financial institutions	58	38	96	0	65	65	161
Corporate & institutional	351	188	539	30	407	437	976
<b>Gross impaired loans</b>	<b>637</b>	<b>281</b>	<b>918</b>	<b>30</b>	<b>450</b>	<b>480</b>	<b>1,398</b>

As of December 31, 2013 and 2012, loans held-to-maturity carried at amortized cost did not include any subprime residential mortgages. Accordingly, impaired loans did not include any subprime residential mortgages. As of December 31, 2013 and 2012, the Bank did not have any material commitments to lend additional funds to debtors whose loan terms have been modified in troubled debt restructurings.

In 2013, 2012 and 2011, the number of troubled debt restructurings and related financial effects and the number of defaults and related carrying values of loans, which had been restructured within the previous 12 months, were not material.

## Gross impaired loan details

end of	2013			2012		
	Recorded investment	Unpaid principal balance	Associated specific allowance	Recorded investment	Unpaid principal balance	Associated specific allowance
<b>Gross impaired loan detail (CHF million)</b>						
Mortgages	162	153	16	149	141	16
Loans collateralized by securities	67	63	54	68	66	53
Consumer finance	68	67	34	129	125	47
Consumer	297	283	104	346	332	116
Real estate	68	63	13	58	54	18
Commercial and industrial loans	629	584	312	627	592	306
Financial institutions	131	127	82	157	154	92
Corporate & institutional	828	774	407	842	800	416
<b>Gross impaired loans with a specific allowance</b>	<b>1,125</b>	<b>1,057</b>	<b>511</b>	<b>1,188</b>	<b>1,132</b>	<b>532</b>
Mortgages	10	10	–	24	24	–
Loans collateralized by securities	29	29	–	27	27	–
Consumer finance	18	18	–	25	25	–
Consumer	57	57	–	76	76	–
Real estate	2	2	–	3	3	–
Commercial and industrial loans	9	9	–	127	128	–
Financial institutions	1	1	–	4	4	–
Corporate & institutional	12	12	–	134	135	–
<b>Gross impaired loans without specific allowance</b>	<b>69</b>	<b>69</b>	<b>–</b>	<b>210</b>	<b>211</b>	<b>–</b>
<b>Gross impaired loans</b>	<b>1,194</b>	<b>1,126</b>	<b>511</b>	<b>1,398</b>	<b>1,343</b>	<b>532</b>
of which consumer	354	340	104	422	408	116
of which corporate & institutional	840	786	407	976	935	416

## Gross impaired loan details (continued)

in	2013			2012			2011		
	Average recorded investment	Interest income recognized	Interest income recognized on a cash basis	Average recorded investment	Interest income recognized	Interest income recognized on a cash basis	Average recorded investment	Interest income recognized	Interest income recognized on a cash basis
<b>Gross impaired loan detail (CHF million)</b>									
Mortgages	154	1	1	152	1	1	142	1	1
Loans collateralized by securities	70	2	2	68	1	0	82	1	0
Consumer finance	87	0	0	117	3	3	135	2	2
Consumer	311	3	3	337	5	4	359	4	3
Real estate	67	1	1	43	0	0	28	0	0
Commercial and industrial loans	669	5	5	556	3	2	812	7	6
Financial institutions	136	0	0	191	2	2	147	0	0
Governments and public institutions	0	0	0	6	0	0	6	0	0
Corporate & institutional	872	6	6	796	5	4	993	7	6
<b>Gross impaired loans with a specific allowance</b>	<b>1,183</b>	<b>9</b>	<b>9</b>	<b>1,133</b>	<b>10</b>	<b>8</b>	<b>1,352</b>	<b>11</b>	<b>9</b>
Mortgages	19	0	0	27	0	0	68	0	0
Loans collateralized by securities	27	0	0	8	0	0	4	0	0
Consumer finance	22	0	0	41	0	0	19	0	0
Consumer	68	0	0	76	0	0	91	0	0
Real estate	11	0	0	12	0	0	74	5	5
Commercial and industrial loans	58	0	0	199	3	3	130	0	0
Financial institutions	2	0	0	8	0	0	19	0	0
Corporate & institutional	71	0	0	219	3	3	223	5	5
<b>Gross impaired loans without specific allowance</b>	<b>139</b>	<b>0</b>	<b>0</b>	<b>295</b>	<b>3</b>	<b>3</b>	<b>314</b>	<b>5</b>	<b>5</b>
<b>Gross impaired loans</b>	<b>1,322</b>	<b>9</b>	<b>9</b>	<b>1,428</b>	<b>13</b>	<b>11</b>	<b>1,666</b>	<b>16</b>	<b>14</b>
of which consumer	379	3	3	413	5	4	450	4	3
of which corporate & institutional	943	6	6	1,015	8	7	1,216	12	11

► Refer to "Note 18 – Loans, allowance for loan losses and credit quality" in V – Consolidated financial statements – Credit Suisse Group for further information.

## 18 Premises and equipment

end of	2013	2012
<b>Premises and equipment (CHF million)</b>		
Buildings and improvements	2,201	2,210
Land	466	476
Leasehold improvements	2,031	2,159
Software	5,734	5,323
Equipment	2,288	3,080
<b>Premises and equipment</b>	<b>12,720</b>	<b>13,248</b>
Accumulated depreciation	(7,825)	(7,832)
<b>Total premises and equipment, net</b>	<b>4,895</b>	<b>5,416</b>

## Depreciation and impairment

in	2013	2012	2011
<b>CHF million</b>			
Depreciation	1,227	1,218	1,067
Impairment	65	17	84

In 2011, the estimated useful lives for leasehold and building improvements in Switzerland were increased from five to ten years, based on a change in estimate. The cumulative effect of adopting

this change in estimate on January 1, 2011 was a decrease in depreciation expense of CHF 57 million (CHF 50 million after tax).

## 19 Goodwill

end of	2013			2012		
	Private Banking & Wealth Management	Investment Banking	Credit Suisse (Bank)	Private Banking & Wealth Management	Investment Banking	Credit Suisse (Bank)
<b>Gross amount of goodwill (CHF million)</b>						
<b>Balance at beginning of period</b>	<b>2,210</b>	<b>5,382</b>	<b>7,592</b>	<b>2,260</b>	<b>5,522</b>	<b>7,782</b>
Goodwill acquired during the year	3	0	3	28	0	28
Discontinued operations	(127)	0	(127)	0	0	0
Foreign currency translation impact	(72)	(141)	(213)	(65)	(138)	(203)
Other	(36)	(4)	(40)	(13)	(2)	(15)
<b>Balance at end of period</b>	<b>1,978</b>	<b>5,237</b>	<b>7,215</b>	<b>2,210</b>	<b>5,382</b>	<b>7,592</b>
<b>Accumulated impairment (CHF million)</b>						
<b>Balance at beginning of period</b>	<b>0</b>	<b>82</b>	<b>82</b>	<b>0</b>	<b>82</b>	<b>82</b>
Impairment losses	12	0	12	0	0	0
<b>Balance at end of period</b>	<b>12</b>	<b>82</b>	<b>94</b>	<b>0</b>	<b>82</b>	<b>82</b>
<b>Net book value (CHF million)</b>						
<b>Net book value</b>	<b>1,966</b>	<b>5,155</b>	<b>7,121</b>	<b>2,210</b>	<b>5,300</b>	<b>7,510</b>

► Refer to "Note 20 – Goodwill" in V – Consolidated financial statements – Credit Suisse Group for further information.

## 20 Other intangible assets

end of	2013			2012		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
<b>Other intangible assets (CHF million)</b>						
Trade names/trademarks	25	(21)	4	25	(21)	4
Client relationships	222	(106)	116	303	(142)	161
Other	7	(1)	6	8	(2)	6
<b>Total amortizing other intangible assets</b>	<b>254</b>	<b>(128)</b>	<b>126</b>	<b>336</b>	<b>(165)</b>	<b>171</b>
Non-amortizing other intangible assets	84	–	84	72	–	72
of which mortgage servicing rights, at fair value	42	–	42	43	–	43
<b>Total other intangible assets</b>	<b>338</b>	<b>(128)</b>	<b>210</b>	<b>408</b>	<b>(165)</b>	<b>243</b>

### Additional information

in	2013	2012	2011
<b>Aggregate amortization and impairment (CHF million)</b>			
Aggregate amortization	24	28	30
Impairment	8	0	0
of which related to discontinued operations	7	0	0

### Estimated amortization

#### Estimated amortization (CHF million)

2014	18
2015	18
2016	17
2017	17
2018	16

► Refer to “Note 21 – Other intangible assets” in V – Consolidated financial statements – Credit Suisse Group for further information.

## 21 Other assets and other liabilities

end of	2013	2012
<b>Other assets (CHF million)</b>		
Cash collateral on derivative instruments	8,359	10,904
Cash collateral on non-derivative transactions	1,412	1,995
Derivative instruments used for hedging	2,062	3,913
Assets held-for-sale	19,306	20,343
of which loans <sup>1</sup>	18,914	19,894
of which real estate	392	442
Assets held for separate accounts	11,236	13,414
Interest and fees receivable	4,839	5,845
Deferred tax assets	6,179	7,094
Prepaid expenses	568	532
Failed purchases	2,365	2,699
Other	5,230	6,043
<b>Other assets</b>	<b>61,556</b>	<b>72,782</b>
<b>Other liabilities (CHF million)</b>		
Cash collateral on derivative instruments	11,664	12,224
Cash collateral on non-derivative transactions	955	1,246
Derivative instruments used for hedging	384	1,114
Provisions <sup>2</sup>	2,630	1,348
of which off-balance sheet risk	59	59
Liabilities held for separate accounts	11,236	13,414
Interest and fees payable	5,569	6,556
Current tax liabilities	805	811
Deferred tax liabilities	80	103
Failed sales	2,396	4,336
Other	15,360	16,215
<b>Other liabilities</b>	<b>51,079</b>	<b>57,367</b>

<sup>1</sup> Included as of December 31, 2013 and 2012 were CHF 1,778 million and CHF 3,730 million, respectively, in restricted loans, which represented collateral on secured borrowings, and CHF 769 million and CHF 922 million, respectively, in loans held in trusts, which are consolidated as a result of failed sales under US GAAP.

<sup>2</sup> Includes provisions for bridge commitments.

## 22 Deposits

end of	2013			2012		
	Switzer-land	Foreign	Total	Switzer-land	Foreign	Total
<b>Deposits (CHF million)</b>						
Non-interest-bearing demand deposits	4,735	4,336	9,071	8,282	4,521	12,803
Interest-bearing demand deposits	137,274	27,169	164,443	129,352	25,713	155,065
Savings deposits	55,637	26	55,663	52,534	44	52,578
Time deposits	14,655	101,166	115,821 <sup>1</sup>	8,965	98,853	107,818 <sup>1</sup>
<b>Total deposits</b>	<b>212,301</b>	<b>132,697</b>	<b>344,998<sup>2</sup></b>	<b>199,133</b>	<b>129,131</b>	<b>328,264<sup>2</sup></b>
of which due to banks	–	–	23,147	–	–	30,574
of which customer deposits	–	–	321,851	–	–	297,690

The designation of deposits in Switzerland versus foreign deposits is based upon the location of the office where the deposit is recorded.

<sup>1</sup> Included CHF 115,792 million and CHF 107,705 million as of December 31, 2013 and 2012, respectively, of the Swiss franc equivalent of individual time deposits greater than USD 100,000 in Switzerland and foreign offices.

<sup>2</sup> Not included as of December 31, 2013 and 2012 were CHF 18 million and CHF 67 million, respectively, of overdrawn deposits reclassified as loans.

## 23 Long-term debt

end of	2013	2012
<b>Long-term debt (CHF million)</b>		
Senior	91,893	112,123
Subordinated	21,756	20,342
Non-recourse liabilities from consolidated VIEs	12,992	14,532
<b>Long-term debt</b>	<b>126,641</b>	<b>146,997</b>
of which reported at fair value	61,853	64,774
of which structured notes	34,817	36,639

### Structured notes by product

end of	2013	2012
<b>Structured notes (CHF million)</b>		
Equity	23,315	23,761
Fixed income	5,573	6,559
Emerging markets <sup>1</sup>	1,766	3,304
Credit	3,453	1,893
Other	710	1,122
<b>Total structured notes</b>	<b>34,817</b>	<b>36,639</b>

<sup>1</sup> Transactions where the return is based on a referenced underlying or counterparty specific to emerging markets.

### Long-term debt by maturities

end of	2014	2015	2016	2017	2018	Thereafter	Total
<b>Long-term debt (CHF million)</b>							
<b>Senior debt</b>							
Fixed rate	9,641	13,452	3,092	8,453	2,114	10,862	47,614
Variable rate	10,559	9,866	6,220	4,719	4,982	7,932	44,278
Interest rates (range in %) <sup>1</sup>	0.0–13.1	0.0–12.6	0.3–10.7	0.1–5.1	0.5–3.8	0.0–8.2	–
<b>Subordinated debt</b>							
Fixed rate	154	93	1,780	907	9,508	6,765	19,207
Variable rate	52	19	30	45	2,250	154	2,550
Interest rates (range in %) <sup>1</sup>	0.5–9.3	2.5–10.3	0.3–8.2	0.9–7.3	0.1–13.3	0.1–8.5	–
<b>Non-recourse liabilities from consolidated VIEs</b>							
Fixed rate	0	745	304	14	0	111	1,174
Variable rate	370	164	469	15	0	10,800	11,818
Interest rates (range in %) <sup>1</sup>	0.2–13.2	0.0–3.6	0.0–12.8	1.9–4.0	–	0.0–10.8	–
<b>Total long-term debt</b>	<b>20,776</b>	<b>24,339</b>	<b>11,895</b>	<b>14,153</b>	<b>18,854</b>	<b>36,624</b>	<b>126,641</b>
of which structured notes	8,220	6,843	5,585	2,821	4,760	6,588	34,817

<sup>1</sup> Excludes structured notes for which fair value has been elected as the related coupons are dependent upon the embedded derivatives and prevailing market conditions at the time each coupon is paid.

▶ Refer to “Note 24 – Long-term debt” in V – Consolidated financial statements  
– Credit Suisse Group for further information.



## 24 Accumulated other comprehensive income

	Gains/ (losses) on cash flow hedges	Cumulative translation adjustments	Unrealized gains/ (losses) on securities	Actuarial gains/ (losses)	Net prior service credit/ (cost)	Accumu- lated other compre- hensive income
<b>2013 (CHF million)</b>						
<b>Balance at beginning of period</b>	<b>7</b>	<b>(11,349)</b>	<b>53</b>	<b>(670)</b>	<b>3</b>	<b>(11,956)</b>
Increase/(decrease)	6	(2,261)	(13)	(102)	0	(2,370)
Reclassification adjustments, included in net income	(4)	83	(5)	58	0	132
Total increase/(decrease)	2	(2,178)	(18)	(44)	0	(2,238)
<b>Balance at end of period</b>	<b>9</b>	<b>(13,527)</b>	<b>35</b>	<b>(714)</b>	<b>3</b>	<b>(14,194)</b>
<b>2012 (CHF million)</b>						
<b>Balance at beginning of period</b>	<b>0</b>	<b>(10,326)</b>	<b>96</b>	<b>(729)</b>	<b>4</b>	<b>(10,955)</b>
Increase/(decrease)	7	(1,067)	199	4	0	(857)
Reclassification adjustments, included in net income	0	44	(242)	55	(1)	(144)
Total increase/(decrease)	7	(1,023)	(43)	59	(1)	(1,001)
Balance at end of period	<b>7</b>	<b>(11,349)</b>	<b>53</b>	<b>(670)</b>	<b>3</b>	<b>(11,956)</b>
<b>2011 (CHF million)</b>						
<b>Balance at beginning of period</b>	<b>32</b>	<b>(9,994)</b>	<b>99</b>	<b>(871)</b>	<b>5</b>	<b>(10,729)</b>
Increase/(decrease)	(5)	(348)	21	103	0	(229)
Reclassification adjustments, included in net income	(27)	16	(24)	39	(1)	3
Total increase/(decrease)	(32)	(332)	(3)	142	(1)	(226)
<b>Balance at end of period</b>	<b>0</b>	<b>(10,326)</b>	<b>96</b>	<b>(729)</b>	<b>4</b>	<b>(10,955)</b>

### Details of significant reclassification adjustments

in	<b>2013</b>
<b>Reclassification adjustments, included in net income (CHF million)</b>	
<b>Cumulative translation adjustments</b>	
Sale of subsidiaries <sup>1</sup>	<b>83</b>
<b>Actuarial gains/(losses)</b>	
Amortization of recognized actuarial losses <sup>2</sup>	92
Tax expense/(benefit)	(34)
Net of tax	<b>58</b>

<sup>1</sup> Includes net releases of CHF 84 million on the sale of JO Hambro, which was settled in the third quarter of 2013. These were reclassified from cumulative translation adjustments and included in net income in other revenues, offset by a gain on the transaction.

<sup>2</sup> These components are included in the computation of total benefit costs. Refer to "Note 29 – Pension and other post-retirement benefits" for further information.

## 25 Offsetting of financial assets and financial liabilities

► Refer to "Note 26 – Offsetting of financial assets and financial liabilities" in V – Consolidated financial statements – Credit Suisse Group for further information.

### Offsetting of derivatives

end of	2013		2012	
	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
<b>Gross derivatives subject to enforceable master netting agreements (CHF billion)</b>				
OTC-cleared	265.3	262.0	365.3	365.4
OTC	183.0	178.0	337.7	327.9
Exchange-traded	0.2	0.2	0.2	0.2
<b>Interest rate products</b>	<b>448.5</b>	<b>440.2</b>	<b>703.2</b>	<b>693.5</b>
OTC	58.4	68.2	60.4	73.2
Exchange-traded	0.1	0.2	0.0	0.0
<b>Foreign exchange products</b>	<b>58.5</b>	<b>68.4</b>	<b>60.4</b>	<b>73.2</b>
OTC	15.5	18.6	12.7	15.2
Exchange-traded	14.8	15.1	13.7	14.1
<b>Equity/index-related products</b>	<b>30.3</b>	<b>33.7</b>	<b>26.4</b>	<b>29.3</b>
OTC-cleared	5.2	5.1	3.0	2.7
OTC	20.8	21.2	27.1	26.8
<b>Credit derivatives</b>	<b>26.0</b>	<b>26.3</b>	<b>30.1</b>	<b>29.5</b>
OTC	4.4	4.1	5.7	5.5
Exchange-traded	0.7	0.6	1.7	1.7
<b>Other products</b>	<b>5.1</b>	<b>4.7</b>	<b>7.4</b>	<b>7.2</b>
OTC-cleared	270.5	267.1	368.3	368.1
OTC	282.1	290.1	443.6	448.6
Exchange-traded	15.8	16.1	15.6	16.0
<b>Total gross derivatives subject to enforceable master netting agreements</b>	<b>568.4</b>	<b>573.3</b>	<b>827.5</b>	<b>832.7</b>
<b>Offsetting (CHF billion)</b>				
OTC-cleared	(269.1)	(267.0)	(367.2)	(367.5)
OTC	(260.6)	(265.6)	(418.6)	(421.7)
Exchange-traded	(15.1)	(15.1)	(14.2)	(14.2)
<b>Offsetting</b>	<b>(544.8)</b>	<b>(547.7)</b>	<b>(800.0)</b>	<b>(803.4)</b>
of which counterparty netting	(523.8)	(523.8)	(766.7)	(766.7)
of which cash collateral netting	(21.0)	(23.9)	(33.3)	(36.7)
<b>Net derivatives presented in the consolidated balance sheets (CHF billion)</b>				
OTC-cleared	1.4	0.1	1.1	0.6
OTC	21.5	24.5	25.0	26.9
Exchange-traded	0.7	1.0	1.4	1.8
<b>Total net derivatives subject to enforceable master netting agreements</b>	<b>23.6</b>	<b>25.6</b>	<b>27.5</b>	<b>29.3</b>
<b>Total derivatives not subject to enforceable master netting agreements<sup>1</sup></b>	<b>10.3</b>	<b>11.4</b>	<b>9.8</b>	<b>11.4</b>
<b>Total net derivatives presented in the consolidated balance sheets</b>	<b>33.9</b>	<b>37.0</b>	<b>37.3</b>	<b>40.7</b>
of which recorded in trading assets and trading liabilities	31.8	36.6	33.4	39.6
of which recorded in other assets and other liabilities	2.1	0.4	3.9	1.1

<sup>1</sup> Represents derivatives where a legal opinion supporting the enforceability of netting in the event of default or termination under the agreement is not in place.

### Offsetting of securities purchased under resale agreements and securities borrowing transactions

end of	2013			2012		
	Gross	Offsetting	Net	Gross	Offsetting	Net
<b>Securities purchased under resale agreements and securities borrowing transactions (CHF billion)</b>						
Securities purchased under resale agreements	112.0	(25.1)	86.9	141.4	(41.1)	100.3
Securities borrowing transactions	22.7	(1.7)	21.0	20.9	(2.0)	18.9
<b>Total subject to enforceable master netting agreements</b>	<b>134.7</b>	<b>(26.8)</b>	<b>107.9</b>	<b>162.3</b>	<b>(43.1)</b>	<b>119.2</b>
<b>Total not subject to enforceable master netting agreements<sup>1</sup></b>	<b>52.1</b>	<b>–</b>	<b>52.1</b>	<b>64.2</b>	<b>–</b>	<b>64.2</b>
<b>Total</b>	<b>186.8</b>	<b>(26.8)</b>	<b>160.0<sup>2</sup></b>	<b>226.5</b>	<b>(43.1)</b>	<b>183.4<sup>2</sup></b>

<sup>1</sup> Represents securities purchased under resale agreements and securities borrowing transactions where a legal opinion supporting the enforceability of netting in the event of default or termination under the agreement is not in place.

<sup>2</sup> CHF 96,587 million and CHF 113,664 million of the total net amount as of December 31, 2013 and 2012, respectively, are reported at fair value.

### Offsetting of securities sold under repurchase agreements and securities lending transactions

end of	2013			2012		
	Gross	Offsetting	Net	Gross	Offsetting	Net
<b>Securities sold under repurchase agreements and securities lending transactions (CHF billion)</b>						
Securities sold under repurchase agreements	86.5	(26.8)	59.7	99.6	(43.1)	56.5
Securities lending transactions	6.6	0.0	6.6	10.8	0.0	10.8
Obligation to return securities received as collateral, at fair value	18.5	0.0	18.5	25.9	0.0	25.9
<b>Total subject to enforceable master netting agreements</b>	<b>111.6</b>	<b>(26.8)</b>	<b>84.8</b>	<b>136.3</b>	<b>(43.1)</b>	<b>93.2</b>
<b>Total not subject to enforceable master netting agreements<sup>1</sup></b>	<b>32.0</b>	<b>–</b>	<b>32.0</b>	<b>69.5</b>	<b>–</b>	<b>69.5</b>
<b>Total</b>	<b>143.6</b>	<b>(26.8)</b>	<b>116.8</b>	<b>205.8</b>	<b>(43.1)</b>	<b>162.7</b>
of which securities sold under repurchase agreements and securities lending transactions	120.8	(26.8)	94.0 <sup>2</sup>	175.8	(43.1)	132.7 <sup>2</sup>
of which obligation to return securities received as collateral, at fair value	22.8	0.0	22.8	30.0	0.0	30.0

<sup>1</sup> Represents securities sold under repurchase agreements and securities lending transactions where a legal opinion supporting the enforceability of netting in the event of default or termination under the agreement is not in place.

<sup>2</sup> CHF 76,104 million and CHF 108,784 million of the total net amount as of December 31, 2013 and 2012, respectively, are reported at fair value.

### Amounts not offset in the consolidated balance sheets

end of	2013				2012			
	Net	Financial instruments <sup>1</sup>	Cash collateral received/pledged <sup>1</sup>	Net exposure	Net	Financial instruments <sup>1</sup>	Cash collateral received/pledged <sup>1</sup>	Net exposure
<b>Financial assets subject to enforceable master netting agreements (CHF billion)</b>								
Derivatives	23.6	4.9	0.1	18.6	27.5	5.8	0.0	21.7
Securities purchased under resale agreements	86.9	86.9	0.0	0.0	100.3	100.3	0.0	0.0
Securities borrowing transactions	21.0	20.2	0.0	0.8	18.9	17.4	0.0	1.5
<b>Total financial assets subject to enforceable master netting agreements</b>	<b>131.5</b>	<b>112.0</b>	<b>0.1</b>	<b>19.4</b>	<b>146.7</b>	<b>123.5</b>	<b>0.0</b>	<b>23.2</b>
<b>Financial liabilities subject to enforceable master netting agreements (CHF billion)</b>								
Derivatives	25.6	9.9	0.0	15.7	29.3	10.8	0.0	18.5
Securities sold under repurchase agreements	59.7	59.7	0.0	0.0	56.5	56.3	0.2	0.0
Securities lending transactions	6.6	6.2	0.0	0.4	10.8	10.2	0.0	0.6
Obligation to return securities received as collateral, at fair value	18.5	17.5	0.0	1.0	25.9	24.2	0.0	1.7
<b>Total financial liabilities subject to enforceable master netting agreements</b>	<b>110.4</b>	<b>93.3</b>	<b>0.0</b>	<b>17.1</b>	<b>122.5</b>	<b>101.5</b>	<b>0.2</b>	<b>20.8</b>

<sup>1</sup> The total amount reported in financial instruments (recognized financial assets and financial liabilities and non-cash financial collateral) and cash collateral is limited to the amount of the related instruments presented in the consolidated balance sheets and therefore any over-collateralization of these positions is not included.

## 26 Tax

### Details of current and deferred taxes

in	2013	2012	2011
<b>Current and deferred taxes (CHF million)</b>			
Switzerland	(52)	85	(35)
Foreign	561	542	440
<b>Current income tax expense</b>	<b>509</b>	<b>627</b>	<b>405</b>
Switzerland	(15)	(121)	(251)
Foreign	683	(59)	290
<b>Deferred income tax expense/(benefit)</b>	<b>668</b>	<b>(180)</b>	<b>39</b>
<b>Income tax expense</b>	<b>1,177</b>	<b>447</b>	<b>444</b>
Income tax expense/(benefit) on discontinued operations	75	31	15
Income tax expense/(benefit) reported in shareholder's equity related to:			
Gains/(losses) on cash flow hedges	1	0	(4)
Cumulative translation adjustment	44	(12)	16
Unrealized gains/(losses) on securities	(8)	(1)	16
Actuarial gains/(losses)	99	30	29
Net prior service cost	0	(2)	(1)
Share-based compensation and treasury shares	1	(53)	275

### Reconciliation of taxes computed at the Swiss statutory rate

in	2013	2012	2011
<b>Income/(loss) from continuing operations before taxes (CHF million)</b>			
Switzerland	300	1,170	(176)
Foreign	3,370	812	2,687
<b>Income from continuing operations before taxes</b>	<b>3,670</b>	<b>1,982</b>	<b>2,511</b>
<b>Reconciliation of taxes computed at the Swiss statutory rate (CHF million)</b>			
Income tax expense computed at the statutory tax rate of 22%	807	436	552
Increase/(decrease) in income taxes resulting from			
Foreign tax rate differential	215	279	(29)
Non-deductible amortization of other intangible assets and goodwill impairment	25	0	0
Other non-deductible expenses	493	382	444
Additional taxable income	(5)	6	6
Lower taxed income	(374)	(413)	(422)
Income taxable to noncontrolling interests	(262)	(118)	(312)
Changes in tax law and rates	184	182	170
Changes in deferred tax valuation allowance	381	10	471
Tax deductible impairments of Swiss subsidiary investments	(268)	(161)	(55)
Other	(19)	(156)	(381)
<b>Income tax expense</b>	<b>1,177</b>	<b>447</b>	<b>444</b>

**2013**

**Foreign tax rate differential** of CHF 215 million reflected a foreign tax expense in respect of profits earned in higher tax jurisdictions, mainly Brazil and the US, partially offset by foreign tax rate differential related to profits earned in lower tax jurisdictions, mainly Guernsey and the Bahamas. The total foreign tax expense of CHF 1,244 million was not only impacted by the foreign tax expense based on statutory tax rates but also by tax impacts related to additional reconciling items explained below.

**Other non-deductible expenses** of CHF 493 million included non-deductible interest expenses of CHF 247 million, non-taxable offshore expenses of CHF 9 million, non-deductible bank levy costs and other non-deductible compensation expenses and management costs of CHF 93 million, non-deductible provision accruals of CHF 103 million and other various smaller non-deductible expenses.

**Lower taxed income** of CHF 374 million included a net tax benefit of CHF 49 million resulting from the reversal of a deferred tax liability previously recorded to cover for a taxable timing difference related to a re-investment relief. In addition, 2013 included a Swiss income tax benefit of CHF 41 million as a result of foreign branch earnings beneficially impacting the earnings mix, a tax benefit of CHF 61 million related to non-taxable life insurance income, CHF 56 million related to exempt offshore income, CHF 45 million in respect of non-taxable dividend income, CHF 18 million related to non-taxable foreign exchange gains, CHF 67 million related to tax credits and CHF 19 million related to permanent tax benefits from tax deductible goodwill amortization. The remaining balance included various smaller items.

**Changes in tax law and rates** of CHF 184 million reflected a tax expense caused by the reduction of deferred tax assets mainly due to the impact of the change in UK corporation tax.

**Changes in deferred tax valuation allowances** of CHF 381 million included the impact of the increase of valuation allowances of CHF 245 million mainly in respect of four of the Bank's operating entities, three in Europe and one in Asia, relating to current year earnings. Additionally, 2013 included an increase in valuation allowance for previously recognized deferred tax assets in respect of one of the Bank's operating entities in the UK of CHF 278 million. Also included was a tax benefit of CHF 143 million resulting from the release of valuation allowances on deferred tax assets mainly for two of the Bank's operating entities, one in Japan and one in the UK.

**Other** of CHF 19 million included a tax benefit of CHF 57 million relating to the current year's earnings mix and the re-assessment of deferred tax assets in Switzerland reflecting changes in forecasted future profitability related to deferred tax assets and a CHF 36 million income tax benefit following a change in the tax status of one of the Bank's US entities, partially offset by a tax expense of CHF 41 million relating to the increase of tax contingency accruals and a tax expense of CHF 41 million relating to non-recoverable foreign taxes. The remaining balance included various smaller items.

**2012**

**Foreign tax rate differential** of CHF 279 million reflected a foreign tax expense in respect of profits earned in higher tax jurisdictions, mainly Brazil and the US, partially offset by foreign tax rate differential related to profits earned in lower tax jurisdictions, mainly Guernsey and the Bahamas. The total foreign tax expense of CHF 483 million was not only impacted by the foreign tax expense based on statutory tax rates but also by tax impacts related to additional reconciling items explained below.

**Other non-deductible expenses** of CHF 382 million included non-deductible interest expenses of CHF 259 million, non-taxable offshore expenses of CHF 8 million, non-deductible bank levy costs and other non-deductible compensation expenses of CHF 57 million and other various smaller non-deductible expenses.

**Lower taxed income** of CHF 413 million included a Swiss income tax benefit of CHF 114 million as a result of foreign branch earnings beneficially impacting the earnings mix. In addition, 2012 included a tax benefit of CHF 48 million related to non-taxable life insurance income, CHF 29 million related to exempt offshore income, CHF 40 million in respect of non-taxable dividend income, CHF 11 million related to non-taxable foreign exchange gains and CHF 100 million related to tax credits. The remaining balance included various smaller items, amongst others related to permanent tax benefits from tax deductible goodwill amortization and tax holidays.

**Changes in tax law and rates** of CHF 182 million reflected a tax expense caused by the reduction of deferred tax assets mainly due to the impact of the change in UK corporation tax.

**Changes in deferred tax valuation allowances** of CHF 10 million included an increase to the valuation allowance of CHF 834 million in respect of five of the Bank's operating entities, three in Europe and two in Asia, mainly relating to deferred tax assets on current year tax losses and pre-existing loss carry-forwards. Additionally, 2012 included a tax benefit of CHF 820 million resulting from the release of valuation allowances on deferred tax assets for one of the Bank's operating entities in the US.

**Other** of CHF 156 million included a tax benefit of CHF 48 million relating to the re-assessment of deferred tax assets in Switzerland reflecting changes in forecasted future profitability related to such pre-existing deferred tax assets. Also included was a benefit of CHF 70 million relating to return to accrual adjustments following the close of a tax audit cycle and the impact of the closure of an advanced pricing agreement and CHF 43 million relating to the release of tax contingency accruals following the favorable resolution of tax matters.

## 2011

**Foreign tax rate differential** of CHF 29 million reflected a foreign tax rate benefit in respect of profits earned in lower tax jurisdictions, mainly Guernsey and the Bahamas, partially offset by foreign tax rate differential related to profits earned in higher tax jurisdictions, mainly Brazil and the US. The foreign tax benefit in relation to foreign tax expense of CHF 730 million was more than offset by tax impacts related to reconciling items explained below.

**Other non-deductible expenses** of CHF 444 million included non-deductible interest expenses of CHF 240 million, non-taxable offshore expenses of CHF 80 million, non-deductible bank levy costs and other non-deductible compensation expenses of CHF 49 million and other various smaller non-deductible expenses.

**Lower taxed income** of CHF 422 million included a tax benefit of CHF 40 million related to non-taxable life insurance income, CHF 52 million related to exempt offshore income, CHF 47 million in respect of non-taxable dividend income and CHF 47 million related to non-taxable foreign exchange gains. In addition, 2011 included tax benefits of CHF 42 million related to tax credits and CHF 116 million in respect of the reversal of the deferred tax liability recorded to cover estimated recapture of loss deductions arising from foreign branches of the Bank. The remaining balance included various smaller items, amongst others related to permanent tax benefits from tax deductible goodwill amortization and tax holidays.

**Changes in tax law and rates** of CHF 170 million reflected a tax expense caused by the reduction of deferred tax assets mainly due to the impact of the change in UK corporation tax.

**Changes in deferred tax valuation allowances** of CHF 471 million included an increase to the valuation allowance of CHF 428 million in respect of three of the Bank's operating entities, two in the UK and one in Asia, mainly relating to deferred tax assets on tax loss carry-forwards. Additionally, 2011 included a tax benefit of CHF 7 million resulting from the release of valuation allowances on deferred tax assets for one of the Bank's operating entities in the US.

**Other** of CHF 381 million included a tax benefit of CHF 261 million relating to the increase of deferred tax assets in two of the Bank's operating entities, one in Switzerland (CHF 129 million) and one in the US (CHF 132 million). The increase is related to the re-measurement of existing deferred tax assets on net operating losses due to changes in the mix of the sources of income and related tax rates that these net operating losses are expected to be applied to. Also included was an amount of CHF 125 million relating to the release of tax contingency accruals following the favorable resolution of tax matters.

As of December 31, 2013, the Bank had accumulated undistributed earnings from foreign subsidiaries of CHF 5.6 billion. No deferred tax liability was recorded in respect of those amounts as these earnings are considered indefinitely reinvested. It is not practicable to estimate the amount of unrecognized deferred tax liabilities for these undistributed foreign earnings.

## Details of the tax effect of temporary differences

end of	2013	2012
<b>Tax effect of temporary differences (CHF million)</b>		
Compensation and benefits	2,106	2,279
Loans	363	441
Investment securities	1,654	1,818
Provisions	1,874	1,760
Derivatives	136	343
Real estate	240	242
Net operating loss carry-forwards	4,432	5,177
Other	186	204
<b>Gross deferred tax assets before valuation allowance</b>	<b>10,991</b>	<b>12,264</b>
Less valuation allowance	(2,704)	(2,550)
<b>Gross deferred tax assets net of valuation allowance</b>	<b>8,287</b>	<b>9,714</b>
Compensation and benefits	(120)	(164)
Loans	(109)	(162)
Investment securities	(1,089)	(1,354)
Provisions	(396)	(402)
Business combinations	0	(20)
Derivatives	(193)	(295)
Leasing	(53)	(40)
Real estate	(75)	(78)
Other	(153)	(208)
<b>Gross deferred tax liabilities</b>	<b>(2,188)</b>	<b>(2,723)</b>
<b>Net deferred tax assets</b>	<b>6,099</b>	<b>6,991</b>

The decrease in net deferred tax assets from 2012 to 2013 of CHF 892 million was primarily due to the impact of taxable income in 2013 decreasing deferred tax assets by CHF 411 million and the recognition of a valuation allowance against deferred tax assets, mainly in the UK, of CHF 278 million. In addition, the decrease reflected a write-down of deferred tax assets of CHF 184 million as a result of changes to corporation tax rates in the UK, the tax impacts directly recorded in equity, mainly related to share-based compensation and other tax recorded in accumulated other comprehensive income/(loss) (AOCI) of CHF 44 million and foreign exchange translation losses of CHF 182 million, which are included within currency translation adjustments recorded in AOCI. These decreases were partially offset by an increase in net deferred tax asset balances following a re-measurement of deferred tax balances in Switzerland and the release of valuation allowances in Japan and the UK of CHF 207 million.

Due to uncertainty concerning its ability to generate the necessary amount and mix of taxable income in future periods, the Bank recorded a valuation allowance against deferred tax assets in the amount of CHF 2.7 billion as of December 31, 2013 compared to CHF 2.6 billion as of December 31, 2012.

### Amounts and expiration dates of net operating loss carry-forwards

end of 2013	Total
<b>Net operating loss carry-forwards (CHF million)</b>	
Due to expire within 1 year	46
Due to expire within 2 to 5 years	10,197
Due to expire within 6 to 10 years	1,152
Due to expire within 11 to 20 years	1,375
<b>Amount due to expire</b>	<b>12,770</b>
Amount not due to expire	13,008
<b>Total net operating loss carry-forwards</b>	<b>25,778</b>

### Movements in the valuation allowance

in	2013	2012	2011
<b>Movements in the valuation allowance (CHF million)</b>			
<b>Balance at beginning of period</b>	<b>2,550</b>	<b>2,689</b>	<b>2,262</b>
Net changes	154	(139)	427
<b>Balance at end of period</b>	<b>2,704</b>	<b>2,550</b>	<b>2,689</b>

### Uncertain tax positions

#### Reconciliation of the beginning and ending amount of gross unrecognized tax benefits

in	2013	2012	2011
<b>Movements in gross unrecognized tax benefits (CHF million)</b>			
<b>Balance at beginning of period</b>	<b>416</b>	<b>370</b>	<b>578</b>
Increases in unrecognized tax benefits as a result of tax positions taken during a prior period	4	33	54
Decreases in unrecognized tax benefits as a result of tax positions taken during a prior period	(8)	(58)	(177)
Increases in unrecognized tax benefits as a result of tax positions taken during the current period	43	38	29
Decreases in unrecognized tax benefits relating to settlements with tax authorities	0	(4)	(65)
Reductions to unrecognized tax benefits as a result of a lapse of the applicable statute of limitations	(5)	(43)	(19)
Other (including foreign currency translation)	(34)	80	(30)
<b>Balance at end of period</b>	<b>416</b>	<b>416</b>	<b>370</b>
of which, if recognized, would affect the effective tax rate	410	410	364

### Interest and penalties

in	2013	2012	2011
<b>Interest and penalties (CHF million)</b>			
Interest and penalties recognized in the consolidated statements of operations	6	(13)	(19)
Interest and penalties recognized in the consolidated balance sheets	64	64	82

Interest and penalties are reported as tax expense. The Bank is currently subject to ongoing tax audits, inquiries and litigation with the tax authorities in a number of jurisdictions, including Brazil, the Netherlands, the US, the UK and Switzerland. Although the timing

### Tax benefits associated with share-based compensation

in	2013	2012	2011
<b>Tax benefits associated with share-based compensation (CHF million)</b>			
Tax benefits recorded in the consolidated statements of operations	481	596	464
Windfall tax benefits/(shortfall tax charges) recorded in additional paid-in capital	(24)	30	(277)
Tax benefits in respect of tax on dividend equivalent payments	22	12	1

► Refer to "Note 27 – Employee deferred compensation" for further information on share-based compensation.

Windfall deductions and dividend equivalents aggregating CHF 0.9 billion and CHF 0.9 billion for 2013 and 2012, respectively, did not result in a reduction of income taxes payable because certain entities were in a net operating loss position. When the income tax benefit of these deductions is realized, an estimated CHF 170 million tax benefit will be recorded in additional paid-in capital.

of completion is uncertain, it is reasonably possible that some of these will be resolved within 12 months of the reporting date.

It is reasonably possible that there will be a decrease of between zero and CHF 74 million in unrecognized tax benefits within 12 months of the reporting date.

The Bank remains open to examination from federal, state, provincial or similar local jurisdictions from the following years onward in these major countries: Switzerland – 2009; Brazil – 2008; Japan – 2008; the UK – 2006; the US – 2006; and the Netherlands – 2005.

► Refer to "Note 27 – Tax" in V – Consolidated financial statements – Credit Suisse Group for further information.



## 27 Employee deferred compensation

### Deferred compensation for employees

► Refer to "Note 28 – Employee deferred compensation" in V – Consolidated financial statements – Credit Suisse Group for further information.

The following tables show the compensation expense for deferred compensation awards granted in 2013 and prior years that was recognized in the consolidated statements of operations during 2013, 2012 and 2011, the total shares delivered, the estimated unrecognized compensation expense for deferred compensation awards granted in 2013 and prior years outstanding as of December 31, 2013 and the remaining requisite service period over which the estimated unrecognized compensation expense will be recognized.

### Deferred compensation expense

in	2013	2012	2011
<b>Deferred compensation expense (CHF million)</b>			
Share awards	806	773	759
Performance share awards	580	362	0
Plus Bond awards <sup>1</sup>	37	–	–
2011 Partner Asset Facility awards <sup>2</sup>	77	675	0
Adjustable Performance Plan share awards	30	71	0
Adjustable Performance Plan cash awards	4	281	1,087
Restricted Cash Awards	145	165	252
Scaled Incentive Share Units	38	95	404
Incentive Share Units <sup>3</sup>	(3)	62	172
2008 Partner Asset Facility awards <sup>2</sup>	93	173	3
Other cash awards	430	363	337
Discontinued operations	(21)	(23)	(21)
<b>Total deferred compensation expense</b>	<b>2,216</b>	<b>2,997</b>	<b>2,993</b>
<b>Total shares delivered (million)</b>			
Total shares delivered	32.6	30.9	23.7

<sup>1</sup> Compensation expense primarily relates to mark-to-market changes of the underlying assets of the Plus Bonds and the amortization of the voluntary Plus Bonds elected in the first quarter of 2013 and expensed over a three-year vesting period.

<sup>2</sup> Compensation expense mainly includes the change in the underlying fair value of the indexed assets during the period.

<sup>3</sup> Includes forfeitures.

### Estimated unrecognized deferred compensation

end of	2013
<b>Estimated unrecognized compensation expense (CHF million)</b>	
Share awards	800
Performance share awards	219
Plus Bond awards	18
Adjustable Performance Plan share awards	10
Adjustable Performance Plan cash awards	13
Restricted Cash Awards	136
Other cash awards	107
<b>Total</b>	<b>1,303</b>
<b>Aggregate remaining weighted-average requisite service period (years)</b>	
Aggregate remaining weighted-average requisite service period	1.3

Does not include the estimated unrecognized compensation expense relating to grants made in 2014 for 2013.

### Share awards

On January 16, 2014, the Bank granted 30.1 million share awards with a total value of CHF 824 million. The estimated unrecognized compensation expense of CHF 821 million was determined based on the ► fair value of the award on the grant date, includes the current estimate of future forfeitures and will be recognized over the three-year vesting period, subject to early retirement rules. On January 17, 2013 and January 19, 2012, the Bank granted 37.8 million and 19.7 million share awards with a total value of CHF 947 million and CHF 432 million, respectively, equivalent to the Group's closing share price on the grant date.

On January 16, 2014, the Bank granted 0.5 million blocked shares with a total value of CHF 15 million that vested immediately upon grant, have no future service requirements and were attributed to services performed in 2013. On January 17, 2013 and January 19, 2012, the Bank granted 0.1 million and 0.4 million blocked shares with a total value of CHF 3 million and CHF 9 million, respectively.



## Share award activities

	2013		2012		2011	
	Number of share awards in million	Weighted-average grant-date fair value in CHF	Number of share awards in million	Weighted-average grant-date fair value in CHF	Number of share awards in million	Weighted-average grant-date fair value in CHF
<b>Share awards</b>						
<b>Balance at beginning of period</b>	<b>55.1</b>	<b>34.27</b>	<b>47.6</b>	<b>41.91</b>	<b>17.3</b>	<b>43.86</b>
Granted	40.0	26.43	24.5	23.39	39.8	41.03
Settled	(19.6)	34.12	(14.6)	40.43	(7.4)	43.39
Forfeited	(3.3)	32.04	(2.4)	36.96	(2.1)	43.39
<b>Balance at end of period</b>	<b>72.2</b>	<b>30.07</b>	<b>55.1</b>	<b>34.27</b>	<b>47.6</b>	<b>41.91</b>
of which vested	5.8	–	3.9	–	1.8	–
of which unvested	66.4	–	51.2	–	45.8	–

## Performance share awards

On January 16, 2014, the Bank granted 23.9 million performance share awards with a total value of CHF 654 million. The estimated unrecognized compensation expense of CHF 651 million was determined based on the fair value of the award at the grant date, includes the current estimated outcome of the relevant

performance criteria and estimated future forfeitures and will be recognized over the three-year vesting period. On January 17, 2013, and January 19, 2012, the Bank granted 26.0 million and 23.2 million performance share awards with a total value of CHF 651 million and CHF 509 million.

## Performance share award activities

	2013		2012	
	Number of performance share awards in million	Weighted-average grant-date fair value in CHF	Number of performance share awards in million	Weighted-average grant-date fair value in CHF
<b>Performance share awards</b>				
<b>Balance at beginning of period</b>	<b>22.9</b>	<b>23.90</b>	<b>–</b>	<b>–</b>
Granted	26.2	26.44	23.3	23.90
Settled	(7.5)	23.90	0.0	0.00
Forfeited	(0.9)	24.92	(0.4)	23.90
<b>Balance at end of period</b>	<b>40.7</b>	<b>25.51</b>	<b>22.9</b>	<b>23.90</b>
of which vested	2.7	–	0.9	–
of which unvested	38.0	–	22.0	–

## Contingent Capital Awards

On January 16, 2014, the Bank awarded Contingent Capital Awards with a total value of CHF 391 million that will be expensed over the three-year period from the grant date. The estimated unrecognized compensation expense of CHF 433 million was determined based on the fair value of the award on the grant date, includes the current estimated outcome of the relevant performance criteria, estimated future forfeitures and the expected semi-annual cash payments of interest and will be recognized over the three-year vesting period.

## 2011 Partner Asset Facility

In January 2012, the Bank awarded 2011 Partner Asset Facility (PAF2) units with a fair value of CHF 497 million and the associated compensation expenses were fully expensed in the first quarter of 2012, as the awards were fully vested as of March 31, 2012.

## Adjustable Performance Plan Awards

In July 2012, the Bank executed a voluntary exchange offer, under which employees had the right to voluntarily convert all or a portion of their respective unvested Adjustable Performance Plan cash awards into Adjustable Performance Plan share awards. Adjustable Performance Plan holders elected to convert CHF 479 million of their Adjustable Performance Plan cash awards into the new

Adjustable Performance Plan share awards during the election period, which represented an approximate conversion rate of 50%.

Upon conversion, CHF 435 million of the liability related to Adjustable Performance Plan cash awards that were converted into the Adjustable Performance Plan share awards were reclassified to total shareholder's equity.

#### Adjustable Performance Plan share award activities

	2013	2012
	Number of APP share awards in million	Number of APP share awards in million
<b>Adjustable Performance Plan share awards</b>		
<b>Balance at beginning of period</b>	<b>29.7</b>	<b>–</b>
Granted	1.1 <sup>1</sup>	29.9
Settled	(16.5)	0.0
Forfeited	(0.3)	(0.2)
<b>Balance at end of period</b>	<b>14.0</b>	<b>29.7</b>
of which vested	1.2	0.3
of which unvested	12.8	29.4

<sup>1</sup> Represents additional units earned in the first quarter of 2013 as the original Adjustable Performance Plan awards met performance criteria in accordance with the terms and conditions of the awards.

#### Scaled Incentive Share Unit

##### Scaled Incentive Share Unit activities

	2013	2012	2011
<b>SISU awards (million)</b>			
<b>Balance at beginning of period</b>	<b>9.4</b>	<b>14.4</b>	<b>20.0</b>
Settled	(4.7)	(4.8)	(5.0)
Forfeited	(0.1)	(0.2)	(0.6)
<b>Balance at end of period</b>	<b>4.6</b>	<b>9.4</b>	<b>14.4</b>
of which vested	1.2	1.7	1.0
of which unvested	3.4	7.7	13.4

#### Share option activities

	2013		2012		2011	
	Number of share options in million	Weighted-average exercise price in CHF	Number of share options in million	Weighted-average exercise price in CHF	Number of share options in million	Weighted-average exercise price in CHF
<b>Share options</b>						
<b>Balance at beginning of period</b>	<b>5.2</b>	<b>32.61</b>	<b>16.5</b>	<b>50.99</b>	<b>28.3</b>	<b>63.94</b>
Exercised	0.0	0.00	0.0	0.00	(0.1)	31.74
Forfeited	(0.1)	70.90	0.0	0.00	0.0	0.00
Expired	(4.7)	30.59	(11.3)	59.40	(11.7)	82.41
<b>Balance at end of period</b>	<b>0.4</b>	<b>50.77</b>	<b>5.2</b>	<b>32.61</b>	<b>16.5</b>	<b>50.99</b>
of which exercisable at end of period	0.4	50.77	5.2	32.61	16.5	50.99

#### Incentive Share Unit

##### Incentive Share Unit activities

	2013	2012	2011
<b>ISU awards (million)</b>			
<b>Balance at beginning of period</b>	<b>3.6</b>	<b>13.2</b>	<b>37.2</b>
Settled	(1.8)	(8.7)	(23.0)
Forfeited	(0.6)	(0.9)	(1.0)
<b>Balance at end of period</b>	<b>1.2</b>	<b>3.6</b>	<b>13.2</b>
of which vested	0.1	0.4	1.4
of which unvested	1.1	3.2	11.8

#### Share options

There were no options granted during 2013, 2012 and 2011. As of December 31, 2013, 2012 and 2011, there was no aggregate intrinsic value of options outstanding or exercisable. As of December 31, 2013 and 2012, there was no total intrinsic value of options exercised and the weighted-average remaining contractual term as of December 31, 2013 was 0.7 years. As of the exercise date, the total intrinsic value of options exercised during 2011 was CHF 1 million. There was no cash received from option exercises in 2013 and 2012. Cash received from option exercises during 2011 was CHF 2 million.

## 28 Related parties

The Group owns all of the Bank's outstanding voting registered shares. The Bank is involved in significant financing and other transactions with subsidiaries and affiliates of the Group. The Bank generally enters into these transactions in the ordinary course of business and believes that these transactions are generally on market terms that could be obtained from unrelated third parties.

► Refer to "Note 29 – Related parties" in V – Consolidated financial statements – Credit Suisse Group for further information.

### Related party assets and liabilities

end of	2013	2012
<b>Assets (CHF million)</b>		
Cash and due from banks	0	386
Interest-bearing deposits with banks	1,870	1,775
Trading assets	159	213
Net loans	6,770	7,894
Other assets	29	58
<b>Total assets</b>	<b>8,828</b>	<b>10,326</b>
<b>Liabilities (CHF million)</b>		
Due to banks/customer deposits	2,503	1,915
Trading liabilities	14	209
Long-term debt	4,300	4,907
Other liabilities	200	206
<b>Total liabilities</b>	<b>7,017</b>	<b>7,237</b>

### Related party revenues and expenses

in	2013	2012	2011
<b>Revenues (CHF million)</b>			
Interest and dividend income	49	54	61
Interest expense	(81)	(117)	(195)
<b>Net interest income</b>	<b>(32)</b>	<b>(63)</b>	<b>(134)</b>
Commissions and fees	(20)	6	(50)
Other revenues	172	174	201
<b>Net revenues</b>	<b>120</b>	<b>117</b>	<b>17</b>
<b>Expenses (CHF million)</b>			
<b>Total operating expenses</b>	<b>288</b>	<b>270</b>	<b>309</b>

### Related party guarantees

end of	2013	2012
<b>Guarantees (CHF million)</b>		
Credit guarantees and similar instruments	0	1
Performance guarantees and similar instruments	1	0
<b>Total guarantees</b>	<b>1</b>	<b>1</b>

### Executive Board and Board of Directors loans

	2013	2012	2011
<b>Loans to members of the Executive Board (CHF million)</b>			
<b>Balance at beginning of period</b>	<b>8<sup>1</sup></b>	<b>22</b>	<b>18</b>
Additions	4	3	5
Reductions	(2)	(17)	(1)
<b>Balance at end of period</b>	<b>10<sup>1</sup></b>	<b>8</b>	<b>22</b>
<b>Loans to members of the Board of Directors (CHF million)</b>			
<b>Balance at beginning of period</b>	<b>41<sup>2</sup></b>	<b>33</b>	<b>34</b>
Additions	16	13	2
Reductions	(2)	(5)	(3)
<b>Balance at end of period</b>	<b>55<sup>2</sup></b>	<b>41</b>	<b>33</b>

<sup>1</sup> The number of individuals with outstanding loans at the beginning and end of the year was three and four, respectively.

<sup>2</sup> The number of individuals with outstanding loans at the beginning and end of the year was five.

### Liabilities due to own pension funds

Liabilities due to the Bank's own defined benefit pension funds as of December 31, 2013 and 2012 of CHF 2,852 million and CHF 2,804 million, respectively, were reflected in various liability accounts in the Bank's consolidated balance sheets.

## 29 Pension and other post-retirement benefits

The Bank participates in a defined benefit pension plan sponsored by the Group and has defined contribution pension plans, single-employer defined benefit pension plans and other post-retirement defined benefit plans. The Bank's principal plans are located in Switzerland, the US and the UK.

### DEFINED CONTRIBUTION PENSION PLANS

The Bank contributes to various defined contribution pension plans primarily in the US and the UK as well as other countries throughout the world. During 2013, 2012 and 2011, the Bank contributed to these plans and recognized as expense CHF 178 million, CHF 219 million and CHF 244 million, respectively.

► Refer to "Note 30 – Pension and other post-retirement benefits" in V – Consolidated financial statements – Credit Suisse Group for further information on defined contribution pension plans.

### DEFINED BENEFIT PENSION AND OTHER POST-RETIREMENT BENEFIT PLANS

#### Defined benefit pension plans

► Refer to "Note 30 – Pension and other post-retirement benefits" in V – Consolidated financial statements – Credit Suisse Group for further information on defined benefit pension plans.

#### Group pension plan

The Bank covers pension requirements for its employees in Switzerland by participating in a defined benefit pension plan sponsored by the Group (Group plan), the Group's most significant defined benefit pension plan. The plan provides benefits in the event of retirement, death and disability. Various legal entities within the Group participate in the plan, which is set up as an independent trust domiciled in Zurich. Historically, this plan provided traditional defined benefit pensions under the annuity section. In 2010, a new savings section was introduced and as of January 1, 2013, all active employees were transferred to the savings section and the annuity section has ceased accruing new benefits. In the savings section, the benefits are determined on the basis of the accumulated employer and employee contributions and accumulated interest credited. In accordance with US GAAP, the Group accounts for the Group plan as a single-employer defined benefit pension plan and uses the projected unit credit actuarial method to determine the net periodic benefit costs, the PBO and the accumulated benefit obligation (ABO). The Bank accounts for the defined benefit pension plan sponsored by the Group as a multi-employer pension plan because other legal entities within the Group also participate in the plan and the assets contributed by the Bank are not segregated into a separate account or restricted to provide benefits only to employees of the Bank. The assets contributed

by the Bank are commingled with the assets contributed by the other legal entities of the Group and can be used to provide benefits to any employee of any participating legal entity. The Bank's contributions to the Group plan comprise 95% of the total assets contributed to the Group plan by all participating legal entities on an annual basis.

The Bank accounts for the Group plan on a defined contribution basis whereby it only recognizes the amounts required to be contributed to the Group plan during the period as net periodic pension expense and only recognizes a liability for any contributions due and unpaid. No other expenses or balance sheet amounts related to the Group plan were recognized by the Bank. In the savings section of the plan, the Bank's contribution varies between 7.5% and 25% of the pensionable salary depending on the employees' age.

During 2013, 2012 and 2011, the Bank contributed and recognized as expense CHF 390 million, CHF 458 million and CHF 645 million to the Group plan, respectively. The Bank expects to contribute CHF 390 million to the Group plan during 2014. If the Bank had accounted for the Group plan as a single-employer defined benefit plan, the net periodic pension expense recognized by the Bank during 2013, 2012 and 2011 would have been lower by CHF 131 million, CHF 197 million and CHF 476 million, respectively, and the Bank would have recognized CHF 158 million, CHF 88 million and CHF 96 million, respectively, as amortization of actuarial losses and prior service cost for the Group plan.

As of December 31, 2013 and 2012, the ABO of the Group plan was CHF 13.0 billion and CHF 13.8 billion, the PBO was CHF 13.5 billion and CHF 14.3 billion and the fair value of plan assets was CHF 14.9 billion and CHF 14.3 billion, respectively. As of December 31, 2013 and 2012, the Group plan was overfunded on an ABO basis by CHF 1,869 million and CHF 519 million, respectively. On a PBO basis, the Group plan was overfunded by CHF 1,439 million and CHF 44 million as of December 31, 2013 and 2012, respectively. If the Bank had accounted for the Group plan as a defined benefit pension plan, the Bank would have had to recognize the funded status of the Group plan on a PBO basis of CHF 1,367 million and CHF 42 million as an asset as of December 31, 2013 and 2012, respectively, in the consolidated balance sheets.

If the Bank had accounted for the Group plan as a defined benefit plan, the Bank would have used the assumptions made by the Group for the calculation of the expense and liability associated with the Group plan.

► Refer to "Note 30 – Pension and other post-retirement benefits" in V – Consolidated financial statements – Credit Suisse Group for information on assumptions made by the Group for Switzerland.

### International pension plans

Various defined benefit pension plans cover the Bank's employees outside Switzerland. These plans provide benefits in the event of retirement, death, disability or termination of employment. Retirement benefits under the plans depend on age, contributions and salary. The Bank's principal defined benefit pension plans outside Switzerland are located in the US and in the UK. Both plans are funded, closed to new participants and have ceased accruing new benefits. Smaller defined benefit pension plans, both funded and unfunded, are operated in other locations.

### Other post-retirement defined benefit plans

In the US, the Bank's defined benefit plans provide post-retirement benefits other than pension benefits that primarily focus on health and welfare benefits for certain retired employees. In exchange for

the current services provided by the employee, the Bank promises to provide health and welfare benefits after the employee retires. The Bank's obligation for that compensation is incurred as employees render the services necessary to earn their post-retirement benefits.

### Benefit costs of defined benefit plans

The net periodic benefit costs for defined benefit pension and other post-retirement defined benefit plans are the costs of the respective plan for a period during which an employee renders services. The actual amount to be recognized is determined using the standard actuarial methodology which considers, among other factors, current service cost, interest cost, expected return on plan assets and the amortization of both prior service cost/(credit) and actuarial losses/(gains) recognized in AOCI.

### Components of total benefit costs

in	International single-employer defined benefit pension plans			Other post-retirement defined benefit plans		
	2013	2012	2011	2013	2012	2011
<b>Total benefit costs (CHF million)</b>						
Service costs on benefit obligation	24	30	33	0	1	0
Interest costs on benefit obligation	122	127	123	8	8	7
Expected return on plan assets	(161)	(164)	(160)	0	0	0
Amortization of recognized prior service cost/(credit)	0	(1)	0	0	(2)	(2)
Amortization of recognized actuarial losses/(gains)	79	74	51	13	13	9
<b>Total benefit costs</b>	<b>64</b>	<b>66</b>	<b>47</b>	<b>21</b>	<b>20</b>	<b>14</b>

Total benefit costs reflected in compensation and benefits – other for 2013, 2012 and 2011 were CHF 85 million, CHF 86 million and CHF 61 million, respectively.

### Benefit obligation

The following table shows the changes in the PBO, the fair value of plan assets and the amounts recognized in the consolidated balance sheets for the international single-employer defined benefit pension plans and other post-retirement defined benefit plans as well as the ABO for the defined benefit pension plans.

## Obligations and funded status of the plans

in / end of	International single-employer defined benefit pension plans		Other post-retirement defined benefit plans	
	2013	2012	2013	2012
<b>PBO (CHF million)<sup>1</sup></b>				
<b>Beginning of the measurement period</b>	<b>2,773</b>	<b>2,675</b>	<b>180</b>	<b>174</b>
Service cost	24	30	0	1
Interest cost	122	127	8	8
Plan amendments	0	0	0	0
Settlements	(4)	0	0	0
Curtailments	(2)	(12)	0	0
Special termination benefits	1	1	0	0
Actuarial losses/(gains)	69	70	(8)	10
Plans removed	0	(6)	0	0
Benefit payments	(97)	(103)	(8)	(8)
Exchange rate losses/(gains)	(43)	(9)	(4)	(5)
<b>End of the measurement period</b>	<b>2,843</b>	<b>2,773</b>	<b>168</b>	<b>180</b>
<b>Fair value of plan assets (CHF million)</b>				
<b>Beginning of the measurement period</b>	<b>2,893</b>	<b>2,586</b>	<b>0</b>	<b>0</b>
Actual return on plan assets	183	234	0	0
Employer contributions	67	158	8	8
Settlements	(4)	0	0	0
Benefit payments	(97)	(103)	(8)	(8)
Exchange rate gains/(losses)	(35)	18	0	0
<b>End of the measurement period</b>	<b>3,007</b>	<b>2,893</b>	<b>0</b>	<b>0</b>
<b>Total funded status recognized (CHF million)</b>				
Funded status of the plan – over/(underfunded)	164	120	(168)	(180)
<b>Funded status recognized in the consolidated balance sheet as of December 31</b>	<b>164</b>	<b>120</b>	<b>(168)</b>	<b>(180)</b>
<b>Total amount recognized (CHF million)</b>				
Noncurrent assets	520	695	0	0
Current liabilities	(8)	(7)	(8)	(8)
Noncurrent liabilities	(348)	(568)	(160)	(172)
<b>Total amount recognized in the consolidated balance sheet as of December 31</b>	<b>164</b>	<b>120</b>	<b>(168)</b>	<b>(180)</b>
<b>ABO (CHF million)<sup>2</sup></b>				
<b>End of the measurement period</b>	<b>2,785</b>	<b>2,714</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Including estimated future salary increases.

<sup>2</sup> Excluding estimated future salary increases.

The total net amount recognized in the consolidated balance sheets as of December 31, 2013 and 2012 was an underfunding of CHF 4 million and CHF 60 million, respectively.

In 2013 and 2012, the Bank made contributions of CHF 67 million and CHF 158 million, respectively, to the international single-employer defined benefit pension plans. In 2014, the Bank expects to contribute CHF 110 million to the international

single-employer defined benefit pension plans and CHF 8 million to other post-retirement defined benefit plans.

### PBO or ABO in excess of plan assets

The following table shows the aggregate PBO and ABO, as well as the aggregate fair value of plan assets for those plans with PBO in excess of plan assets and those plans with ABO in excess of plan assets as of December 31, 2013 and 2012, respectively.

### Defined benefit pension plans in which PBO or ABO exceeded plan assets

December 31	PBO exceeds fair value of plan assets <sup>1</sup>		ABO exceeds fair value of plan assets <sup>1</sup>	
	2013	2012	2013	2012
<b>CHF million</b>				
PBO	1,334	1,400	1,319	1,382
ABO	1,307	1,364	1,298	1,354
Fair value of plan assets	978	825	964	810

<sup>1</sup> Includes only those defined benefit pension plans where the PBO/ABO exceeded the fair value of plan assets.

### Amount recognized in AOCI and other comprehensive income

The following table shows the actuarial gains/(losses) and prior service credit/(cost) which were recorded in AOCI and subsequently recognized as components of net periodic benefit costs.

#### Amounts recognized in AOCI, net of tax

end of	International single-employer defined benefit pension plans		Other post-retirement defined benefit plans		Total	
	2013	2012	2013	2012	2013	2012
<b>Amounts recognized in AOCI (CHF million)</b>						
Actuarial gains/(losses)	(674)	(617)	(40)	(53)	(714)	(670)
Prior service credit/(cost)	0	0	3	3	3	3
<b>Total</b>	<b>(674)</b>	<b>(617)</b>	<b>(37)</b>	<b>(50)</b>	<b>(711)</b>	<b>(667)</b>

The following tables show the changes in other comprehensive income due to actuarial gains/(losses) and prior service credit/(cost) recognized in AOCI during 2013 and 2012, and the

amortization of the aforementioned items as components of net periodic benefit costs for these periods, as well as the amounts expected to be amortized in 2014.

#### Amounts recognized in other comprehensive income

in	International single-employer defined benefit pension plans			Other post-retirement defined benefit plans			Total net
	Gross	Tax	Net	Gross	Tax	Net	
<b>2013 (CHF million)</b>							
Actuarial gains/(losses)	(47)	(62) <sup>1</sup>	(109)	8	(3)	5	(104)
Amortization of actuarial losses/(gains)	79	(29)	50	13	(5)	8	58
Immediate recognition due to curtailment/settlement	2	0	2	0	0	0	2
<b>Total amounts recognized in other comprehensive income</b>	<b>34</b>	<b>(91)</b>	<b>(57)</b>	<b>21</b>	<b>(8)</b>	<b>13</b>	<b>(44)</b>
<b>2012 (CHF million)</b>							
Actuarial gains/(losses)	0	0	0	(10)	4	(6)	(6)
Amortization of actuarial losses/(gains)	74	(27)	47	13	(5)	8	55
Amortization of prior service cost/(credit)	(1)	1	0	(2)	1	(1)	(1)
Immediate recognition due to curtailment/settlement	12	(2)	10	0	0	0	10
<b>Total amounts recognized in other comprehensive income</b>	<b>85</b>	<b>(28)</b>	<b>57</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>58</b>

<sup>1</sup> Includes the impact from the valuation allowance recognized on deferred tax assets on one of the Bank's entities in the UK, offsetting the tax benefit of CHF 37 million attributable to the UK pension plan.

## Amounts in AOCI, net of tax, expected to be amortized in 2014

in 2014	International single-employer defined benefit pension plans	Other post-retirement defined benefit plans
<b>CHF million</b>		
Amortization of actuarial losses/(gains)	38	5
<b>Total</b>	<b>38</b>	<b>5</b>

## Assumptions

### Weighted-average assumptions used to determine net periodic benefit costs and benefit obligation

December 31	International single-employer defined benefit pension plans			Other post-retirement defined benefit plans		
	2013	2012	2011	2013	2012	2011
<b>Net periodic benefit cost (%)</b>						
Discount rate	4.5	4.8	5.5	4.3	4.7	5.5
Salary increases	4.0	4.0	4.2	–	–	–
Expected long-term rate of return on plan assets	6.2	6.4	7.3	–	–	–
<b>Benefit obligation (%)</b>						
Discount rate	4.7	4.5	4.8	5.1	4.3	4.7
Salary increases	4.3	4.0	4.0	–	–	–

### Health care cost assumptions

The health care cost trend is used to determine the appropriate other post-retirement defined benefit costs. In determining those costs, an annual weighted-average rate is assumed in the cost of covered health care benefits.

The following table provides an overview of health care cost trend rates assumed and the sensitivity of a one percentage point increase or decrease of the rate.

### Health care cost trend rates and sensitivity

in / end of	2013	2012	2011
<b>Health care cost trend rate (%)</b>			
Annual weighted-average health care cost trend rate <sup>1</sup>	8.00	9.00	9.00
<b>Increase/(decrease) in post-retirement expenses (CHF million)</b>			
One percentage point increase in health care cost trend rates	1.3	1.4	1.3
One percentage point decrease in health care cost trend rates	(1.0)	(1.1)	(1.1)
<b>Increase/(decrease) in post-retirement benefit obligation (CHF million)</b>			
One percentage point increase in health care cost trend rates	23	27	23
One percentage point decrease in health care cost trend rates	(19)	(22)	(19)

<sup>1</sup> The annual health care cost trend rate is assumed to decrease gradually to achieve the long-term health care cost trend rate of 5% by 2021.

The annual health care cost trend rate used to determine the defined benefit cost for 2014 is 8.00%.

### Plan assets and investment strategy

► Refer to "Note 30 – Pension and other post-retirement benefits" in V – Consolidated financial statements – Credit Suisse Group for further information.

As of December 31, 2013 and 2012, no Group debt or equity securities were included in plan assets for the international single-employer defined benefit pension plans.

### Fair value of plan assets

The following tables present the plan assets measured at fair value on a recurring basis as of December 31, 2013 and 2012, for the Bank's defined benefits plans.



## Plan assets measured at fair value on a recurring basis

end of	2013				2012			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Plan assets at fair value (CHF million)</b>								
Cash and cash equivalents	66	333	0	399	0	394	0	394
Debt securities	335	1,017	177	1,529	234	1,128	71	1,433
of which governments	335	30	0	365	234	8	0	242
of which corporates	0	987	177	1,164	0	1,120 <sup>2</sup>	71	1,191
Equity securities	172	441	0	613	188	325 <sup>2</sup>	0	513
Real estate – indirect	0	0	94	94	0	0	89	89
Alternative investments	(23)	290	7	274	0	335	34	369
of which private equity	0	0	0	0	0	0	4	4
of which hedge funds	0	264	3	267	0	94 <sup>2</sup>	30	124
of which other	(23) <sup>1</sup>	26 <sup>1</sup>	4	7	0	241 <sup>1</sup>	0	241
Other investments	0	98	0	98	0	95	0	95
<b>Total plan assets at fair value</b>	<b>550</b>	<b>2,179</b>	<b>278</b>	<b>3,007</b>	<b>422</b>	<b>2,277</b>	<b>194</b>	<b>2,893</b>

<sup>1</sup> Primarily related to derivative instruments.

<sup>2</sup> Prior period has been corrected to reclassify certain plan assets from equity securities to corporate debt and hedge funds, respectively.

## Plan assets measured at fair value on a recurring basis for level 3

	Balance at beginning of period	Transfers in	Transfers out	Actual return on plan assets		Purchases, sales, settlements	Foreign currency translation impact	Balance at end of period
				On assets still held at reporting date	On assets sold during the period			
<b>2013 (CHF million)</b>								
Debt securities – corporates	71	1	(1)	5	0	103	(2)	177
Real estate – indirect	89	0	0	7	0	0	(2)	94
Alternative investments	34	2	0	(5)	7	(27)	(4)	7
of which private equity	4	0	0	(1)	0	(3)	0	0
of which hedge funds	30	2	0	(4)	3	(28)	0	3
of which other	0	0	0	0	4	4	(4)	4
<b>Total plan assets at fair value</b>	<b>194</b>	<b>3</b>	<b>(1)</b>	<b>7</b>	<b>7</b>	<b>76</b>	<b>(8)</b>	<b>278</b>
<b>2012 (CHF million)</b>								
Debt securities – corporates	90	0	(28)	9	3	(3)	0	71
Real estate – indirect	84	0	0	6	0	1	(2)	89
Alternative investments	90	0	0	0	3	(56)	(3)	34
of which private equity	9	0	0	(1)	2	(6)	0	4
of which hedge funds	81	0	0	1	1	(50)	(3)	30
<b>Total plan assets at fair value</b>	<b>264</b>	<b>0</b>	<b>(28)</b>	<b>15</b>	<b>6</b>	<b>(58)</b>	<b>(5)</b>	<b>194</b>

### Plan asset allocation

The following table shows the plan asset allocation as of the measurement date calculated based on the fair value at that date including the performance of each asset class.

#### Weighted-average plan asset allocation

December 31	2013	2012
<b>Weighted-average plan asset allocation (%)</b>		
Cash and cash equivalents	13.3	13.6
Debt securities	50.7	49.5 <sup>1</sup>
Equity securities	20.4	17.8 <sup>1</sup>
Real estate	3.1	3.1
Alternative investments	9.2	12.7 <sup>1</sup>
Insurance	3.3	3.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Prior period has been corrected to reclassify certain plan assets from equity securities to debt securities and alternative investments, respectively.

The following table shows the target plan asset allocation for 2014 in accordance with the Bank's investment strategy. The target plan asset allocation is used to determine the expected return on plan assets to be considered in the net periodic benefit costs for 2014.

#### Weighted-average target plan asset allocation for 2014

<b>2014 (%)</b>	
Cash and cash equivalents	0
Debt securities	59
Equity securities	25
Real estate	3
Alternative investments	10
Insurance	3
<b>Total</b>	<b>100</b>

### Estimated future benefit payments for defined benefit plans

The following table shows the estimated future benefit payments for defined benefit pension and other post-retirement defined benefit plans.

#### Estimated future benefit payments for defined benefit plans

	International single-employer defined benefit pension plans	Other post-retirement defined benefit plans
<b>Estimated future benefit payments (CHF million)</b>		
2014	64	8
2015	73	9
2016	74	10
2017	80	10
2018	96	11
For five years thereafter	615	59

### 30 Derivatives and hedging activities

► Refer to “Note 31 – Derivatives and hedging activities” in V – Consolidated financial statements – Credit Suisse Group for further information.

forecasted transactions, excluding those forecasted transactions related to the payment of variable interest on existing financial instruments, was three years.

#### Hedge accounting

##### Cash flow hedges

As of the end of 2013, the maximum length of time over which the Bank hedged its exposure to the variability in future cash flows for

#### Fair value of derivative instruments

	Trading			Hedging <sup>1</sup>		
	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)
<b>end of 2013</b>						
<b>Derivative instruments (CHF billion)</b>						
Forwards and forward rate agreements	9,366.2	2.5	2.6	0.0	0.0	0.0
Swaps	30,593.2	399.7	393.7	63.7	2.7	0.6
Options bought and sold (OTC)	3,889.5	44.3	44.9	0.0	0.0	0.0
Futures	830.8	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	705.9	0.3	0.2	0.0	0.0	0.0
<b>Interest rate products</b>	<b>45,385.6</b>	<b>446.8</b>	<b>441.4</b>	<b>63.7</b>	<b>2.7</b>	<b>0.6</b>
Forwards	2,098.6	21.6	21.5	30.5	0.3	0.1
Swaps	1,382.2	28.8	39.2	0.0	0.0	0.0
Options bought and sold (OTC)	815.6	10.7	11.6	9.4	0.0	0.0
Futures	48.8	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	5.5	0.1	0.2	0.0	0.0	0.0
<b>Foreign exchange products</b>	<b>4,350.7</b>	<b>61.2</b>	<b>72.5</b>	<b>39.9</b>	<b>0.3</b>	<b>0.1</b>
Forwards	4.0	0.7	0.1	0.0	0.0	0.0
Swaps	236.1	5.4	8.0	0.0	0.0	0.0
Options bought and sold (OTC)	225.7	12.4	12.1	0.0	0.0	0.0
Futures	50.6	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	416.2	17.0	17.2	0.0	0.0	0.0
<b>Equity/index-related products</b>	<b>932.6</b>	<b>35.5</b>	<b>37.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Credit derivatives<sup>2</sup></b>	<b>1,483.3</b>	<b>26.8</b>	<b>27.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Forwards	19.2	0.7	1.1	0.0	0.0	0.0
Swaps	45.5	2.9	2.5	0.0	0.0	0.0
Options bought and sold (OTC)	35.1	1.1	1.0	0.0	0.0	0.0
Futures	31.1	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	48.9	0.7	0.9	0.0	0.0	0.0
<b>Other products<sup>3</sup></b>	<b>179.8</b>	<b>5.4</b>	<b>5.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total derivative instruments</b>	<b>52,332.0</b>	<b>575.7</b>	<b>584.0</b>	<b>103.6</b>	<b>3.0</b>	<b>0.7</b>

The notional amount, PRV and NRV (trading and hedging) was CHF 52,435.6 billion, CHF 578.7 billion and CHF 584.7 billion, respectively, as of December 31, 2013.

<sup>1</sup> Relates to derivative contracts that qualify for hedge accounting under US GAAP.

<sup>2</sup> Primarily credit default swaps.

<sup>3</sup> Primarily precious metals, commodity, energy and emission products.

## Fair value of derivative instruments (continued)

end of 2012	Trading			Hedging <sup>1</sup>		
	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)
<b>Derivative instruments (CHF billion)</b>						
Forwards and forward rate agreements	8,055.9	2.6	2.5	0.0	0.0	0.0
Swaps	29,159.0	635.8	630.1	58.0	3.8	1.3
Options bought and sold (OTC)	3,739.9	62.4	62.6	0.0	0.0	0.0
Futures	1,145.4	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	952.0	0.3	0.2	0.0	0.0	0.0
<b>Interest rate products</b>	<b>43,052.2</b>	<b>701.1</b>	<b>695.4</b>	<b>58.0</b>	<b>3.8</b>	<b>1.3</b>
Forwards	2,134.1	21.6	21.3	19.6	0.2	0.1
Swaps	1,336.4	32.1	46.6	0.0	0.0	0.0
Options bought and sold (OTC)	985.3	9.7	10.7	0.0	0.0	0.0
Futures	83.8 <sup>2</sup>	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	3.6	0.0	0.0	0.0	0.0	0.0
<b>Foreign exchange products</b>	<b>4,543.2</b>	<b>63.4</b>	<b>78.6</b>	<b>19.6</b>	<b>0.2</b>	<b>0.1</b>
Forwards	5.5	0.6	0.0	0.0	0.0	0.0
Swaps	211.1	4.5	5.9	0.0	0.0	0.0
Options bought and sold (OTC)	215.1	11.5	11.1	0.0	0.0	0.0
Futures	74.4	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	338.2	13.7	14.1	0.0	0.0	0.0
<b>Equity/index-related products</b>	<b>844.3</b>	<b>30.3</b>	<b>31.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Credit derivatives<sup>3</sup></b>	<b>1,694.5</b>	<b>30.6</b>	<b>29.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Forwards	31.3	1.1	1.4	0.0	0.0	0.0
Swaps	55.3	3.6	3.1	0.0	0.0	0.0
Options bought and sold (OTC)	54.2	1.6	1.6	0.0	0.0	0.0
Futures	35.5 <sup>2</sup>	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	50.4	1.6	1.7	0.0	0.0	0.0
<b>Other products<sup>4</sup></b>	<b>226.7</b>	<b>7.9</b>	<b>7.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total derivative instruments</b>	<b>50,360.9</b>	<b>833.3</b>	<b>842.7</b>	<b>77.6</b>	<b>4.0</b>	<b>1.4</b>

The notional amount, PRV and NRV (trading and hedging) was CHF 50,438.5 billion, CHF 837.3 billion and CHF 844.1 billion, respectively, as of December 31, 2012.

<sup>1</sup> Relates to derivative contracts that qualify for hedge accounting under US GAAP.

<sup>2</sup> Prior period amounts have been corrected to reclassify the notional amounts from other products to foreign exchange products.

<sup>3</sup> Primarily credit default swaps.

<sup>4</sup> Primarily precious metals, commodity, energy and emission products.

### Fair value hedges

in	2013	2012	2011
<b>Gains/(losses) recognized in income on derivatives (CHF million)</b>			
Interest rate products	378	849	634
Foreign exchange products	(9)	(13)	20
<b>Total</b>	<b>369</b>	<b>836</b>	<b>654</b>
<b>Gains/(losses) recognized in income on hedged items (CHF million)</b>			
Interest rate products	(375)	(894)	(672)
Foreign exchange products	9	13	(20)
<b>Total</b>	<b>(366)</b>	<b>(881)</b>	<b>(692)</b>
<b>Details of fair value hedges (CHF million)</b>			
Net gains/(losses) on the ineffective portion	3	(45)	(38)

Represents gains/(losses) recognized in trading revenues.

### Cash flow hedges

in	2013	2012	2011
<b>Gains/(losses) recognized in AOCI on derivatives (CHF million)</b>			
Interest rate products	7	8	0
Foreign exchange products	0	0	(5)
<b>Total</b>	<b>7</b>	<b>8</b>	<b>(5)</b>
<b>Gains/(losses) reclassified from AOCI into income (CHF million)</b>			
Interest rate products <sup>1</sup>	3	0	0
Foreign exchange products <sup>2</sup>	0	0	31
<b>Total</b>	<b>3</b>	<b>0</b>	<b>31</b>
<b>Details of cash flow hedges (CHF million)</b>			
Net gains on the ineffective portion <sup>1</sup>	1	0	0

<sup>1</sup> Included in trading revenues.

<sup>2</sup> Included in commissions and fees.

The net gain associated with cash flow hedges expected to be reclassified from AOCI within the next 12 months was CHF 6 million.

### Contingent credit risk

end of	2013				2012			
	Bilateral counterparties	Special purpose entities	Accelerated terminations	<b>Total</b>	Bilateral counterparties	Special purpose entities	Accelerated terminations	<b>Total</b>
<b>Contingent credit risk (CHF billion)</b>								
Current net exposure	11.7	1.1	0.1	<b>12.9</b>	15.3	1.4	0.6	<b>17.3</b>
Collateral posted	10.6	1.2	–	<b>11.8</b>	13.4	1.4	–	<b>14.8</b>
Additional collateral required in a one-notch downgrade event	0.6	0.8	0.0	<b>1.4</b>	0.2	0.5	0.0	<b>0.7</b>
Additional collateral required in a two-notch downgrade event	2.3	1.1	0.0	<b>3.4</b>	2.7 <sup>1</sup>	1.5	0.5	<b>4.7</b>

<sup>1</sup> Additional collateral required in a two-notch downgrade event has been corrected.

### Credit derivatives

► Refer to “Note 31 – Derivatives and hedging activities” in V – Consolidated financial statements – Credit Suisse Group for further information.

### Net investment hedges

in	2013	2012	2011
<b>Gains/(losses) recognized in AOCI on derivatives (CHF million)</b>			
Foreign exchange products	504	(81)	280
<b>Total</b>	<b>504</b>	<b>(81)</b>	<b>280</b>
<b>Gains/(losses) reclassified from AOCI into income (CHF million)</b>			
Foreign exchange products <sup>1</sup>	2	75	4
<b>Total</b>	<b>2</b>	<b>75</b>	<b>4</b>

Represents gains/(losses) on effective portion.

<sup>1</sup> Included in other revenues.

The Bank includes all ◻ derivative instruments not included in hedge accounting relationships in its trading activities.

► Refer to “Note 8 – Trading revenues” for gains and losses on trading activities by product type.

### Disclosures relating to contingent credit risk

The following table provides the Bank’s current net exposure from contingent credit risk relating to derivative contracts with bilateral counterparties and special purpose entities (SPEs) that include credit support agreements, the related collateral posted and the additional collateral required in a one-notch and a two-notch downgrade event, respectively. The table also includes derivative contracts with contingent credit risk features without credit support agreements that have accelerated termination event conditions. The current net exposure for derivative contracts with bilateral counterparties and contracts with accelerated termination event conditions is the aggregate ◻ fair value of derivative instruments that were in a net liability position. For SPEs, the current net exposure is the contractual amount that is used to determine the collateral payable in the event of a downgrade. The contractual amount could include both the NRV and a percentage of the notional value of the derivative.

### Credit protection sold/purchased

The following tables do not include all credit derivatives and differ from the credit derivatives in the “Fair value of derivative instruments” table. This is due to the exclusion of certain credit derivative instruments under US GAAP, which defines a credit derivative

as a derivative instrument (a) in which one or more of its underlyings are related to the credit risk of a specified entity (or a group of entities) or an index based on the credit risk of a group of entities and (b) that exposes the seller to potential loss from credit risk-related events specified in the contract.

Certain cash collateralized debt obligations (CDOs) and other instruments were excluded as they do not fall within the scope of

US GAAP rules. Total return swaps (TRS) of CHF 7.4 billion and CHF 6.0 billion as of December 31, 2013 and 2012, respectively, were also excluded because a TRS does not expose the seller to potential loss from credit risk-related events specified in the contract. A TRS only provides protection against a loss in asset value and not against additional amounts as a result of specific credit events.

### Credit protection sold/purchased

end of	2013					2012				
	Credit protection sold	Credit protection purchased <sup>1</sup>	Net credit protection (sold)/purchased	Other protection purchased	Fair value of credit protection sold	Credit protection sold	Credit protection purchased <sup>1</sup>	Net credit protection (sold)/purchased	Other protection purchased	Fair value of credit protection sold
<b>Single-name instruments (CHF billion)</b>										
Investment grade <sup>2</sup>	(305.9)	287.9	(18.0)	37.7	5.2	(394.6)	373.9	(20.7)	56.0	2.5
Non-investment grade	(108.7)	104.9	(3.8)	10.5	2.5	(135.4)	129.3	(6.1)	11.3	(0.4)
<b>Total single-name instruments</b>	<b>(414.6)</b>	<b>392.8</b>	<b>(21.8)</b>	<b>48.2</b>	<b>7.7</b>	<b>(530.0)<sup>3</sup></b>	<b>503.2<sup>3</sup></b>	<b>(26.8)</b>	<b>67.3<sup>3</sup></b>	<b>2.1<sup>3</sup></b>
of which sovereign	(88.1)	85.0	(3.1)	8.9	(0.4)	(119.4)	117.1	(2.3)	10.3	(0.7)
of which non-sovereign	(326.5)	307.8	(18.7)	39.3	8.1	(410.6)	386.1	(24.5)	57.0	2.8
<b>Multi-name instruments (CHF billion)</b>										
Investment grade <sup>2</sup>	(219.1)	212.1	(7.0)	47.3	3.3	(222.2)	207.1	(15.1)	20.6	(0.7)
Non-investment grade	(65.0)	59.0 <sup>4</sup>	(6.0)	13.5	1.5	(62.8)	56.1 <sup>4</sup>	(6.7)	9.8	(1.6)
<b>Total multi-name instruments</b>	<b>(284.1)</b>	<b>271.1</b>	<b>(13.0)</b>	<b>60.8</b>	<b>4.8</b>	<b>(285.0)<sup>3</sup></b>	<b>263.2<sup>3</sup></b>	<b>(21.8)</b>	<b>30.4<sup>3</sup></b>	<b>(2.3)<sup>3</sup></b>
of which sovereign	(10.8)	10.9	0.1	1.1	0.0	(13.5)	13.1	(0.4)	0.4	(0.1)
of which non-sovereign	(273.3)	260.2	(13.1)	59.7	4.8	(271.5)	250.1	(21.4)	30.0	(2.2)
<b>Total instruments (CHF billion)</b>										
Investment grade <sup>2</sup>	(525.0)	500.0	(25.0)	85.0	8.5	(616.8)	581.0	(35.8)	76.6	1.8
Non-investment grade	(173.7)	163.9	(9.8)	24.0	4.0	(198.2)	185.4	(12.8)	21.1	(2.0)
<b>Total instruments</b>	<b>(698.7)</b>	<b>663.9</b>	<b>(34.8)</b>	<b>109.0</b>	<b>12.5</b>	<b>(815.0)</b>	<b>766.4</b>	<b>(48.6)</b>	<b>97.7</b>	<b>(0.2)</b>
of which sovereign	(98.9)	95.9	(3.0)	10.0	(0.4)	(132.9)	130.2	(2.7)	10.7	(0.8)
of which non-sovereign	(599.8)	568.0	(31.8)	99.0	12.9	(682.1)	636.2	(45.9)	87.0	0.6

<sup>1</sup> Represents credit protection purchased with identical underlyings and recoveries.

<sup>2</sup> Based on internal ratings of BBB and above.

<sup>3</sup> Credit protection instruments have been corrected to reclassify certain single-name instruments to multi-name instruments.

<sup>4</sup> Includes the Clock Finance transaction.

The following table reconciles the notional amount of credit derivatives included in the table "Fair value of derivative instruments" to the table "Credit protection sold/purchased".

### Credit derivatives

end of	2013	2012
<b>Credit derivatives (CHF billion)</b>		
Credit protection sold	698.7	815.0
Credit protection purchased	663.9	766.4
Other protection purchased	109.0	97.7
Other instruments <sup>1</sup>	11.7	15.4
<b>Total credit derivatives</b>	<b>1,483.3</b>	<b>1,694.5</b>

<sup>1</sup> Consists of certain cash collateralized debt obligations, total return swaps and other derivative instruments.

### Maturity of credit protection sold

end of	Maturity less than 1 year	Maturity between 1 to 5 years	Maturity greater than 5 years	Total
<b>2013 (CHF billion)</b>				
Single-name instruments	91.2	281.4	42.0	414.6
Multi-name instruments	19.2	208.2	56.7	284.1
<b>Total instruments</b>	<b>110.4</b>	<b>489.6</b>	<b>98.7</b>	<b>698.7</b>
<b>2012 (CHF billion)</b>				
Single-name instruments	125.0	326.0	79.0	530.0
Multi-name instruments	42.7	171.0	71.3	285.0
<b>Total instruments</b>	<b>167.7</b>	<b>497.0</b>	<b>150.3</b>	<b>815.0</b>

## 31 Guarantees and commitments

### Guarantees

end of	Maturity less than 1 year	Maturity between 1 to 3 years	Maturity between 3 to 5 years	Maturity greater than 5 years	Total gross amount	Total net amount <sup>1</sup>	Carrying value	Collateral received
<b>2013 (CHF million)</b>								
Credit guarantees and similar instruments	2,820	1,125	396	569	4,910	4,762	34	2,330
Performance guarantees and similar instruments	4,337	1,733	981	136	7,187	6,265	83	3,277
Securities lending indemnifications	11,479	0	0	0	11,479	11,479	0	11,479
Derivatives <sup>2</sup>	18,247	9,544	1,960	1,899	31,650	31,650	715	- <sup>3</sup>
Other guarantees	3,894	811	193	193	5,091	5,068	3	2,606
<b>Total guarantees</b>	<b>40,777</b>	<b>13,213</b>	<b>3,530</b>	<b>2,797</b>	<b>60,317</b>	<b>59,224</b>	<b>835</b>	<b>19,692</b>
<b>2012 (CHF million)</b>								
Credit guarantees and similar instruments <sup>4</sup>	10,101	1,541	334	606	12,582	12,195	53	1,918
Performance guarantees and similar instruments	5,047	1,599	951	1,750	9,347	8,608	135	3,307
Securities lending indemnifications	12,211	0	0	0	12,211	12,211	0	12,211
Derivatives <sup>2</sup>	21,197	9,951	1,833	2,434	35,415	35,415	985	- <sup>3</sup>
Other guarantees	4,172	684	281	144	5,281	5,260	3	2,789
<b>Total guarantees</b>	<b>52,728</b>	<b>13,775</b>	<b>3,399</b>	<b>4,934</b>	<b>74,836</b>	<b>73,689</b>	<b>1,176</b>	<b>20,225</b>

<sup>1</sup> Total net amount is computed as the gross amount less any participations.

<sup>2</sup> Excludes derivative contracts with certain active commercial and investment banks and certain other counterparties, as such contracts can be cash settled and the Bank had no basis to conclude it was probable that the counterparties held, at inception, the underlying instruments.

<sup>3</sup> Collateral for derivatives accounted for as guarantees is not significant.

<sup>4</sup> Prior period has been corrected.

Deposit-taking banks and securities dealers in Switzerland and certain other European countries are required to ensure the payout of privileged deposits in case of specified restrictions or compulsory liquidation of a deposit-taking bank. In Switzerland, deposit-taking banks and securities dealers jointly guarantee an amount of up to CHF 6 billion. Upon occurrence of a payout event triggered by a specified restriction of business imposed by the Swiss Financial Market Supervisory Authority FINMA (FINMA) or by the compulsory liquidation of another deposit-taking bank, the Bank's contribution will be calculated based on its share of privileged deposits in proportion to total privileged deposits. Based on FINMA's estimate for the Bank, the Bank's share in the deposit insurance guarantee program for the period July 1, 2013 to June 30, 2014 is CHF 0.5 billion. These deposit insurance guarantees were reflected in other guarantees.

▶ Refer to "Note 32 – Guarantees and commitments" in V – Consolidated financial statements – Credit Suisse Group for further information.

### PAF2 transaction



The Bank's results are impacted by the risk of counterparty defaults and the potential for changes in counterparty credit spreads related to derivative trading activities of the Bank. In the first quarter of 2012, the Bank entered into the PAF2 transaction to hedge the counterparty credit risk of a referenced portfolio of derivatives and their credit spread volatility. The hedge covered approximately USD 12 billion notional amount of expected positive exposure from counterparties of the Bank, and was addressed in

three layers: (i) first loss (USD 0.5 billion), (ii) mezzanine (USD 0.8 billion) and (iii) senior (USD 11 billion). The first loss element was retained by the Bank and actively managed through normal credit procedures. The mezzanine layer was hedged by transferring the risk of default and counterparty credit spread movements to eligible employees in the form of PAF2 awards, as part of their deferred compensation granted in the annual compensation process.

The model used to value the PAF2 awards is the standard Gaussian copula valuation model used for synthetic CDO trades with adjustments necessary to incorporate the specific nature of the PAF2 transaction. The key model inputs are notional value, correlation assumption, credit spreads, liquidity and recovery rates of the portfolio, the Bank's own credit spread and the maturity of the trade. In the model, the credit spreads of the counterparties determine the respective probability of default. Such probability is used to compute the expected value of the cash flows contingent on survival and on default of the counterparties in the reference portfolio. The credit spreads are sourced using observable data from CDS on the specific reference entity. Where a specific reference entity curve does not exist for a reference name in the portfolio, a proxy curve is used. The expected value of the counterparty exposure on default determines the equivalent notional value for the given name. This is computed from the effective positive exposure which is the weighted average over time of the expected exposure used by the Bank for counterparty risk management. As of December 31, 2013, the carrying value of the PAF2 awards was CHF 649 million. The amount of the PAF2

awards compensation expense for 2013 was CHF 83 million and is included in the amount reflected in the "Deferred compensation expense" table in Note 27 – Employee deferred compensation, which includes deferred compensation expense for a smaller plan unrelated to the hedging aspects of this transaction.

The Bank had purchased protection on the senior layer to hedge against the potential for future counterparty credit spread volatility. This was executed through a credit default swap (CDS), accounted for at fair value, with a third-party entity. The value of the senior layer was calculated using the same model as for the PAF2 awards. The Bank also had a credit support facility with this entity that allowed the Bank to provide credit support in connection with other assets that are commonly financed through the issuance of commercial paper (CP) and, in connection with the CDS, to provide immediately available funding to this entity in certain circumstances. Among others, such circumstances included: (i) a disruption of the CP market such that the entity could not issue or roll a CP to fund the CDS payment or repay a maturing CP; (ii) the interest payable on the CP exceeded certain thresholds and the Bank instructed the entity to draw on the facility instead of issuing a CP; (iii) a CP was issued by the entity to fund a CDS payment and subsequently the short-term rating of the facility provider was downgraded; or (iv) to repay any outstanding CP at the maturity date of the facility. Any funded amount could be settled by the assignment of the rights and obligations of the CDS to the Bank. The credit support facility was accounted for on an accrual basis.

In December 2012, the  Basel Committee on Banking Supervision (BCBS) published updated regulatory guidance that made the PAF2 transaction as it was structured ineligible for counterparty credit spread hedging under the  Basel III framework. As a result of this new guidance, the Bank had the right to exercise a regulatory call to restructure or terminate the CDS and the credit support facility layer at par and terminate the mezzanine layer at fair value. In October 2013, the Bank exercised the call to terminate the CDS and the credit support facility at par.

As of December 31, 2013, the mezzanine layer in the form of PAF2 awards remained in place. In February 2014, the Bank terminated the PAF2 awards and exchanged them at fair value

for other compensation awards in the form of either Contingent Capital Awards or for an interest in a fund at the discretion of the award holders.

► Refer to "Note 27 – Employee deferred compensation" for further information.

### Representations and warranties on residential mortgage loans sold

In connection with Investment Banking's sale of US residential mortgage loans, the Bank has provided certain representations and warranties relating to the loans sold.

► Refer to "Note 32 – Guarantees and commitments" in V – Consolidated financial statements – Credit Suisse Group for further information.

With respect to its outstanding repurchase claims, the Bank is unable to estimate reasonably possible losses in excess of the amounts accrued because of the heterogeneity of its portfolio, the complexity of legal and factual determinations related to each claim, the limited amount of discovery and/or other factors.

The following tables present the total amount of residential mortgage loans sold during the period from January 1, 2004 to December 31, 2013 by counterparty type and the development of outstanding repurchase claims and provisions for outstanding repurchase claims in 2013 and 2012, including realized losses from the repurchase of residential mortgage loans sold.

### Residential mortgage loans sold

#### January 1, 2004 to December 31, 2013 (USD billion)

Government-sponsored enterprises	8.2
Private investors <sup>1</sup>	23.5
Non-agency securitizations	133.8 <sup>2</sup>
<b>Total</b>	<b>165.5</b>

<sup>1</sup> Primarily banks.

<sup>2</sup> The outstanding balance of residential mortgage loans sold was USD 26.2 billion as of December 31, 2013. The difference of the total balance of mortgage loans sold and the outstanding balance as of December 31, 2013 was attributable to borrower payments of USD 88.9 billion and losses of USD 18.7 billion due to loan defaults.



## Residential mortgage loans sold – outstanding repurchase claims

	2013							2012
	Government-sponsored enterprises	Private investors	Non-agency securitizations	Total	Government-sponsored enterprises	Private investors	Non-agency securitizations	Total
<b>Outstanding repurchase claims (USD million)</b>								
Balance at beginning of period	67	464	1,395	1,926	68	432	243	743
New claims	69	139	1,039	1,247	58	57	2,032	2,147
Claims settled through repurchases	(4)	(1)	(2)	(7) <sup>1</sup>	(7)	0	(7)	(14) <sup>1</sup>
Other settlements	(31)	(178)	(7)	(216) <sup>2</sup>	(15)	(7)	(32)	(54) <sup>2</sup>
Total claims settled	(35)	(179)	(9)	(223)	(22)	(7)	(39)	(68)
Claims rescinded	(24)	(4)	0	(28)	(37)	(18)	0	(55)
Transfers to/from arbitration and litigation, net <sup>3</sup>	0	0	(2,342) <sup>4</sup>	(2,342)	0	0	(841)	(841)
<b>Balance at end of period</b>	<b>77</b>	<b>420</b>	<b>83</b>	<b>580</b>	<b>67</b>	<b>464</b>	<b>1,395</b>	<b>1,926</b>

<sup>1</sup> Settled at a repurchase price of USD 6 million and USD 15 million in 2013 and 2012, respectively.

<sup>2</sup> Settled at USD 48 million and USD 41 million in 2013 and 2012, respectively.

<sup>3</sup> Refer to "Note 36 – Litigation" for repurchase claims that are in arbitration or litigation.

<sup>4</sup> Transfers to arbitration and litigation disclosed in 2013 include portfolios of claims of approximately USD 0.3 billion for which formal legal proceedings had commenced in prior periods.

## Provisions for outstanding repurchase claims

	2013	2012
<b>Provisions for outstanding repurchase claims (USD million)<sup>1</sup></b>		
Balance at beginning of period	55	59
Increase/(decrease) in provisions, net	145	52
Realized losses <sup>2</sup>	(54) <sup>3</sup>	(56) <sup>4</sup>
<b>Balance at end of period</b>	<b>146<sup>3</sup></b>	<b>55<sup>5</sup></b>

<sup>1</sup> Excludes provisions for repurchase claims related to residential mortgage loans sold that are in arbitration or litigation. Refer to "Note 36 – Litigation" for further information.

<sup>2</sup> Includes indemnifications paid to resolve loan repurchase claims.

<sup>3</sup> Primarily related to government-sponsored enterprises and private investors.

<sup>4</sup> Primarily related to government-sponsored enterprises and non-agency securitizations.

<sup>5</sup> Primarily related to government-sponsored enterprises.

## Lease commitments

<b>Lease commitments (CHF million)</b>	
2014	579
2015	526
2016	473
2017	412
2018	365
Thereafter	3,062
<b>Future operating lease commitments</b>	<b>5,417</b>
Less minimum non-cancellable sublease rentals	171
<b>Total net future minimum lease commitments</b>	<b>5,246</b>

## Rental expense for operating leases

in	2013	2012	2011
<b>Rental expense for operating leases (CHF million)</b>			
Minimum rental expense	642	629	549
Sublease rental income	(85)	(97)	(96)
<b>Total net expenses for operating leases</b>	<b>557</b>	<b>532</b>	<b>453</b>

### Operating lease commitments

► Refer to "Note 32 – Guarantees and commitments" in V – Consolidated financial statements – Credit Suisse Group for further information.

### Sale-leaseback transactions

In the first quarter of 2012, the Bank sold the office complex of its European headquarters at One Cabot Square in London to OCS Investment S.à.r.l. and leased back this property under an operating lease arrangement for 22 years, with two options to extend the lease by five years each. OCS Investment S.à.r.l. is a company wholly owned by the Qatar Investment Authority, which is a minority shareholder of the Group.

In the fourth quarter of 2012, the Bank sold the Uetlihof office complex in Zurich, the Bank's principal office building worldwide,

to Norges Bank, a minority shareholder of the Group, and leased back this property under an operating lease arrangement for 25 years, with the option to extend the lease by up to 15 years. Norges Bank, through its Investment Management unit, was acting as the buyer on behalf of the Norwegian Government Pension Fund Global.

During 2013 and 2012, the Bank entered into several smaller sale-leaseback transactions in respect of own property, which were all recognized as operating lease arrangements with lease terms of between two and ten years and between five and ten years, respectively. The total contractual rental expenses were CHF 78 million for the 2013 sale-leaseback transactions and CHF 41 million for the 2012 sale-leaseback transactions.

### Other commitments

end of	Maturity less than 1 year	Maturity between 1 to 3 years	Maturity between 3 to 5 years	Maturity greater than 5 years	Total gross amount	Total net amount <sup>1</sup>	Collateral received
<b>2013 (CHF million)</b>							
Irrevocable commitments under documentary credits	5,478	27	1	0	5,506	5,446	3,380
Irrevocable loan commitments	27,154	26,852	35,326	7,483	96,815 <sup>2</sup>	92,557	47,995
Forward reverse repurchase agreements	26,893	0	0	0	26,893	26,893	26,893
Other commitments	2,436	1,020	103	286	3,845	3,845	351
<b>Total other commitments</b>	<b>61,961</b>	<b>27,899</b>	<b>35,430</b>	<b>7,769</b>	<b>133,059</b>	<b>128,741</b>	<b>78,619</b>
<b>2012 (CHF million)</b>							
Irrevocable commitments under documentary credits	6,210	35	6	0	6,251	6,054	3,219
Irrevocable loan commitments	32,632	23,610	37,790	6,022	100,054 <sup>2</sup>	94,582	32,759
Forward reverse repurchase agreements	45,556	0	0	0	45,556	45,556	45,556
Other commitments	906	863	171	575	2,515	2,515	131
<b>Total other commitments</b>	<b>85,304</b>	<b>24,508</b>	<b>37,967</b>	<b>6,597</b>	<b>154,376</b>	<b>148,707</b>	<b>81,665</b>

<sup>1</sup> Total net amount is computed as the gross amount less any participations.

<sup>2</sup> Irrevocable loan commitments do not include a total gross amount of CHF 87,161 million and CHF 75,832 million of unused credit limits as of December 31, 2013 and 2012, respectively, which were revocable at the Bank's sole discretion upon notice to the client. The prior period has been adjusted to the current presentation.

► Refer to "Note 32 – Guarantees and commitments" in V – Consolidated financial statements – Credit Suisse Group for further information.

## 32 Transfers of financial assets and variable interest entities

### Transfers of financial assets

#### Securitizations

► Refer to "Note 33 – Transfers of financial assets and variable interest entities" in V – Credit Suisse Group – Consolidated financial statements for further information.

The following table provides the gains or losses and proceeds from the transfer of assets relating to 2013, 2012 and 2011 securitizations of financial assets that qualify for sale accounting and subsequent derecognition, along with the cash flows between the Bank and the SPEs used in any securitizations in which the Bank still has continuing involvement, regardless of when the securitization occurred.

#### Securitizations

in	2013	2012	2011
<b>Gains and cash flows (CHF million)</b>			
<b>CMBS</b>			
Net gain <sup>1</sup>	4	56	6
Proceeds from transfer of assets	5,574	6,156	974
Servicing fees	0	0	1
Cash received on interests that continue to be held	70	57	205
<b>RMBS</b>			
Net gain/(loss) <sup>1</sup>	(8)	3	65
Proceeds from transfer of assets	24,523	15,143	30,695
Purchases of previously transferred financial assets or its underlying collateral	(10)	(25)	(4)
Servicing fees	4	3	3
Cash received on interests that continue to be held	486	554	382
<b>Other asset-backed financings</b>			
Net gain <sup>1</sup>	15	83	24
Proceeds from transfer of assets	915	591	1,268
Purchases of previously transferred financial assets or its underlying collateral <sup>2</sup>	(213)	(621)	(256)
Servicing fees	0	0	1
Cash received on interests that continue to be held	633	1,350	701

<sup>1</sup> Includes underwriting revenues, deferred origination fees, gains or losses on the sale of collateral to the SPE and gains or losses on the sale of newly issued securities to third parties, but excludes net interest income on assets prior to the securitization. The gains or losses on the sale of the collateral is the difference between the fair value on the day prior to the securitization pricing date and the sale price of the loans.

<sup>2</sup> Represents market making activity and voluntary repurchases at fair value where no repurchase obligations were present.

### Continuing involvement in transferred financial assets

The following table provides the outstanding principal balance of assets to which the Bank continued to be exposed after the transfer of the financial assets to any SPE and the total assets of the SPE as of the end of 2013 and 2012, regardless of when the transfer of assets occurred.

#### Principal amounts outstanding and total assets of SPEs resulting from continuing involvement

end of	2013	2012
<b>CHF million</b>		
<b>CMBS</b>		
Principal amount outstanding	37,308	30,050
Total assets of SPE	48,715	45,407
<b>RMBS</b>		
Principal amount outstanding	45,571	58,112
Total assets of SPE	48,741	60,469
<b>Other asset-backed financings</b>		
Principal amount outstanding	27,854	32,805
Total assets of SPE	27,854	32,805

Principal amount outstanding relates to assets transferred from the Bank and does not include principle amounts for assets transferred from third parties.

### Fair value of beneficial interests

The fair value measurement of beneficial interests held at the time of transfer and as of the reporting date that result from any continuing involvement is determined using fair value estimation techniques, such as the present value of estimated future cash flows that incorporate assumptions that market participants customarily use in these valuation techniques. The fair value of the assets or liabilities that result from any continuing involvement does not include any benefits from financial instruments that the Bank may utilize to hedge the inherent risks.

### Key economic assumptions at the time of transfer

► Refer to "Note 33 – Financial instruments" for further information on fair value hierarchy.

### Key economic assumptions used in measuring fair value of beneficial interests at time of transfer

at time of transfer	2013		2012	
	CMBS	RMBS	CMBS	RMBS
<b>CHF million, except where indicated</b>				
Fair value of beneficial interests	633	2,993	761	2,219
of which level 2	476	2,879	654	2,090
of which level 3	156	114	107	129
Weighted-average life, in years	7.3	7.7	8.4	5.0
Prepayment speed assumption (rate per annum), in % <sup>1</sup>	- <sup>2</sup>	2.0–31.0	- <sup>2</sup>	0.1–34.9
Cash flow discount rate (rate per annum), in % <sup>3</sup>	1.6–11.6	0.0–45.9	0.8–10.7	0.1–25.7
Expected credit losses (rate per annum), in %	0.0–7.5	0.0–45.8	0.5–9.0	0.0–25.1

Transfers of assets in which the Bank does not have beneficial interests are not included in this table.

<sup>1</sup> Prepayment speed assumption (PSA) is an industry standard prepayment speed metric used for projecting prepayments over the life of a residential mortgage loan. PSA utilizes the constant prepayment rate (CPR) assumptions. A 100% prepayment assumption assumes a prepayment rate of 0.2% per annum of the outstanding principal balance of mortgage loans in the first month. This increases by 0.2% thereafter during the term of the mortgage loan, leveling off to a CPR of 6% per annum beginning in the 30th month and each month thereafter during the term of the mortgage loan. 100 PSA equals 6 CPR.

<sup>2</sup> To deter prepayment, commercial mortgage loans typically have prepayment protection in the form of prepayment lockouts and yield maintenances.

<sup>3</sup> The rate was based on the weighted-average yield on the beneficial interests.

### Sensitivity analysis

The following table provides the sensitivity analysis of key economic assumptions used in measuring the fair value of beneficial interests held in SPEs as of the end of 2013 and 2012.

### Key economic assumptions used in measuring fair value of beneficial interests held in SPEs

end of	2013			2012		
	CMBS <sup>1</sup>	RMBS	Other asset-backed financing activities <sup>2</sup>	CMBS <sup>1</sup>	RMBS	Other asset-backed financing activities <sup>2</sup>
<b>CHF million, except where indicated</b>						
Fair value of beneficial interests	1,132	2,354	284	274	1,929	692
of which non-investment grade	26	359	204	90	342	686
Weighted-average life, in years	6.5	8.6	3.7	4.0	5.2	3.6
Prepayment speed assumption (rate per annum), in % <sup>3</sup>	–	1.0–23.5	–	–	0.1–27.6	–
Impact on fair value from 10% adverse change	–	(26.6)	–	–	(38.5)	–
Impact on fair value from 20% adverse change	–	(48.6)	–	–	(74.3)	–
Cash flow discount rate (rate per annum), in % <sup>4</sup>	1.1–37.1	1.7–22.4	1.0–23.1	1.1–50.2	0.2–42.8	0.7–51.7
Impact on fair value from 10% adverse change	(25.5)	(65.0)	(2.4)	(14.8)	(62.8)	(1.0)
Impact on fair value from 20% adverse change	(50.0)	(124.9)	(4.9)	(19.9)	(93.5)	(1.8)
Expected credit losses (rate per annum), in %	0.2–36.6	0.1–17.3	0.7–21.0	0.9–49.5	0.9–42.8	0.3–51.4
Impact on fair value from 10% adverse change	(10.9)	(42.2)	(0.4)	(14.4)	(55.9)	(0.8)
Impact on fair value from 20% adverse change	(21.5)	(79.6)	(0.7)	(19.2)	(80.3)	(1.6)

<sup>1</sup> To deter prepayment, commercial mortgage loans typically have prepayment protection in the form of prepayment lockouts and yield maintenances.

<sup>2</sup> CDOs within this category are generally structured to be protected from prepayment risk.

<sup>3</sup> Prepayment speed assumption (PSA) is an industry standard prepayment speed metric used for projecting prepayments over the life of a residential mortgage loan. PSA utilizes the constant prepayment rate (CPR) assumptions. A 100% prepayment assumption assumes a prepayment rate of 0.2% per annum of the outstanding principal balance of mortgage loans in the first month. This increases by 0.2% thereafter during the term of the mortgage loan, leveling off to a CPR of 6% per annum beginning in the 30th month and each month thereafter during the term of the mortgage loan. 100 PSA equals 6 CPR.

<sup>4</sup> The rate was based on the weighted-average yield on the beneficial interests.

### Secured borrowings

The following table provides the carrying amounts of transferred financial assets and the related liabilities where sale treatment was not achieved as of the end of 2013 and 2012.

### Carrying amounts of transferred financial assets and liabilities where sale treatment was not achieved

end of	2013	2012
<b>CHF million</b>		
<b>CMBS</b>		
Other assets	432	467
Liability to SPE, included in Other liabilities	(432)	(467)
<b>Other asset-backed financings</b>		
Trading assets	216	1,171
Other assets	157	913
Liability to SPE, included in Other liabilities	(373)	(2,084)

### Variable interest entities

► Refer to "Note 33 – Transfers of financial assets and variable interest entities" in V – Consolidated financial statements – Credit Suisse Group for further information.

### Consolidated VIEs

The Bank has significant involvement with VIEs in its role as a financial intermediary on behalf of clients. The Bank consolidated all VIEs related to financial intermediation for which it was the primary beneficiary.

### Consolidated VIEs in which the Bank was the primary beneficiary

end of	CDO	CP Conduit	Financial intermediation				Total
			Securi- tizations	Funds	Loans	Other	
<b>2013 (CHF million)</b>							
Cash and due from banks	702	1	2	100	87	60	952
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	1,959	0	0	0	0	1,959
Trading assets	869	51	3	1,687	665	335	3,610
Investment securities	0	100	0	0	0	0	100
Other investments	0	0	0	0	1,491	492	1,983
Net loans	0	2,012	885	0	779	531	4,207
Premises and equipment	0	0	0	0	415	66	481
Other assets	7,516	1,473	3,353	0	307	1,680	14,329
of which loans held-for-sale	7,479	0	3,093	0	56	0	10,628
<b>Total assets of consolidated VIEs</b>	<b>9,087</b>	<b>5,596</b>	<b>4,243</b>	<b>1,787</b>	<b>3,744</b>	<b>3,164</b>	<b>27,621</b>
Customer deposits	0	0	0	0	0	265	265
Trading liabilities	9	0	0	0	8	76	93
Short-term borrowings	0	4,280	0	7	0	(1)	4,286
Long-term debt	9,067	17	3,187	179	93	449	12,992
Other liabilities	34	16	67	2	152	439	710
<b>Total liabilities of consolidated VIEs</b>	<b>9,110</b>	<b>4,313</b>	<b>3,254</b>	<b>188</b>	<b>253</b>	<b>1,228</b>	<b>18,346</b>
<b>2012 (CHF million)</b>							
Cash and due from banks	1,534	27	0	125	44	20	1,750
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	117	0	0	0	0	117
Trading assets	1,064	196	14	1,861	565	997	4,697
Investment securities	0	23	0	0	0	0	23
Other investments	0	0	0	0	1,712	577	2,289
Net loans	0	4,360	859	0	405	429	6,053
Premises and equipment	0	0	0	0	474	72	546
Other assets	7,369	1,637	3,111	4	571	1,816	14,508
of which loans held-for-sale	7,324	0	3,110	0	71	0	10,505
<b>Total assets of consolidated VIEs</b>	<b>9,967</b>	<b>6,360</b>	<b>3,984</b>	<b>1,990</b>	<b>3,771</b>	<b>3,911</b>	<b>29,983</b>
Customer deposits	0	0	0	0	0	247	247
Trading liabilities	20	0	0	0	4	101	125
Short-term borrowings	0	5,776	0	3	0	0	5,779
Long-term debt	9,944	14	3,608	500	38	428	14,532
Other liabilities	45	6	97	7	167	842	1,164
<b>Total liabilities of consolidated VIEs</b>	<b>10,009</b>	<b>5,796</b>	<b>3,705</b>	<b>510</b>	<b>209</b>	<b>1,618</b>	<b>21,847</b>

**Non-consolidated VIEs**

Non-consolidated VIE assets are related to the non-consolidated VIEs with which the Bank has variable interests. These amounts represent the assets of the entities themselves and are typically

unrelated to the exposures the Bank has with the entity and thus are not amounts that are considered for risk management purposes.

**Non-consolidated VIEs**

end of	Financial intermediation					Total
	CDO	Secur- tizations	Funds	Loans	Other	
<b>2013 (CHF million)</b>						
Trading assets	183	4,920	979	725	713	7,520
Net loans	2	613	2,712	2,856	1,282	7,465
Other assets	0	0	47	0	6	53
<b>Total variable interest assets</b>	<b>185</b>	<b>5,533</b>	<b>3,738</b>	<b>3,581</b>	<b>2,001</b>	<b>15,038</b>
<b>Maximum exposure to loss</b>	<b>186</b>	<b>7,496</b>	<b>3,926</b>	<b>7,433</b>	<b>2,090</b>	<b>21,131</b>
<b>Non-consolidated VIE assets</b>	<b>10,211</b>	<b>101,524</b>	<b>55,509</b>	<b>31,144</b>	<b>8,525</b>	<b>206,913</b>
<b>2012 (CHF million)</b>						
Trading assets	100	3,210	1,143	868	600	5,921
Net loans	8	111	2,048	3,572	1,668	7,407
Other assets	0	17	49	0	4	70
<b>Total variable interest assets</b>	<b>108</b>	<b>3,338</b>	<b>3,240</b>	<b>4,440</b>	<b>2,272</b>	<b>13,398</b>
<b>Maximum exposure to loss</b>	<b>108</b>	<b>14,123</b>	<b>3,475</b>	<b>4,906</b>	<b>3,039</b>	<b>25,651</b>
<b>Non-consolidated VIE assets</b>	<b>5,163</b>	<b>103,990</b>	<b>52,268</b>	<b>22,304</b>	<b>6,486</b>	<b>190,211</b>

**33 Financial instruments**

► Refer to "Note 34 – Financial instruments" in V – Consolidated financial statements – Credit Suisse Group for further information.

## Assets and liabilities measured at fair value on a recurring basis

end of 2013	Level 1	Level 2	Level 3	Netting impact <sup>1</sup>	Total
<b>Assets (CHF million)</b>					
Cash and due from banks	0	527	0	0	527
Interest-bearing deposits with banks	0	311	0	0	311
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	96,383	204	0	96,587
Debt	409	1,592	0	0	2,001
of which corporates	0	1,558	0	0	1,558
Equity	20,689	110	0	0	20,799
Securities received as collateral	21,098	1,702	0	0	22,800
Debt	41,829	63,217	5,069	0	110,115
of which foreign governments	40,199	6,980	230	0	47,409
of which corporates	14	24,267	2,128	0	26,409
of which RMBS	0	23,343	436	0	23,779
of which CMBS	0	5,255	417	0	5,672
of which CDO	0	3,305	1,567	0	4,872
Equity	70,463	5,777	595	0	76,835
Derivatives	6,610	563,882	5,217	(543,922)	31,787
of which interest rate products	1,065	444,187	1,574	–	–
of which foreign exchange products	8	60,732	484	–	–
of which equity/index-related products	5,278	28,941	1,240	–	–
of which credit derivatives	0	25,662	1,138	–	–
Other	3,690	4,480	2,829	0	10,999
Trading assets	122,592	637,356	13,710	(543,922)	229,736
Debt	1,164	362	0	0	1,526
of which foreign governments	1,162	2	0	0	1,164
of which corporates	0	262	0	0	262
of which CDO	0	100	0	0	100
Equity	1	98	2	0	101
Investment securities	1,165	460	2	0	1,627
Private equity	0	0	3,339	0	3,339
of which equity funds	0	0	2,230	0	2,230
Hedge funds	0	289	392	0	681
of which debt funds	0	174	329	0	503
Other equity investments	283	55	1,632	0	1,970
of which private	0	15	1,631	0	1,646
Life finance instruments	0	0	1,600	0	1,600
Other investments	283	344	6,963	0	7,590
Loans	0	11,459	7,998	0	19,457
of which commercial and industrial loans	0	6,302	5,309	0	11,611
of which financial institutions	0	4,484	1,322	0	5,806
Other intangible assets (mortgage servicing rights)	0	0	42	0	42
Other assets	4,861	21,426	6,159	(928)	31,518
of which loans held-for-sale	0	12,770	5,615	0	18,385
<b>Total assets at fair value</b>	<b>149,999</b>	<b>769,968</b>	<b>35,078</b>	<b>(544,850)</b>	<b>410,195</b>
Less other investments – equity at fair value attributable to noncontrolling interests	(246)	(149)	(2,781)	0	(3,176)
Less assets consolidated under ASU 2009-17 <sup>2</sup>	0	(8,996)	(2,458)	0	(11,454)
<b>Assets at fair value excluding noncontrolling interests and assets not risk-weighted under the Basel framework</b>	<b>149,753</b>	<b>760,823</b>	<b>29,839</b>	<b>(544,850)</b>	<b>395,565</b>

<sup>1</sup> Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable master netting agreements.

<sup>2</sup> Assets of consolidated VIEs that are not risk-weighted under the Basel framework.



## Assets and liabilities measured at fair value on a recurring basis (continued)

end of 2013	Level 1	Level 2	Level 3	Netting impact <sup>1</sup>	Total
<b>Liabilities (CHF million)</b>					
Due to banks	0	1,460	0	0	1,460
Customer deposits	0	3,186	55	0	3,241
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	75,990	114	0	76,104
Debt	409	1,592	0	0	2,001
of which corporates	0	1,558	0	0	1,558
Equity	20,689	110	0	0	20,799
Obligation to return securities received as collateral	21,098	1,702	0	0	22,800
Debt	19,037	5,312	2	0	24,351
of which foreign governments	18,863	603	0	0	19,466
of which corporates	1	4,132	2	0	4,135
Equity	15,476	309	17	0	15,802
Derivatives	5,879	572,717	5,545	(547,482)	36,659
of which interest rate products	896	439,502	1,129	–	–
of which foreign exchange products	14	71,588	938	–	–
of which equity/index-related products	4,691	30,800	1,896	–	–
of which credit derivatives	0	25,942	1,230	–	–
Trading liabilities	40,392	578,338	5,564	(547,482)	76,812
Short-term borrowings	0	5,888	165	0	6,053
Long-term debt	0	52,073	9,780	0	61,853
of which treasury debt over two years	0	9,081	0	0	9,081
of which structured notes over two years	0	20,680	6,217	0	26,897
of which non-recourse liabilities	0	9,509	2,552	0	12,061
Other liabilities	0	19,386	2,859	(274)	21,971
of which failed sales	0	638	1,143	0	1,781
<b>Total liabilities at fair value</b>	<b>61,490</b>	<b>738,023</b>	<b>18,537</b>	<b>(547,756)</b>	<b>270,294</b>

<sup>1</sup> Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable master netting agreements.

## Assets and liabilities measured at fair value on a recurring basis (continued)

end of 2012	Level 1	Level 2	Level 3	Netting impact <sup>1</sup>	Total
<b>Assets (CHF million)</b>					
Cash and due from banks	0	569	0	0	569
Interest-bearing deposits with banks	0	627	0	0	627
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	113,664	0	0	113,664
Debt	92	350	0	0	442
of which corporates	0	320	0	0	320
Equity	29,585	18	0	0	29,603
Securities received as collateral	29,677	368	0	0	30,045
Debt	55,592	74,392	5,830	0	135,814
of which foreign governments	53,918	11,032	79	0	65,029
of which corporates	1	25,933	3,192	0	29,126
of which RMBS	0	30,392	724	0	31,116
of which CMBS	0	4,335	1,023	0	5,358
of which CDO	0	2,620	447	0	3,067
Equity	66,715	7,745	485	0	74,945
Derivatives	3,428	823,181	6,650	(799,843)	33,416
of which interest rate products	703	698,494	1,859	–	–
of which foreign exchange products	1	62,619	754	–	–
of which equity/index-related products	2,538	25,885	1,920	–	–
of which credit derivatives	0	29,274	1,294	–	–
Other	7,205	2,736	2,486	0	12,427
Trading assets	132,940	908,054	15,451	(799,843)	256,602
Debt	1,334	341	169	0	1,844
of which foreign governments	1,333	1	21	0	1,355
of which corporates	0	340	125	0	465
of which CDO	0	0	24	0	24
Equity	4	90	1	0	95
Investment securities	1,338	431	170	0	1,939
Private equity	0	0	3,855	0	3,855
of which equity funds	0	0	2,530	0	2,530
Hedge funds	0	470	165	0	635
of which debt funds	0	349	84	0	433
Other equity investments	271	69	2,244	0	2,584
of which private	0	61	2,245	0	2,306
Life finance instruments	0	0	1,818	0	1,818
Other investments	271	539	8,082	0	8,892
Loans	0	13,381	6,619	0	20,000
of which commercial and industrial loans	0	6,191	4,778	0	10,969
of which financial institutions	0	5,934	1,530	0	7,464
Other intangible assets (mortgage servicing rights)	0	0	43	0	43
Other assets	5,439	26,802	5,164	(146)	37,259
of which loans held-for-sale	0	14,899	4,463	0	19,362
<b>Total assets at fair value</b>	<b>169,665</b>	<b>1,064,435</b>	<b>35,529</b>	<b>(799,989)</b>	<b>469,640</b>
Less other investments – equity at fair value attributable to noncontrolling interests	(240)	(99)	(3,292)	0	(3,631)
Less assets consolidated under ASU 2009-17 <sup>2</sup>	0	(8,769)	(2,745)	0	(11,514)
<b>Assets at fair value excluding noncontrolling interests and assets not risk-weighted under the Basel framework</b>	<b>169,425</b>	<b>1,055,567</b>	<b>29,492</b>	<b>(799,989)</b>	<b>454,495</b>

<sup>1</sup> Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable master netting agreements.

<sup>2</sup> Assets of consolidated VIEs that are not risk-weighted under the Basel framework.

## Assets and liabilities measured at fair value on a recurring basis (continued)

end of 2012	Level 1	Level 2	Level 3	Netting impact <sup>1</sup>	Total
<b>Liabilities (CHF million)</b>					
Due to banks	0	3,431	0	0	3,431
Customer deposits	0	4,601	25	0	4,626
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	108,784	0	0	108,784
Debt	92	350	0	0	442
of which corporates	0	320	0	0	320
Equity	29,585	18	0	0	29,603
Obligation to return securities received as collateral	29,677	368	0	0	30,045
Debt	25,782	7,015	196	0	32,993
of which foreign governments	25,624	1,476	0	0	27,100
of which corporates	0	5,030	196	0	5,226
Equity	18,109	389	6	0	18,504
Derivatives	3,174	834,413	5,154	(803,147)	39,594
of which interest rate products	628	693,525	1,357	–	–
of which foreign exchange products	1	76,988	1,648	–	–
of which equity/index-related products	2,305	27,749	1,003	–	–
of which credit derivatives	0	28,952	819	–	–
Trading liabilities	47,065	841,817	5,356	(803,147)	91,091
Short-term borrowings	0	4,389	124	0	4,513
Long-term debt	218	54,458	10,098	0	64,774
of which treasury debt over two years	0	10,567	0	0	10,567
of which structured notes over two years	0	22,545	6,189	0	28,734
of which non-recourse liabilities	218	11,006	2,551	0	13,775
Other liabilities	0	24,235	2,847	(283)	26,799
of which failed sales	0	2,523	1,160	0	3,683
<b>Total liabilities at fair value</b>	<b>76,960</b>	<b>1,042,083</b>	<b>18,450</b>	<b>(803,430)</b>	<b>334,063</b>

<sup>1</sup> Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable master netting agreements.

## Transfers between level 1 and level 2

in	2013		2012		
	Transfers to level 1 out of level 2	Transfers out of level 1 to level 2	Transfers to level 1 out of level 2	Transfers out of level 1 to level 2	
<b>Assets (CHF million)</b>					
Debt		499	92	318	23,632
Equity		437	183	209	650
Derivatives		5,090	2	5,510	20
<b>Trading assets</b>		<b>6,026</b>	<b>277</b>	<b>6,037</b>	<b>24,302</b>
<b>Liabilities (CHF million)</b>					
Debt		11	18	87	34
Equity		248	17	100	226
Derivatives		4,433	11	6,441	72
<b>Trading liabilities</b>		<b>4,692</b>	<b>46</b>	<b>6,628</b>	<b>332</b>

### Assets and liabilities measured at fair value on a recurring basis for level 3

2013	Balance at beginning of period	Transfers in	Transfers out	Purchases
<b>Assets (CHF million)</b>				
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	0	0	0
Debt	5,830	1,418	(1,977)	6,363
of which corporates	3,192	571	(552)	1,759
of which RMBS	724	467	(690)	1,012
of which CMBS	1,023	86	(310)	497
of which CDO	447	55	(357)	3,072
Equity	485	303	(237)	405
Derivatives	6,650	1,442	(2,208)	0
of which interest rate products	1,859	244	(363)	0
of which equity/index-related products	1,920	223	(1,020)	0
of which credit derivatives	1,294	923	(633)	0
Other	2,486	288	(487)	3,266
Trading assets	15,451	3,451	(4,909)	10,034
Investment securities	170	0	(230)	165
Equity	6,264	106	(63)	1,081
Life finance instruments	1,818	0	0	189
Other investments	8,082	106	(63)	1,270
Loans	6,619	320	(1,561)	800
of which commercial and industrial loans	4,778	305	(315)	727
of which financial institutions	1,530	15	(6)	71
Other intangible assets (mortgage servicing rights)	43	0	0	12
Other assets	5,164	3,552	(2,998)	4,781
of which loans held-for-sale <sup>2</sup>	4,463	3,539	(2,918)	4,456
<b>Total assets at fair value</b>	<b>35,529</b>	<b>7,429</b>	<b>(9,761)</b>	<b>17,062</b>
<b>Liabilities (CHF million)</b>				
Customer deposits	25	0	0	0
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	0	0	0
Trading liabilities	5,356	1,503	(1,537)	66
of which interest rate derivatives	1,357	75	(134)	0
of which foreign exchange derivatives	1,648	13	(21)	0
of which equity/index-related derivatives	1,003	360	(676)	0
of which credit derivatives	819	1,001	(590)	0
Short-term borrowings	124	43	(99)	0
Long-term debt	10,098	2,322	(2,375)	0
of which structured notes over two years	6,189	453	(1,226)	0
of which non-recourse liabilities	2,551	1,836	(670)	0
Other liabilities	2,847	227	(149)	213
of which failed sales	1,160	176	(82)	154
<b>Total liabilities at fair value</b>	<b>18,450</b>	<b>4,095</b>	<b>(4,160)</b>	<b>279</b>
<b>Net assets/(liabilities) at fair value</b>	<b>17,079</b>	<b>3,334</b>	<b>(5,601)</b>	<b>16,783</b>

<sup>1</sup> For all transfers to level 3 or out of level 3, the Bank determines and discloses as level 3 events only gains or losses through the last day of the reporting period.

<sup>2</sup> Includes unrealized gains recorded in trading revenues of CHF 238 million primarily related to subprime exposures in securitized business and market movements across the wider loans held-for-sale portfolio.

Sales	Issuances	Settlements	Trading revenues		Other revenues		Foreign currency translation impact	Balance at end of period
			On transfers in / out <sup>1</sup>	On all other	On transfers in / out <sup>1</sup>	On all other		
0	362	(153)	0	4	0	0	(9)	204
(6,984)	0	0	165	465	0	0	(211)	5,069
(3,022)	0	0	109	157	0	0	(86)	2,128
(1,162)	0	0	11	91	0	0	(17)	436
(866)	0	0	(4)	15	0	0	(24)	417
(1,810)	0	0	36	197	0	0	(73)	1,567
(431)	0	0	20	68	(1)	0	(17)	595
0	1,766	(2,446)	230	(53)	0	0	(164)	5,217
0	279	(663)	8	249	0	0	(39)	1,574
0	207	(538)	184	330	0	0	(66)	1,240
0	627	(631)	38	(461)	0	0	(19)	1,138
(2,656)	0	(65)	8	83	0	0	(94)	2,829
(10,071)	1,766	(2,511)	423	563	(1)	0	(486)	13,710
(82)	0	0	0	9	0	0	(30)	2
(2,649)	0	0	0	(3)	0	776	(149)	5,363
(365)	0	0	0	1	0	0	(43)	1,600
(3,014)	0	0	0	(2)	0	776	(192)	6,963
(1,673)	6,767	(2,920)	0	(21)	0	0	(333)	7,998
(1,280)	3,541	(2,171)	1	(85)	0	0	(192)	5,309
(207)	651	(650)	0	(48)	0	0	(34)	1,322
0	0	0	0	0	0	(12)	(1)	42
(4,213)	1,034	(1,148)	5	199	0	0	(217)	6,159
(3,964)	1,034	(1,147)	5	348	0	0	(201)	5,615
<b>(19,053)</b>	<b>9,929</b>	<b>(6,732)</b>	<b>428</b>	<b>752</b>	<b>(1)</b>	<b>764</b>	<b>(1,268)</b>	<b>35,078</b>
0	51	(3)	0	(13)	0	0	(5)	55
0	119	0	0	0	0	0	(5)	114
(197)	1,561	(2,556)	235	1,302	0	0	(169)	5,564
0	107	(508)	10	254	0	0	(32)	1,129
0	15	(662)	(16)	(21)	0	0	(18)	938
0	632	(380)	210	831	0	0	(84)	1,896
0	655	(856)	39	186	0	0	(24)	1,230
0	318	(216)	0	3	0	0	(8)	165
0	5,006	(5,330)	25	321	0	(1)	(286)	9,780
0	3,602	(2,534)	(18)	(36)	0	(1)	(212)	6,217
0	818	(2,128)	24	151	0	0	(30)	2,552
(393)	10	(86)	(17)	70	26	217	(106)	2,859
(308)	0	0	0	72	0	0	(29)	1,143
<b>(590)</b>	<b>7,065</b>	<b>(8,191)</b>	<b>243</b>	<b>1,683</b>	<b>26</b>	<b>216</b>	<b>(579)</b>	<b>18,537</b>
<b>(18,463)</b>	<b>2,864</b>	<b>1,459</b>	<b>185</b>	<b>(931)</b>	<b>(27)</b>	<b>548</b>	<b>(689)</b>	<b>16,541</b>

## Assets and liabilities measured at fair value on a recurring basis for level 3 (continued)

2012	Balance at beginning of period	Transfers in	Transfers out	Purchases
<b>Assets (CHF million)</b>				
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,204	0	0	0
Securities received as collateral	193	0	(188)	0
Debt	9,941	2,312	(5,035)	7,479
of which corporates	5,076	1,113	(3,609)	5,210
of which RMBS	1,786	831	(958)	937
of which CMBS	1,517	188	(262)	664
of which CDO	727	158	(121)	483
Equity	467	419	(100)	377
Derivatives	9,588	1,465	(2,175)	0
of which interest rate products	2,547	168	(686)	0
of which equity/index-related products	2,732	681	(844)	0
of which credit derivatives	2,172	592	(544)	0
Other	2,195	179	(366)	2,842
Trading assets	22,191	4,375	(7,676)	10,698
Investment securities	102	0	0	94
Equity	6,899	4	(61)	757
Life finance instruments	1,968	0	0	102
Other investments	8,867	4	(61)	859
Loans	6,842	605	(642)	509
of which commercial and industrial loans	4,559	537	(391)	275
of which financial institutions	2,179	64	(248)	218
Other intangible assets (mortgage servicing rights)	70	0	0	11
Other assets	7,469	2,509	(2,949)	3,007
of which loans held-for-sale	6,901	2,471	(2,948)	2,801
<b>Total assets at fair value</b>	<b>46,938</b>	<b>7,493</b>	<b>(11,516)</b>	<b>15,178</b>
<b>Liabilities (CHF million)</b>				
Customer deposits	0	0	0	0
Obligation to return securities received as collateral	193	0	(188)	0
Trading liabilities	7,343	1,294	(1,783)	94
of which interest rate derivatives	1,588	230	(754)	0
of which foreign exchange derivatives	2,836	3	(178)	0
of which equity/index-related derivatives	1,022	132	(262)	0
of which credit derivatives	1,520	700	(571)	0
Short-term borrowings	236	23	(96)	0
Long-term debt	12,715	2,616	(4,044)	0
of which structured notes over two years	7,576	789	(1,668)	0
of which non-recourse liabilities	3,585	1,701	(2,225)	0
Other liabilities	3,890	246	(315)	321
of which failed sales	1,909	136	(47)	302
<b>Total liabilities at fair value</b>	<b>24,377</b>	<b>4,179</b>	<b>(6,426)</b>	<b>415</b>
<b>Net assets/(liabilities) at fair value</b>	<b>22,561</b>	<b>3,314</b>	<b>(5,090)</b>	<b>14,763</b>

<sup>1</sup> For all transfers to level 3 or out of level 3, the Bank determines and discloses as level 3 events only gains or losses through the last day of the reporting period.

			Trading revenues		Other revenues			Foreign currency translation impact	Balance at end of period
Sales	Issuances	Settlements	On transfers in / out <sup>1</sup>	On all other	On transfers in / out <sup>1</sup>	On all other			
0	0	(1,174)	0	(28)	0	0	(2)	0	
0	0	0	0	0	0	0	(5)	0	
(8,793)	0	0	72	129	(4)	0	(271)	5,830	
(4,745)	0	0	49	278	(4)	0	(176)	3,192	
(1,924)	0	0	18	60	0	0	(26)	724	
(809)	0	0	(4)	(228)	0	0	(43)	1,023	
(851)	0	0	(4)	67	0	0	(12)	447	
(611)	0	0	0	(63)	0	0	(4)	485	
0	1,007	(3,262)	60	163	0	0	(196)	6,650	
0	303	(976)	47	515	0	0	(59)	1,859	
0	346	(844)	(31)	(56)	0	0	(64)	1,920	
0	161	(914)	43	(179)	0	0	(37)	1,294	
(2,290)	0	0	2	(4)	0	0	(72)	2,486	
(11,694)	1,007	(3,262)	134	225	(4)	0	(543)	15,451	
(17)	0	0	0	0	0	0	(9)	170	
(1,789)	0	0	0	2	0	620	(168)	6,264	
(274)	0	0	0	72	0	0	(50)	1,818	
(2,063)	0	0	0	74	0	620	(218)	8,082	
(1,286)	4,490	(3,473)	15	(250)	0	0	(191)	6,619	
(469)	3,084	(2,773)	15	76	0	0	(135)	4,778	
(745)	1,078	(672)	(1)	(293)	0	0	(50)	1,530	
(16)	0	0	0	0	0	(20)	(2)	43	
(3,356)	298	(2,319)	128	580	0	0	(203)	5,164	
(3,182)	298	(2,319)	127	486	0	0	(172)	4,463	
<b>(18,432)</b>	<b>5,795</b>	<b>(10,228)</b>	<b>277</b>	<b>601</b>	<b>(4)</b>	<b>600</b>	<b>(1,173)</b>	<b>35,529</b>	
0	25	0	0	0	0	0	0	25	
0	0	0	0	0	0	0	(5)	0	
(346)	853	(2,599)	151	505	0	0	(156)	5,356	
0	115	(194)	75	340	0	0	(43)	1,357	
0	1	(1,037)	24	48	0	0	(49)	1,648	
0	537	(315)	(16)	(61)	0	0	(34)	1,003	
0	88	(939)	79	(36)	0	0	(22)	819	
0	288	(332)	(3)	14	0	0	(6)	124	
0	4,015	(6,043)	182	989	(4)	0	(328)	10,098	
0	1,925	(2,867)	32	604	(4)	0	(198)	6,189	
0	1,473	(2,312)	144	275	0	0	(90)	2,551	
(1,322)	2	(219)	(15)	74	0	278	(93)	2,847	
(1,260)	0	0	0	153	0	0	(33)	1,160	
<b>(1,668)</b>	<b>5,183</b>	<b>(9,193)</b>	<b>315</b>	<b>1,582</b>	<b>(4)</b>	<b>278</b>	<b>(588)</b>	<b>18,450</b>	
<b>(16,764)</b>	<b>612</b>	<b>(1,035)</b>	<b>(38)</b>	<b>(981)</b>	<b>0</b>	<b>322</b>	<b>(585)</b>	<b>17,079</b>	

**Gains and losses on assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3)**

in	2013			2012		
	Trading revenues	Other revenues	Total revenues	Trading revenues	Other revenues	Total revenues
<b>Gains and losses on assets and liabilities (CHF million)</b>						
Net realized/unrealized gains/(losses) included in net revenues	(746)	521	<b>(225)<sup>1</sup></b>	(1,019)	322	<b>(697)<sup>1</sup></b>
Whereof:						
Unrealized gains/(losses) relating to assets and liabilities still held as of the reporting date	(2,850)	245	<b>(2,605)</b>	(1,209)	(23)	<b>(1,232)</b>

<sup>1</sup> Excludes net realized/unrealized gains/(losses) attributable to foreign currency translation impact.



## Quantitative information about level 3 assets at fair value

end of 2013	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average <sup>1</sup>
<b>CHF million, except where indicated</b>						
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	204	Discounted cash flow	Funding spread, in bp	90	350	178
Debt	5,069					
of which corporates	2,128					
of which	129	Option model	Correlation, in %	(83)	96	14
			Buyback probability, in % <sup>2</sup>	50	100	62
of which	592	Market comparable	Price, in %	0	112	91
of which	807	Discounted cash flow	Credit spread, in bp	22	957	348
of which RMBS	436	Discounted cash flow	Discount rate, in %	2	33	9
			Prepayment rate, in %	0	27	7
			Default rate, in %	0	25	5
			Loss severity, in %	0	100	48
of which CMBS	417	Discounted cash flow	Capitalization rate, in %	5	12	9
			Discount rate, in %	1	30	9
			Prepayment rate, in %	0	20	10
			Default rate, in %	0	18	1
			Loss severity, in %	0	40	3
of which CDO	1,567					
of which	118	Vendor price	Price, in %	0	100	94
of which	278	Discounted cash flow	Discount rate, in %	2	24	6
			Prepayment rate, in %	0	30	7
			Default rate, in %	1	15	3
			Loss severity, in %	25	100	68
of which	423	Market comparable	Price, in %	85	101	98
Equity	595					
of which	270	Market comparable	EBITDA multiple	3	12	7
of which	35	Discounted cash flow	Capitalization rate, in %	7	7	7
			Discount rate, in %	15	15	15
Derivatives	5,217					
of which interest rate products	1,574	Option model	Correlation, in %	15	100	82
			Prepayment rate, in %	5	31	24
			Volatility, in %	2	31	6
			Volatility skew, in %	(9)	2	(1)
			Credit spread, in bp	95	2,054	218
of which equity/index-related products	1,240	Option model	Correlation, in %	(83)	96	14
			Volatility, in %	2	252	26
of which credit derivatives	1,138	Discounted cash flow	Credit spread, in bp	1	2,054	298
			Recovery rate, in %	0	77	25
			Discount rate, in %	4	29	14
			Default rate, in %	1	16	6
			Loss severity, in %	10	100	59
			Correlation, in %	34	97	83
			Prepayment rate, in %	0	17	5
Other	2,829					
of which	2,139	Market comparable	Price, in %	0	146	34
of which	589	Discounted cash flow	Market implied life expectancy, in years	3	19	9
Trading assets	13,710					

<sup>1</sup> Cash instruments are generally presented on a weighted average basis, while certain derivative instruments either contain a combination of weighted averages and arithmetic means of the related inputs or are presented on an arithmetic mean basis.

<sup>2</sup> Estimate of the probability of corporate bonds being called by the issuer at its option over the remaining life of the financial instrument.

## Quantitative information about level 3 assets at fair value (continued)

end of 2013	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average <sup>1</sup>
<b>CHF million, except where indicated</b>						
Investment securities	2	–	–	–	–	–
Private equity	3,339	– <sup>2</sup>	– <sup>2</sup>	– <sup>2</sup>	– <sup>2</sup>	– <sup>2</sup>
Hedge funds	392	– <sup>2</sup>	– <sup>2</sup>	– <sup>2</sup>	– <sup>2</sup>	– <sup>2</sup>
Other equity investments	1,632					
of which private	1,631					
of which	384	Discounted cash flow	Credit spread, in bp	897	3,175	1,207
			Contingent probability, in %	59	59	59
of which	813	Market comparable	EBITDA multiple	1	10	8
			Market implied life expectancy, in years	1	21	9
Life finance instruments	1,600	Discounted cash flow				
Other investments	6,963					
Loans	7,998					
of which commercial and industrial loans	5,309					
of which	4,526	Discounted cash flow	Credit spread, in bp	50	2,488	504
of which	326	Market comparable	Price, in %	0	100	69
of which financial institutions	1,322	Discounted cash flow	Credit spread, in bp	98	884	302
Other intangible assets (mortgage servicing rights)	42	–	–	–	–	–
Other assets	6,159					
of which loans held-for-sale	5,615					
of which	1,954	Vendor price	Price, in %	0	160	99
of which	1,042	Discounted cash flow	Credit spread, in bp	75	2,389	467
			Recovery rate, in %	1	1	0
of which	2,420	Market comparable	Price, in %	0	105	59
<b>Total level 3 assets at fair value</b>	<b>35,078</b>					

<sup>1</sup> Cash instruments are generally presented on a weighted average basis, while certain derivative instruments either contain a combination of weighted averages and arithmetic means of the related inputs or are presented on an arithmetic mean basis.

<sup>2</sup> Disclosure not required as balances are carried at unadjusted net asset value. Refer to "Fair value, unfunded commitments and term of redemption conditions" for further information.

## Quantitative information about level 3 assets at fair value (continued)

end of 2012	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value
<b>CHF million, except where indicated</b>					
Debt	5,830				
of which corporates	3,192				
of which	754	Option model	Correlation, in %	(87)	97
			Buyback probability, in % <sup>1</sup>	50	100
of which	797	Market comparable	Price, in %	0	146
of which	1,231	Discounted cash flow	Credit spread, in bp	0	2,439
of which RMBS	724	Discounted cash flow	Discount rate, in %	2	50
			Prepayment rate, in %	0	55
			Default rate, in %	0	25
			Loss severity, in %	0	100
of which CMBS	1,023	Discounted cash flow	Capitalization rate, in %	5	12
			Internal rate of return, in %	9	15
			Discount rate, in %	2	35
			Prepayment rate, in %	0	10
			Default rate, in %	0	40
			Loss severity, in %	0	90
of which CDO	447				
of which	193	Vendor price	Price, in %	0	102
of which	123	Discounted cash flow	Discount rate, in %	2	35
			Prepayment rate, in %	0	40
			Default rate, in %	0	25
			Loss severity, in %	0	100
of which	78	Market comparable	Price, in %	80	93
Equity	485				
of which	237	Market comparable	EBITDA multiple	3	12
of which	26	Discounted cash flow	Capitalization rate, in %	7	7
Derivatives	6,650				
of which interest rate products	1,859	Option model	Correlation, in %	17	100
			Prepayment rate, in %	2	45
			Volatility, in %	(5)	31
			Credit spread, in bp	34	157
of which equity/index-related products	1,920	Option model	Correlation, in %	(87)	97
			Volatility, in %	2	157
of which credit derivatives	1,294	Discounted cash flow	Credit spread, in bp	1	5,843
			Recovery rate, in %	0	75
			Discount rate, in %	2	35
			Default rate, in %	0	25
			Loss severity, in %	0	100
			Correlation, in %	30	97
			Prepayment rate, in %	0	40
Other	2,486				
of which	1,891	Market comparable	Price, in %	0	103
of which	564	Discounted cash flow	Life expectancy, in years	4	20
Trading assets	15,451				

<sup>1</sup> Estimate of the probability of corporate bonds being called by the issuer at its option over the remaining life of the financial instrument.

## Quantitative information about level 3 assets at fair value (continued)

end of 2012	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value
<b>CHF million, except where indicated</b>					
Investment securities	170	–	–	–	–
Private equity	3,855	– <sup>1</sup>	– <sup>1</sup>	– <sup>1</sup>	– <sup>1</sup>
Hedge funds	165	– <sup>1</sup>	– <sup>1</sup>	– <sup>1</sup>	– <sup>1</sup>
Other equity investments	2,244				
of which private	2,245				
of which	759	Discounted cash flow	Credit spread, in bp	1,070	2,049
			Contingent probability, in %	50	50
of which	903	Market comparable	EBITDA multiple	2	13
Life finance instruments	1,818	Discounted cash flow	Life expectancy, in years	1	23
Other investments	8,082				
Loans	6,619				
of which commercial and industrial loans	4,778	Discounted cash flow	Credit spread, in bp	0	2,763
of which financial institutions	1,530	Discounted cash flow	Credit spread, in bp	0	888
Other intangible assets (mortgage servicing rights)	43	–	–	–	–
Other assets	5,164				
of which loans held-for-sale	4,463				
of which	2,031	Vendor price	Price, in %	0	103
of which	328	Discounted cash flow	Credit spread, in bp	20	1,458
of which	2,009	Market comparable	Price, in %	0	115
<b>Total level 3 assets at fair value</b>	<b>35,529</b>				

<sup>1</sup> Disclosure not required as balances are carried at unadjusted net asset value. Refer to "Fair value, unfunded commitments and term of redemption conditions" for further information.

## Quantitative information about level 3 liabilities at fair value

end of 2013	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average <sup>1</sup>
<b>CHF million, except where indicated</b>						
Customer deposits	55	–	–	–	–	–
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	114	Discounted cash flow	Funding spread, in bp	90	90	90
Trading liabilities	5,564					
of which interest rate derivatives	1,129	Option model	Basis spread, in bp	(5)	148	74
			Correlation, in %	17	99	62
			Mean reversion, in % <sup>2</sup>	5	10	6
			Prepayment rate, in %	5	31	23
of which foreign exchange derivatives	938	Option model	Correlation, in %	(10)	70	48
			Prepayment rate, in %	19	31	25
of which equity/index-related derivatives	1,896	Option model	Correlation, in %	(83)	96	14
			Skew, in %	79	152	118
			Volatility, in %	2	252	26
of which credit derivatives	1,230	Discounted cash flow	Buyback probability, in % <sup>3</sup>	50	100	62
			Credit spread, in bp	1	2,052	252
			Discount rate, in %	4	29	14
			Default rate, in %	1	15	6
			Recovery rate, in %	14	77	43
			Loss severity, in %	6	100	62
			Correlation, in %	34	98	55
			Prepayment rate, in %	0	17	2
Short-term borrowings	165	–	–	–	–	–
Long-term debt	9,780					
of which structured notes over two years	6,217	Option model	Correlation, in %	(83)	99	16
			Volatility, in %	5	252	28
			Buyback probability, in % <sup>3</sup>	50	100	62
			Gap risk, in % <sup>4</sup>	0	5	0
of which non-recourse liabilities	2,552					
of which	2,105	Vendor price	Price, in %	0	217	104
of which	301	Market comparable	Price, in %	0	93	13
Other liabilities	2,859					
of which failed sales	1,143					
of which	829	Market comparable	Price, in %	0	100	63
of which	195	Discounted cash flow	Credit spread, in bp	813	1,362	1,185
			Recovery rate, in %	23	23	23
<b>Total level 3 liabilities at fair value</b>	<b>18,537</b>					

<sup>1</sup> Cash instruments are generally presented on a weighted average basis, while certain derivative instruments either contain a combination of weighted averages and arithmetic means of the related inputs or are presented on an arithmetic mean basis.

<sup>2</sup> Management's best estimate of the speed at which interest rates will revert to the long-term average.

<sup>3</sup> Estimate of the probability of structured notes being put back to the Bank at the option of the investor over the remaining life of the financial instruments.

<sup>4</sup> Risk of unexpected large declines in the underlying values between collateral settlement dates.

## Quantitative information about level 3 liabilities at fair value (continued)

end of 2012	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value
<b>CHF million, except where indicated</b>					
Customer deposits	25	–	–	–	–
Trading liabilities	5,356				
of which interest rate derivatives	1,357	Option model	Basis spread, in bp	(28)	54
			Correlation, in %	17	100
			Mean reversion, in % <sup>1</sup>	(33)	5
			Prepayment rate, in %	4	45
of which foreign exchange derivatives	1,648	Option model	Correlation, in %	(10)	70
			Prepayment rate, in %	4	22
of which equity/index-related derivatives	1,003	Option model	Correlation, in %	(87)	97
			Skew, in %	56	128
			Volatility, in %	2	157
			Buyback probability, in % <sup>2</sup>	50	100
			Gap risk, in % <sup>3</sup>	0	4
of which credit derivatives	819	Discounted cash flow	Credit spread, in bp	0	5,843
			Discount rate, in %	2	35
			Default rate, in %	0	25
			Recovery rate, in %	0	77
			Loss severity, in %	0	100
			Correlation, in %	0	47
			Prepayment rate, in %	0	40
Short-term borrowings	124	–	–	–	–
Long-term debt	10,098				
of which structured notes over two years	6,189	Option model	Correlation, in %	(87)	97
			Volatility, in %	2	157
			Buyback probability, in % <sup>2</sup>	50	100
			Gap risk, in % <sup>3</sup>	0	12
of which non-recourse liabilities	2,551				
of which	2,255	Vendor price	Price, in %	0	103
of which	230	Market comparable	Price, in %	0	87
Other liabilities	2,847				
of which failed sales	1,160				
of which	646	Market comparable	Price, in %	0	100
of which	290	Discounted cash flow	Credit spread, in bp	0	1,532
<b>Total level 3 liabilities at fair value</b>	<b>18,450</b>				

<sup>1</sup> Management's best estimate of the speed at which interest rates will revert to the long-term average.

<sup>2</sup> Estimate of the probability of structured notes being put back to the Bank at the option of the investor over the remaining life of the financial instruments.

<sup>3</sup> Risk of unexpected large declines in the underlying values between collateral settlement dates.

## Fair value, unfunded commitments and term of redemption conditions

end of	2013				2012			
	Non-redeemable	Redeemable	Total fair value	Unfunded commitments	Non-redeemable	Redeemable	Total fair value	Unfunded commitments
<b>Fair value and unfunded commitments (CHF million)</b>								
Debt funds	1	18	19	0	127	38	165	0
Equity funds	28	3,096 <sup>1</sup>	3,124	0	52	3,810 <sup>2</sup>	3,862	0
Equity funds sold short	0	(17)	(17)	0	0	(111)	(111)	0
Total funds held in trading assets and liabilities	29	3,097	3,126	0	179	3,737	3,916	0
Debt funds	320	183	503	6	68	365	433	157
Equity funds	0	25	25	0	3	43	46	0
Others	0	153	153	31	4	152	156	46
Hedge funds	320	361 <sup>3</sup>	681	37	75	560 <sup>4</sup>	635	203
Debt funds	53	0	53	2	97	0	97	17
Equity funds	2,230	0	2,230	464	2,530	0	2,530	723
Real estate funds	350	0	350	110	382	0	382	131
Others	706	0	706	250	846	0	846	198
Private equities	3,339	0	3,339	826	3,855	0	3,855	1,069
Equity method investments	349	0	349	0	385	0	385	0
Total funds held in other investments	4,008	361	4,369	863	4,315	560	4,875	1,272
<b>Total fair value</b>	<b>4,037<sup>5</sup></b>	<b>3,458<sup>6</sup></b>	<b>7,495</b>	<b>863<sup>7</sup></b>	<b>4,494<sup>5</sup></b>	<b>4,297<sup>6</sup></b>	<b>8,791</b>	<b>1,272<sup>7</sup></b>

<sup>1</sup> 55% of the redeemable fair value amount of equity funds is redeemable on demand with a notice period of less than 30 days, 19% is redeemable on an annual basis with a notice period primarily of more than 60 days, 17% is redeemable on a monthly basis with a notice period primarily of less than 30 days, and 9% is redeemable on a quarterly basis with a notice period primarily of more than 45 days.

<sup>2</sup> 57% of the redeemable fair value amount of equity funds is redeemable on demand with a notice period of less than 30 days, 17% is redeemable on an annual basis with a notice period primarily of more than 60 days, 13% is redeemable on a monthly basis with a notice period primarily of less than 30 days, and 13% is redeemable on a quarterly basis with a notice period primarily of more than 45 days.

<sup>3</sup> 45% of the redeemable fair value amount of hedge funds is redeemable on a quarterly basis with a notice period primarily of more than 60 days, 33% is redeemable on demand with a notice period primarily of less than 30 days, and 21% is redeemable on an annual basis with a notice period of more than 60 days.

<sup>4</sup> 66% of the redeemable fair value amount of hedge funds is redeemable on a quarterly basis with a notice period primarily of more than 60 days, 19% is redeemable on demand with a notice period primarily of less than 30 days, and 11% is redeemable on an annual basis with a notice period of more than 60 days.

<sup>5</sup> Includes CHF 1,819 million and CHF 1,958 million attributable to noncontrolling interests in 2013 and 2012, respectively.

<sup>6</sup> Includes CHF 107 million and CHF 107 million attributable to noncontrolling interests in 2013 and 2012, respectively.

<sup>7</sup> Includes CHF 405 million and CHF 418 million attributable to noncontrolling interests in 2013 and 2012, respectively.

## Nonrecurring fair value changes

end of	2013	2012
<b>Assets held-for-sale recorded at fair value on a nonrecurring basis (CHF billion)</b>		
<b>Assets held-for-sale recorded at fair value on a nonrecurring basis</b>	<b>0.3</b>	<b>0.5</b>
of which level 3	0.3	0.5

### Difference between the aggregate fair value and the aggregate unpaid principal balances of loans and financial instruments

end of	2013			2012		
	Aggregate fair value	Aggregate unpaid principal	Difference	Aggregate fair value	Aggregate unpaid principal	Difference
<b>Loans (CHF million)</b>						
Non-interest-earning loans	956	3,262	(2,306)	920	3,810	(2,890)
<b>Financial instruments (CHF million)</b>						
Interest-bearing deposits with banks	311	307	4	627	615	12
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	96,587	96,217	370	113,664	113,196	468
Loans	19,457	19,653	(196)	20,000	20,278	(278)
Other assets <sup>1</sup>	20,749	25,756	(5,007)	22,060	29,787	(7,727)
Due to banks and customer deposits	(690)	(680)	(10)	(531)	(493)	(38)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(76,104)	(76,012)	(92)	(108,784)	(108,701)	(83)
Short-term borrowings	(6,053)	(5,896)	(157)	(4,513)	(4,339)	(174)
Long-term debt	(61,853)	(61,529)	(324)	(64,774)	(66,434)	1,660
Other liabilities	(1,780)	(3,285)	1,505	(3,683)	(6,186)	2,503

<sup>1</sup> Primarily loans held-for-sale.



## Gains and losses on financial instruments

	2013	2012	2011
in	Net gains/ (losses)	Net gains/ (losses)	Net gains/ (losses)
<b>Financial instruments (CHF million)</b>			
Cash and due from banks	0	(13) <sup>2</sup>	–
of which related to credit risk	0	(13)	–
Interest-bearing deposits with banks	10 <sup>1</sup>	12 <sup>1</sup>	0
of which related to credit risk	(3)	3	0
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,143 <sup>1</sup>	1,183 <sup>1</sup>	1,698 <sup>1</sup>
Other trading assets	0	10 <sup>2</sup>	10 <sup>2</sup>
Other investments	126 <sup>3</sup>	144 <sup>3</sup>	196 <sup>2</sup>
of which related to credit risk	11	34	(14)
Loans	1,470 <sup>1</sup>	925 <sup>1</sup>	(1,105) <sup>2</sup>
of which related to credit risk	26	318	(256)
Other assets	2,058 <sup>1</sup>	2,641 <sup>1</sup>	476 <sup>1</sup>
of which related to credit risk	604	355	(332)
Due to banks and customer deposits	0	(22) <sup>1</sup>	(2) <sup>1</sup>
of which related to credit risk	(5)	8	45
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(67) <sup>1</sup>	(114) <sup>1</sup>	(575) <sup>1</sup>
Short-term borrowings	(256) <sup>2</sup>	(350) <sup>2</sup>	91 <sup>2</sup>
of which related to credit risk <sup>4</sup>	0	0	(2)
Long-term debt	(2,697) <sup>2</sup>	(7,709) <sup>2</sup>	2,301 <sup>2</sup>
of which related to credit risk <sup>4</sup>	(309)	(2,365)	1,769
Other liabilities	413 <sup>2</sup>	826 <sup>2</sup>	(286) <sup>2</sup>
of which related to credit risk	112	912	(348)

<sup>1</sup> Primarily recognized in net interest income.

<sup>2</sup> Primarily recognized in trading revenues.

<sup>3</sup> Primarily recognized in other revenues.

<sup>4</sup> Changes in fair value related to credit risk are due to the change in the Bank's own credit spreads. Other changes in fair value are attributable to changes in foreign currency exchange rates and interest rates, as well as movements in the reference price or index for structured notes.

### Carrying value and fair value of financial instruments not carried at fair value

end of	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>2013 (CHF million)</b>					
<b>Financial assets</b>					
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	63,426	0	62,882	544	63,426
Loans	209,070	0	209,820	3,940	213,760
Other financial assets <sup>1</sup>	143,827	71,518	71,135	1,473	144,126
<b>Financial liabilities</b>					
Due to banks and deposits	340,278	204,134	136,064	9	340,207
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	17,928	0	17,928	0	17,928
Short-term borrowings	14,140	0	14,148	0	14,148
Long-term debt	64,788	0	62,027	3,774	65,801
Other financial liabilities <sup>2</sup>	96,649	1,128	94,452	1,085	96,665
<b>2012 (CHF million)</b>					
<b>Financial assets</b>					
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	69,783	0	69,755	27	69,782
Loans	204,551	0	206,214	4,482	210,696
Other financial assets <sup>1</sup>	133,498	63,519	68,568	1,680	133,767
<b>Financial liabilities</b>					
Due to banks and deposits	320,208	193,288	126,798	9	320,095
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	23,937	0	23,939	0	23,939
Short-term borrowings	10,325	0	10,328	0	10,328
Long-term debt	82,223	0	79,032	4,546	83,578
Other financial liabilities <sup>2</sup>	89,275	0	88,035	1,170	89,205

<sup>1</sup> Primarily includes cash and due from banks, interest-bearing deposits with banks, brokerage receivables, loans held-for-sale, cash collateral on derivative instruments, interest and fee receivables and non-marketable equity securities.

<sup>2</sup> Primarily includes brokerage payables, cash collateral on derivative instruments and interest and fee payables.

### 34 Assets pledged and collateral

#### Assets pledged

The Bank pledges assets mainly for repurchase agreements and other securities financing. Certain pledged assets may be encumbered, meaning they have the right to be sold or repledged. The encumbered assets are parenthetically disclosed on the consolidated balance sheet.

#### Assets pledged

end of	2013	2012
<b>Assets pledged (CHF million)</b>		
Total assets pledged or assigned as collateral	137,207	145,598
of which encumbered	92,300	90,745

### Collateral

The Bank receives cash and securities in connection with resale agreements, securities borrowing and loans, derivative transactions and margined broker loans. A substantial portion of the collateral and securities received by the Bank was sold or repledged in connection with repurchase agreements, securities sold not yet purchased, securities borrowings and loans, pledges to clearing organizations, segregation requirements under securities laws and regulations, derivative transactions and bank loans.

### Collateral

end of	2013	2012
<b>Collateral (CHF million)</b>		
Fair value of collateral received with the right to sell or repledge	359,508	402,784
of which sold or repledged	267,902	292,531

### Other information

end of	2013	2012
<b>Other information (CHF million)</b>		
Cash and securities restricted under foreign banking regulations	18,130	14,340
Swiss National Bank required minimum liquidity reserves	2,305	2,312

► Refer to "Note 35 – Assets pledged and collateral" in V – Consolidated financial statements – Credit Suisse Group for further information.

## 35 Capital adequacy

The Bank is subject to regulation by ◻ FINMA. The capital levels of the Bank are subject to qualitative judgments by regulators, including FINMA, about the components of capital, risk weightings and other factors. Since January 2013, the Bank has operated under the international capital adequacy standards known as ◻ Basel III set forth by the ◻ BCBS. These standards have affected the measurement of both total eligible capital and ◻ risk-weighted assets.

As of December 31, 2013 and 2012, the Bank was adequately capitalized under the regulatory provisions outlined under both FINMA and the Bank for International Settlements (BIS) guidelines.

► Refer to "Note 36 – Capital adequacy" in V – Consolidated financial statements – Credit Suisse Group for further information.

### Broker-dealer operations

Certain Bank broker-dealer subsidiaries are also subject to capital adequacy requirements. As of December 31, 2013 and 2012, the Bank and its subsidiaries complied with all applicable regulatory capital adequacy requirements.

### Dividend restrictions

Certain of the Bank's subsidiaries are subject to legal restrictions governing the amount of dividends they can pay (for example, pursuant to corporate law as defined by the Swiss Code of Obligations).

As of December 31, 2013 and 2012, the Bank was not subject to restrictions on its ability to pay the proposed dividends.

### BIS statistics – Basel III

end of	2013	2012
<b>Eligible capital (CHF million)</b>		
CET1 capital	38,028	36,717
Additional tier 1 capital	3,077	3,760
<b>Total tier 1 capital</b>	<b>41,105</b>	<b>40,477</b>
Tier 2 capital	10,961	8,829
<b>Total eligible capital</b>	<b>52,066</b>	<b>49,306</b>
<b>Risk-weighted assets (CHF million)</b>		
Credit risk	166,324	191,649
Market risk	39,111	39,438
Operational risk	53,075	45,125
Non-counterparty risk	5,758	5,873
<b>Risk-weighted assets</b>	<b>264,268</b>	<b>282,085</b>
<b>Capital ratios (%)</b>		
CET1 ratio	14.4	13.0
Tier 1 ratio	15.6	14.3
Total capital ratio	19.7	17.5

## 36 Litigation

► Refer to "Note 38 – Litigation" in V – Consolidated financial statements – Credit Suisse Group for further information.

## 37 Significant subsidiaries and equity method investments

### Significant subsidiaries

Equity interest in %	Company name	Domicile	Currency	Nominal capital in million
<b>as of December 31, 2013</b>				
<b>Credit Suisse AG</b>				
100	AJP Cayman Ltd.	George Town, Cayman Islands	JPY	8,025.6
100	Banco Credit Suisse (Brasil) S.A.	São Paulo, Brazil	BRL	53.6
100	Banco Credit Suisse (México), S.A.	Mexico City, Mexico	MXN	1,716.7
100	Banco de Investimentos Credit Suisse (Brasil) S.A.	São Paulo, Brazil	BRL	164.8
100	Boston Re Ltd.	Hamilton, Bermuda	USD	2.0
100	CJSC Bank Credit Suisse (Moscow)	Moscow, Russia	USD	37.8
100	Column Financial, Inc.	Wilmington, United States	USD	0.0
100	Credit Suisse (Australia) Limited	Sydney, Australia	AUD	34.1
100	Credit Suisse (Brasil) Distribuidora de Títulos e Valores Mobiliários S.A.	São Paulo, Brazil	BRL	5.0
100	Credit Suisse (Brasil) S.A. Corretora de Títulos e Valores Mobiliários	São Paulo, Brazil	BRL	98.4
100	Credit Suisse (Deutschland) Aktiengesellschaft	Frankfurt, Germany	EUR	130.0
100	Credit Suisse (France)	Paris, France	EUR	52.9
100	Credit Suisse (Gibraltar) Limited	Gibraltar, Gibraltar	GBP	5.0
100	Credit Suisse (Channel Islands) Limited	St. Peter Port, Guernsey	USD	6.1
100	Credit Suisse (Hong Kong) Limited	Hong Kong, China	HKD	6,910.9
100	Credit Suisse (Italy) S.p.A.	Milan, Italy	EUR	139.6
100	Credit Suisse (Monaco) S.A.M.	Monte Carlo, Monaco	EUR	18.0
100	Credit Suisse (Poland) Sp. z o.o	Warsaw, Poland	PLN	20.0
100	Credit Suisse (Qatar) LLC	Doha, Qatar	USD	24.0
100	Credit Suisse (Singapore) Limited	Singapore, Singapore	SGD	743.3
100	Credit Suisse (UK) Limited	London, United Kingdom	GBP	168.2
100	Credit Suisse (USA), Inc.	Wilmington, United States	USD	0.0
100	Credit Suisse Asset Management (UK) Holding Limited	London, United Kingdom	GBP	144.2
100	Credit Suisse Asset Management Immobilien Kapitalanlagegesellschaft mbH	Frankfurt, Germany	EUR	6.1
100	Credit Suisse Asset Management International Holding Ltd	Zurich, Switzerland	CHF	20.0
100	Credit Suisse Asset Management Investments Ltd	Zurich, Switzerland	CHF	0.1
100	Credit Suisse Asset Management Limited	London, United Kingdom	GBP	45.0
100	Credit Suisse Asset Management, LLC	Wilmington, United States	USD	1,086.8
100	Credit Suisse Business Analytics (India) Private Limited	Mumbai, India	INR	40.0
100	Credit Suisse Capital (Guernsey) I Limited	St. Peter Port, Guernsey	USD	0.0
100	Credit Suisse Capital LLC	Wilmington, United States	USD	737.6

## Significant subsidiaries (continued)

Equity interest in %	Company name	Domicile	Currency	Nominal capital in million
100	Credit Suisse Energy (Canada) Limited	Toronto, Canada	USD	0.0
100	Credit Suisse Energy LLC	Wilmington, United States	USD	0.0
100	Credit Suisse Equities (Australia) Limited	Sydney, Australia	AUD	62.5
100	Credit Suisse Finance (Guernsey) Limited	St. Peter Port, Guernsey	USD	0.2
100	Credit Suisse Finance (India) Private Limited	Mumbai, India	INR	1,050.1
100	Credit Suisse First Boston (Latin America Holdings) LLC	George Town, Cayman Islands	USD	23.8
100	Credit Suisse First Boston Finance B.V.	Amsterdam, The Netherlands	EUR	0.0
100	Credit Suisse First Boston Mortgage Capital LLC	Wilmington, United States	USD	356.6
100	Credit Suisse First Boston Next Fund, Inc.	Wilmington, United States	USD	10.0
100	Credit Suisse Fund Management S.A.	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Fund Services (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	1.5
100	Credit Suisse Funds AG	Zurich, Switzerland	CHF	7.0
100	Credit Suisse Hedging-Griffo Corretora de Valores S.A.	São Paulo, Brazil	BRL	29.6
100	Credit Suisse Holding Europe (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	32.6
100	Credit Suisse Holdings (Australia) Limited	Sydney, Australia	AUD	3.0
100 <sup>1</sup>	Credit Suisse Holdings (USA), Inc.	Wilmington, United States	USD	4,184.7
100	Credit Suisse Leasing 92A, L.P.	New York, United States	USD	43.9
100	Credit Suisse Life & Pensions AG	Vaduz, Liechtenstein	CHF	15.0
100	Credit Suisse Life (Bermuda) Ltd.	Hamilton, Bermuda	USD	1.0
100	Credit Suisse Loan Funding LLC	Wilmington, United States	USD	0.0
100	Credit Suisse Management LLC	Wilmington, United States	USD	896.8
100	Credit Suisse Principal Investments Limited	George Town, Cayman Islands	JPY	3,324.0
100	Credit Suisse Private Equity, LLC	Wilmington, United States	USD	42.2
100	Credit Suisse PSL GmbH	Zurich, Switzerland	CHF	0.0
100	Credit Suisse Securities (Canada), Inc.	Toronto, Canada	CAD	3.4
100	Credit Suisse Securities (Europe) Limited	London, United Kingdom	USD	2,859.3
100	Credit Suisse Securities (Hong Kong) Limited	Hong Kong, China	HKD	530.9
100	Credit Suisse Securities (India) Private Limited	Mumbai, India	INR	2,214.8
100	Credit Suisse Securities (Japan) Limited	Tokyo, Japan	JPY	78,100.0
100	Credit Suisse Securities (Johannesburg) Proprietary Limited	Johannesburg, South Africa	ZAR	0.0
100	Credit Suisse Securities (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	MYR	100.0
100	Credit Suisse Securities (Moscow)	Moscow, Russia	RUB	97.1
100	Credit Suisse Securities (Singapore) Pte Limited	Singapore, Singapore	SGD	30.0
100	Credit Suisse Securities (Thailand) Limited	Bangkok, Thailand	THB	500.0
100	Credit Suisse Securities (USA) LLC	Wilmington, United States	USD	1,881.5
100	CSAM Americas Holding Corp.	Wilmington, United States	USD	0.0
100	CS International Advisors AG	Zurich, Switzerland	CHF	0.1
100	CS Non-Traditional Products Ltd.	Nassau, Bahamas	USD	0.1
100	DLJ LBO Plans Management, LLC	Wilmington, United States	USD	7.8
100	DLJ Mortgage Capital, Inc.	Wilmington, United States	USD	0.0
100	Merban Equity AG	Zug, Switzerland	CHF	0.1
100	SPS Holding Corporation	Wilmington, United States	USD	0.1
99	PT Credit Suisse Securities Indonesia	Jakarta, Indonesia	IDR	235,000.0
98	Credit Suisse Hypotheken AG	Zurich, Switzerland	CHF	0.1
98 <sup>2</sup>	Credit Suisse International	London, United Kingdom	USD	13,107.7
83	Asset Management Finance LLC	Wilmington, United States	USD	341.8
71	Credit Suisse Saudi Arabia	Riyadh, Saudi Arabia	SAR	300.0
58 <sup>3</sup>	Credit Suisse (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	150.0

<sup>1</sup> 43% of voting rights held by Credit Suisse Group AG, Guernsey Branch.

<sup>2</sup> Remaining 2% held directly by Credit Suisse Group AG. 80% of voting rights and 98% of equity interest held by Credit Suisse AG.

<sup>3</sup> 42% of voting rights held directly by Credit Suisse Group AG.

## Significant equity method investments

Equity interest in %	Company name	Domicile
<b>as of December 31, 2013</b>		
<b>Credit Suisse AG</b>		
33	Credit Suisse Founder Securities Limited	Beijing, China
23	E.L. & C. Baillieu Stockbroking (Holdings) Pty Ltd	Melbourne, Australia
20	ICBC Credit Suisse Asset Management Co., Ltd.	Beijing, China
5 <sup>1</sup>	York Capital Management Global Advisors, LLC	New York, United States

<sup>1</sup> The Bank holds a significant noncontrolling interest.

## 38 Significant valuation and income recognition differences between US GAAP and Swiss GAAP banking law (true and fair view)

► Refer to "Note 42 – Significant valuation and income recognition differences between US GAAP and Swiss GAAP banking law (true and fair view)" in V – Consolidated financial statements – Credit Suisse Group for further information.

## 39 Risk assessment

During the reporting period the Board of Directors and its Risk Committee performed risk assessments in accordance with established policies and procedures.

The governance of the Bank and the Group, including risk governance, is fully aligned. Both the Board of Directors and the Executive Board are comprised of the same individuals.

► Refer to "Note 43 – Risk assessment" in V – Consolidated financial statements – Credit Suisse Group for information in accordance with the Swiss Code of Obligations on the risk assessment process followed by the Board of Directors.

# Controls and procedures

## **EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES**

---

The Bank has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of the end of the period covered by this report under the supervision and with the participation of management, including the Bank Chief Executive Officer (CEO) and Chief Financial Officer (CFO), pursuant to Rule 13(a)-15(a) under the Securities Exchange Act of 1934 (the Exchange Act). There are inherent limitations to the effectiveness of any system of controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective controls and procedures can only provide reasonable assurance of achieving their control objectives.

The CEO and CFO concluded that, as of December 31, 2013, the design and operation of the Bank's disclosure controls and procedures were effective, in all material respects, to ensure that information required to be disclosed in reports filed and submitted under the Exchange Act is recorded, processed, summarized and reported as and when required.

## **MANAGEMENT REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

---

The management of the Bank is responsible for establishing and maintaining adequate internal control over financial reporting. The Bank's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Management has made an evaluation and assessment of the Bank's internal control over financial reporting as of December 31, 2013 using the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control – Integrated Framework (1992)".

Based upon its review and evaluation, management, including the Bank CEO and CFO, has concluded that the Bank's internal control over financial reporting is effective as of December 31, 2013.

KPMG AG, the Bank's independent auditors, have issued an unqualified opinion on the effectiveness of the Bank's internal control over financial reporting as of December 31, 2013, as stated in their report, which follows.

## **CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING**

---

There were no changes in the Bank's internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Bank's internal control over financial reporting.



**KPMG AG**  
**Audit Financial Services**  
 Bedenerstrasse 172  
 CH-8004 Zurich

Postfach  
 CH-8026 Zurich

Telefon +41 58 249 31 31  
 Telefax +41 58 249 44 06  
 Internet www.kpmg.ch

Report of the Independent Registered Public Accounting Firm to the General Meeting of Shareholders of  
**Credit Suisse AG, Zurich**

We have audited Credit Suisse AG and subsidiaries' (the "Bank") internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control—Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Bank's board of directors and management are responsible for maintaining effective internal control over financial reporting and the Bank's management is responsible for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Bank's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.


A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Bank maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control—Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) and Swiss Auditing Standards, the consolidated balance sheets of the Bank as of December 31, 2013 and 2012, and the related consolidated statements of operations, changes in equity, comprehensive income and cash flows, and notes thereto, for each of the years in the three-year period ended December 31, 2013, and our report dated April 3, 2014 expressed an unqualified opinion on those consolidated financial statements.

KPMG AG

  
 Simon Ryder  
 Licensed Audit Expert  
 Auditor in Charge

  
 Anthony Anzevino  
 Global Lead Partner

Zurich, Switzerland  
 April 3, 2014