

VII

Consolidated financial statements – Credit Suisse (Bank)

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KPMG AG
Audit Financial Services
Badenerstrasse 172
CH-8004 Zurich

P.O. Box
CH-8026 Zurich

Telefon +41 44 249 31 31
Téléfax +41 44 249 23 19
Internet 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 balance sheets as of December 31, 2014 and 2013, 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, 2014.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation 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 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 for the year ended as of December 31, 2014 and 2013, give a true and fair view of the financial position, the results of operations and the cash flows for each of the years in the three-year period ended December 31, 2014, in accordance with U.S. Generally Accepted Accounting Principles and comply with Swiss law.



Report on Other Legal 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, 2014, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 20, 2015 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
March 20, 2015

Consolidated financial statements

Consolidated statements of operations

	Reference to notes	2014	2013	in 2012
Consolidated statements of operations (CHF million)				
Interest and dividend income	6	18,585	19,017	21,539
Interest expense	6	(9,908)	(11,307)	(14,757)
Net interest income	6	8,677	7,710	6,782
Commissions and fees	7	12,887	13,057	12,543
Trading revenues	8	1,790	2,755	1,163
Other revenues	9	2,235	1,792	2,488
Net revenues		25,589	25,314	22,976
Provision for credit losses	10	125	93	88
Compensation and benefits	11	11,382	11,187	12,219
General and administrative expenses	12	9,573	8,654	7,205
Commission expenses		1,548	1,726	1,685
Total other operating expenses		11,121	10,380	8,890
Total operating expenses		22,503	21,567	21,109
Income from continuing operations before taxes		2,961	3,654	1,779
Income tax expense	26	1,299	1,170	365
Income from continuing operations		1,662	2,484	1,414
Income/(loss) from discontinued operations, net of tax	4	102	145	(40)
Net income		1,764	2,629	1,374
Net income attributable to noncontrolling interests		445	669	333
Net income/(loss) attributable to shareholder		1,319	1,960	1,041
of which from continuing operations		1,217	1,815	1,081
of which from discontinued operations		102	145	(40)

Consolidated statements of comprehensive income

		2014	2013	in 2012
Comprehensive income (CHF million)				
Net income		1,764	2,629	1,374
Gains/(losses) on cash flow hedges		(27)	2	7
Foreign currency translation		2,284	(2,234)	(1,252)
Unrealized gains/(losses) on securities		21	(18)	(43)
Actuarial gains/(losses)		58	(43)	59
Net prior service credit/(cost)		14	0	(1)
Other comprehensive income/(loss), net of tax		2,350	(2,293)	(1,230)
Comprehensive income		4,114	336	144
Comprehensive income attributable to noncontrolling interests		614	634	95
Comprehensive income/(loss) attributable to shareholder		3,500	(298)	49

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

Consolidated balance sheets

	Reference to notes	2014	end of 2013
Assets (CHF million)			
Cash and due from banks		78,000	68,081
of which reported at fair value		304	527
of which reported from consolidated VIEs		1,493	952
Interest-bearing deposits with banks		4,104	3,385
of which reported at fair value		0	311
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	13	163,208	160,013
of which reported at fair value		104,283	96,587
of which reported from consolidated VIEs		660	1,959
Securities received as collateral, at fair value		26,854	22,800
of which encumbered		25,220	17,964
Trading assets, at fair value	14	241,313	229,738
of which encumbered		77,583	72,976
of which reported from consolidated VIEs		4,261	3,610
Investment securities	15	2,379	1,627
of which reported at fair value		2,379	1,627
of which reported from consolidated VIEs		0	100
Other investments	16	8,467	10,207
of which reported at fair value		5,642	7,590
of which reported from consolidated VIEs		2,105	1,983
Net loans	17	255,928	231,157
of which reported at fair value		22,913	19,457
of which encumbered		192	638
of which reported from consolidated VIEs		245	4,207
allowance for loan losses		(597)	(691)
Premises and equipment	18	4,441	4,895
of which reported from consolidated VIEs		422	481
Goodwill	19	7,766	7,121
Other intangible assets	20	249	210
of which reported at fair value		70	42
Brokerage receivables		41,629	52,044
Other assets	21	70,511	61,567
of which reported at fair value		32,321	31,518
of which encumbered		250	722
of which reported from consolidated VIEs		16,132	14,329
Assets of discontinued operations held-for-sale		0	1,584
Total assets		904,849	854,429

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

Consolidated balance sheets (continued)

	Reference to notes	2014	end of 2013
Liabilities and equity (CHF million)			
Due to banks	22	26,506	23,147
of which reported at fair value		832	1,460
Customer deposits	22	357,569	321,678
of which reported at fair value		3,251	3,241
of which reported from consolidated VIEs		3	265
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	13	70,119	94,032
of which reported at fair value		54,732	76,104
Obligation to return securities received as collateral, at fair value		26,854	22,800
Trading liabilities, at fair value	14	72,667	76,812
of which reported from consolidated VIEs		35	93
Short-term borrowings		25,921	20,193
of which reported at fair value		3,861	6,053
of which reported from consolidated VIEs		9,384	4,286
Long-term debt	23	172,947	126,741
of which reported at fair value		80,260	62,462
of which reported from consolidated VIEs		13,452	12,992
Brokerage payables		56,977	73,154
Other liabilities	21	50,648	51,100
of which reported at fair value		16,933	21,971
of which reported from consolidated VIEs		1,727	710
Liabilities of discontinued operations held-for-sale		0	1,140
Total liabilities		860,208	810,797
Common shares / participation securities		4,400	4,400
Additional paid-in capital		34,842	34,851
Retained earnings		15,877	14,621
Accumulated other comprehensive income/(loss)	24	(12,224)	(14,405)
Total shareholder's equity		42,895	39,467
Noncontrolling interests		1,746	4,165
Total equity		44,641	43,632
Total liabilities and equity		904,849	854,429

end of	2014	2013
Additional share information		
Par value (CHF)	1.00	1.00
Issued shares	4,399,680,200	4,399,665,200
Shares outstanding	4,399,680,200	4,399,665,200

The Bank's total share capital is fully paid and consists of 4,399,680,200 registered shares as of December 31, 2014. Each share is entitled to one vote. The Bank has no warrants on its own shares outstanding.

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 ¹	Accumulated other comprehensive income	Total shareholder's equity	Non-controlling interests	
2014 (CHF million)								
Balance at beginning of period	4,400	34,851	14,621	0	(14,405)	39,467	4,165	43,632
Purchase of subsidiary shares from non-controlling interests, changing ownership	–	26	–	–	–	26	–	26
Purchase of subsidiary shares from non-controlling interests, not changing ownership ^{2,3}	–	–	–	–	–	–	(578)	(578)
Sale of subsidiary shares to noncontrolling interests, not changing ownership ³	–	–	–	–	–	–	40	40
Net income/(loss)	–	–	1,319	–	–	1,319	445	1,764
Total other comprehensive income/(loss), net of tax	–	–	–	–	2,181	2,181	169	2,350
Share-based compensation, net of tax	–	(61) ⁴	–	–	–	(61)	–	(61)
Dividends on share-based compensation, net of tax	–	(44)	–	–	–	(44)	–	(44)
Dividends paid	–	–	(63)	–	–	(63)	(21)	(84)
Changes in redeemable noncontrolling interests	–	2	–	–	–	2	–	2
Changes in scope of consolidation, net	–	–	–	–	–	–	(2,477)	(2,477)
Other	–	68	–	–	–	68	3	71
Balance at end of period	4,400	34,842	15,877	0	(12,224)	42,895	1,746	44,641
2013 (CHF million)								
Balance at beginning of period	4,400	29,365	13,086	0	(12,147)	34,704	8,179	42,883
Purchase of subsidiary shares from non-controlling interests, changing ownership	–	–	–	–	–	–	(22)	(22)
Purchase of subsidiary shares from non-controlling interests, not changing ownership	–	–	–	–	–	–	(5,060)	(5,060)
Sale of subsidiary shares to noncontrolling interests, not changing ownership	–	–	–	–	–	–	693	693
Net income/(loss)	–	–	1,960	–	–	1,960	682	2,642
Total other comprehensive income/(loss), net of tax	–	–	–	–	(2,258)	(2,258)	(35)	(2,293)
Cancellation of repurchased shares	–	(445)	–	–	–	(445)	–	(445)
Share-based compensation, net of tax	–	196	–	–	–	196	–	196
Dividends on share-based compensation, net of tax	–	(87)	–	–	–	(87)	–	(87)
Dividends paid	–	–	(424)	–	–	(424)	(59)	(483)
Changes in redeemable noncontrolling interests	–	(13)	–	–	–	(13)	–	(13)
Changes in scope of consolidation, net	–	–	–	–	–	–	(211)	(211)
Other	–	5,835	(1)	–	–	5,834	(2)	5,832
Balance at end of period	4,400	34,851	14,621	0	(14,405)	39,467	4,165	43,632

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

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

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

⁴ Includes a net tax charge of CHF (69) million from the excess recognized compensation expense over fair value of shares delivered.

Consolidated statements of changes in equity (continued)

	Attributable to shareholder						Non-controlling interests	Total equity
	Common shares/participation securities	Additional paid-in capital	Retained earnings	Treasury shares, at cost	Accumulated other comprehensive income	Total shareholder's equity		
2012 (CHF million)								
Balance at beginning of period	4,400	24,813	12,328	0	(11,155)	30,386	8,948	39,334
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)	–	–	1,041	–	–	1,041	344	1,385
Total other comprehensive income/(loss), net of tax	–	–	–	–	(992)	(992)	(238)	(1,230)
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	–	–	–	–	–	–	(96)	(96)
Other	–	3,468	(16)	–	–	3,452	–	3,452
Balance at end of period	4,400	29,365	13,086	0	(12,147)	34,704	8,179	42,883

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

Consolidated statements of cash flows

in	2014	2013	2012
Operating activities of continuing operations (CHF million)			
Net income	1,764	2,629	1,374
(Income)/loss from discontinued operations, net of tax	(102)	(145)	40
Income from continuing operations	1,662	2,484	1,414
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities of continuing operations (CHF million)			
Impairment, depreciation and amortization	1,276	1,337	1,264
Provision for credit losses	125	93	88
Deferred tax provision/(benefit)	619	658	(301)
Share of net income/(loss) from equity method investments	147	48	24
Trading assets and liabilities, net	(5,096)	10,427	(14,175)
(Increase)/decrease in other assets	6,483	(3,248)	(1,141)
Increase/(decrease) in other liabilities	(24,146)	10,134	(4,218)
Other, net	730	84	4,828
Total adjustments	(19,862)	19,533	(13,631)
Net cash provided by/(used in) operating activities of continuing operations	(18,200)	22,017	(12,217)
Investing activities of continuing operations (CHF million)			
(Increase)/decrease in interest-bearing deposits with banks	(727)	443	315
(Increase)/decrease in central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	11,677	17,120	46,933
Purchase of investment securities	(1,060)	(676)	(276)
Proceeds from sale of investment securities	118	176	936
Maturities of investment securities	187	673	1,442
Investments in subsidiaries and other investments	(1,228)	(1,338)	(1,916)
Proceeds from sale of other investments	1,519	3,165	2,918
(Increase)/decrease in loans	(23,690)	(8,577)	(9,570)
Proceeds from sales of loans	1,255	1,483	1,090
Capital expenditures for premises and equipment and other intangible assets	(1,043)	(895)	(1,227)
Proceeds from sale of premises and equipment and other intangible assets	1	9	26
Other, net	601	115	3,676
Net cash provided by/(used in) investing activities of continuing operations	(12,390)	11,698	44,347

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

Consolidated statements of cash flows (continued)

in	2014	2013	2012
Financing activities of continuing operations (CHF million)			
Increase/(decrease) in due to banks and customer deposits	27,137	22,630	(14,005)
Increase/(decrease) in short-term borrowings	3,509	6,002	(11,643)
Increase/(decrease) in central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(31,001)	(36,347)	(39,958)
Issuances of long-term debt	74,150	37,914	37,235
Repayments of long-term debt	(37,871)	(55,216)	(55,401)
Dividends paid	(84)	(483)	(321)
Excess tax benefits related to share-based compensation	0	0	42
Other, net	(488)	736	3,603
Net cash provided by/(used in) financing activities of continuing operations	35,352	(24,764)	(80,448)
Effect of exchange rate changes on cash and due from banks (CHF million)			
Effect of exchange rate changes on cash and due from banks	5,617	(1,219)	(1,184)
Net cash provided by/(used in) discontinued operations (CHF million)			
Net cash provided by/(used in) discontinued operations	(460)	(1,027)	(346)
Net increase/(decrease) in cash and due from banks (CHF million)			
Net increase/(decrease) in cash and due from banks	9,919	6,705	(49,848)
Cash and due from banks at beginning of period	68,081	61,376	111,224
Cash and due from banks at end of period	78,000	68,081	61,376

Supplemental cash flow information

in	2014	2013	2012
Cash paid for income taxes and interest (CHF million)			
Cash paid for income taxes	1,455	769	1,010
Cash paid for interest	9,419	11,686	14,920
Assets acquired and liabilities assumed in business acquisitions (CHF million)			
Fair value of assets acquired	143	4	2,418
Fair value of liabilities assumed	29	0	2,418
Assets and liabilities sold in business divestitures (CHF million)			
Assets sold	687	338	0
Liabilities sold	1,084	162	0

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

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.

In the fourth quarter of 2014, as part of an announced program to evolve the Bank's legal entity structure to meet developing and future regulatory requirements and regulation of the US Federal Reserve on establishing Intermediate Holding Companies in the US for non-US banks, several existing legal entities were re-parented as subsidiaries of Credit Suisse (USA), Inc. In the consolidated financial statements of the Bank, prior periods have been restated to conform to the current presentation to reflect the impact of these transactions.

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 January 2014, the Bank completed the sale of its Customized Fund Investment Group (CFIG), its private equity fund of funds and co-investment business, to Grosvenor Capital Management and recognized a pre-tax gain on disposal of CHF 91 million in the first quarter 2014, net of allocated goodwill of CHF 23 million. As of December 31, 2013, CFIG had total assets of CHF 31 million that were held-for-sale. The Bank continued 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 March 2014, the Bank completed the spin-off of DLJ Merchant Banking Partners, the Group’s mid-market leveraged buy-out business, for no consideration to aPriori Capital Partners L.P., an independent advisory firm established and controlled by members of the business’ management. The transaction was completed with no gain or loss from disposal and insignificant impact on net revenues, operating expenses and net income/(loss) from discontinued operations in 2014 and prior periods have not been restated. The Bank retained certain carried interest rights. aPriori Capital Partners L.P. is a company unrelated to the Bank.

In August 2014, the Bank completed the sale of its domestic private banking business booked in Germany (German private banking business) to Bethmann Bank AG, a subsidiary of ABN AMRO, and recognized a pre-tax gain on disposal of CHF 109 million in the third quarter 2014. As of June 30, 2014, the German private banking business had total assets and total liabilities of CHF 979 million and CHF 742 million, respectively, that were held-for-sale. Bethmann Bank AG and ABN AMRO are companies 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
German private banking business (CHF million)	
Cash	960
Loans	575
Other assets	18
Total assets held-for-sale	1,553
CFIG (CHF million)	
Fees receivable	8
Goodwill	23
Total assets held-for-sale	31
Bank (CHF million)	
Total assets held-for-sale	1,584

Liabilities held-for-sale

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

Income/(loss) from discontinued operations

in	2014	2013	2012
Operations-related (CHF million)			
Net revenues	31	233	288
of which German private banking business	27	52	54
of which ETF business	–	29	53
of which Strategic Partners	–	33	60
of which CFG	0	114	116
Operating expenses	35	158	296
of which German private banking business	33	71	108
of which ETF business	–	23	49
of which Strategic Partners	–	8	38
of which CFG	0	51	88
Income tax expense/(benefit)	1	38	32
of which German private banking business	0	(6)	2
of which ETF business	–	5	2
of which Strategic Partners	–	10	15
of which CFG	0	29	16
Income/(loss), net of tax	(5)	37	(40)
of which German private banking business	(6)	(13)	(56)
of which ETF business	–	1	2
of which Strategic Partners	–	15	7
of which CFG	0	34	12
Transaction-related (CHF million)			
Gain on disposal	200	237	–
of which German private banking business	109	–	–
of which ETF business	–	146	–
of which Strategic Partners	–	91	–
of which CFG	91	–	–
Operating expenses	54	93	–
of which German private banking business	48	–	–
of which ETF business	–	11	–
of which Strategic Partners	–	22	–
of which CFG	0	56	–
Income tax expense/(benefit)	39	36	–
of which ETF business	–	21	–
of which Strategic Partners	–	40	–
of which CFG	42	(24)	–
Income/(loss), net of tax	107	108	–
of which German private banking business	61	–	–
of which ETF business	–	114	–
of which Strategic Partners	–	29	–
of which CFG	49	(32)	–
Discontinued operations – total (CHF million)			
Income/(loss) from discontinued operations, net of tax	102	145	(40)
of which German private banking business	55	(13)	(56)
of which ETF business	–	115	2
of which Strategic Partners	–	44	7
of which CFG	49	2	12

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, 2014, 2013 and 2012 was CHF 264 million, CHF 243 million and CHF 237

million, respectively. For the same periods, net revenues of these non-consolidated affiliate entities included in the segment presentation were CHF 656 million, CHF 659 million and CHF 684 million, respectively, and total assets of these non-consolidated affiliate entities included in the segment presentation as of December 31, 2014 and 2013, were CHF 25.7 billion and CHF 25.4 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	2014	2013	2012
Net revenues (CHF million)			
Private Banking & Wealth Management	12,637	13,442	13,474
Investment Banking	12,515	12,565	12,558
Adjustments ^{1,2}	437	(693)	(3,056)
Net revenues	25,589	25,314	22,976
Income/(loss) before taxes (CHF million)			
Private Banking & Wealth Management	2,088	3,240	3,775
Investment Banking	1,830	1,719	2,002
Adjustments ^{1,3}	(957)	(1,305)	(3,998)
Income before taxes	2,961	3,654	1,779

¹ 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.

² Includes noncontrolling interest-related revenues of CHF 446 million, CHF 682 million and CHF 365 million in 2014, 2013 and 2012, 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.

³ Includes noncontrolling interest income of CHF 413 million, CHF 635 million and CHF 307 million in 2014, 2013 and 2012, 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	2014	2013
Total assets (CHF million)		
Private Banking & Wealth Management	345,949	316,491
Investment Banking	529,044	519,712
Adjustments ¹	29,856	18,226
Total assets	904,849	854,429

¹ 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	2014	2013	2012
Net revenues (CHF million)			
Switzerland	7,585	7,479	7,968
EMEA	4,301	4,797	3,444
Americas	11,173	10,831	9,740
Asia Pacific	2,530	2,207	1,824
Net revenues	25,589	25,314	22,976
Income/(loss) from continuing operations before taxes (CHF million)			
Switzerland	(179)	300	1,170
EMEA	(621)	195	(1,374)
Americas	3,723	3,301	2,820
Asia Pacific	38	(142)	(837)
Income from continuing operations before taxes	2,961	3,654	1,779

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	2014	2013
Total assets (CHF million)		
Switzerland	195,512	181,584
EMEA	187,921	194,825
Americas	428,195	398,144
Asia Pacific	93,221	79,876
Total assets	904,849	854,429

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

6 Net interest income

in	2014	2013	2012
Net interest income (CHF million)			
Loans	4,606	4,319	4,314
Investment securities	27	28	52
Trading assets	9,507	10,058	11,949
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	2,317	2,517	2,940
Other	2,128	2,095	2,284
Interest and dividend income	18,585	19,017	21,539
Deposits	(1,035)	(958)	(1,322)
Short-term borrowings	(119)	(67)	(71)
Trading liabilities	(3,938)	(5,083)	(6,833)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(1,042)	(1,155)	(1,676)
Long-term debt	(3,484)	(3,796)	(4,579)
Other	(290)	(248)	(276)
Interest expense	(9,908)	(11,307)	(14,757)
Net interest income	8,677	7,710	6,782

7 Commissions and fees

in	2014	2013	2012
Commissions and fees (CHF million)			
Lending business	1,711	1,774	1,474
Investment and portfolio management	3,630	3,854	3,624
Other securities business	94	101	136
Fiduciary business	3,724	3,955	3,760
Underwriting	1,911	1,681	1,561
Brokerage	3,669	3,901	3,654
Underwriting and brokerage	5,580	5,582	5,215
Other services	1,872	1,746	2,094
Commissions and fees	12,887	13,057	12,543

8 Trading revenues

in	2014	2013	2012
Trading revenues (CHF million)			
Interest rate products	5,661	1,048	2,705
Foreign exchange products	(4,405)	1,201	557
Equity/index-related products	273	952	112
Credit products	265	(879)	(3,306)
Commodity, emission and energy products	(228)	340	198
Other products	224	93	897
Total	1,790	2,755	1,163

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	2014	2013	2012
Other revenues (CHF million)			
Noncontrolling interests without significant economic interest	451	695	333
Loans held-for-sale	(4)	(5)	(37)
Long-lived assets held-for-sale	391	30	456
Equity method investments	239	240	134
Other investments	276	255	752
Other	882	577	850
Other revenues	2,235	1,792	2,488

10 Provision for credit losses

in	2014	2013	2012
Provision for credit losses (CHF million)			
Provision for loan losses	85	91	77
Provision for lending-related and other exposures	40	2	11
Provision for credit losses	125	93	88

11 Compensation and benefits

in	2014	2013	2012
Compensation and benefits (CHF million)			
Salaries and variable compensation	9,685	9,455	10,440
Social security	775	763	751
Other ¹	922	969	1,028
Compensation and benefits²	11,382	11,187	12,219

¹ Includes pension and other post-retirement expense of CHF 624 million, CHF 658 million and CHF 747 million in 2014, 2013 and 2012, respectively.

² Includes severance and other compensation expense relating to headcount reductions of CHF 274 million, CHF 216 million and CHF 427 million in 2014, 2013 and 2012, 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	2014	2013	2012
General and administrative expenses (CHF million)			
Occupancy expenses	1,161	1,168	1,191
IT, machinery, etc.	1,436	1,508	1,456
Provisions and losses	2,782	2,136	682
Travel and entertainment	339	342	380
Professional services	2,338	1,912	1,868
Goodwill impairment	0	12	0
Amortization and impairment of other intangible assets	24	25	28
Other	1,493	1,551	1,600
General and administrative expenses	9,573	8,654	7,205

13 Securities borrowed, lent and subject to repurchase agreements

end of	2014	2013
Securities borrowed or purchased under agreements to resell (CHF million)		
Central bank funds sold and securities purchased under resale agreements	100,169	100,235
Deposits paid for securities borrowed	63,039	59,778
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	163,208	160,013
Securities lent or sold under agreements to repurchase (CHF million)		
Central bank funds purchased and securities sold under repurchase agreements	60,752	86,828
Deposits received for securities lent	9,367	7,204
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	70,119	94,032

► 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	2014	2013
Trading assets (CHF million)		
Debt securities	94,405	110,115
Equity securities	94,493	76,835
Derivative instruments ¹	37,979	31,788
Other	14,436	11,000
Trading assets	241,313	229,738
Trading liabilities (CHF million)		
Short positions	35,799	40,162
Derivative instruments ¹	36,868	36,650
Trading liabilities	72,667	76,812

¹ Amounts shown net of cash collateral receivables and payables.

Cash collateral on derivative instruments

end of	2014	2013
Cash collateral – netted (CHF million)¹		
Cash collateral paid	33,716	23,870
Cash collateral received	28,505	20,586
Cash collateral – not netted (CHF million)²		
Cash collateral paid	10,909	8,359
Cash collateral received	16,776	11,664

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

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

15 Investment securities

end of	2014	2013
Investment securities (CHF million)		
Securities available-for-sale	2,379	1,627
Total investment securities	2,379	1,627

Investment securities by type

end of	2014				2013			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
2014 (CHF million)								
Debt securities issued by foreign governments	1,919	43	0	1,962	1,136	29	1	1,164
Corporate debt securities	309	0	0	309	262	0	0	262
Collateralized debt obligations	0	0	0	0	100	0	0	100
Debt securities available-for-sale	2,228	43	0	2,271	1,498	29	1	1,526
Banks, trust and insurance companies	72	25	0	97	74	18	0	92
Industry and all other	11	0	0	11	9	0	0	9
Equity securities available-for-sale	83	25	0	108	83	18	0	101
Securities available-for-sale	2,311	68	0	2,379	1,581	47	1	1,627

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
2013 (CHF million)						
Debt securities issued by foreign governments	89	1	0	0	89	1
Debt securities available-for-sale	89	1	0	0	89	1

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	2014		2013		2012	
	Debt securities	Equity securities	Debt securities	Equity securities	Debt securities	Equity securities
Additional information (CHF million)						
Proceeds from sales	103	15	163	13	294	642
Realized gains	0	1	7	1	14	294
Realized losses	0	0	0	0	(2)	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 %)
2014 (CHF million)			
Due within 1 year	850	859	2.22
Due from 1 to 5 years	1,378	1,412	0.75
Total debt securities	2,228	2,271	1.31

16 Other investments

end of	2014	2013
Other investments (CHF million)		
Equity method investments ¹	3,397	2,008
Non-marketable equity securities ^{1,2}	2,667	5,988
Real estate held for investment	507	557
Life finance instruments ³	1,896	1,654
Total other investments	8,467	10,207

¹ As a result of the prospective adoption of ASU 2013-8, CHF 1,033 million of non-marketable equity securities were reclassified to equity method investments for which the fair value option was elected on January 1, 2014.

² 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.

³ 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 10 million, CHF 48 million and CHF 13 million were recorded in 2014, 2013 and 2012, respectively.

Accumulated depreciation related to real estate held for investment amounted to CHF 304 million, CHF 289 million and CHF 280 million for 2014, 2013 and 2012, 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	2014	2013
Loans (CHF million)		
Mortgages	84,527	81,115
Loans collateralized by securities	39,712	31,472
Consumer finance	1,582	3,025
Consumer	125,821	115,612
Real estate	26,279	24,673
Commercial and industrial loans	72,191	60,375
Financial institutions	28,654	28,473
Governments and public institutions	3,746	2,864
Corporate & institutional	130,870	116,385
Gross loans	256,691	231,997
of which held at amortized cost	233,778	212,540
of which held at fair value	22,913	19,457
Net (unearned income)/deferred expenses	(166)	(149)
Allowance for loan losses	(597)	(691)
Net loans	255,928	231,157
Gross loans by location (CHF million)		
Switzerland	139,211	135,813
Foreign	117,480	96,184
Gross loans	256,691	231,997
Impaired loan portfolio (CHF million)		
Non-performing loans	564	659
Non-interest-earning loans	257	255
Total non-performing and non-interest-earning loans	821	914
Restructured loans	171	6
Potential problem loans	140	274
Total other impaired loans	311	280
Gross impaired loans	1,132	1,194

Allowance for loan losses

	2014			2013			2012		
	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total
Allowance for loan losses (CHF million)									
Balance at beginning of period	134	557	691	143	578	721	159	563	722
Changes in scope of consolidation	0	0	0	0	(1)	(1)	(18)	0	(18)
Net movements recognized in statements of operations	7	78	85	7	84	91	26	51	77
Gross write-offs	(35)	(232)	(267)	(38)	(147)	(185)	(42)	(80)	(122)
Recoveries	12	24	36	20	30	50	19	20	39
Net write-offs	(23)	(208)	(231)	(18)	(117)	(135)	(23)	(60)	(83)
Provisions for interest	3	19	22	5	20	25	4	20	24
Foreign currency translation impact and other adjustments, net	10	20	30	(3)	(7)	(10)	(5)	4	(1)
Balance at end of period	131	466	597	134	557	691	143	578	721
of which individually evaluated for impairment	104	309	413	104	407	511	116	416	532
of which collectively evaluated for impairment	27	157	184	30	150	180	27	162	189
Gross loans held at amortized cost (CHF million)									
Balance at end of period	125,804	107,974	233,778	115,601	96,939	212,540	109,495	98,118	207,613
of which individually evaluated for impairment ¹	393	739	1,132	354	840	1,194	422	976	1,398
of which collectively evaluated for impairment	125,411	107,235	232,646	115,247	96,099	211,346	109,073	97,142	206,215

¹ Represents gross impaired loans both with and without a specific allowance.

Purchases, reclassifications and sales

in	2014			2013			2012		
	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total
Loans held at amortized cost (CHF million)									
Purchases ¹	181	4,127	4,308	0	4,611	4,611	348	4,605	4,953
Reclassifications from loans held-for-sale ²	0	397	397	0	275	275	0	216	216
Reclassifications to loans held-for-sale ³	1,055	806	1,861	0	996	996	0	1,323	1,323
Sales ³	0	272	272	0	698	698	0	1,058	1,058

¹ Includes drawdowns under purchased loan commitments.

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

³ 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	Investment grade	Non-investment grade		Total
	Ratings AAA to BBB	Ratings BB to C	Rating D	
2014 (CHF million)				
Mortgages	72,844	11,527	156	84,527
Loans collateralized by securities	37,338	2,288	86	39,712
Consumer finance	1,235	235	95	1,565
Consumer	111,417	14,050	337	125,804
Real estate	19,169	6,020	67	25,256
Commercial and industrial loans	30,156	29,890	475	60,521
Financial institutions	18,209	2,619	106	20,934
Governments and public institutions	850	413	0	1,263
Corporate & institutional	68,384	38,942	648	107,974
Gross loans held at amortized cost	179,801	52,992	985	233,778
Value of collateral ¹	162,598	43,141	564	206,303
2013 (CHF million)				
Mortgages	68,132	12,820	163	81,115
Loans collateralized by securities	29,180	2,198	94	31,472
Consumer finance	2,575	354	85	3,014
Consumer	99,887	15,372	342	115,601
Real estate	18,148	6,010	69	24,227
Commercial and industrial loans	22,863	25,306	596	48,765
Financial institutions	19,327	3,227	112	22,666
Governments and public institutions	839	442	0	1,281
Corporate & institutional	61,177	34,985	777	96,939
Gross loans held at amortized cost	161,064	50,357	1,119	212,540
Value of collateral ¹	141,338	40,850	514	182,702

¹ 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.

In the third quarter of 2014, Group credit risk management enhanced its internal credit rating methodology for lombard loans on the Swiss platform across all loan classes by considering the quality and diversification of collateral securities as a basis for determining the internal risk rating both for regulatory and financial

reporting purposes. The change in the internal rating methodology for lombard loans on the Swiss platform did not have a significant impact on the Bank's total investment grade and non-investment grade loans.

Gross loans held at amortized cost – aging analysis

end of	Current					Past due		Total
	Up to 30 days	31-60 days	61-90 days	More than 90 days	Total	Total		
2014 (CHF million)								
Mortgages	84,269	97	13	8	140	258	84,527	
Loans collateralized by securities	39,542	81	1	1	87	170	39,712	
Consumer finance	1,372	123	7	23	40	193	1,565	
Consumer	125,183	301	21	32	267	621	125,804	
Real estate	25,167	23	1	4	61	89	25,256	
Commercial and industrial loans	59,555	659	15	37	255	966	60,521	
Financial institutions	20,771	41	0	0	122	163	20,934	
Governments and public institutions	1,238	25	0	0	0	25	1,263	
Corporate & institutional	106,731	748	16	41	438	1,243	107,974	
Gross loans held at amortized cost	231,914	1,049	37	73	705	1,864	233,778	
2013 (CHF million)								
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	
Gross loans held at amortized cost	210,672	854	142	138	734	1,868	212,540	

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	
2014 (CHF million)							
Mortgages	166	17	183	4	23	27	210
Loans collateralized by securities	11	75	86	0	2	2	88
Consumer finance	78	17	95	0	0	0	95
Consumer	255	109	364	4	25	29	393
Real estate	49	15	64	0	9	9	73
Commercial and industrial loans	172	98	270	167	103	270	540
Financial institutions	88	35	123	0	3	3	126
Corporate & institutional	309	148	457	167	115	282	739
Gross impaired loans	564	257	821	171	140	311	1,132
2013 (CHF million)							
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
Gross impaired loans	659	255	914	6	274	280	1,194

As of December 31, 2014 and 2013, 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, 2014 and 2013, the Bank did not have any material commitments to lend additional funds to debtors whose loan terms have been modified in troubled debt restructurings.

Gross impaired loan details

end of	2014			2013		
	Recorded investment	Unpaid principal balance	Associated specific allowance	Recorded investment	Unpaid principal balance	Associated specific allowance
Gross impaired loan detail (CHF million)						
Mortgages	166	154	19	162	153	16
Loans collateralized by securities	63	60	53	67	63	54
Consumer finance	88	87	32	68	67	34
Consumer	317	301	104	297	283	104
Real estate	65	62	7	68	63	13
Commercial and industrial loans	533	507	230	629	584	312
Financial institutions	125	120	72	131	127	82
Corporate & institutional	723	689	309	828	774	407
Gross impaired loans with a specific allowance	1,040	990	413	1,125	1,057	511
Mortgages	44	43	–	10	10	–
Loans collateralized by securities	25	25	–	29	29	–
Consumer finance	7	7	–	18	18	–
Consumer	76	75	–	57	57	–
Real estate	8	7	–	2	2	–
Commercial and industrial loans	7	7	–	9	9	–
Financial institutions	1	1	–	1	1	–
Corporate & institutional	16	15	–	12	12	–
Gross impaired loans without specific allowance	92	90	–	69	69	–
Gross impaired loans	1,132	1,080	413	1,194	1,126	511
of which consumer	393	376	104	354	340	104
of which corporate & institutional	739	704	309	840	786	407

Gross impaired loan details (continued)

in	2014			2013			2012		
	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
Gross impaired loan detail (CHF million)									
Mortgages	163	1	1	154	1	1	152	1	1
Loans collateralized by securities	65	0	0	70	2	2	68	1	0
Consumer finance	81	1	1	87	0	0	117	3	3
Consumer	309	2	2	311	3	3	337	5	4
Real estate	74	0	0	67	1	1	43	0	0
Commercial and industrial loans	597	3	2	669	5	5	556	3	2
Financial institutions	127	0	0	136	0	0	191	2	2
Governments and public institutions	5	0	0	0	0	0	6	0	0
Corporate & institutional	803	3	2	872	6	6	796	5	4
Gross impaired loans with a specific allowance	1,112	5	4	1,183	9	9	1,133	10	8
Mortgages	30	0	0	19	0	0	27	0	0
Loans collateralized by securities	29	0	0	27	0	0	8	0	0
Consumer finance	21	0	0	22	0	0	41	0	0
Consumer	80	0	0	68	0	0	76	0	0
Real estate	9	0	0	11	0	0	12	0	0
Commercial and industrial loans	17	0	0	58	0	0	199	3	3
Financial institutions	0	0	0	2	0	0	8	0	0
Corporate & institutional	26	0	0	71	0	0	219	3	3
Gross impaired loans without specific allowance	106	0	0	139	0	0	295	3	3
Gross impaired loans	1,218	5	4	1,322	9	9	1,428	13	11
of which consumer	389	2	2	379	3	3	413	5	4
of which corporate & institutional	829	3	2	943	6	6	1,015	8	7

Restructured loans held at amortized cost

in	2014			2013			2012		
	Number of contracts	Recorded investment – pre-modification	Recorded investment – post-modification	Number of contracts	Recorded investment – pre-modification	Recorded investment – post-modification	Number of contracts	Recorded investment – pre-modification	Recorded investment – post-modification
Restructured loans (CHF million)									
Mortgages	1	4	4	0	0	0	0	0	0
Consumer finance	0	0	0	1	1	0	0	0	0
Commercial and industrial loans	10	290	238	5	27	25	0	0	0
Total	11	294	242	6	28	25	0	0	0

In 2014, a majority of the loan modifications of the Bank included interest rate reductions to rates lower than the current market rate for new loans with similar risk, partially in combination with extended repayment terms and/or amended collateral terms. Certain restructurings included a reduction of the principal loan balance and/or accrued interest.

In 2014, 2013 and 2012, the Bank did not experience a default on any loan which had been restructured within the previous 12 months.

► 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	2014	2013
Premises and equipment (CHF million)		
Buildings and improvements	2,087	2,201
Land	396	466
Leasehold improvements	2,162	2,031
Software	6,476	5,734
Equipment	2,304	2,288
Premises and equipment	13,425	12,720
Accumulated depreciation	(8,984)	(7,825)
Total premises and equipment, net	4,441	4,895

Depreciation and impairment

in	2014	2013	2012
CHF million			
Depreciation	1,224	1,227	1,218
Impairment	23	65	17

19 Goodwill

end of	2014			2013		
	Private Banking & Wealth Management	Investment Banking	Credit Suisse (Bank)	Private Banking & Wealth Management	Investment Banking	Credit Suisse (Bank)
Gross amount of goodwill (CHF million)						
Balance at beginning of period	1,978	5,237	7,215	2,210	5,382	7,592
Goodwill acquired during the year	22	0	22	3	0	3
Discontinued operations	0	0	0	(127)	0	(127)
Foreign currency translation impact	162	499	661	(72)	(141)	(213)
Other	(34)	(4)	(38)	(36)	(4)	(40)
Balance at end of period	2,128	5,732	7,860	1,978	5,237	7,215
Accumulated impairment (CHF million)						
Balance at beginning of period	12	82	94	0	82	82
Impairment losses	0	0	0	12	0	12
Balance at end of period	12	82	94	12	82	94
Net book value (CHF million)						
Net book value	2,116	5,650	7,766	1,966	5,155	7,121

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

20 Other intangible assets

end of	2014			2013		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Other intangible assets (CHF million)						
Trade names/trademarks	27	(24)	3	25	(21)	4
Client relationships	201	(92)	109	222	(106)	116
Other	11	(3)	8	7	(1)	6
Total amortizing other intangible assets	239	(119)	120	254	(128)	126
Non-amortizing other intangible assets	129	–	129	84	–	84
of which mortgage servicing rights, at fair value	70	–	70	42	–	42
Total other intangible assets	368	(119)	249	338	(128)	210

Additional information

in	2014	2013	2012
Aggregate amortization and impairment (CHF million)			
Aggregate amortization	22	24	28
Impairment	1	8	0
of which related to discontinued operations	0	7	0

Estimated amortization

Estimated amortization (CHF million)

2015	23
2016	22
2017	22
2018	22
2019	5

► 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	2014	2013
Other assets (CHF million)		
Cash collateral on derivative instruments	10,909	8,359
Cash collateral on non-derivative transactions	3,238	1,412
Derivative instruments used for hedging	1,539	2,062
Assets held-for-sale	26,544	19,306
of which loans ¹	25,911	18,914
of which real estate	535	392
of which long-lived assets	98	0
Assets held for separate accounts	5,650	11,236
Interest and fees receivable	6,229	4,838
Deferred tax assets	6,064	6,176
Prepaid expenses	511	568
Failed purchases	3,138	2,365
Other	6,689	5,245
Other assets	70,511	61,567
Other liabilities (CHF million)		
Cash collateral on derivative instruments	16,776	11,664
Cash collateral on non-derivative transactions	797	955
Derivative instruments used for hedging	469	384
Provisions ²	1,347	2,630
of which off-balance sheet risk	102	59
Liabilities held for separate accounts	5,650	11,236
Interest and fees payable	6,465	5,576
Current tax liabilities	782	820
Deferred tax liabilities	33	80
Failed sales	1,313	2,396
Other	17,016	15,359
Other liabilities	50,648	51,100

¹ Included as of December 31, 2014 and 2013 were CHF 1,103 million and CHF 1,778 million, respectively, in restricted loans, which represented collateral on secured borrowings, and CHF 226 million and CHF 769 million, respectively, in loans held in trusts, which are consolidated as a result of failed sales under US GAAP.

² Includes provisions for bridge commitments.

22 Deposits

end of	2014			2013		
	Switzer-land	Foreign	Total	Switzer-land	Foreign	Total
Deposits (CHF million)						
Non-interest-bearing demand deposits	5,941	4,582	10,523	4,735	4,336	9,071
Interest-bearing demand deposits	131,858	32,297	164,155	137,274	26,996	164,270
Savings deposits	69,204	29	69,233	55,637	26	55,663
Time deposits	18,187	121,977	140,164 ¹	14,655	101,166	115,821 ¹
Total deposits	225,190	158,885	384,075²	212,301	132,524	344,825²
of which due to banks	–	–	26,506	–	–	23,147
of which customer deposits	–	–	357,569	–	–	321,678

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

¹ Included CHF 140,057 million and CHF 115,792 million as of December 31, 2014 and 2013, respectively, of the Swiss franc equivalent of individual time deposits greater than USD 100,000 in Switzerland and foreign offices.

² Not included as of December 31, 2014 and 2013 were CHF 10 million and CHF 18 million, respectively, of overdrawn deposits reclassified as loans.

23 Long-term debt

end of	2014	2013
Long-term debt (CHF million)		
Senior	135,196	91,384
Subordinated	24,299	22,365
Non-recourse liabilities from consolidated VIEs	13,452	12,992
Long-term debt	172,947	126,741
of which reported at fair value	80,260	62,462
of which structured notes	50,469	34,817

Structured notes by product

end of	2014	2013
Structured notes (CHF million)		
Equity	35,309	22,607
Fixed income	8,321	6,455
Credit	5,244	5,016
Other	1,595	739
Total structured notes	50,469	34,817

Long-term debt by maturities

end of	2015	2016	2017	2018	2019	Thereafter	Total
Long-term debt (CHF million)							
Senior debt							
Fixed rate	13,298	4,130	12,846	3,944	14,600	17,780	66,598
Variable rate	14,694	15,656	8,404	5,904	9,873	14,067	68,598
Interest rates (range in %) ¹	0.0–12.6	0.2–12.6	0.1–12.4	0.4–3.8	0.0–7.3	0.0–8.2	–
Subordinated debt							
Fixed rate	447	1	175	10,349	0	12,992	23,964
Variable rate	76	30	50	0	179	0	335
Interest rates (range in %) ¹	0.6–10.3	0.3	0.9–7.0	0.1–13.2	0.3	0.1–8.5	–
Non-recourse liabilities from consolidated VIEs							
Fixed rate	442	84	16	0	0	154	696
Variable rate	201	110	141	0	46	12,258	12,756
Interest rates (range in %) ¹	0.0–13.2	0.0–5.4	4.0	–	0.0–3.0	0.0–10.8	–
Total long-term debt	29,158	20,011	21,632	20,197	24,698	57,251	172,947
of which structured notes	10,542	10,240	5,534	5,881	6,048	12,224	50,469

The maturity of perpetual debt is based on the earliest callable date. The maturity of all other debt is based on contractual maturity.

¹ 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
2014 (CHF million)						
Balance at beginning of period	9	(13,738)	35	(714)	3	(14,405)
Increase/(decrease)	(11)	2,115	21	14	20	2,159
Reclassification adjustments, included in net income	(16)	0	0	44	(6)	22
Total increase/(decrease)	(27)	2,115	21	58	14	2,181
Balance at end of period	(18)	(11,623)	56	(656)	17	(12,224)
2013 (CHF million)						
Balance at beginning of period	7	(11,540)	53	(670)	3	(12,147)
Increase/(decrease)	6	(2,281)	(13)	(102)	0	(2,390)
Reclassification adjustments, included in net income	(4)	83	(5)	58	0	132
Total increase/(decrease)	2	(2,198)	(18)	(44)	0	(2,258)
Balance at end of period	9	(13,738)	35	(714)	3	(14,405)
2012 (CHF million)						
Balance at beginning of period	0	(10,526)	96	(729)	4	(11,155)
Increase/(decrease)	7	(1,058)	199	3	0	(849)
Reclassification adjustments, included in net income	0	44	(242)	56	(1)	(143)
Total increase/(decrease)	7	(1,014)	(43)	59	(1)	(992)
Balance at end of period	7	(11,540)	53	(670)	3	(12,147)

Details of significant reclassification adjustments

in	2014	2013
Reclassification adjustments, included in net income (CHF million)		
Cumulative translation adjustments		
Sale of subsidiaries	0	83¹
Actuarial gains/(losses)		
Amortization of recognized actuarial losses ²	62	92
Tax expense/(benefit)	(18)	(34)
Net of tax	44	58

¹ 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.

² 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	2014		2013	
	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
Gross derivatives subject to enforceable master netting agreements (CHF billion)				
OTC-cleared	257.8	250.1	265.3	262.0
OTC	213.6	210.3	183.1	178.0
Exchange-traded	0.1	0.0	0.1	0.2
Interest rate products	471.5	460.4	448.5	440.2
OTC	86.9	99.0	58.5	68.2
Exchange-traded	0.1	0.2	0.1	0.2
Foreign exchange products	87.0	99.2	58.6	68.4
OTC	14.8	15.3	15.5	18.6
Exchange-traded	12.4	14.0	14.8	15.1
Equity/index-related products	27.2	29.3	30.3	33.7
OTC-cleared	6.3	6.1	5.2	5.1
OTC	20.0	19.5	20.8	21.2
Credit derivatives	26.3	25.6	26.0	26.3
OTC	8.6	8.7	4.4	4.1
Exchange-traded	0.4	0.4	0.6	0.5
Other products	9.0	9.1	5.0	4.6
OTC-cleared	264.1	256.2	270.5	267.1
OTC	343.9	352.8	282.3	290.1
Exchange-traded	13.0	14.6	15.6	16.0
Total gross derivatives subject to enforceable master netting agreements	621.0	623.6	568.4	573.2
Offsetting (CHF billion)				
OTC-cleared	(261.7)	(255.8)	(269.1)	(267.0)
OTC	(316.7)	(326.4)	(260.6)	(265.5)
Exchange-traded	(11.9)	(13.1)	(15.1)	(15.1)
Offsetting	(590.3)	(595.3)	(544.8)	(547.6)
of which counterparty netting	(561.6)	(561.6)	(523.7)	(523.7)
of which cash collateral netting	(28.7)	(33.7)	(21.1)	(23.9)
Net derivatives presented in the consolidated balance sheets (CHF billion)				
OTC-cleared	2.4	0.4	1.4	0.1
OTC	27.2	26.4	21.7	24.6
Exchange-traded	1.1	1.5	0.5	0.9
Total net derivatives subject to enforceable master netting agreements	30.7	28.3	23.6	25.6
Total derivatives not subject to enforceable master netting agreements¹	8.8	9.1	10.3	11.4
Total net derivatives presented in the consolidated balance sheets	39.5	37.4	33.9	37.0
of which recorded in trading assets and trading liabilities	38.0	36.9	31.8	36.6
of which recorded in other assets and other liabilities	1.5	0.5	2.1	0.4

¹ 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	2014						2013
	Gross	Offsetting	Net	Gross	Offsetting	Net	
Securities purchased under resale agreements and securities borrowing transactions (CHF billion)							
Securities purchased under resale agreements	119.3	(28.0)	91.3	112.0	(25.1)	86.9	
Securities borrowing transactions	27.8	(6.9)	20.9	22.7	(1.7)	21.0	
Total subject to enforceable master netting agreements	147.1	(34.9)	112.2	134.7	(26.8)	107.9	
Total not subject to enforceable master netting agreements¹	51.0	–	51.0	52.1	–	52.1	
Total	198.1	(34.9)	163.2²	186.8	(26.8)	160.0²	

¹ 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.

² CHF 104,283 million and CHF 96,587 million of the total net amount as of December 31, 2014 and December 31, 2013, respectively, are reported at fair value.

Offsetting of securities sold under repurchase agreements and securities lending transactions

end of	2014						2013
	Gross	Offsetting	Net	Gross	Offsetting	Net	
Securities sold under repurchase agreements and securities lending transactions (CHF billion)							
Securities sold under repurchase agreements	69.9	(31.9)	38.0	86.5	(26.8)	59.7	
Securities lending transactions	10.8	(3.0)	7.8	6.6	0.0	6.6	
Obligation to return securities received as collateral, at fair value	18.8	0.0	18.8	18.5	0.0	18.5	
Total subject to enforceable master netting agreements	99.5	(34.9)	64.6	111.6	(26.8)	84.8	
Total not subject to enforceable master netting agreements¹	32.4	–	32.4	32.0	–	32.0	
Total	131.9	(34.9)	97.0	143.6	(26.8)	116.8	
of which securities sold under repurchase agreements and securities lending transactions	105.0	(34.9)	70.1 ²	120.8	(26.8)	94.0 ²	
of which obligation to return securities received as collateral, at fair value	26.9	0.0	26.9	22.8	0.0	22.8	

¹ 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.

² CHF 54,732 million and CHF 76,104 million of the total net amount as of December 31, 2014 and December 31, 2013, respectively, are reported at fair value.

Amounts not offset in the consolidated balance sheets

end of	2014								2013
	Net	Financial instruments ¹	Cash collateral received/pledged ¹	Net exposure	Net	Financial instruments ¹	Cash collateral received/pledged ¹	Net exposure	
Financial assets subject to enforceable master netting agreements (CHF billion)									
Derivatives	30.7	6.5	0.1	24.1	23.6	4.9	0.1	18.6	
Securities purchased under resale agreements	91.3	91.3	0.0	0.0	86.9	86.9	0.0	0.0	
Securities borrowing transactions	20.9	20.3	0.0	0.6	21.0	20.2	0.0	0.8	
Total financial assets subject to enforceable master netting agreements	142.9	118.1	0.1	24.7	131.5	112.0	0.1	19.4	
Financial liabilities subject to enforceable master netting agreements (CHF billion)									
Derivatives	28.3	8.5	0.0	19.8	25.6	9.9	0.0	15.7	
Securities sold under repurchase agreements	38.0	38.0	0.0	0.0	59.7	59.7	0.0	0.0	
Securities lending transactions	7.8	7.6	0.0	0.2	6.6	6.2	0.0	0.4	
Obligation to return securities received as collateral, at fair value	18.8	18.1	0.0	0.7	18.5	17.5	0.0	1.0	
Total financial liabilities subject to enforceable master netting agreements	92.9	72.2	0.0	20.7	110.4	93.3	0.0	17.1	

¹ 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	2014	2013	2012
Current and deferred taxes (CHF million)			
Switzerland	56	(52)	85
Foreign	624	564	581
Current income tax expense	680	512	666
Switzerland	(384)	(15)	(121)
Foreign	1,003	673	(180)
Deferred income tax expense/(benefit)	619	658	(301)
Income tax expense	1,299	1,170	365
Income tax expense/(benefit) on discontinued operations	40	75	31
Income tax expense/(benefit) reported in shareholder's equity related to:			
Gains/(losses) on cash flow hedges	4	1	0
Cumulative translation adjustment	(117)	44	(12)
Unrealized gains/(losses) on securities	7	(8)	(1)
Actuarial gains/(losses)	(27)	99	30
Net prior service cost	9	0	(2)
Share-based compensation and treasury shares	68	1	(53)

Reconciliation of taxes computed at the Swiss statutory rate

in	2014	2013	2012
Income/(loss) from continuing operations before taxes (CHF million)			
Switzerland	(179)	300	1,170
Foreign	3,140	3,354	609
Income from continuing operations before taxes	2,961	3,654	1,779
Reconciliation of taxes computed at the Swiss statutory rate (CHF million)			
Income tax expense computed at the statutory tax rate of 22%	651	804	391
Increase/(decrease) in income taxes resulting from			
Foreign tax rate differential	347	248	67
Non-deductible amortization of other intangible assets and goodwill impairment	6	25	0
Other non-deductible expenses	666	493	382
Additional taxable income	2	(5)	6
Lower taxed income	(265)	(374)	(413)
Income taxable to noncontrolling interests	(173)	(297)	57
Changes in tax law and rates	151	184	182
Changes in deferred tax valuation allowance	1,071	381	10
Change in recognition of outside basis difference	(450)	0	0
Tax deductible impairments of Swiss subsidiary investments	(555)	(268)	(161)
Other	(152)	(21)	(156)
Income tax expense	1,299	1,170	365

2014

Foreign tax rate differential of CHF 347 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 1,627 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 as explained below.

Other non-deductible expenses of CHF 666 million included the impact of CHF 390 million relating to the non-deductible portion of the litigation provisions and settlement charges, non-deductible interest expenses of CHF 179 million, non-deductible bank levy costs and other non-deductible compensation expenses and management costs of CHF 59 million, and other various smaller non-deductible expenses of CHF 38 million.

Lower taxed income of CHF 265 million included a net tax benefit of CHF 84 million related to non-taxable dividend income, CHF 56 million related to non-taxable life insurance income, CHF 35 million in respect of income taxed at rates lower than the statutory tax rate, CHF 34 million related to exempt offshore income and various smaller items.

Changes in tax law and rates of CHF 151 million reflected a tax expense related to the change in New York state tax law.

Changes in deferred tax valuation allowances of CHF 1,071 million included the net impact of the increase of valuation allowances of CHF 434 million, mainly in respect of six of the Bank's operating entities, three in the UK and one in each of Germany, Italy and Switzerland, relating to current year's earnings. Additionally, 2014 included an increase in valuation allowance for previously recognized deferred tax assets in respect of two of the Bank's operating entities in the UK of CHF 662 million. Also included was a tax benefit of CHF 25 million resulting from the release of valuation allowances on deferred tax assets from one of the Bank's operating entities in Spain.

Change in recognition of outside basis difference of CHF 450 million reflected a tax benefit related to the enactment of a Swiss GAAP change impacting the expected reversal of the outside basis differences relating to Swiss subsidiary investments.

Other of CHF 152 million included a tax benefit of CHF 189 million following audit closures and tax settlements, together with a benefit of CHF 4 million relating to the decrease of tax contingency accruals, partially offset by CHF 33 million return to accrual adjustments and a tax expense of CHF 26 million relating to non-recoverable foreign and withholding taxes. The remaining balance included various smaller items.

2013

Foreign tax rate differential of CHF 248 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 1,237 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 246 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 21 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 67 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 401 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.

As of December 31, 2014, the Bank had accumulated undistributed earnings from foreign subsidiaries of CHF 5.4 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	2014	2013
Tax effect of temporary differences (CHF million)		
Compensation and benefits	2,361	2,106
Loans	231	363
Investment securities	882	1,651
Provisions	1,658	1,874
Derivatives	119	136
Real estate	277	240
Net operating loss carry-forwards	6,232	4,432
Other	95	186
Gross deferred tax assets before valuation allowance	11,855	10,988
Less valuation allowance	(4,107)	(2,704)
Gross deferred tax assets net of valuation allowance	7,748	8,284
Compensation and benefits	(164)	(120)
Loans	(40)	(109)
Investment securities	(611)	(1,089)
Provisions	(447)	(396)
Business combinations	(1)	0
Derivatives	(168)	(193)
Leasing	(23)	(53)
Real estate	(62)	(75)
Other	(201)	(153)
Gross deferred tax liabilities	(1,717)	(2,188)
Net deferred tax assets	6,031	6,096

The decrease in net deferred tax assets from 2013 to 2014 of CHF 65 million was primarily due to the impact of taxable income in 2014, decreasing deferred tax assets by CHF 588 million and the recognition of a valuation allowance against deferred tax assets, mainly in the UK, of CHF 662 million. In addition, the decrease reflected a write-down of deferred tax assets of CHF 151 million as a result of changes to the corporation tax law in New York. These decreases were partially offset by an increase in net deferred tax asset balances of total CHF 799 million following a re-measurement of deferred tax balances in Switzerland and the release of valuation allowances in Spain, the tax impacts directly recorded in equity, mainly related to the net impact of share-based compensation, pension plan re-measurement and other tax recorded directly in equity of CHF 90 million and foreign exchange translation gains of CHF 447 million, which are included within the currency translation adjustments recorded in accumulated other comprehensive income/(loss) (AOCI).

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 4.1 billion as of December 31, 2014 compared to CHF 2.7 billion as of December 31, 2013.

Amounts and expiration dates of net operating loss carry-forwards

end of 2014	Total
Net operating loss carry-forwards (CHF million)	
Due to expire within 1 year	48
Due to expire within 2 to 5 years	12,881
Due to expire within 6 to 10 years	2,428
Due to expire within 11 to 20 years	3,756
Amount due to expire	19,113
Amount not due to expire	15,475
Total net operating loss carry-forwards	34,588

Movements in the valuation allowance

in	2014	2013	2012
Movements in the valuation allowance (CHF million)			
Balance at beginning of period	2,704	2,550	2,689
Net changes	1,403	154	(139)
Balance at end of period	4,107	2,704	2,550

Uncertain tax positions

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

in	2014	2013	2012
Movements in gross unrecognized tax benefits (CHF million)			
Balance at beginning of period	416	416	370
Increases in unrecognized tax benefits as a result of tax positions taken during a prior period	2	4	33
Decreases in unrecognized tax benefits as a result of tax positions taken during a prior period	(47)	(8)	(58)
Increases in unrecognized tax benefits as a result of tax positions taken during the current period	37	43	38
Decreases in unrecognized tax benefits relating to settlements with tax authorities	(10)	0	(4)
Reductions to unrecognized tax benefits as a result of a lapse of the applicable statute of limitations	(24)	(5)	(43)
Other (including foreign currency translation)	8	(34)	80
Balance at end of period	382	416	416
of which, if recognized, would affect the effective tax rate	382	410	410

Interest and penalties

in	2014	2013	2012
Interest and penalties (CHF million)			
Interest and penalties recognized in the consolidated statements of operations	21	6	(13)
Interest and penalties recognized in the consolidated balance sheets	85	64	64

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	2014	2013	2012
Tax benefits associated with share-based compensation (CHF million)			
Tax benefits recorded in the consolidated statements of operations ¹	506	481	596
Windfall tax benefits/(shortfall tax charges) recorded in additional paid-in capital	(69)	(24)	30
Tax benefits in respect of tax on dividend equivalent payments	1	22	12

¹ Calculated at the statutory tax rate before valuation allowance considerations.

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

Windfall deductions and dividend equivalents aggregating CHF 1.1 billion and CHF 0.9 billion for 2014 and 2013, 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 229 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 57 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 – 2010; Brazil – 2009; Japan – 2009; 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 2014 and prior years that was recognized in the consolidated statements of operations during 2014, 2013 and 2012, the total shares delivered, the estimated unrecognized compensation expense for deferred compensation awards granted in 2014 and prior years outstanding as of December 31, 2014 and the remaining requisite service period over which the estimated unrecognized compensation expense will be recognized.

Deferred compensation expense

in	2014	2013	2012
Deferred compensation expense (CHF million)			
Share awards	935	806	773
Performance share awards	610	580	362
Contingent Capital Awards	213	–	–
Capital Opportunity Facility awards	13	–	–
Plus Bond awards ¹	36	37	–
2011 Partner Asset Facility awards ²	7	77	675
Adjustable Performance Plan share awards ³	0	30	71
Adjustable Performance Plan cash awards ³	0	4	281
Restricted Cash Awards	92	145	165
Scaled Incentive Share Units ³	(3)	38	95
Incentive Share Units ⁴	0	(3)	62
2008 Partner Asset Facility awards ⁵	87	93	173
Other cash awards	394	430	363
Discontinued operations	(8)	(21)	(23)
Total deferred compensation expense	2,376	2,216	2,997
Total shares delivered (million)			
Total shares delivered	36.5	32.6	30.9

¹ 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.

² Compensation expense mainly includes the change in the underlying fair value of the indexed assets prior to the CCA conversion.

³ Including forfeitures and downward adjustments according to the plan terms and conditions.

⁴ Includes forfeitures.

⁵ Compensation expense mainly includes the change in the underlying fair value of the indexed assets during the period.

Estimated unrecognized deferred compensation

end of	2014
Estimated unrecognized compensation expense (CHF million)	
Share awards	759
Performance share awards	229
Contingent Capital Awards	210
Capital Opportunity Facility awards	5
Plus Bond awards	4
Restricted Cash Awards	41
Other cash awards	158
Total	1,406
Aggregate remaining weighted-average requisite service period (years)	
Aggregate remaining weighted-average requisite service period	1.3

Does not include the estimated unrecognized compensation expense relating to grants made in 2015 for 2014.

Share awards

On January 16, 2015, the Bank granted 36.9 million share awards with a total value of CHF 636 million. The estimated unrecognized compensation expense of CHF 638 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 16, 2014 and January 17, 2013, the Bank granted 30.1 million and 37.8 million share awards with a total value of CHF 824 million and CHF 947 million, respectively.

On January 16, 2015, the Bank granted 1.5 million blocked shares with a total value of CHF 35 million that vested immediately upon grant, have no future service requirements and were attributed to services performed in 2014. On January 16, 2014 and January 17, 2013, the Bank granted 0.5 million and 0.1 million blocked shares with a total value of CHF 15 million and CHF 3 million, respectively.

Share award activities

	2014		2013		2012	
	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
Share awards						
Balance at beginning of period	72.2	30.07	55.1	34.27	47.6	41.91
Granted	37.3	27.60	40.0	26.43	24.5	23.39
Settled	(29.1)	30.41	(19.6)	34.12	(14.6)	40.43
Forfeited	(3.9)	32.24	(3.3)	32.04	(2.4)	36.96
Balance at end of period	76.5	28.63	72.2	30.07	55.1	34.27
of which vested	6.1	–	5.8	–	3.9	–
of which unvested	70.4	–	66.4	–	51.2	–

Performance share awards

On January 16, 2015, the Bank granted 30.3 million performance share awards with a total value of CHF 523 million. The estimated unrecognized compensation expense of CHF 527 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 16, 2014, and January 17, 2013, the Bank granted 23.9 million and 26.0 million performance share awards with a total value of CHF 654 million and CHF 651 million, respectively.

Performance share award activities

	2014		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	Number of performance share awards in million	Weighted-average grant-date fair value in CHF
Performance share awards						
Balance at beginning of period	40.7	25.51	22.9	23.90	–	–
Granted	24.0	28.13	26.2	26.44	23.3	23.90
Settled	(15.8)	25.27	(7.5)	23.90	0.0	0.00
Forfeited	(1.4)	26.28	(0.9)	24.92	(0.4)	23.90
Balance at end of period	47.5	26.89	40.7	25.51	22.9	23.90
of which vested	3.2	–	2.7	–	0.9	–
of which unvested	44.3	–	38.0	–	22.0	–

Contingent Capital Awards

On January 16, 2015, the Bank awarded CHF 355 million of Contingent Capital Awards (CCA) that will be expensed over the three-year period from the grant date. The estimated unrecognized compensation expense of CHF 413 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. On January 16, 2014, the Bank awarded CHF 391 million of CCA.

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

	Number of APP share awards in million		
	2014	2013	2012
Adjustable Performance Plan share awards			
Balance at beginning of period	14.0	29.7	-
Granted	0.8 ¹	1.1 ¹	29.9
Settled	(7.3)	(16.5)	0.0
Forfeited	(0.4)	(0.3)	(0.2)
Balance at end of period	7.1	14.0	29.7
of which vested	1.1	1.2	0.3
of which unvested	6.0	12.8	29.4

¹ Represents additional units earned in the first quarter of 2014 and 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

	2014	2013	2012
SISU awards (million)			
Balance at beginning of period	4.6	9.4	14.4
Settled	(4.5)	(4.7)	(4.8)
Forfeited	(0.1)	(0.1)	(0.2)
Balance at end of period	0.0	4.6	9.4
of which vested	0.0	1.2	1.7
of which unvested	0.0	3.4	7.7

Incentive Share Unit

Incentive Share Unit activities

	2014	2013	2012
ISU awards (million)			
Balance at beginning of period	1.2	3.6	13.2
Settled	(0.1)	(1.8)	(8.7)
Forfeited	(0.5)	(0.6)	(0.9)
Balance at end of period	0.6	1.2	3.6
of which vested	0.1	0.1	0.4
of which unvested	0.5	1.1	3.2

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	2014	2013
Assets (CHF million)		
Cash and due from banks	2	0
Interest-bearing deposits with banks	2,862	1,870
Trading assets	220	159
Net loans	6,453	6,770
Other assets	27	28
Total assets	9,564	8,827
Liabilities (CHF million)		
Due to banks/customer deposits	1,916	2,329
Trading liabilities	15	12
Long-term debt	4,042	3,791
Other liabilities	224	199
Total liabilities	6,197	6,331

Related party revenues and expenses

in	2014	2013	2012
Revenues (CHF million)			
Interest and dividend income	70	45	50
Interest expense	(223)	(55)	(76)
Net interest income	(153)	(10)	(26)
Commissions and fees	(11)	(21)	1
Other revenues	178	172	174
Net revenues	14	141	149
Expenses (CHF million)			
Total operating expenses	165	288	271

Related party guarantees

end of	2014	2013
Guarantees (CHF million)		
Credit guarantees and similar instruments	1	0
Performance guarantees and similar instruments	1	1
Total guarantees	2	1

Executive Board and Board of Directors loans

	2014	2013	2012
Loans to members of the Executive Board (CHF million)			
Balance at beginning of period	10¹	8	22
Additions	3	4	3
Reductions	(8)	(2)	(17)
Balance at end of period	5¹	10	8
Loans to members of the Board of Directors (CHF million)			
Balance at beginning of period	55²	41	33
Additions	6	16	13
Reductions	(45)	(2)	(5)
Balance at end of period	16²	55	41

¹ The number of individuals with outstanding loans at the beginning and the end of the year was four and two, respectively.

² The number of individuals with outstanding loans at the beginning and the end of the year was five and three, respectively.

Liabilities due to own pension funds

Liabilities due to the Bank's own defined benefit pension funds as of December 31, 2014 and 2013 of CHF 3,131 million and CHF 2,852 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 2014, 2013 and 2012, the Bank contributed to these plans and recognized as expense CHF 181 million, CHF 178 million and CHF 219 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 2014, 2013 and 2012, the Bank contributed and recognized as expense CHF 415 million, CHF 390 million and CHF 458 million to the Group plan, respectively. The Bank expects to contribute CHF 359 million to the Group plan during 2015. 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 2014, 2013 and 2012 would have been lower by CHF 277 million, CHF 131 million and CHF 197 million, respectively, and the Bank would have recognized CHF 48 million, CHF 158 million and CHF 88 million, respectively, as amortization of actuarial losses and prior service cost for the Group plan.

As of December 31, 2014 and 2013, the ABO of the Group plan was CHF 15.1 billion and CHF 13.0 billion, the PBO was CHF 15.7 billion and CHF 13.5 billion and the fair value of plan assets was CHF 15.6 billion and CHF 14.9 billion, respectively. As of December 31, 2014 and 2013, the Group plan was overfunded on an ABO basis by CHF 525 million and CHF 1,869 million, respectively. On a PBO basis, the Group plan was underfunded by CHF 26 million and overfunded by CHF 1,439 million as of December 31, 2014 and 2013, respectively. If the Bank had accounted for the Group plan as a defined benefit pension plan, the Bank would have had to recognize the underfunding of the Group plan on a PBO basis of CHF 25 million as a liability as of December 31, 2014 and the overfunding of CHF 1,367 million as an asset as of December 31, 2013 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		
	2014	2013	2012	2014	2013	2012
Total benefit costs (CHF million)						
Service costs on benefit obligation	19	24	30	0	0	1
Interest costs on benefit obligation	134	122	127	7	8	8
Expected return on plan assets	(178)	(161)	(164)	0	0	0
Amortization of recognized prior service cost/(credit)	0	0	(1)	(9)	0	(2)
Amortization of recognized actuarial losses/(gains)	52	79	74	9	13	13
Net periodic benefit costs	27	64	66	7	21	20
Settlement losses/(gains)	(2)	0	0	0	0	0
Total benefit costs	25	64	66	7	21	20

Total benefit costs reflected in compensation and benefits – other for 2014, 2013 and 2012 were CHF 32 million, CHF 85 million and CHF 86 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	
	2014	2013	2014	2013
PBO (CHF million)¹				
Beginning of the measurement period	2,843	2,773	168	180
Service cost	19	24	0	0
Interest cost	134	122	7	8
Plan amendments	0	0	(32)	0
Settlements	(4)	(4)	0	0
Curtailments	0	(2)	0	0
Special termination benefits	1	1	0	0
Actuarial losses/(gains)	463	69	25	(8)
Benefit payments	(109)	(97)	(8)	(8)
Exchange rate losses/(gains)	192	(43)	18	(4)
End of the measurement period	3,539	2,843	178	168
Fair value of plan assets (CHF million)				
Beginning of the measurement period	3,007	2,893	0	0
Actual return on plan assets	637	183	0	0
Employer contributions	135	67	8	8
Settlements	(2)	(4)	0	0
Benefit payments	(109)	(97)	(8)	(8)
Exchange rate gains/(losses)	208	(35)	0	0
End of the measurement period	3,876	3,007	0	0
Total funded status recognized (CHF million)				
Funded status of the plan – over/(underfunded)	337	164	(178)	(168)
Funded status recognized in the consolidated balance sheet as of December 31	337	164	(178)	(168)
Total amount recognized (CHF million)				
Noncurrent assets	822	520	0	0
Current liabilities	(8)	(8)	(10)	(8)
Noncurrent liabilities	(477)	(348)	(168)	(160)
Total amount recognized in the consolidated balance sheet as of December 31	337	164	(178)	(168)
ABO (CHF million)²				
End of the measurement period	3,469	2,785	178	168

¹ Including estimated future salary increases.

² Excluding estimated future salary increases.

Due to a plan amendment in the US postretirement medical plan, the PBO of this plan decreased CHF 32 million in 2014. Under the amended plan, the Bank will no longer pay for future medical claims for covered retirees older than 65 years and will instead provide a flat subsidy to these retirees to purchase their own medical insurance.

The total net amount recognized in the consolidated balance sheets as of December 31, 2014 and 2013 was an overfunding of CHF 159 million and an underfunding of CHF 4 million, respectively.

In 2014 and 2013, the Bank made contributions of CHF 135 million and CHF 67 million, respectively, to the international

single-employer defined benefit pension plans. In 2015, the Bank expects to contribute CHF 20 million to the international single-employer defined benefit pension plans and CHF 10 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, 2014 and 2013, respectively.

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

December 31	PBO exceeds fair value of plan assets ¹		ABO exceeds fair value of plan assets ¹	
	2014	2013	2014	2013
CHF million				
PBO	1,671	1,334	1,655	1,319
ABO	1,637	1,307	1,627	1,298
Fair value of plan assets	1,187	978	1,173	964

¹ 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	
	2014	2013	2014	2013	2014	2013
Amounts recognized in AOCI (CHF million)						
Actuarial gains/(losses)	(606)	(674)	(50)	(40)	(656)	(714)
Prior service credit/(cost)	0	0	17	3	17	3
Total	(606)	(674)	(33)	(37)	(639)	(711)

The following tables show the changes in other comprehensive income due to actuarial gains/(losses) and prior service credit/(cost) recognized in AOCI during 2014 and 2013, 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 2015.

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	
2014 (CHF million)							
Actuarial gains/(losses)	(5)	35	30	(25)	9	(16)	14
Prior service credit/(cost)	0	0	0	32	(12)	20	20
Amortization of actuarial losses/(gains)	52	(14)	38	9	(3)	6	44
Amortization of prior service cost/(credit)	0	0	0	(9)	3	(6)	(6)
Total amounts recognized in other comprehensive income	47	21	68	7	(3)	4	72
2013 (CHF million)							
Actuarial gains/(losses)	(47)	(62) ¹	(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
Total amounts recognized in other comprehensive income	34	(91)	(57)	21	(8)	13	(44)

¹ 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 2015

in 2015	International single-employer defined benefit pension plans	Other post-retirement defined benefit plans
CHF million		
Amortization of actuarial losses/(gains)	58	8
Amortization of prior service cost/(credit)	0	(13)
Total	58	(5)

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		
	2014	2013	2012	2014	2013	2012
Net periodic benefit cost (%)						
Discount rate	4.71	4.47	4.78	5.10	4.30	4.70
Salary increases	4.31	4.02	4.03	–	–	–
Expected long-term rate of return on plan assets	6.16	6.18	6.43	–	–	–
Benefit obligation (%)						
Discount rate	3.82	4.71	4.47	4.20	5.10	4.30
Salary increases	4.19	4.31	4.02	–	–	–

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	2014	2013	2012
Health care cost trend rate (%)			
Annual weighted-average health care cost trend rate ¹	8.00	8.00	9.00
Increase/(decrease) in post-retirement expenses (CHF million)			
One percentage point increase in health care cost trend rates	0.2	1.3	1.4
One percentage point decrease in health care cost trend rates	(0.3)	(1.0)	(1.1)
Increase/(decrease) in post-retirement benefit obligation (CHF million)			
One percentage point increase in health care cost trend rates	5	23	27
One percentage point decrease in health care cost trend rates	(4)	(19)	(22)

¹ 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 2015 is 8.00%.

As of December 31, 2014 and 2013, no Group debt or equity securities were included in plan assets for the international single-employer defined benefit pension plans.

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.

Fair value of plan assets

The following tables present the plan assets measured at fair value on a recurring basis as of December 31, 2014 and 2013, for the Bank's defined benefits plans.

Plan assets measured at fair value on a recurring basis

end of	2014				2013			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Plan assets at fair value (CHF million)								
Cash and cash equivalents	191	88	0	279	66	333	0	399
Debt securities	189	1,590	267	2,046	335	1,017	177	1,529
of which governments	8	562	0	570	335	30	0	365
of which corporates	181	1,028	267	1,476	0	987	177	1,164
Equity securities	216	666	0	882	172	441	0	613
Real estate – indirect	0	0	117	117	0	0	94	94
Alternative investments	0	386	58	444	(23)	290	7	274
of which hedge funds	0	111	58	169	0	264	3	267
of which other	0	275	0	275	(23) ¹	26 ¹	4	7
Other investments	0	108	0	108	0	98	0	98
Total plan assets at fair value	596	2,838	442	3,876	550	2,179	278	3,007

¹ Primarily related to derivative instruments.

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			
2014 (CHF million)								
Debt securities – corporates	177	2	0	(13)	17	65	19	267
Real estate – indirect	94	0	0	9	0	3	11	117
Alternative investments	7	0	(4)	(10)	(1)	65	1	58
of which hedge funds	3	0	0	(10)	(1)	65	1	58
of which other	4	0	(4)	0	0	0	0	0
Total plan assets at fair value	278	2	(4)	(14)	16	133	31	442
2013 (CHF million)								
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
Total plan assets at fair value	194	3	(1)	7	7	76	(8)	278

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	2014	2013
Weighted-average plan asset allocation (%)		
Cash and cash equivalents	7.2	13.3
Debt securities	52.7	50.7
Equity securities	22.8	20.4
Real estate	3.0	3.1
Alternative investments	11.5	9.2
Insurance	2.8	3.3
Total	100.0	100.0

The following table shows the target plan asset allocation for 2015 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 2015.

Weighted-average target plan asset allocation for 2015

2015 (%)	
Cash and cash equivalents	0.3
Debt securities	59.4
Equity securities	24.3
Real estate	2.8
Alternative investments	10.4
Insurance	2.8
Total	100.0

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
Estimated future benefit payments (CHF million)		
2015	79	10
2016	80	10
2017	86	11
2018	96	11
2019	109	12
For five years thereafter	700	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 five years.

Hedge accounting

Cash flow hedges

As of the end of 2014, 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 ¹		
	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)
end of 2014						
Derivative instruments (CHF billion)						
Forwards and forward rate agreements	11,940.2	5.3	5.6	0.0	0.0	0.0
Swaps	26,382.0	398.7	392.0	46.5	2.5	1.1
Options bought and sold (OTC)	3,582.9	66.2	63.8	0.0	0.0	0.0
Futures	1,528.4	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	589.1	0.2	0.1	0.0	0.0	0.0
Interest rate products	44,022.6	470.4	461.5	46.5	2.5	1.1
Forwards	2,133.5	32.2	33.4	14.2	0.0	0.3
Swaps	1,430.9	40.0	51.0	0.0	0.0	0.0
Options bought and sold (OTC)	1,008.4	17.2	17.7	9.5	0.0	0.1
Futures	23.3	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	7.9	0.1	0.2	0.0	0.0	0.0
Foreign exchange products	4,604.0	89.5	102.3	23.7	0.0	0.4
Forwards	4.2	0.7	0.1	0.0	0.0	0.0
Swaps	289.3	6.2	6.7	0.0	0.0	0.0
Options bought and sold (OTC)	237.7	11.1	10.4	0.0	0.0	0.0
Futures	46.4	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	370.9	12.7	14.3	0.0	0.0	0.0
Equity/index-related products	948.5	30.7	31.5	0.0	0.0	0.0
Credit derivatives²	1,287.5	27.0	26.2	0.0	0.0	0.0
Forwards	17.8	0.9	0.9	0.0	0.0	0.0
Swaps	44.4	6.7	6.6	0.0	0.0	0.0
Options bought and sold (OTC)	44.6	1.7	1.8	0.0	0.0	0.0
Futures	13.3	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	2.1	0.4	0.4	0.0	0.0	0.0
Other products³	122.2	9.7	9.7	0.0	0.0	0.0
Total derivative instruments	50,984.8	627.3	631.2	70.2	2.5	1.5

The notional amount, PRV and NRV (trading and hedging) was CHF 51,055.0 billion, CHF 629.8 billion and CHF 632.7 billion, respectively, as of December 31, 2014.

¹ Relates to derivative contracts that qualify for hedge accounting under US GAAP.

² Primarily credit default swaps.

³ Primarily precious metals, commodity, energy and emission products.

Fair value of derivative instruments (continued)

end of 2013	Trading			Hedging ¹		
	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)
Derivative instruments (CHF billion)						
Forwards and forward rate agreements	9,366.2	2.5	2.6	0.0	0.0	0.0
Swaps	30,593.6	399.6	393.6	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
Interest rate products	45,386.0	446.7	441.3	63.7	2.7	0.6
Forwards	2,098.6	21.6	21.5	30.5	0.3	0.1
Swaps	1,382.8	28.9	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
Foreign exchange products	4,351.3	61.3	72.5	39.9	0.3	0.1
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
Equity/index-related products	932.6	35.5	37.4	0.0	0.0	0.0
Credit derivatives²	1,483.3	26.8	27.2	0.0	0.0	0.0
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
Other products³	179.8	5.4	5.5	0.0	0.0	0.0
Total derivative instruments	52,333.0	575.7	583.9	103.6	3.0	0.7

The notional amount, PRV and NRV (trading and hedging) was CHF 52,436.6 billion, CHF 578.7 billion and CHF 584.6 billion, respectively, as of December 31, 2013.

¹ Relates to derivative contracts that qualify for hedge accounting under US GAAP.

² Primarily credit default swaps.

³ Primarily precious metals, commodity, energy and emission products.

Fair value hedges

in	2014	2013	2012
Gains/(losses) recognized in income on derivatives (CHF million)			
Interest rate products	(142)	378	849
Foreign exchange products	3	(9)	(13)
Total	(139)	369	836
Gains/(losses) recognized in income on hedged items (CHF million)			
Interest rate products	136	(375)	(894)
Foreign exchange products	(3)	9	13
Total	133	(366)	(881)
Details of fair value hedges (CHF million)			
Net gains/(losses) on the ineffective portion	(6)	3	(45)

Represents gains/(losses) recognized in trading revenues.

Cash flow hedges

in	2014	2013	2012
Gains/(losses) recognized in AOCI on derivatives (CHF million)			
Interest rate products	40	7	8
Foreign exchange products	(47)	0	0
Total	(7)	7	8
Gains/(losses) reclassified from AOCI into income (CHF million)			
Interest rate products ¹	21	3	0
Foreign exchange products ²	(5)	0	0
Total	16	3	0
Details of cash flow hedges (CHF million)			
Net gains on the ineffective portion ¹	(1)	1	0

¹ Included in trading revenues.

² Included in total other operating expenses.

The net loss associated with cash flow hedges expected to be reclassified from AOCI within the next 12 months was CHF 28 million.

Contingent credit risk

end of	2014				2013			
	Bilateral counterparties	Special purpose entities	Accelerated terminations	Total	Bilateral counterparties	Special purpose entities	Accelerated terminations	Total
Contingent credit risk (CHF billion)								
Current net exposure	14.0	0.8	0.3	15.1	11.7	1.1	0.1	12.9
Collateral posted	12.2	0.9	–	13.1	10.6	1.2	–	11.8
Additional collateral required in a one-notch downgrade event	0.7	0.5	0.1	1.3	0.6	0.8	0.0	1.4
Additional collateral required in a two-notch downgrade event	2.2	0.8	0.2	3.2	2.3	1.1	0.0	3.4

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	2014	2013	2012
Gains/(losses) recognized in AOCI on derivatives (CHF million)			
Foreign exchange products	(1,672)	504	(81)
Total	(1,672)	504	(81)
Gains/(losses) reclassified from AOCI into income (CHF million)			
Foreign exchange products ¹	0	2	75
Total	0	2	75

Represents gains/(losses) on effective portion.

¹ 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 12.6 billion

and CHF 7.4 billion as of December 31, 2014 and 2013, 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	2014										2013
	Credit protection sold	Credit protection purchased ¹	Net credit protection (sold)/purchased	Other protection purchased	Fair value of credit protection sold	Credit protection sold	Credit protection purchased ¹	Net credit protection (sold)/purchased	Other protection purchased	Fair value of credit protection sold	
Single-name instruments (CHF billion)											
Investment grade ²	(266.5)	254.0	(12.5)	32.7	4.5	(305.9)	287.9	(18.0)	37.7	5.2	
Non-investment grade	(103.9)	99.9	(4.0)	13.5	0.1	(108.7)	104.9	(3.8)	10.5	2.5	
Total single-name instruments	(370.4)	353.9	(16.5)	46.2	4.6	(414.6)	392.8	(21.8)	48.2	7.7	
of which sovereign	(76.2)	73.0	(3.2)	8.6	(1.1)	(88.1)	85.0	(3.1)	8.9	(0.4)	
of which non-sovereign	(294.2)	280.9	(13.3)	37.6	5.7	(326.5)	307.8	(18.7)	39.3	8.1	
Multi-name instruments (CHF billion)											
Investment grade ²	(162.2)	159.9	(2.3)	56.2	2.2	(219.1)	212.1	(7.0)	47.3	3.3	
Non-investment grade	(53.4)	51.1 ³	(2.3)	12.1	1.0	(65.0)	59.0 ³	(6.0)	13.5	1.5	
Total multi-name instruments	(215.6)	211.0	(4.6)	68.3	3.2	(284.1)	271.1	(13.0)	60.8	4.8	
of which sovereign	(7.3)	7.2	(0.1)	1.1	0.0	(10.8)	10.9	0.1	1.1	0.0	
of which non-sovereign	(208.3)	203.8	(4.5)	67.2	3.2	(273.3)	260.2	(13.1)	59.7	4.8	
Total instruments (CHF billion)											
Investment grade ²	(428.7)	413.9	(14.8)	88.9	6.7	(525.0)	500.0	(25.0)	85.0	8.5	
Non-investment grade	(157.3)	151.0	(6.3)	25.6	1.1	(173.7)	163.9	(9.8)	24.0	4.0	
Total instruments	(586.0)	564.9	(21.1)	114.5	7.8	(698.7)	663.9	(34.8)	109.0	12.5	
of which sovereign	(83.5)	80.2	(3.3)	9.7	(1.1)	(98.9)	95.9	(3.0)	10.0	(0.4)	
of which non-sovereign	(502.5)	484.7	(17.8)	104.8	8.9	(599.8)	568.0	(31.8)	99.0	12.9	

¹ Represents credit protection purchased with identical underlyings and recoveries.

² Based on internal ratings of BBB and above.

³ 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	2014	2013
Credit derivatives (CHF billion)		
Credit protection sold	586.0	698.7
Credit protection purchased	564.9	663.9
Other protection purchased	114.5	109.0
Other instruments ¹	22.1	11.7
Total credit derivatives	1,287.5	1,483.3

¹ 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
2014 (CHF billion)				
Single-name instruments	78.0	253.9	38.5	370.4
Multi-name instruments	31.2	134.3	50.1	215.6
Total instruments	109.2	388.2	88.6	586.0
2013 (CHF billion)				
Single-name instruments	91.2	281.4	42.0	414.6
Multi-name instruments	19.2	208.2	56.7	284.1
Total instruments	110.4	489.6	98.7	698.7

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 ¹	Carrying value	Collateral received
2014 (CHF million)								
Credit guarantees and similar instruments	2,488	733	257	593	4,071	3,832	30	1,654
Performance guarantees and similar instruments	4,798	1,219	1,178	97	7,292	6,425	40	3,155
Securities lending indemnifications	12,257	0	0	0	12,257	12,257	0	12,257
Derivatives ²	24,599	6,157	981	1,815	33,552	33,552	954	- ³
Other guarantees	3,477	776	230	394	4,877	4,870	43	2,773
Total guarantees	47,619	8,885	2,646	2,899	62,049	60,936	1,067	19,839
2013 (CHF million)								
Credit guarantees and similar instruments ⁴	2,682	621	336	569	4,208	4,060	14	2,330
Performance guarantees and similar instruments	4,819	1,932	982	135	7,868	6,946	103	3,277
Securities lending indemnifications	11,479	0	0	0	11,479	11,479	0	11,479
Derivatives ²	18,247	9,544	1,959	1,900	31,650	31,650	715	- ³
Other guarantees	3,894	811	193	193	5,091	5,068	3	2,606
Total guarantees	41,121	12,908	3,470	2,797	60,296	59,203	835	19,692

¹ Total net amount is computed as the gross amount less any participations.

² 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.

³ Collateral for derivatives accounted for as guarantees is not significant.

⁴ 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, 2014 to June 30, 2015 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.

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, 2014 by counterparty type and the development of outstanding repurchase claims and provisions for outstanding repurchase claims in 2014 and 2013, including realized losses from the repurchase of residential mortgage loans sold.

Residential mortgage loans sold

January 1, 2004 to December 31, 2014 (USD billion)

Government-sponsored enterprises	8.2
Private investors ¹	26.2
Non-agency securitizations	137.3 ²
Total	171.7

¹ Primarily banks.

² The outstanding balance of residential mortgage loans sold was USD 26.3 billion as of December 31, 2014. The difference of the total balance of mortgage loans sold and the outstanding balance as of December 31, 2014 was attributable to borrower payments of USD 91.5 billion and losses of USD 19.5 billion due to loan defaults.

Residential mortgage loans sold – outstanding repurchase claims

	2014			2013			Total
	Government-sponsored enterprises	Private investors	Non-agency securitizations	Government-sponsored enterprises	Private investors	Non-agency securitizations	
Outstanding repurchase claims (USD million)							
Balance at beginning of period	77	420	83	580	67	464	1,926
New claims	11	2	1,607	1,620	69	139	1,247
Claims settled through repurchases	0	0	0	0	(4)	(1)	(7) ¹
Other settlements	(58)	(416)	(5)	(479) ²	(31)	(178)	(216) ²
Total claims settled	(58)	(416)	(5)	(479)	(35)	(179)	(223)
Claims rescinded	(17)	0	0	(17)	(24)	(4)	(28)
Transfers to/from arbitration and litigation, net ³	0	(2)	(1,602)	(1,604)	0	0	(2,342) ⁴
Balance at end of period	13	4	83	100	77	420	580

¹ Settled at a repurchase price of USD 6 million.

² Settled at USD 66 million and USD 48 million in 2014 and 2013, respectively.

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

⁴ 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

	2014	2013
Provisions for outstanding repurchase claims (USD million)¹		
Balance at beginning of period	146	55
Increase/(decrease) in provisions, net	(74)	145
Realized losses ²	(66) ⁴	(54) ³
Balance at end of period	6 ⁵	146 ³

¹ 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.

² Includes indemnifications paid to resolve loan repurchase claims.

³ Primarily related to government-sponsored enterprises and private investors.

⁴ Primarily related to private investors.

⁵ Primarily related to non-agency securitizations.

Lease commitments

Lease commitments (CHF million)	
2015	571
2016	532
2017	497
2018	478
2019	454
Thereafter	3,940
Future operating lease commitments	6,472
Less minimum non-cancellable sublease rentals	231
Total net future minimum lease commitments	6,241

Rental expense for operating leases

in	2014	2013	2012
Rental expense for operating leases (CHF million)			
Minimum rental expense	572	642	629
Sublease rental income	(81)	(85)	(97)
Total net expenses for operating leases	491	557	532

Operating lease commitments

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

Sale-leaseback transactions

There were no significant transactions in 2014.

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 2014 and 2013, 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 17 million for the 2014 sale-leaseback transactions and CHF 78 million for the 2013 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 ¹	Collateral received
2014 (CHF million)							
Irrevocable commitments under documentary credits	4,717	11	1	0	4,729	4,570	2,769
Irrevocable loan commitments	29,938	32,751	46,440	10,965	120,094 ²	115,306	56,958
Forward reverse repurchase agreements	8,292	0	0	0	8,292	8,292	8,292
Other commitments	690	768	43	223	1,724	1,724	0
Total other commitments	43,637	33,530	46,484	11,188	134,839	129,892	68,019
2013 (CHF million)							
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 ²	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
Total other commitments	61,961	27,899	35,430	7,769	133,059	128,741	78,619

¹ Total net amount is computed as the gross amount less any participations.

² Irrevocable loan commitments do not include a total gross amount of CHF 97,608 million and CHF 87,161 million of unused credit limits as of December 31, 2014 and 2013, respectively, which were revocable at the Bank's sole discretion upon notice to the client.

► 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 2014, 2013 and 2012 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	2014	2013	2012
Gains and cash flows (CHF million)			
CMBS			
Net gain ¹	7	4	56
Proceeds from transfer of assets	5,335	5,574	6,156
Cash received on interests that continue to be held	102	70	57
RMBS			
Net gain/(loss) ¹	13	(8)	3
Proceeds from transfer of assets	22,728	24,523	15,143
Purchases of previously transferred financial assets or its underlying collateral	(4)	(10)	(25)
Servicing fees	2	4	3
Cash received on interests that continue to be held	444	486	554
Other asset-backed financings			
Net gain ¹	29	15	83
Proceeds from transfer of assets	1,819	915	591
Purchases of previously transferred financial assets or its underlying collateral ²	0	(213)	(621)
Cash received on interests that continue to be held	17	633	1,350

¹ 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.

² 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 2014 and 2013, regardless of when the transfer of assets occurred.

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

end of	2014	2013
CHF million		
CMBS		
Principal amount outstanding	41,216	37,308
Total assets of SPE	53,354	48,715
RMBS		
Principal amount outstanding	49,884	45,571
Total assets of SPE	50,017	48,741
Other asset-backed financings		
Principal amount outstanding	26,176	27,854
Total assets of SPE	26,176	27,854

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 the fair value hierarchy.

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

at time of transfer, in	2014		2013		2012	
	CMBS	RMBS	CMBS	RMBS	CMBS	RMBS
CHF million, except where indicated						
Fair value of beneficial interests	1,341	4,023	633	2,993	761	2,219
of which level 2	1,242	3,791	476	2,879	654	2,090
of which level 3	100	232	156	114	107	129
Weighted-average life, in years	4.1	7.7	7.3	7.7	8.4	5.0
Prepayment speed assumption (rate per annum), in % ¹	- ²	1.5–23.0	- ²	2.0–31.0	- ²	0.1–34.9
Cash flow discount rate (rate per annum), in % ³	1.0–11.0	1.9–17.8	1.6–11.6	0.0–45.9	0.8–10.7	0.1–25.7
Expected credit losses (rate per annum), in %	1.0–2.2	0.4–15.3	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.

¹ 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 percentage points 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.

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

³ 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 2014 and 2013.

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

end of	2014						2013
	CMBS ¹	RMBS	Other asset-backed financing activities ²	CMBS ¹	RMBS	Other asset-backed financing activities ²	
CHF million, except where indicated							
Fair value of beneficial interests	1,168	2,394	212	1,132	2,354	284	
of which non-investment grade	79	246	146	26	359	204	
Weighted-average life, in years	5.6	7.8	3.6	6.5	8.6	3.7	
Prepayment speed assumption (rate per annum), in % ³	–	1.0–36.6	–	–	1.0–23.5	–	
Impact on fair value from 10% adverse change	–	(29.2)	–	–	(26.6)	–	
Impact on fair value from 20% adverse change	–	(56.4)	–	–	(48.6)	–	
Cash flow discount rate (rate per annum), in % ⁴	1.6–22.3	1.7–44.0	0.3–21.2	1.1–37.1	1.7–22.4	1.0–23.1	
Impact on fair value from 10% adverse change	(14.0)	(43.8)	(1.2)	(25.5)	(65.0)	(2.4)	
Impact on fair value from 20% adverse change	(27.4)	(85.3)	(2.4)	(50.0)	(124.9)	(4.9)	
Expected credit losses (rate per annum), in %	1.0–22.2	0.0–41.7	1.4–13.1	0.2–36.6	0.1–17.3	0.7–21.0	
Impact on fair value from 10% adverse change	(7.1)	(25.3)	(0.4)	(10.9)	(42.2)	(0.4)	
Impact on fair value from 20% adverse change	(14.0)	(49.4)	(0.7)	(21.5)	(79.6)	(0.7)	

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

² CDOs within this category are generally structured to be protected from prepayment risk.

³ 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 percentage points 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.

⁴ 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 2014 and 2013.

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

end of	2014	2013
CHF million		
CMBS		
Other assets	26	432
Liability to SPE, included in Other liabilities	(26)	(432)
Other asset-backed financings		
Trading assets	138	216
Other assets	252	157
Liability to SPE, included in Other liabilities	(390)	(373)

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.

Commercial paper conduit

The Bank acts as the administrator and provider of liquidity and credit enhancement facilities for one asset-backed CP conduit, Alpine, a client-focused multi-seller conduit vehicle. Alpine publishes portfolio and asset data and submits its portfolio to a rating agency for public ratings based on the cash flows of the portfolio taken as a whole. This CP conduit purchases assets, primarily loans and receivables, from clients and finances such purchases through the issuance of CP backed by these assets. For an asset to qualify for acquisition by the CP conduit, it must be rated at least investment grade after giving effect to the related asset-specific credit enhancement primarily provided by the client seller of the asset. The clients provide credit support to investors of the CP conduit in the form of over-collateralization and other asset-specific enhancements. Further, an unaffiliated investor retains a limited first-loss position in Alpine's entire portfolio. Alpine is a separate legal entity that is wholly owned by the Bank. However, its assets are available to satisfy only the claims of its creditors. In addition, the Bank, as administrator and liquidity and credit enhancement facilities provider, has significant exposure to and power over the activities of Alpine. Alpine is considered a VIE for accounting purposes and the Bank is deemed the primary beneficiary and consolidates this entity.

The overall average maturity of the conduit's outstanding CP was approximately 49 days and 19 days as of December 31, 2014 and 2013, respectively. As of December 31, 2014 and 2013, Alpine had the highest short-term ratings from Moody's and Dominion Bond Rating Service and was rated A-1 by Standard & Poor's and F-1 by Fitch. The majority of Alpine's purchased assets were highly rated reverse repurchase agreements as well

as advance financing receivables, equipment loans or leases and aircraft loans. As of December 31, 2014 and 2013, those assets had an average rating of AA, based on the lowest of each asset's internal rating and, where available, external rating, and an average maturity of 1.8 years and 2.1 years as of December 31, 2014 and 2013, respectively. On February 6, 2015, Dominion Bond Rating Service lowered the short-term rating of Alpine from R-1 (high) (sf) to R-1 (middle) (sf).

The Bank's commitment to this CP conduit consists of obligations under liquidity agreements and a program-wide credit enhancement agreement. The liquidity agreements are asset-specific arrangements, which require the Bank to purchase assets from the CP conduit in certain circumstances, including a lack of liquidity in the CP market such that the CP conduit cannot refinance its obligations or, in some cases, a default of an underlying asset. The Bank may, at its discretion, purchase assets that fall below investment grade in order to support the CP conduit. In both circumstances, the asset-specific credit enhancements provided by the client seller of the assets and the first-loss investor's respective exposures to those assets remain unchanged. In entering into such agreements, the Bank reviews the credit risk associated with these transactions on the same basis that would apply to other extensions of credit. The program-wide credit enhancement agreement with the CP conduit would absorb potential defaults of the assets, but is senior to the credit protection provided by the client seller of assets and the first-loss investor.

The Bank believes that the likelihood of incurring a loss equal to the maximum exposure is remote because the assets held by the CP conduit, after giving effect to related asset-specific credit enhancement primarily provided by the clients, are classified as investment grade. The Bank's economic risks associated with the purchased assets of the CP conduit are included in the Bank's risk management framework including counterparty, economic capital and scenario analysis.

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	Financial intermediation						Total
	CDO	CP Conduit	Securi- tizations	Funds	Loans	Other	
2014 (CHF million)							
Cash and due from banks	1,122	0	16	187	109	59	1,493
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	660	0	0	0	0	660
Trading assets	615	57	250	1,715	867	757	4,261
Other investments	0	0	0	30	1,651	424	2,105
Net loans	0	12	0	0	24	209	245
Premises and equipment	0	0	0	0	422	0	422
Other assets	8,726	262	4,741	3	195	2,205	16,132
of which loans held-for-sale	8,689	0	3,500	0	24	356	12,569
Total assets of consolidated VIEs	10,463	991	5,007	1,935	3,268	3,654	25,318
Customer deposits	0	0	0	0	0	3	3
Trading liabilities	6	0	0	0	23	6	35
Short-term borrowings	0	9,384	0	0	0	0	9,384
Long-term debt	10,318	18	2,418	216	99	383	13,452
Other liabilities	27	29	573	124	146	828	1,727
Total liabilities of consolidated VIEs	10,351	9,431	2,991	340	268	1,220	24,601
2013 (CHF million)							
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
Total assets of consolidated VIEs	9,087	5,596	4,243	1,787	3,744	3,164	27,621
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
Total liabilities of consolidated VIEs	9,110	4,313	3,254	188	253	1,228	18,346

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	
2014 (CHF million)						
Trading assets	179	5,009	1,201	494	625	7,508
Net loans	211	2,252	3,113	1,651	1,544	8,771
Other assets	0	4	20	0	189	213
Total variable interest assets	390	7,265	4,334	2,145	2,358	16,492
Maximum exposure to loss	752	12,775	4,489	7,326	2,358	27,700
Non-consolidated VIE assets	8,604	120,157	56,413	38,818	12,170	236,162
2013 (CHF million)						
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
Total variable interest assets	185	5,533	3,738	3,581	2,001	15,038
Maximum exposure to loss	186	7,496	3,926	7,433	2,090	21,131
Non-consolidated VIE assets	10,211	101,524	55,509	31,144	8,525	206,913

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 2014	Level 1	Level 2	Level 3	Netting impact ¹	Total
Assets (CHF million)					
Cash and due from banks	0	304	0	0	304
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	104,206	77	0	104,283
Debt	121	781	0	0	902
of which corporates	0	745	0	0	745
Equity	25,908	44	0	0	25,952
Securities received as collateral	26,029	825	0	0	26,854
Debt	31,937	58,003	4,465	0	94,405
of which foreign governments	31,708	4,869	454	0	37,031
of which corporates	28	22,507	1,435	0	23,970
of which RMBS	0	22,150	612	0	22,762
of which CMBS	0	5,293	257	0	5,550
of which CDO	0	3,185	1,421	0	4,606
Equity	86,532	6,395	1,566	0	94,493
Derivatives	4,467	616,012	6,823	(589,323)	37,979
of which interest rate products	1,616	467,002	1,803	–	–
of which foreign exchange products	118	89,102	301	–	–
of which equity/index-related products	2,711	26,904	1,063	–	–
of which credit derivatives	0	24,451	2,569	–	–
Other	2,987	7,123	4,326	0	14,436
Trading assets	125,923	687,533	17,180	(589,323)	241,313
Debt	1,962	309	0	0	2,271
of which foreign governments	1,962	0	0	0	1,962
of which corporates	0	309	0	0	309
Equity	2	103	3	0	108
Investment securities	1,964	412	3	0	2,379
Private equity	0	0	1,268	0	1,268
of which equity funds	0	0	567	0	567
Hedge funds	0	219	314	0	533
of which debt funds	0	181	302	0	483
Other equity investments	77	75	1,855	0	2,007
of which private	0	70	1,855	0	1,925
Life finance instruments	0	0	1,834	0	1,834
Other investments	77	294	5,271	0	5,642
Loans	0	13,560	9,353	0	22,913
of which commercial and industrial loans	0	5,816	5,853	0	11,669
of which financial institutions	0	6,227	1,494	0	7,721
Other intangible assets (mortgage servicing rights)	0	0	70	0	70
Other assets	2,457	23,371	7,468	(975)	32,321
of which loans held-for-sale	0	16,107	6,851	0	22,958
Total assets at fair value	156,450	830,505	39,422	(590,298)	436,079
Less other investments – equity at fair value attributable to noncontrolling interests	(75)	(133)	(821)	0	(1,029)
Less assets consolidated under ASU 2009-17 ²	0	(9,123)	(3,155)	0	(12,278)
Assets at fair value excluding noncontrolling interests and assets not risk-weighted under the Basel framework	156,375	821,249	35,446	(590,298)	422,772

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

² 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 2014	Level 1	Level 2	Level 3	Netting impact ¹	Total
Liabilities (CHF million)					
Due to banks	0	832	0	0	832
Customer deposits	0	3,151	100	0	3,251
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	54,732	0	0	54,732
Debt	121	781	0	0	902
of which corporates	0	745	0	0	745
Equity	25,908	44	0	0	25,952
Obligation to return securities received as collateral	26,029	825	0	0	26,854
Debt	11,678	4,914	1	0	16,593
of which foreign governments	11,530	757	0	0	12,287
of which corporates	21	3,917	1	0	3,939
Equity	19,075	122	2	0	19,199
Derivatives	4,594	620,144	6,414	(594,277)	36,875
of which interest rate products	1,585	458,730	1,202	–	–
of which foreign exchange products	234	101,461	560	–	–
of which equity/index-related products	2,744	27,266	1,466	–	–
of which credit derivatives	0	23,479	2,760	–	–
Trading liabilities	35,347	625,180	6,417	(594,277)	72,667
Short-term borrowings	0	3,766	95	0	3,861
Long-term debt	0	65,652	14,608	0	80,260
of which treasury debt over two years	0	8,616	0	0	8,616
of which structured notes over two years	0	31,083	10,267	0	41,350
of which non-recourse liabilities	0	10,126	2,952	0	13,078
Other liabilities	0	14,601	3,358	(1,026)	16,933
of which failed sales	0	652	616	0	1,268
Total liabilities at fair value	61,376	768,739	24,578	(595,303)	259,390

¹ 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 2013	Level 1	Level 2	Level 3	Netting impact ¹	Total
Assets (CHF million)					
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	563,957	5,217	(543,996)	31,788
of which interest rate products	1,065	444,207	1,574	–	–
of which foreign exchange products	8	60,846	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	4,481	2,829	0	11,000
Trading assets	122,592	637,432	13,710	(543,996)	229,738
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
Total assets at fair value	149,999	770,044	35,078	(544,924)	410,197
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 ²	0	(8,996)	(2,458)	0	(11,454)
Assets at fair value excluding noncontrolling interests and assets not risk-weighted under the Basel framework	149,753	760,899	29,839	(544,924)	395,567

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

² 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 ¹	Total
Liabilities (CHF million)					
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	4,134	2	0	4,137
Equity	15,476	309	17	0	15,802
Derivatives	5,879	572,658	5,545	(547,423)	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	578,279	5,564	(547,423)	76,812
Short-term borrowings	0	5,888	165	0	6,053
Long-term debt	0	52,682	9,780	0	62,462
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
Total liabilities at fair value	61,490	738,573	18,537	(547,697)	270,903

¹ 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	2014		2013	
	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
Assets (CHF million)				
Debt		1,108	533	499
Equity		513	391	437
Derivatives		5,785	500	5,090
Trading assets		7,406	1,424	6,026
Liabilities (CHF million)				
Debt		861	658	11
Equity		133	90	248
Derivatives		6,073	87	4,433
Trading liabilities		7,067	835	4,692

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

2014	Balance at beginning of period	Transfers in	Transfers out	Purchases
Assets (CHF million)				
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	204	0	(151)	0
Debt	5,069	1,260	(3,018)	5,554
of which corporates	2,128	392	(756)	1,161
of which RMBS	436	625	(676)	732
of which CMBS	417	105	(392)	415
of which CDO	1,567	112	(697)	2,593
Equity	595	939	(469)	727
Derivatives	5,217	2,156	(1,168)	0
of which interest rate products	1,574	70	(40)	0
of which equity/index-related products	1,240	132	(534)	0
of which credit derivatives	1,138	1,891	(575)	0
Other	2,829	863	(878)	4,168
Trading assets	13,710	5,218	(5,533)	10,449
Investment securities	2	0	0	0
Equity	5,363	2	(22)	727
Life finance instruments	1,600	0	0	204
Other investments	6,963	2	(22)	931
Loans	7,998	500	(601)	1,024
of which commercial and industrial loans	5,309	253	(349)	368
of which financial institutions	1,322	156	(163)	16
Other intangible assets (mortgage servicing rights)	42	0	0	29
Other assets	6,159	3,165	(3,205)	7,852
of which loans held-for-sale ²	5,615	3,154	(3,174)	7,486
Total assets at fair value	35,078	8,885	(9,512)	20,285
Liabilities (CHF million)				
Customer deposits	55	0	0	0
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	114	0	(127)	0
Trading liabilities	5,564	2,471	(1,655)	36
of which interest rate derivatives	1,129	56	(109)	0
of which foreign exchange derivatives	938	0	(2)	0
of which equity/index-related derivatives	1,896	478	(941)	0
of which credit derivatives	1,230	1,906	(587)	0
Short-term borrowings	165	67	(74)	0
Long-term debt	9,780	2,441	(3,475)	0
of which structured notes over two years	6,217	1,468	(1,931)	0
of which non-recourse liabilities	2,552	924	(1,007)	0
Other liabilities	2,859	121	(133)	530
of which failed sales	1,143	76	(50)	292
Total liabilities at fair value	18,537	5,100	(5,464)	566
Net assets/(liabilities) at fair value	16,541	3,785	(4,048)	19,719

¹ 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.

² Includes unrealized losses recorded in trading revenues of CHF (22) million primarily related to subprime exposures in securitized products business and market movements across the wider loans held-for-sale portfolio.

			Trading revenues		Other revenues			Foreign currency translation impact	Balance at end of period
Sales	Issuances	Settlements	On transfers in / out ¹	On all other	On transfers in / out ¹	On all other			
0	0	0	0	0	0	0	24	77	
(5,435)	0	0	(60)	535	0	0	560	4,465	
(2,004)	0	0	(68)	402	0	0	180	1,435	
(659)	0	0	11	81	0	0	62	612	
(282)	0	0	0	(58)	0	0	52	257	
(2,402)	0	0	(8)	61	0	0	195	1,421	
(554)	0	0	35	196	0	0	97	1,566	
0	2,330	(3,334)	110	941	0	0	571	6,823	
0	197	(574)	13	393	0	0	170	1,803	
0	405	(417)	120	(26)	0	0	143	1,063	
0	536	(899)	(28)	379	0	0	127	2,569	
(3,288)	0	(201)	17	404	0	0	412	4,326	
(9,277)	2,330	(3,535)	102	2,076	0	0	1,640	17,180	
0	0	0	0	0	0	0	1	3	
(3,512)	0	0	0	22	0	534	323	3,437	
(333)	0	0	0	179	0	0	184	1,834	
(3,845)	0	0	0	201	0	534	507	5,271	
(2,012)	4,878	(3,168)	3	(173)	0	(2)	906	9,353	
(1,098)	3,346	(2,428)	1	(118)	0	(4)	573	5,853	
(422)	943	(482)	0	(33)	0	5	152	1,494	
0	0	0	0	(7)	0	0	6	70	
(6,713)	845	(1,448)	165	(5)	0	0	653	7,468	
(6,382)	845	(1,448)	169	(2)	0	(1)	589	6,851	
(21,847)	8,053	(8,151)	270	2,092	0	532	3,737	39,422	
0	45	(19)	0	16	0	0	3	100	
0	0	0	0	0	0	0	13	0	
(39)	1,526	(2,778)	251	469	0	0	572	6,417	
0	72	(499)	1	429	0	0	123	1,202	
0	5	(239)	(4)	(205)	0	0	67	560	
0	656	(890)	273	(201)	0	0	195	1,466	
0	473	(885)	(16)	496	0	0	143	2,760	
0	382	(456)	(3)	0	0	0	14	95	
0	8,432	(3,870)	144	(338)	0	0	1,494	14,608	
0	5,930	(2,027)	(6)	(406)	0	0	1,022	10,267	
0	1,170	(1,153)	155	10	0	0	301	2,952	
(1,215)	647	(233)	11	114	3	359	295	3,358	
(949)	0	0	0	29	0	(2)	77	616	
(1,254)	11,032	(7,356)	403	261	3	359	2,391	24,578	
(20,593)	(2,979)	(795)	(133)	1,831	(3)	173	1,346	14,844	

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

2013	Balance at beginning of period	Transfers in	Transfers out	Purchases
Assets (CHF million)				
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	4,463	3,539	(2,918)	4,456
Total assets at fair value	35,529	7,429	(9,761)	17,062
Liabilities (CHF million)				
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
Total liabilities at fair value	18,450	4,095	(4,160)	279
Net assets/(liabilities) at fair value	17,079	3,334	(5,601)	16,783

¹ 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.

Sales	Issuances	Settlements	Trading revenues		Other revenues		Foreign currency translation impact	Balance at end of period
			On transfers in / out ¹	On all other	On transfers in / out ¹	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
(19,053)	9,929	(6,732)	428	752	(1)	764	(1,268)	35,078
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
(590)	7,065	(8,191)	243	1,683	26	216	(579)	18,537
(18,463)	2,864	1,459	185	(931)	(27)	548	(689)	16,541

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

in	2014			2013		
	Trading revenues	Other revenues	Total revenues	Trading revenues	Other revenues	Total revenues
Gains and losses on assets and liabilities (CHF million)						
Net realized/unrealized gains/(losses) included in net revenues	1,698	170	1,868 ¹	(746)	521	(225) ¹
Whereof:						
Unrealized gains/(losses) relating to assets and liabilities still held as of the reporting date	(834)	23	(811)	(2,852)	245	(2,607)

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

Quantitative information about level 3 assets at fair value

end of 2014	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average ¹
CHF million, except where indicated						
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	77	Discounted cash flow	Funding spread, in bp	350	350	350
Debt	4,465					
of which corporates	1,435					
of which	201	Option model	Correlation, in %	(88)	97	17
			Buyback probability, in % ²	50	100	68
of which	180	Market comparable	Price, in %	0	124	67
of which	1,051	Discounted cash flow	Credit spread, in bp	9	1,644	361
of which RMBS	612	Discounted cash flow	Discount rate, in %	1	31	9
			Prepayment rate, in %	0	29	8
			Default rate, in %	1	19	3
			Loss severity, in %	0	100	50
of which CMBS	257	Discounted cash flow	Capitalization rate, in %	7	10	8
			Discount rate, in %	0	28	9
			Prepayment rate, in %	0	20	12
			Default rate, in %	0	21	1
			Loss severity, in %	0	35	3
of which CDO	1,421					
of which	89	Vendor price	Price, in %	0	100	95
of which	286	Discounted cash flow	Discount rate, in %	3	23	7
			Prepayment rate, in %	0	20	17
			Default rate, in %	0	7	2
			Loss severity, in %	3	100	35
of which	837	Market comparable	Price, in %	93	196	191
Equity	1,566					
of which	765	Market comparable	EBITDA multiple	3	13	9
			Price, in %	1	163	51
of which	26	Discounted cash flow	Capitalization rate, in %	7	7	7
			Discount rate, in %	15	15	15
Derivatives	6,823					
of which interest rate products	1,803	Option model	Correlation, in %	9	100	76
			Prepayment rate, in %	0	33	24
			Volatility skew, in %	(9)	3	(1)
			Mean reversion, in % ³	5	10	10
			Credit spread, in bp	229	1,218	1,046
of which equity/index-related products	1,063	Option model	Correlation, in %	(88)	97	8
			Volatility, in %	0	276	27
of which credit derivatives	2,569	Discounted cash flow	Credit spread, in bp	1	6,087	614
			Recovery rate, in %	0	75	20
			Discount rate, in %	1	38	18
			Default rate, in %	1	43	7
			Loss severity, in %	10	100	65
			Correlation, in %	46	97	83
			Prepayment rate, in %	0	9	4
			Funding spread, in bp	51	106	80

¹ 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.

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

³ Management's best estimate of the speed at which interest rates will revert to the long-term average.

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

end of 2014	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average ¹
CHF million, except where indicated						
Other	4,326					
of which	3,493	Market comparable	Price, in %	0	104	50
of which	770	Discounted cash flow	Market implied life expectancy, in years	3	20	9
Trading assets	17,180					
Investment securities	3	–	–	–	–	–
Private equity	1,268	– ²	– ²	– ²	– ²	– ²
Hedge funds	314	– ²	– ²	– ²	– ²	– ²
Other equity investments	1,855					
of which private	1,855					
of which	337	Discounted cash flow	Contingent probability, in %	69	69	69
of which	1,051	– ²	– ²	– ²	– ²	– ²
Life finance instruments	1,834	Discounted cash flow	Market implied life expectancy, in years	2	21	8
Other investments	5,271					
Loans	9,353					
of which commercial and industrial loans	5,853					
of which	5,011	Discounted cash flow	Credit spread, in bp	34	2,528	462
of which	650	Market comparable	Recovery rate, in %	0	100	68
of which financial institutions	1,494	Discounted cash flow	Price, in %	0	100	82
of which	1,494	Discounted cash flow	Credit spread, in bp	60	813	304
Other intangible assets (mortgage servicing rights)	70	–	–	–	–	–
Other assets	7,468					
of which loans held-for-sale	6,851					
of which	2,654	Vendor price	Price, in %	0	109	99
of which	1,321	Discounted cash flow	Credit spread, in bp	146	2,047	334
of which	1,321	Discounted cash flow	Recovery rate, in %	1	39	30
of which	2,430	Market comparable	Price, in %	0	100	67
Total level 3 assets at fair value	39,422					

¹ 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.

² 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 2013	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average ¹
CHF million, except where indicated						
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 % ²	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					

¹ 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.

² 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 ¹
CHF million, except where indicated						
Investment securities	2	–	–	–	–	–
Private equity	3,339	– ²	– ²	– ²	– ²	– ²
Hedge funds	392	– ²	– ²	– ²	– ²	– ²
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
Total level 3 assets at fair value	35,078					

¹ 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.

² 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 2014	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average ¹
CHF million, except where indicated						
Customer deposits	100	–	–	–	–	–
Trading liabilities	6,417					
of which interest rate derivatives	1,202	Option model	Basis spread, in bp	(11)	85	44
			Correlation, in %	9	100	78
			Mean reversion, in % ²	5	10	9
			Prepayment rate, in %	0	33	21
			Gap risk, in % ³	20	20	20
of which foreign exchange derivatives	560	Option model	Correlation, in %	(10)	70	50
			Prepayment rate, in %	22	33	28
of which equity/index-related derivatives	1,466	Option model	Correlation, in %	(88)	97	17
			Skew, in %	44	260	110
			Volatility, in %	1	276	27
			Buyback probability, in % ⁴	50	100	68
of which credit derivatives	2,760	Discounted cash flow	Credit spread, in bp	1	6,087	508
			Discount rate, in %	2	34	17
			Default rate, in %	1	43	7
			Recovery rate, in %	0	75	28
			Loss severity, in %	10	100	65
			Correlation, in %	9	94	57
			Funding spread, in bp	51	82	64
			Prepayment rate, in %	0	12	4
Short-term borrowings	95	–	–	–	–	–
Long-term debt	14,608					
of which structured notes over two years	10,267					
of which	8,002	Option model	Correlation, in %	(88)	99	18
			Volatility, in %	4	276	30
			Buyback probability, in % ⁴	50	100	68
			Gap risk, in % ³	0	3	0
of which	515	Discounted cash flow	Credit spread, in bp	228	597	455
of which non-recourse liabilities	2,952					
of which	2,766	Vendor price	Price, in %	0	109	99
of which	90	Market comparable	Price, in %	0	100	7
Other liabilities	3,358					
of which failed sales	616					
of which	450	Market comparable	Price, in %	0	103	63
of which	124	Discounted cash flow	Credit spread, in bp	852	1,286	912
			Recovery rate, in %	39	39	39
Total level 3 liabilities at fair value	24,578					

¹ 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.

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

³ Risk of unexpected large declines in the underlying values between collateral settlement dates.

⁴ 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.

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

end of 2013	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average ¹
CHF million, except where indicated						
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 % ²	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
			Buyback probability, in % ³	50	100	62
of which credit derivatives	1,230	Discounted cash flow	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 % ³	50	100	62
			Gap risk, in % ⁴	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
Total level 3 liabilities at fair value	18,537					

¹ 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.

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

³ 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.

⁴ Risk of unexpected large declines in the underlying values between collateral settlement dates.

Fair value, unfunded commitments and term of redemption conditions

end of	2014								2013
	Non-redeemable	Redeemable	Total fair value	Unfunded commitments	Non-redeemable	Redeemable	Total fair value	Unfunded commitments	
Fair value and unfunded commitments (CHF million)									
Debt funds	7	106	113	0	1	18	19	0	
Equity funds	102	1,842 ¹	1,944	0	28	3,096 ²	3,124	0	
Equity funds sold short	0	(42)	(42)	0	0	(17)	(17)	0	
Total funds held in trading assets and liabilities	109	1,906	2,015	0	29	3,097	3,126	0	
Debt funds	296	187	483	1	320	183	503	6	
Equity funds	0	0	0	0	0	25	25	0	
Others	0	50	50	0	0	153	153	31	
Hedge funds	296	237 ³	533	1	320	361 ⁴	681	37	
Debt funds	17	0	17	15	53	0	53	2	
Equity funds	567	0	567	122	2,230	0	2,230	464	
Real estate funds	302	0	302	98	350	0	350	110	
Others	382	0	382	158	706	0	706	250	
Private equities	1,268	0	1,268	393	3,339	0	3,339	826	
Equity method investments	378	43	421	0	349	0	349	0	
Total funds held in other investments	1,942	280	2,222	394	4,008	361	4,369	863	
Total fair value	2,051⁵	2,186⁶	4,237	394⁷	4,037⁵	3,458⁶	7,495	863⁷	

¹ 42% of the redeemable fair value amount of equity funds is redeemable on demand with a notice period primarily of less than 30 days, 28% is redeemable on an annual basis with a notice period of more than 60 days, 16% is redeemable on a monthly basis with a notice period primarily of less than 30 days, and 14% is redeemable on a quarterly basis with a notice period primarily of more than 45 days.

² 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.

³ 87% 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, and 11% is redeemable on an annual basis with a notice period of more than 60 days.

⁴ 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.

⁵ Includes CHF 612 million and CHF 1,819 million attributable to noncontrolling interests in 2014 and 2013, respectively.

⁶ Includes CHF 138 million and CHF 107 million attributable to noncontrolling interests in 2014 and 2013, respectively.

⁷ Includes CHF 185 million and CHF 405 million attributable to noncontrolling interests in 2014 and 2013, respectively.

Nonrecurring fair value changes

end of	2014	2013
Assets held-for-sale recorded at fair value on a nonrecurring basis (CHF billion)		
Assets held-for-sale recorded at fair value on a nonrecurring basis	1.4	0.3
of which level 2	1.2	0.0
of which level 3	0.2	0.3

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

end of	2014			2013		
	Aggregate fair value	Aggregate unpaid principal	Difference	Aggregate fair value	Aggregate unpaid principal	Difference
Loans (CHF million)						
Non-interest-earning loans	1,147	3,816	(2,669)	956	3,262	(2,306)
Financial instruments (CHF million)						
Interest-bearing deposits with banks	0	0	0	311	307	4
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	104,283	104,027	256	96,587	96,217	370
Loans	22,913	23,782	(869)	19,457	19,653	(196)
Other assets ¹	26,088	33,091	(7,003)	20,749	25,756	(5,007)
Due to banks and customer deposits	(914)	(873)	(41)	(690)	(680)	(10)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(54,732)	(54,661)	(71)	(76,104)	(76,012)	(92)
Short-term borrowings	(3,861)	(3,918)	57	(6,053)	(5,896)	(157)
Long-term debt	(80,260)	(80,344)	84	(62,462)	(62,102)	(360)
Other liabilities	(1,268)	(2,767)	1,499	(1,780)	(3,285)	1,505

¹ Primarily loans held-for-sale.

Gains and losses on financial instruments

in	2014	2013	2012
	Net gains/ (losses)	Net gains/ (losses)	Net gains/ (losses)
Financial instruments (CHF million)			
Cash and due from banks	0	0	(13) ²
of which related to credit risk	0	0	(13)
Interest-bearing deposits with banks	9 ¹	10 ¹	12 ¹
of which related to credit risk	3	(3)	3
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	913 ¹	1,143 ¹	1,183 ¹
Other trading assets	0	0	10 ²
Other investments	373 ³	126 ³	144 ³
of which related to credit risk	5	11	34
Loans	10 ²	1,470 ¹	925 ¹
of which related to credit risk	(151)	26	318
Other assets	1,302 ¹	2,058 ¹	2,641 ¹
of which related to credit risk	387	604	355
Due to banks and customer deposits	(59) ²	0	(22) ¹
of which related to credit risk	(17)	(5)	8
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	205 ²	(67) ¹	(114) ¹
Short-term borrowings	152 ²	(256) ²	(350) ²
Long-term debt	678 ²	(2,738) ²	(7,905) ²
of which related to credit risk ⁴	527	(334)	(2,552)
Other liabilities	(175) ²	413 ²	826 ²
of which related to credit risk	(162)	112	912

¹ Primarily recognized in net interest income.

² Primarily recognized in trading revenues.

³ Primarily recognized in other revenues.

⁴ 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
		Level 1	Level 2	Level 3	Total
2014 (CHF million)					
Financial assets					
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	58,925	0	58,925	0	58,925
Loans	230,340	0	232,271	3,678	235,949
Other financial assets ¹	149,925	79,170	69,554	1,482	150,206
Financial liabilities					
Due to banks and deposits	379,992	208,759	171,230	0	379,989
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	15,387	0	15,387	0	15,387
Short-term borrowings	22,061	0	22,064	0	22,064
Long-term debt	92,687	0	92,908	1,201	94,109
Other financial liabilities ²	84,874	15	84,146	585	84,746
2013 (CHF million)					
Financial assets					
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	209,821	3,940	213,761
Other financial assets ¹	143,831	71,522	71,134	1,473	144,129
Financial liabilities					
Due to banks and deposits	340,104	203,960	136,064	9	340,033
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	64,279	0	61,518	3,774	65,292
Other financial liabilities ²	96,655	1,128	94,458	1,085	96,671

¹ 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.

² 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	2014	2013
Assets pledged (CHF million)		
Total assets pledged or assigned as collateral	148,345	137,207
of which encumbered	103,245	92,300

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	2014	2013
Collateral (CHF million)		
Fair value of collateral received with the right to sell or repledge	444,852	359,508
of which sold or repledged	336,301	267,902

Other information

end of	2014	2013
Other information (CHF million)		
Cash and securities restricted under foreign banking regulations	26,286	18,130
Swiss National Bank required minimum liquidity reserves	2,051	2,305

► 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, as issued by the Basel Committee on Banking Supervision (BCBS), the standard setting committee within the Bank for International Settlements (BIS). These standards have affected the measurement of both total eligible capital and risk-weighted assets.

As of December 31, 2014 and 2013, the Bank was adequately capitalized under the regulatory provisions outlined under both FINMA and the BIS guidelines.

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

Broker-dealer operations

Certain Group broker-dealer subsidiaries are also subject to capital adequacy requirements. As of December 31, 2014 and 2013, the Bank and its subsidiaries, with one exception, complied with all applicable regulatory capital adequacy requirements. As of December 31, 2014, due to an operational delay in the return of cash collateral from an affiliate, CS Capital LLC was left with an unsecured receivable that led to a capital charge of the same amount. The capital charge resulted in CS Capital LLC failing to meet the minimum net capital requirement as of December 31, 2014. On January 2, 2015, the cash collateral was returned to CS Capital LLC and the net capital deficiency was cured.

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, 2014 and 2013, the Bank was not subject to restrictions on its ability to pay the proposed dividends.

36 Litigation

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

BIS statistics – Basel III

end of	2014	2013
Eligible capital (CHF million)		
CET1 capital	40,853	37,700
Additional tier 1 capital	6,261	3,069
Total tier 1 capital	47,114	40,769
Tier 2 capital	10,997	11,577
Total eligible capital	58,111	52,346
Risk-weighted assets (CHF million)		
Credit risk	184,531	166,245
Market risk	34,439	39,111
Operational risk	58,413	53,075
Non-counterparty risk	5,611	5,758
Risk-weighted assets	282,994	264,189
Capital ratios (%)		
CET1 ratio	14.4	14.3
Tier 1 ratio	16.6	15.4
Total capital ratio	20.5	19.8

37 Significant subsidiaries and equity method investments

Significant subsidiaries

Equity interest in %	Company name	Domicile	Currency	Nominal capital in million
as of December 31, 2014				
Credit Suisse AG				
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 Titulos e Valores Mobiliários S.A.	São Paulo, Brazil	BRL	5.0
100	Credit Suisse (Brasil) S.A. Corretora de Titulos 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	13,758.0
100	Credit Suisse (Italy) S.p.A.	Milan, Italy	EUR	139.6
100	Credit Suisse (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	150.0
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	245.2
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 GmbH	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 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 (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 Group Finance (U.S.) Inc.	Wilmington, United States	USD	100.0
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	53.9
100 ¹	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 Prime Securities Services (USA) LLC	Wilmington, United States	USD	263.3
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	3,859.3
100	Credit Suisse Securities (Hong Kong) Limited	Hong Kong, China	HKD	530.9
100	Credit Suisse Securities (India) Private Limited	Mumbai, India	INR	2,214.7
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	1,836.1
100	Credit Suisse Services (India) Private Limited	Pune, India	INR	0.1
100	CSAM Americas Holding Corp.	Wilmington, United States	USD	0.0
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 ²	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

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

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

Significant equity method investments

Equity interest in %	Company name	Domicile
as of December 31, 2014		
Credit Suisse AG		
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 ¹	York Capital Management Global Advisors, LLC	New York, United States
0 ¹	Holding Verde Empreendimentos e Participações S.A.	São Paulo, Brazil

¹ 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, 2014, 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, 2014 using the criteria issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control – Integrated Framework".

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, 2014.

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, 2014, 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
 Badenerstrasse 172
 CH-8004 Zurich

P.O. Box
 CH-8026 Zurich

Telefon +41 44 249 31 31
 Telefax +41 44 249 23 19
 Internet www.kpmg.ch

Report of the Independent Registered Public Accounting Firm

Credit Suisse AG, Zurich

We have audited Credit Suisse AG and subsidiaries' (the "Bank") internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control—Integrated Framework (2013)* 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, 2014, based on criteria established in *Internal Control—Integrated Framework (2013)* 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, 2014 and 2013, 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, 2014, and our report dated March 20, 2015 expressed an unqualified opinion on those consolidated financial statements.

KPMG AG

Simon Ryder
 Licensed Audit Expert
 Auditor in Charge

Anthony Anzovino
 Global Lead Partner

Zurich, Switzerland
 March 20, 2015