

Annual General Meeting of Credit Suisse Group AG: Response to a request for information

Introduction

On March 11, 2022, Credit Suisse received a letter from the Ethos Foundation and other shareholders¹ requesting information pursuant to Art. 697 of the Swiss Code of Obligations in connection with matters relating to (i) the Supply Chain Finance Funds (SCFF) and (ii) "Swiss Leaks".

After receipt of the request for information, the Board of Directors prepared responses and submitted them to the Ethos Foundation, which then asked additional questions. This document contains the responses to the original 17 questions as well as to the supplementary questions.

The Board of Directors is publishing these questions and answers before the Annual General Meeting, because the Annual General Meeting is taking place without the physical presence of shareholders and therefore a direct exchange on these questions and answers will not be possible. With this publication, all shareholders have the respective information ahead of the Annual General Meeting and can consider this in the context of their decision-making.

A) "Supply Chain Finance Funds" matter (Greensill)

Background and context

This matter involves four supply chain finance funds ("SCF Funds") that were managed by Credit Suisse Asset Management (Switzerland) AG ("CSAM"):

- **Credit Suisse (Lux) Supply Chain Finance Fund**
Volume on 25.02.2020: USD 7.25 billion
- **Credit Suisse Nova (Lux) Supply Chain Finance High Income Fund**
Volume on 25.02.2020: USD 1.83 billion
- **Credit Suisse Supply Chain Finance Investment Grade Fund**
Volume on 25.02.2020: USD 0.67 billion
- **Credit Suisse Nova (Lux) Supply Chain Finance Investment Grade Fund**
Volume on 25.02.2020: USD 0.26 billion

¹ Bernische Pensionskasse, Bernische Lehrerversicherungskasse, CAP Prévoyance, CIEPP - Caisse Inter-Entreprises de Prévoyance Professionnelle, Pension Fund of the Swiss Confederation PUBLICA, Pension Fund Swiss Post, Pension Fund City of Zurich.

The SCF Funds invested in receivables related to production and trade transactions, such as, in particular, accounts receivable from the delivery of goods and the provision of services, loans to finance purchases or to pre-finance future deliveries ("Trade Receivables"). For this purpose, the SCF Funds acquired notes in which such Trade Receivables were securitized. These notes primarily had maturities of 90-270 days and were purchased at a discount to their nominal value, allowing the SCF Funds to earn interest. With these investments, the SCF Funds were able to offer a return to their investors in an environment of zero or negative interest rates. However, this return was not without risk, as Trade Receivables are not of the same quality as prime corporate or government bonds. The SCF Funds were therefore intended only for institutional and professional investors that could handle this risk. In total, around 1,200 investors acquired shares in the SCF Funds (see supplementary question (i)).

The SCF Funds sourced virtually all of the notes in which they invested through Greensill Capital UK ("Greensill"). Greensill was considered the leading Trade Receivables securitization firm at the time. Greensill continuously acquired such receivables and securitized them into notes that it placed with various banks, institutional investors, and funds. The securitization process was structured in such a way that the notes always embodied claims against third parties – the SCF Funds and ultimately their investors therefore did not bear any "Greensill credit risk," but invested in claims against third parties backed by Trade Receivables. As part of the securitization, Greensill also arranged for the Trade Receivables to be insured under a credit insurance policy it had with Tokio Marine and other insurers, if requested by the purchasers (see supplementary question (ii)).

On February 23, 2021, Greensill unexpectedly announced that Tokio Marine had not renewed its credit insurance policy and that Greensill was therefore no longer able to insure new notes. The expiration of the insurance policy did not affect notes that had been issued with insurance coverage up to that point. However, without insurance coverage, it was impossible for Greensill to continue its operations, as the majority of notes had been sold with insurance coverage. Greensill therefore ceased operations as of the end of February 2021. This first forced the SCF Funds to stop issuing and redeeming fund units and then to initiate liquidation, as they could no longer purchase new notes, but could only liquidate the notes they had previously purchased and pay their investors accordingly. During the liquidation, it became apparent that some of the debtors were unable to pay the claims underlying the notes by the maturity date (see supplementary question (iii)). Some of the debtors had assumed that they could always renew the short-term financing in a roll-over with Greensill and therefore had not made provisions for repayment. Moreover, the maturity date also coincided with the Coronavirus pandemic, which caused financial problems for some companies that made repayment impossible.

CSAM has been taking all necessary steps to collect the outstanding amounts since March 2021. In some cases, however, refinancing or sales of assets are not yet possible. For other companies, payment plans have to be drawn up and financial compromises made or collateral enforced. CSAM has also reported the defaults to its credit insurer and filed corresponding claims. It is expected that litigation will be necessary to enforce claims against individual debtors and the insurance companies, which may take around five years.

As of the end of February 2022, the Virtuoso Fund has paid out 65% of net assets to investors as per February 25, 2021 and holds liquidity and liquid receivables equal to 5% of this amount. The High

Income Fund has paid out 63% and holds 7% liquidity and liquid receivables. The remaining amount (28% (see supplementary question (iv)) or 30%) comprises receivables from difficult debtors where the above measures are necessary and insurance claims need to be made. Despite all efforts to assert the claims against debtors and insurance companies, it can be assumed that investors in the Virtuoso Fund and the High Income Fund will suffer a loss. The percentage of the potential loss cannot be estimated today as it depends on many factors beyond CSAM's control. In the case of the two investment grade funds, which were limited to high-quality Trade Receivables and had correspondingly lower yields, all notes were redeemed at nominal value (presuming the redemption took place before the maturity date, a minimal interest amount was deducted), which makes a correspondingly high liquidation distribution possible (see supplementary question (v)).

Supplementary question (i): What part of these investors were internally managed by CSG via discretionary mandate?

Response: Approximately 12% of the funds' total assets were per 25.02.2021 managed under discretionary mandates by the Group.

Supplementary question (ii): We understand that the acquirors ("Erwerber") are the SCF funds and that the latter requested a third party insurance coverage. Please indicate the due diligence performed in respect of this insurance coverage.

Response: As part of the "New Product Development Process," a due diligence questionnaire was completed. This process extended to the credit insurance that Greensill arranged. In particular, it was clarified which insurance companies had issued the policy and what risks were covered (credit default).

However, not all of the notes in the SCF Funds were covered by credit insurance:

- Virtuoso Fund: In this fund, all Trade Receivables securitized in the notes were covered by the credit insurance policies.
- High Income Fund: In this fund, the positions were generally not insured. However, where notes had a rating lower than CCC, these notes were only acquired by this fund if the securitized receivables were covered by credit insurance.
- Investment Grade (Lie) Fund: In this fund, positions were insured where the debtor had a rating of A- or lower.
- Investment Grade (Lux) Fund: In this fund, positions were insured where the debtor had a rating of A- or lower.

The waiver of insurance coverage and the connection between insurance and the rating of the notes was disclosed in the fund prospectuses. The High Income Fund waived insurance coverage in order to generate a higher return, but this was associated with a correspondingly higher risk – the investments with a rating of CCC represent a relatively large risk.

Supplementary question (iii): Why was this default of debtors not covered by the insurance coverage (it is indicated above that the insurance coverage continued to apply to the claims in existence at the time the insurance coverage as terminated (for the future))?

Response: If a debtor fails to pay, credit insurance does not pay automatically. The failure to pay must first be reported to the insurance company. If payment is still not made within the period specified in the policy, a full claim must be submitted to the insurance company. The insurance company then clarifies the facts as it deems necessary and decides on payment. If an insurance company refuses to pay for a claim, the only option is to take legal action. SCF Funds, in cooperation with Greensill Bank, have reported defaults covered by credit insurance in a timely manner and also filed formal claims in a timely manner. To the extent that insurance companies fail to pay, CSAM will pursue the appropriate claims through the courts on behalf of the SCF Funds. In parallel with the filing of claims with the insurance companies, the SCF Funds or CSAM must enforce their claims against the debtors for the purpose of loss mitigation. Therefore, CSAM, on behalf of the SCF Funds, is currently filing claims with the insurance companies and, if necessary, also taking action against them, but is also taking action against the debtors themselves to recover the outstanding amounts.

In 2020, two Virtuoso Fund debtors defaulted on payments. In one case, the default was fully covered by insurance payments. In the second case, around 96% was paid until the fund was liquidated. However, a single member of the insurance syndicate refuses to pay its share. Here, the dispute is still ongoing. The experience with these two claims showed CSAM in 2020 that credit insurance worked in practice.

Additional question (iv): Please explain this figure (it is indicated above that Virtuoso has reimbursed 65% and holds 5% in liquid assets).

Response: The difference is primarily due to the effect of FX hedging as well as ongoing costs charged to the funds.

Supplementary question (v): Does this mean that the investors in the "investment grade" funds will not suffer a loss?

Response: Despite the full redemption of the notes, it is anticipated that investors in these funds will not receive back quite 100% of NAV as per 25.02.2021, as certain costs associated with the liquidation will be charged to the SCF Funds. However, we currently expect that investors will receive at least 99% of this NAV.

The large difference between the investment grade funds on the one hand and the Virtuoso Fund and the High Income Fund on the other hand in terms of repayment is due to the different quality of their investments. As described in the corresponding prospectuses, the Virtuoso Fund and the High Income Fund invested in Trade Receivables with higher risks, whereby the High Income Fund also waived insurance to the extent mentioned above. In contrast, the investment grade funds invested in loans of higher quality and with lower risk. However, these differences in risk were also reflected in the returns, which were lowest for the investment grade funds and highest for the High Income Fund. Investors were thus able to choose between different risk-return profiles.

A.1 Responses to the questions to the Board of Directors

a. Establishment of the business relationship with the Greensill Group

Question 1: How was the business relationship with the Greensill Group established?

Response: In March 2016, Greensill contacted CSAM and presented the idea of a fund with securitized Trade Receivables. Lex Greensill, CEO of Greensill, presented the concept of such a fund himself and explained the services Greensill could provide to operate a fund. Greensill offered to enter into a Warehousing Agreement with CSAM for this purpose. Pursuant to this Warehousing Agreement, Greensill would locate suitable debtors, acquire receivables, securitize them, and structure the notes, which would then be sold to the new SCF fund. Part of the services to be provided by Greensill was also the monitoring of the debtors as well as the insurance of the receivables.

Question 2: In particular, what controls were in place when the business relationship was established, were escalation procedures carried out in accordance with internal guidelines, and who validated the decision to establish the business relationship with the Greensill Group?

Response: After extensive discussions with Greensill, CSAM decided to pursue a SCF fund project and develop such a product. In the Asset Management area, a new product must go through an approval process defined in the "Asset Management new products/strategic initiatives" policy. This process begins with the development of a business plan, which is then submitted to the Product Development Management Team ("PDM Team"). The PDM Team then prepares a New Product Memorandum, which analyzes and presents in detail the financial, organizational and legal conditions of the new product as well as the associated risks. The product described in the Memorandum must then be reviewed by various functions in CSAM, all of which make recommendations, such as, in particular, Compliance, Legal, Risk Management, the COO of the business unit concerned (as the person responsible for business risks), and Sales (see supplementary question (i)). The decision is then made by the responsible Product Board on the basis of the New Product Memorandum and the recommendations of the individual bodies. In the case of the Virtuoso Fund, this decision was made by the Swiss & EMEA Product Board.

Following approval, the Virtuoso Fund was launched on April 24, 2017. As this SCF fund was well received by investors, a second SCF fund, the "High Income Fund," was developed, which differed from the Virtuoso Fund in that it took on greater risks – without insurance for most of the notes – but also generated higher returns. The fund also went through the New Product Development process and was launched on May 7, 2018. The two investment grade funds were launched on December 17, 2018, and January 22, 2020, after also being approved in the New Product Development process – these funds had lower yields and risks because they invested only in high-quality receivables.

The New Product Development process also ensured that the securitization was structured in such a way that the claims of the SCF Funds against the third-party debtors of the securitized receivables were not jeopardized by a potential bankruptcy of Greensill. Following the product development process, a prospectus was also prepared for the SCF Funds. This prospectus explicitly stated that CSAM took a passive role in managing the fund and had outsourced the selection and monitoring of debtors to a third-party service provider. The prospectus did not mention Greensill, however, because CSAM wanted to remain free to select third-party providers (see supplementary question (ii)).

Supplementary question (i): What was the assessment of the internal audit as regards the 4 funds?

Response: Internal Audit made no negative findings with regard to the SCF Funds as part of the "New Product Development" process.

Supplementary question (ii): Please explain this sentence and the reason for not mentioning Greensill in the prospectus of the funds.

Response: The fund prospectuses expressly stated that CSAM took a passive role in managing the fund and had outsourced the selection and monitoring of debtors to a third-party service provider. The Virtuoso Fund prospectus contained the following clause (the prospectuses of the other funds contained virtually identical clauses):

"The Subfund will primarily acquire Notes from the distributor(s) of the Issuer under one or several warehouse facility arrangement(s). Pursuant to the terms of those warehouse facility arrangement(s), the Subfund undertakes to buy the Notes issued from time to time by the Issuer subject to (i) the availability of sufficient cash at the level of the Subfund and (ii) the Subfund's risk diversification rules as further described below under "Risk Diversification Rules". The Portfolio Manager will therefore not exercise discretionary investment management powers in respect of the Notes at the time of their acquisition and throughout the period of time they remain assets of the Subfund, it being understood however that the Notes acquired under the warehouse facility arrangement(s) will always meet certain predetermined criteria."

This disclosed the outsourcing of essential functions to a third-party service provider to all investors. However, CSAM did not want to mention Greensill by name in the prospectus because it wanted to keep open the possibility of acquiring notes from other service providers as well. If CSAM had specifically mentioned Greensill in the prospectus as the provider of the notes, Greensill would have obtained a monopoly position. CSAM wanted to avoid this in the interest of investors.

Question 3: At the time the business relationship with the Greensill Group was established, what relationships existed between the various business units of Credit Suisse Group, on the one hand, and Mr. Greensill and the business units controlled by him, on the other?

Response: When Greensill contacted CSAM about the new fund, and throughout the time this project was being developed, there were no other business relationships between CS Group and the Greensill Group.

At the beginning of September 2020, CS Group Investment Banking and Greensill agreed to assume a mandate to conduct a private placement of shares in Greensill. At the time, the market assumed Greensill was valued at approximately USD 7 billion and Greensill intended to place approximately 20% of its shares to raise liquidity to expand its business, with an IPO also being considered. In connection with the mandate, Credit Suisse Investment Banking provided Greensill with a USD 140 million loan to be repaid from the proceeds of the share placement (see supplementary question (i)). When assuming this mandate and also when granting the loan, it was ensured that there was no exchange or influence between CSAM and CS Investment Banking – so-called "Chinese Walls" applied (see supplementary question (ii)). The loan was granted in early November, but there was no private placement or IPO (see supplementary question (iii)). The loan did not affect the SCF Funds as it was granted by CS Investment Banking. Information about banking relationships with natural persons cannot be provided due to Swiss banking secrecy laws.

Supplementary question (i): Was there any exception to policy to grant this loan? In particular, was there any question from CS regarding the audit firm of Greensill and why Deloitte, KPMG and BDO refused the mandate?

Response: Greensill was audited by auditing companies of the Nexia Group. The Australian holding company was audited by Nexia Sydney. In contrast, the English Greensill Capital Ltd. was audited by Saffery Champness, an English member of the Nexia Group. Saffery Champness was the ninth largest auditing company in England at the time. In the context of the credit decision, this auditing company was considered to be sufficiently qualified. The credit decision was granted within the framework of the applicable policies that apply to credits.

Supplementary question (ii): Does this mean that the compliance/liquidity issues which occurred in March 2020 (see Question 6 below) were not taken into account when deciding to extend the loan and assist Greensill in the IPO? How does the Credit Suisse ensure a "consolidated risk overview" in respect of clients served by several business lines?

Response: In March 2020, the Virtuoso Fund and the High Income Fund saw very heavy redemptions of fund certificates, as many investors tried to increase their cash holdings at the beginning of the Coronavirus crisis and sold fund units on a large scale. As a result, the two funds were close to closure in March 2020, as they no longer had sufficient liquidity to make payouts on further redemptions of fund units. This problem had nothing to do with Greensill, but was due to the particular market situation in March 2020. The funds held notes, most of which had maturities of 90-270 days. In addition to the notes, they held a liquidity reserve that was sufficient to cover redemptions in normal market situations. However, in March 2020, redemptions exceeded all previously experienced figures many times over. At the same time, it was not possible to sell notes in the secondary market because the market was illiquid at that time. If a fund can no longer cover redemption requests from existing liquidity or the sale of assets, it must close to ensure that all investors are treated equally. If there had been further redemption requests or if SoftBank had not invested, the SCF Funds would have most likely been forced to close for this reason. The liquidity problem only affected the funds themselves, not Greensill, since Greensill only delivered the notes and had to monitor the debtors, but had no obligation to redeem notes early. Therefore, the problem faced by the SCF Funds in March 2020 did not affect the assessment of Greensill with respect to placing shares or extending the loan.

Supplementary question (iii): Please explain why the credit was extended despite the fact that the IPO was not launched. Please explain why the IPO was not launched. Please explain the process which led to the approval of the credit in September despite the fact that the Greensill-related funds had a serious liquidity problem in March 2020 (see Question 6 below).

Response: The loan was granted with a view to the planned raising of equity capital through the placement of shares. The aim of such loans is to provide liquidity to the company already prior to the placement of shares in order to bridge the time up to the placement of shares and the corresponding receipt of liquidity (these loans are therefore also referred to as "pre-placement bridge loans"). If a loan is granted in connection with the planned placement of shares, there is a risk that the share placement will not take place and that the loan cannot be repaid from the proceeds of this transaction. Therefore, CSG also required collateralization of this loan – Greensill had to pledge various assets as security. In Greensill's case, the share placement did not actually take place. CSG is therefore currently realizing the collateral provided.

The intended placement of shares did not take place because the environment for share placements by financial companies became more difficult towards the end of 2020 and because investors were not prepared to acquire shares at a valuation of USD 7 billion. The parties therefore postponed the

placement of shares to the first quarter of 2021, but due to the collapse of Greensill, the transaction could then not be realized.

As shown above in the response to supplementary question (ii), the liquidity problem of the SCF Funds had no direct relation to Greensill, i.e. was due to the market situation and the level of liquidity reserves of the funds themselves. Accordingly, this problem had no influence on the decisions to place shares of and grant a loan to Greensill.

b. Business relationship with the Greensill Group

Question 4 (a): What was Credit Suisse Group's role during the business relationship with the Greensill Group with respect to: holding assets for business units of the Greensill Group?

Response: Credit Suisse Group did not hold any assets for the Greensill Group.

Question 4 (b): What was the role of Credit Suisse Group during the business relationship with the Greensill Group with respect to: the financing of business units of the Greensill Group?

Response: In response to this question, please refer to question 3. There was no further funding.

Question 4 (c): What was the role of Credit Suisse Group during the business relationship with the Greensill Group with respect to: distributing financial products to clients that involved exposure to Greensill?

Response: As explained above, there was no exposure to Greensill for the SCF Funds. Investors bore the risk associated with Trade Receivables, but no credit risk with respect to Greensill – the receivables were all against third-party entities.

The shares of the SCF Funds were purchased by a total of 1,200 institutional or professional investors (Qualified Investors). Approximately 57% were subscribed by Private Banking clients who were Qualified Investors (see supplementary question (i)). The remaining shares were sold directly by CS Investment Banking or by CSAM to third-party investors who did not have a Private Banking relationship with the bank – essentially, these were institutional clients.

CS Group never sold shares or debt securities of Greensill itself. The placement of shares mentioned under question 3 was never carried out.

Supplementary question (i): Please indicate the breakdown of these private banking clients between (i) managed clients, (ii) advisory clients and (iii) execution only clients. Is the 57% expressed in terms of number of clients or in terms of AUM/interests in the funds?

Response: The volume of funds (AuM) placed with Private Banking clients (in total, approximately 69% of the total volume of SCF Funds as of 25.02.2021) broke down as follows:

- Asset management mandates: approx. 12%
- Execution-only and advisory clients: approx. 57%.

Question 5: What measures were taken to identify and manage conflicts of interest related to these various roles?

Response: Conflicts of interest could only arise in September 2020, when CS Group started preparing the share placement or a possible IPO and granted a loan. Possible conflicts of interest were managed by

observing so-called "Chinese walls" between CSAM and CS Investment Banking both in the mandate for the placement of shares and in the granting of the loan. Conflicts of interest were also avoided by limiting the Investment Bank's activities to issues unrelated to the SCF Funds, i.e. which did not burden them or conflict with the investments of the SCF Funds.

Question 6: Were there any transactions during the course of the business relationship with Greensill that required exceptions to policies? If so, which governing bodies approved these exceptions?

Response: No exceptions to policies were granted during the initiation of the business relationship with Greensill and the structuring of the SCF Funds. However, there were later violations of policies in the following respects.

- In March 2020, the Virtuoso Fund and the High Income Fund saw very strong redemptions of fund certificates, as a very large number of investors tried to increase their liquidity at the start of the Coronavirus crisis and sold securities on a large scale. As a result, the two funds were close to closure in March 2020, as they no longer had sufficient liquidity to make payouts on further redemptions. At that point, SoftBank agreed to invest USD 1.5 billion in the Virtuoso Funds. However, SoftBank required the signing of a side letter under which CSAM would commit to purchase notes for the SCF Funds only through Greensill in the future. The driving force for SoftBank's investment and also for SoftBank's demand for a side letter was probably the fact that SoftBank held a large stake in Greensill and wanted to promote its business in this way. After the SCF Funds had acquired all the notes they held at the time from Greensill anyway, the side letter was signed. However, this side letter violated the requirement to treat investors equally. When CS Group learned of this, an independent investigation was immediately conducted by the law firm Cahill (see supplementary question (i)), which clarified the facts of the matter. The problem was also immediately reported to FINMA (see supplementary question (ii)) and the side letter with SoftBank was cancelled, resulting in SoftBank withdrawing their money again. The Head of CSAM Switzerland/EMEA was subject to disciplinary sanctions, which resulted, among other things, in a severe reduction of his compensation. In addition, action was also taken against other individuals who had engaged in misconduct in connection with the side letter.
- Following the side letter matter, Compliance investigated not only the procedure for concluding side letters, but also the financing of companies related to SoftBank by the SCF Funds and demanded an overall reduction of this exposure (see supplementary question (iii)). To this end, CS Group set targets or limits for CSAM to meet by December 31, 2020. After CSAM was not able to meet these limits within the deadline because it could not sell the corresponding notes, the deadline was extended by the Executive Board until March 31, 2021 (see additional question (iv)). The extension until this date was made because by this date most of the notes related to debtors that were close to SoftBank matured and therefore the waiver of the purchase of new notes from these debtors would already lead to compliance with these limits.
- The review of the entire Greensill matter as of March 2021 showed that individual managers and employees could have averted the reputational damage and economic failure if they had conducted themselves in prior years more appropriately. Some of this conduct was deemed to be a violation of policies on management and supervision, which had the consequences for the managers and employees concerned mentioned in the answer to question 9.

Supplementary question (i): Please provide us with a summary of the Cahill internal investigation report. Did the board of directors discuss the conclusion of the report at one of his meetings? Who decided to maintain and continue to distribute the funds to the clients at this stage?

Response: Briefly summarized, Cahill found that the Head of CSAM CH/EMEA and certain of his employees who were involved in the side letter issue had failed to consider the conflicts of interest and violations of the requirement to treat investors equally.

The Board of Directors was informed about and discussed the side letter matter and the results of the Cahill investigation. The Board of Directors also took note of the disciplinary proceedings against the responsible persons.

The Head of CSAM decided to continue the SCF Funds after the side letter had been rescinded and it was clear that neither the funds nor the investors had been harmed. CSAM informed the investors of the SCF funds in a letter about the rescinding of the side letter, as well as the planned reduction of the proportion of the notes associated with companies that were related to SoftBank. The liquidity shortage of the SCF Funds as well as the side letter were not seen as a structural problem of the funds or of the investments in which the funds invested, but as a problem triggered by special market circumstances (wave of redemptions at the outbreak of the Coronavirus pandemic) or by the selective failure of individual managers (side letter problem). Therefore, these problems did not stand in the way of the continuation of the funds.

Supplementary question (ii): Please explain FINMA's reaction (see also Question 8 below). Was this also mentioned to the Luxembourg supervisory authority?

Response: The discovery of the side letter, the results of the Cahill investigation, and the measures taken were communicated to FINMA. CS Group generally treats the statements and content of discussions with FINMA as confidential and therefore cannot provide any further information about FINMA's response.

The Luxembourg Supervisory Commission (CSSF) was informed about the facts of the matter of the side letter.

Supplementary question (iii): What does "reduction" mean?

Response: Specifically, a reduction of notes related to SoftBank portfolio companies to a total of 5% of the total volume of notes of each fund was requested. The reduction was to be achieved by selling notes from SoftBank portfolio companies to third parties or by no longer acquiring new notes from SoftBank portfolio companies when the corresponding notes matured.

Supplementary question (iv): Was the exposure reduction put in place within the extended deadline?

Response: The parties involved assumed that the targeted reduction in the first quarter of 2021 was readily achievable because various notes of SoftBank portfolio companies matured in March 2021 and then no new notes of these debtors were to be acquired. This plan was no longer implemented because the SCF Funds were put into liquidation at the beginning of March and therefore all outstanding amounts were collected anyway and no new investments were made.

c. Termination of the business relationship with the Greensill Group

Question 7: When did Credit Suisse Group's governing bodies (in particular the Board of Directors, Executive Board, Risk Control, Compliance) learn of the first indications of a default by Greensill?

Response: On 22.02.2021, the then Chief Risk Officer (see supplementary question (i)) of CS Group was informed by Greensill that Tokio Marine had not renewed the policy (see supplementary question (ii)) for hedging the credit risk and that it would accordingly expire on 28.02.2021. This meant that Greensill was no longer able to issue insured notes. Since notes with credit insurance were Greensill's main product and Greensill was unable to find a new insurer, Greensill then immediately ceased operations. The Chief Risk Officer passed on the information about the termination of the insurance policy to CSAM as soon as she received it and also communicated this to the Executive Board, which then informed the Board of Directors. There were no earlier indications of a collapse of Greensill (see supplementary question (iii)).

Supplementary question (i): Why was the Chief Risk Officer and the board not aware of the difficulties of Greensill to find a new auditor as part of the IPO of October 2020?

Response: The Chief Risk Officer and the Board of Directors had not been informed that Greensill was having problems finding a new auditor. The Chief Risk Officer assumed that auditing companies of the Nexia Group held the auditing mandate at Greensill and would continue to do so.

Supplementary question (ii): As the insurance coverage was a critical part of the success of the project, what was the due diligence conducted in this respect and why was Credit Suisse only informed with a 6-day notice period that the insurance coverage had been terminated?

Response: Regarding due diligence, reference can be made to the response to supplementary question (ii) of the Introduction. The Chief Risk Officer and the Executive Board of CSG were extremely surprised that Lex Greensill informed them of this fact only a few days before the expiration of the insurance. Anyone would have expected an earlier orientation when such a problem arose. Lex Greensill explained this by stating that, due to what Greensill claimed was a missed insurance deadline, he had assumed that the insurance policy would not expire at the end of February 2021. This explanation could not be verified by CSG.

Supplementary question (iii): Why were earlier signs of financial difficulties at Greensill (such as information reported in the press) not picked up by Credit Suisse's risk control framework?

Response: The information that the Executive Boards of CSAM and CSG, respectively, were able to obtain from the media was recorded in each case. CSAM confronted Greensill with this information and demanded explanations. In each case, Greensill was able to provide satisfactory explanations, so that CSAM refrained from taking further measures – corresponding media reports did appear from time to time, but were not so frequent in 2019 and 2020 that they needed to be interpreted as a sign of serious financial difficulties.

Question 8: Did Credit Suisse Group inform Swiss and foreign regulators of the exposure to Greensill? Or was Credit Suisse Group made aware by any regulator of the risks associated with this exposure?

Response: After the collapse of Greensill, CS Group immediately informed FINMA and shortly thereafter also other foreign regulators that were affected, in particular the Luxembourg CSSF.

As early as mid-2020, CS Group informed FINMA about the results of the investigation into the side letter matter and the measures it had taken in this context. Greensill was therefore the subject of discussions with FINMA in 2020 due to the side letter matter. There were furthermore since 2019 already a number of discussions between FINMA and CS Group regarding the SCF Funds. CS Group generally treats the statements and content of discussions with FINMA as confidential and therefore cannot provide any further information about FINMA's response.

Question 9: What measures have been taken with respect to Greensill, Credit Suisse Group officers, third parties and clients?

Response: CS Group has taken the following measures:

- Immediate investigation of the matter by Deloitte/Walder Wyss under the direction of a committee of the CS Group Board of Directors.
- Dismissal of various managers and employees who were responsible for the reputational damage and economic failure associated with the SCF Funds. A total of 10 employment contracts were terminated in this connection. Further employees received disciplinary measures. For the dismissed employees, the 2021 bonus was cancelled. For employees who received disciplinary measures, the 2021 bonus was reduced.
- In the case of the dismissed employees, deferred compensation from previous years was cancelled insofar as this was legally possible. As a result, compensation already paid out in the past was reduced retrospectively in the sense of a clawback. This clawback amounted to a total of USD 43 million.

Question 10: Have any clawback measures been initiated with respect to the variable compensation of senior executives?

Response: See question 9 above.

d. What lessons have been learned?

Question 11: What specific measures have been taken within Credit Suisse Group to (i) ensure that the Group is not currently exposed to a similar risk, and (ii) prevent such a problem from recurring in the future?

Response: The following measures in particular have been taken within CS Group (see supplementary question (i)):

- CSAM became a separate business unit managed by a member of the Executive Board (see supplementary question (ii)).
- Structures and processes within CSAM have been optimized as part of a comprehensive program (see supplementary question (iii)).

- CS funds were investigated to determine whether there were similar constellations (see supplementary question (iv)).
- Employee awareness of reputational and commercial risks was further enhanced through training measures (see supplementary question (v)).

Supplementary question (i): Was there any measures taken at board level and in particular at risk committee level? Was there a reinforcement of the internal audit team?

Response: The former Chairman of the Risk Committee, Andreas Gottschling, did not stand for re-election at the 2021 Annual General Meeting².

The Chief Risk Officer was removed and replaced on an interim basis by Mr. Joachim Oechsli. Mr. David Wildermuth then became the new Chief Risk Officer.

Mr. Ulrich Körner, a bank manager with many years of experience, was appointed Head of Asset Management. The employment relationship with the previous Head of Asset Management was terminated.

Supplementary question (ii): Please explain how this leads to a reduction of the risks.

Response: The transition to a separate business unit led by a member of the Executive Board results in direct linkage of Asset Management to the Executive Board and increased transparency vis-à-vis the Executive Board. The fact that CSAM is now led by a member of the Executive Board also indicates a much stronger commitment from senior management and a correspondingly stronger direct oversight of this business unit. The same effect is of course achieved by direct reporting to the Executive Board.

Additional question (iii): Please provide details as regards this "optimization".

Response: Details include the following:

- Strengthening of management (within the CSAM Management Committee, 8 of 11 positions have been filled with new members)
- Streamlining governance
 - Reduction of the number of global committees within CSAM from 19 to 6
 - Process introduced for evaluating the effectiveness of committees within CSAM
 - New composition of the Board of the Management Company in Luxembourg defined (subject to CSSF approval)
- Strengthening processes:
 - New product approval process
 - Introduction of the strict principle of dual control for committees with corresponding responsibility of the persons concerned

² Footnote inserted on April 5, 2022: The reference to Andreas Gottschling in the response to question 11 was made only to record the change of the Risk Committee Chair subsequent to the AGM 2021, where he decided not to stand for re-election. It was not meant in any way to imply that Andreas Gottschling bore any individual responsibility for the Greensill issues and it would be wholly wrong to assume anything of the kind.

Supplementary question (iv): Please provide the outcome of this investigation.

Response: The investigation of the other funds showed that there were no funds that had the same characteristics and issues as the SCF Funds. However, there are various funds that invest in loans or credit risks, as well as funds that have outsourced a significant part of the investment process to third parties. However, none of these funds showed comparable problems during the investigation.

Additional question (v): Please provide concrete examples.

Response: Training focused specifically on e-learning given Covid restrictions. Examples of the corresponding mandatory training are:

- Compliance
- Rules of conduct
- Model risk management/model risk awareness
- Risk awareness/risk control

As of mid-2022, CSAM will implement the "Everybody is a Risk Manager" training campaign.

Question 12: At the last Annual General Meeting on April 30, 2021, it was announced in the answers to the questions posed by Ethos (see Minutes / Annex 4) that the conclusions of the investigation report on the Greensill case would be published:

- *For what reasons are these conclusions not being published (see press release of February 10, 2022)?*
- *Based on your current knowledge, are the answers to the questions posed by Ethos on the occasion of the last General Meeting of April 30, 2021 still valid or do they need to be changed, and if so, regarding which points?*

Response: The internal investigation report and conclusions have not been published because CS Group must enforce the claims of the SFC Funds against the debtors of the securitized receivables and the credit insurers. In view of these activities and future legal proceedings, the investigation report and its conclusions will not be published.

CSAM must further enforce claims against insurance companies and debtors of the SCF Funds. This will lead to proceedings during which investigation reports should not be made public.

A.2 Responses to the questions to the auditors

Question 13: At what point was the exposure to the Greensill Group mentioned in the audit report ("Long Form Report")?

Response: See combined answer below.

Question 14: What audit recommendations were made in this context and have they been implemented?

Response: Following the completion of its first year as auditor of Credit Suisse Group AG and Credit Suisse AG for the year ended December 31, 2020, PricewaterhouseCoopers AG ("PwC") issued its comprehensive report on March 18, 2021 in accordance with the Swiss Code of Obligations (see supplementary question (i)). In this report, the SCFF matter was referred to as a significant event after the balance sheet date. The corresponding focus of PwC's audit was the adequacy of management's disclosure of the post-balance sheet date event in the financial statements for the year ended December 31, 2020. It is recalled that PwC's report on the audit of the financial statements concerns the consolidated financial statements of Credit Suisse Group AG and Credit Suisse AG as a whole and does not address individual transactions, accounts or disclosures.

Supplementary question (i): Please note that Questions 13-14 also relate to the "long-form report" under Swiss banking regulations, and not only the audit report under the Swiss Code of Obligations.

Response: We would like to supplement the response to questions 13-14 as follows: In addition, PwC submitted the results of its 2020 Supervisory Review ("Long Form Report") on Credit Suisse Group AG and Credit Suisse AG to FINMA on April 20, 2021. As the investigations commissioned by the Board of Directors on the two matters Archegos and SCFF were still ongoing and the results were not known at that time, these matters did not explicitly form part of the 2020 Supervisory Review.

B "Swiss Leaks" matter

B.1 Response to the questions to the Board of Directors

Question 15: What specific actions did Credit Suisse Group take (or intend to take) after being contacted by the media that published "Swiss Leaks" (both in relation to the accounts mentioned in the publication and in relation to the general review of its client acquisition policies)?

Response: By the time the first publications appeared in the media, we had carried out a preliminary investigation of 100% of the matters referenced, which linked to 230 names. Allegations raised ranged from the 1940s and approx 90% of the matters / names are at least in part already known to Credit Suisse and have been subject to various internal reviews and assessments over the many years involved. Approx 90% of the involved approx 1,400 accounts, which represents a fraction of the overall number of accounts and names since claimed by the journalists (see supplementary question (i)), were already closed or in the process of closure at the time of receipt of the inquiries from the journalists with closures covering a period of more than 38 years. Approx 100 new names have since been identified based on information released by the journalists via various media outlets including OCCRP and we continue to analyze and assess this information (see supplementary question (ii)), but at this stage our findings remain unchanged as set out below.

We are comfortable that based on the results of our preliminary investigation to date there are no new concerns which have been identified and actions taken were in line with applicable processes and requirements at the relevant time and in accordance with our legal and regulatory obligations.

As we investigate each particular case we also take note of any potential lessons learned that may support the many other enhancements (see supplementary question (iii)) we have made over recent

years to our overriding control framework, which applies globally and where minimum standards apply. We may also re-assess based on current standards and our legal and regulatory obligations to ensure we take appropriate actions up until and including filing of Suspicious Activity Reports. We do this re-assessment to ensure that we fully investigate all facts and to eliminate any potential gaps alongside applying current standards where warranted.

It is important to note also that a client relationship with any bank may not initially demonstrate concerns but subsequent information may come to light such as negative news, which may lead to further due diligence and overall exit of relationships in accordance with required standards and legal and regulatory obligations. The important factor is whether the involved bank took all appropriate steps in light of such information and in accordance with applicable standards at the relevant time.

In addition to the investigatory steps outlined above, Credit Suisse promptly launched a forensic investigation with specialist external support to determine whether we have an insider leaking information relevant to the media inquiries and articles.

Supplementary question (i): Please explain what is meant by "1'400 accounts representing a portion [Bruchteil] of the accounts mentioned by journalists".

Response: This means that whereas the journalists initially provided names to us which we linked to approx. 1,400 accounts, they mentioned in their reporting that they have access to around 18,000 accounts. That is why we said "representing a portion of the accounts mentioned by journalists" regarding our investigation and they have not to date provided any details of those additional accounts to us. They have though released further names via continuing reporting which we are assessing on an ongoing basis. Our initial findings though remain unchanged. .

Supplementary question (ii): When will this analysis be completed? Will Credit Suisse disclose the outcome publicly?

Response: As above, the journalists continue to release additional names and this occurs in many other such matters e.g. Pandora Papers where we and other banks need to assess ongoing any potential exposure and investigate thoroughly alongside ensuring we remediate any potential control related matters. Publications beyond the statement published on February 20, 2022 will be considered to the extent permitted by law, should the continuing analysis yield substantial new findings.

Supplementary question (iii): Please explain these "improvements"?

Response: We continue to invest in our Risk and Compliance organisations alongside strengthening of our controls and culture, which remains a key priority building on our new purpose and cultural values, as referenced within our 2021 Annual Report for example on pages 7, 248-249, 256 and 265 amongst others.

Example – 2021 Annual Report, page 248:

In 2021, the Group had significant events, in particular in relation to the Archegos and SCFF matters, which posed reputational challenges and generated negative financial impacts, and led to a review of risk governance and culture. For 2022, the culture needs to improve to a level where people feel freer to speak up and where there is a greater systematic risk awareness. The following has been rolled out

so far to advance these goals: (i) Hired a new CRO and separated the CRO and CCO functions to promote increased focus at Executive Board level on compliance risk; (ii) Conducted Global Client Reviews and enhanced Group Consolidated Supervision focus; (iii) Implemented measures to strengthen regional accountability and oversight by optimizing the divisional and regional structure (iv) Centered the risk management culture around individual accountability, implemented the 4-eye principle for each committee and major strategic projects; (v) In early 2021 launched the evolved Credit Suisse cultural values, building on our new purpose. Established the new Global Conduct Board (GCB) and the Purpose, Values and Culture Council (PVCC) to govern the culture topic.

Question 16: What specific measures has Credit Suisse Group taken to ensure that the 10% of accounts that have been mentioned in the media and with respect to which Credit Suisse Group states in its February 20, 2022 media release that they are still "active" are in compliance with the guidelines?

Response: We are comfortable based on our preliminary investigation to date that for all active accounts appropriate due diligence, reviews and other control related steps were taken in line with our current framework and standards.

Where accounts may remain active, however, that does not mean in all cases that they are truly active in the sense of current client related interactions and / or asset related and transactional activity. For example, it may be in some cases that accounts have not been closed but nonetheless are blocked so no activity can occur on such accounts, e.g. due to freezing orders, sanctions or other external / internal blocking measures.

At Credit Suisse, we are deeply aware of our responsibility to clients and the financial system as a whole to ensure that the highest standards of conduct are upheld. Whilst such allegations being raised are distracting, we wish to assure you and reiterate that our focus and strategy at Credit Suisse places risk management at the very core of our business.

B.2 Responses to the questions to the auditors

Question 17: Will the measures taken by Credit Suisse Group in connection with the "Swiss Leaks" case be subject to a specific review in 2022?

Response: PwC is in the process of planning the nature, timing, and scope of its audit procedures for the fiscal year ending December 31, 2022, and therefore has not provided us with the scope of its audits at this time.
