

VII

Consolidated financial statements – Credit Suisse (Bank)

- 403 Report of the Statutory Auditor**
- 405 Consolidated financial statements**
- 413 Notes to the consolidated financial statements**
(see the following page for a detailed list)
- 493 Controls and procedures**
- 494 Report of the Independent
Registered Public Accounting Firm**

Consolidated financial statements

405	Consolidated statements of operations
405	Consolidated statements of comprehensive income
406	Consolidated balance sheets
408	Consolidated statements of changes in equity
411	Consolidated statements of cash flows

Notes to the consolidated financial statements

413	1 Summary of significant accounting policies	432	21 Other assets and other liabilities
414	2 Recently issued accounting standards	432	22 Deposits
414	3 Business developments and subsequent events	433	23 Long-term debt
414	4 Discontinued operations	434	24 Accumulated other comprehensive income
415	5 Segment information	435	25 Tax
417	6 Net interest income	440	26 Employee deferred compensation
417	7 Commissions and fees	445	27 Related parties
418	8 Trading revenues	447	28 Pension and other post-retirement benefits
418	9 Other revenues	455	29 Derivatives and hedging activities
418	10 Provision for credit losses	462	30 Guarantees and commitments
419	11 Compensation and benefits	466	31 Transfers of financial assets and variable interest entities
419	12 General and administrative expenses	471	32 Financial instruments
419	13 Securities borrowed, lent and subject to repurchase agreements	488	33 Assets pledged and collateral
420	14 Trading assets and liabilities	489	34 Capital adequacy
420	15 Investment securities	490	35 Litigation
422	16 Other investments	490	36 Significant subsidiaries and equity method investments
423	17 Loans, allowance for loan losses and credit quality	492	37 Significant valuation and income recognition differences between US GAAP and Swiss GAAP bank law (true and fair view)
430	18 Premises and equipment	492	38 Risk assessment
430	19 Goodwill		
431	20 Other intangible assets		



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

Credit Suisse AG, Zurich

As statutory auditor, we have audited the accompanying consolidated financial statements of Credit Suisse AG and subsidiaries (the "Bank"), which comprise the consolidated balance sheets as of December 31, 2012 and 2011, and the related consolidated statements of operations, changes in equity, comprehensive income and cash flows, and notes for each of the years in the three-year period ended December 31, 2012.

Board of Directors' Responsibility

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position as of December 31, 2012 and 2011, and the results of operations and cash flows for each of the years in the three-year period ended December 31, 2012, in accordance with U.S. generally accepted accounting principles and comply with Swiss law.



Report on Other Legal and Regulatory Requirements

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

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

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

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Bank's internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 22, 2013 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 22, 2013

Consolidated financial statements

Consolidated statements of operations

	Reference to notes	in		
		2012	2011	2010
Consolidated statements of operations (CHF million)				
Interest and dividend income	6	21,559	22,437	24,985
Interest expense	6	(14,742)	(16,423)	(18,795)
Net interest income	6	6,817	6,014	6,190
Commissions and fees	7	12,898	12,674	13,819
Trading revenues	8	1,328	4,740	9,214
Other revenues	9	2,490	1,759	1,310
Net revenues		23,533	25,187	30,533
Provision for credit losses	10	88	123	(121)
Compensation and benefits	11	12,446	13,188	14,701
General and administrative expenses	12	7,268	7,407	7,296
Commission expenses		1,758	1,968	2,121
Total other operating expenses		9,026	9,375	9,417
Total operating expenses		21,472	22,563	24,118
Income from continuing operations before taxes		1,973	2,501	6,536
Income tax expense	25	478	459	1,307
Income from continuing operations		1,495	2,042	5,229
Income/(loss) from discontinued operations, net of tax	4	0	0	(19)
Net income		1,495	2,042	5,210
Net income/(loss) attributable to noncontrolling interests		(600)	901	802
Net income attributable to shareholder		2,095	1,141	4,408
of which from continuing operations		2,095	1,141	4,427
of which from discontinued operations		0	0	(19)

Consolidated statements of comprehensive income

		in		
		2012	2011	2010
Comprehensive income (CHF million)				
Net income		1,495	2,042	5,210
Gains/(losses) on cash flow hedges		7	(32)	22
Foreign currency translation		(1,233)	(293)	(3,607)
Unrealized gains/(losses) on securities		(43)	(3)	13
Actuarial gains/(losses)		58	142	(111)
Net prior service cost		(1)	(1)	(1)
Other comprehensive income/(loss), net of tax		(1,212)	(187)	(3,684)
Comprehensive income		283	1,855	1,526
Comprehensive income/(loss) attributable to noncontrolling interests		(811)	940	(432)
Comprehensive income attributable to shareholder		1,094	915	1,958

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

Consolidated balance sheets

	Reference to notes	end of	
		2012	2011
Assets (CHF million)			
Cash and due from banks		61,376	111,224
of which reported at fair value		569	–
of which reported from consolidated VIEs		1,750	1,396
Interest-bearing deposits with banks		3,719	4,193
of which reported at fair value		627	405
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	13	183,446	236,935
of which reported at fair value		113,664	158,673
of which reported from consolidated VIEs		117	19
Securities received as collateral, at fair value		30,045	30,191
of which encumbered		17,767	20,447
Trading assets, at fair value	14	256,602	279,748
of which encumbered		70,948	73,749
of which reported from consolidated VIEs		4,697	6,399
Investment securities	15	1,939	3,652
of which reported at fair value		1,939	3,650
of which reported from consolidated VIEs		23	41
Other investments	16	11,816	12,915
of which reported at fair value		8,892	9,552
of which reported from consolidated VIEs		2,289	2,346
Net loans	17	227,498	219,434
of which reported at fair value		20,000	20,693
of which encumbered		535	471
of which reported from consolidated VIEs		6,053	5,940
allowance for loan losses		(721)	(722)
Premises and equipment	18	5,416	6,990
of which reported from consolidated VIEs		546	609
Goodwill	19	7,510	7,700
Other intangible assets	20	243	280
of which reported at fair value		43	70
Brokerage receivables		45,768	43,445
Other assets	21	72,782	78,080
of which reported at fair value		37,259	35,666
of which encumbered		1,495	2,255
of which reported from consolidated VIEs		14,508	13,001
Total assets		908,160	1,034,787

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

Consolidated balance sheets (continued)

	Reference to notes	2012	end of 2011
Liabilities and equity (CHF million)			
Due to banks	22	30,574	40,077
of which reported at fair value		3,431	2,737
Customer deposits	22	297,690	304,130
of which reported at fair value		4,626	4,583
of which reported from consolidated VIEs		247	221
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	13	132,721	176,559
of which reported at fair value		108,784	136,483
Obligation to return securities received as collateral, at fair value		30,045	30,191
Trading liabilities, at fair value	14	91,091	127,809
of which reported from consolidated VIEs		125	1,286
Short-term borrowings		14,838	26,116
of which reported at fair value		4,513	3,547
of which reported from consolidated VIEs		5,779	6,141
Long-term debt	23	146,997	161,353
of which reported at fair value		64,774	68,036
of which reported from consolidated VIEs		14,532	14,858
Brokerage payables		64,676	68,034
Other liabilities	21	57,367	62,167
of which reported at fair value		26,799	30,942
of which reported from consolidated VIEs		1,164	745
Total liabilities		865,999	996,436
Common shares / Participation certificates		4,400	4,400
Additional paid-in capital		28,686	24,134
Retained earnings		13,637	11,824
Accumulated other comprehensive income/(loss)	24	(11,956)	(10,955)
Total shareholder's equity		34,767	29,403
Noncontrolling interests		7,394	8,948
Total equity		42,161	38,351
Total liabilities and equity		908,160	1,034,787

end of	2012	2011
Additional share information		
Par value (CHF)	100.00	100.00
Issued shares	43,996,652	43,996,652
Shares outstanding ¹	43,996,652	43,996,652

¹ The Bank's total share capital is fully paid and consists of 43,996,652 registered shares with nominal value of CHF 100 per share. Each share is entitled to one vote. The Bank has no warrants on its own shares outstanding.

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

Consolidated statements of changes in equity

	Attributable to shareholder							
	Common shares/ Participa- tion certi- ficates	Additional paid-in capital	Retained earnings	Treasury shares, at cost ¹	Accumu- lated other compre- hensive income	Total share- holder's equity	Non- controlling interests	Total equity
2012 (CHF million)								
Balance at beginning of period	4,400	24,134	11,824	0	(10,955)	29,403	8,948	38,351
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 ^{2,3}	-	-	-	-	-	-	(875)	(875)
Sale of subsidiary shares to noncontrolling interests, not changing ownership ³	-	-	-	-	-	-	240	240
Net income/(loss)	-	-	2,095	-	-	2,095	(589) ⁴	1,506
Total other comprehensive income/(loss), net of tax	-	-	-	-	(1,001)	(1,001)	(211)	(1,212)
Share-based compensation, net of tax	-	889 ⁵	-	-	-	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) ⁶	-	-	-	(7)	-	(7)
Change in scope of consolidation	-	-	-	-	-	-	25	25
Other	-	3,468 ⁷	(15)	-	-	3,453	-	3,453
Balance at end of period	4,400	28,686	13,637	0	(11,956)	34,767	7,394	42,161

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 Net income/(loss) attributable to noncontrolling interests excludes CHF 11 million due to redeemable noncontrolling interests. ⁵ Includes a net tax benefit of CHF 30 million from the excess fair value of shares delivered over recognized compensation expense. ⁶ Represents the accrued portion of the redemption value of redeemable noncontrolling interests in Credit Suisse Hedging-Griffo Investimentos S.A. Refer to "Note 30 – Guarantees and commitments" for further information. ⁷ Represents a capital contribution from Credit Suisse Group AG to Credit Suisse AG following the issuance of mandatory and contingent convertible securities in July 2012 by the Group.

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

Consolidated statements of changes in equity (continued)

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

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

Consolidated statements of changes in equity (continued)

	Attributable to shareholder							
	Common shares/ Participa- tion certi- ficates	Additional paid-in capital	Retained earnings	Treasury shares, at cost	Accumu- lated other compre- hensive income	Total share- holder's equity	Non- controlling interests	Total equity
2010 (CHF million)								
Balance at beginning of period	4,400	25,268	12,527	(487)	(8,414)	33,294	14,523	47,817
Purchase of subsidiary shares from non-controlling interests, changing ownership	-	-	-	-	-	-	(9)	(9)
Purchase of subsidiary shares from non-controlling interests, not changing ownership	-	-	-	-	-	-	(2,207)	(2,207)
Sale of subsidiary shares to noncontrolling interests, not changing ownership	-	-	-	-	-	-	471	471
Net income/(loss)	-	-	4,408	-	-	4,408	802	5,210
Cumulative effect of accounting changes, net of tax	-	-	(2,384)	-	135	(2,249)	-	(2,249)
Total other comprehensive income/(loss), net of tax	-	-	-	-	(2,450)	(2,450)	(1,234)	(3,684)
Issuance of common shares/notes	-	1,567	-	-	-	1,567	-	1,567
Sale of treasury shares	-	(28)	-	2,110	-	2,082	-	2,082
Repurchase of treasury shares	-	-	-	(1,623)	-	(1,623)	-	(1,623)
Share-based compensation, net of tax	-	(1,727)	-	-	-	(1,727)	10	(1,717)
Dividends on share-based compensation, net of tax	-	(87)	-	-	-	(87)	-	(87)
Dividends paid	-	-	(3,446)	-	-	(3,446)	(143)	(3,589)
Change in scope of consolidation	-	-	-	-	-	-	(911)	(911)
Other	-	-	-	-	-	-	79	79
Balance at end of period	4,400	24,993	11,105	0	(10,729)	29,769	11,381	41,150

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

Consolidated statements of cash flows

in	2012	2011	2010
Operating activities of continuing operations (CHF million)			
Net income	1,495	2,042	5,210
(Income)/loss from discontinued operations, net of tax	0	0	19
Income from continuing operations	1,495	2,042	5,229
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities of continuing operations (CHF million)			
Impairment, depreciation and amortization	1,264	1,181	1,152
Provision for credit losses	88	123	(121)
Deferred tax provision/(benefit)	(151)	65	1,045
Share of net income/(loss) from equity method investments	35	(41)	(101)
Trading assets and liabilities, net	(14,033)	38,728	(12,734)
(Increase)/decrease in other assets	(1,120)	(7,719)	4,257
Increase/(decrease) in other liabilities	(4,211)	5,647	4,432
Other, net	4,644	(2,923)	3,758
Total adjustments	(13,484)	35,061	1,688
Net cash provided by/(used in) operating activities of continuing operations	(11,989)	37,103	6,917
Investing activities of continuing operations (CHF million)			
(Increase)/decrease in interest-bearing deposits with banks	315	(1,020)	(1,760)
(Increase)/decrease in central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	46,933	(14,681)	(27,541)
Purchase of investment securities	(276)	(1,232)	(2,580)
Proceeds from sale of investment securities	936	2,118	988
Maturities of investment securities	1,442	2,294	3,555
Investments in subsidiaries and other investments	(1,947)	(1,410)	(1,366)
Proceeds from sale of other investments	2,918	6,324	2,155
(Increase)/decrease in loans	(10,114)	(14,818)	6,124
Proceeds from sale of loans	1,090	689	817
Capital expenditures for premises and equipment and other intangible assets	(1,227)	(1,727)	(1,680)
Proceeds from sale of premises and equipment and other intangible assets	26	11	17
Other, net	3,676	189	214
Net cash provided by/(used in) investing activities of continuing operations	43,772	(23,263)	(21,057)

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

Consolidated statements of cash flows (continued)

in	2012	2011	2010
Financing activities of continuing operations (CHF million)			
Increase/(decrease) in due to banks and customer deposits	(14,942)	27,624	27,463
Increase/(decrease) in short-term borrowings	(11,643)	4,098	10,934
Increase/(decrease) in central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(39,958)	7,182	(7,097)
Issuances of long-term debt	37,217	33,650	56,231
Repayments of long-term debt	(54,465)	(36,591)	(49,351)
Issuances of common shares	0	(2)	1,567
Sale of treasury shares	0	615	2,082
Repurchase of treasury shares	0	(612)	(1,623)
Dividends paid/capital repayments	(321)	(481)	(3,589)
Excess tax benefits related to share-based compensation	42	0	608
Other, net	3,603	(2,779)	(3,344)
Net cash provided by/(used in) financing activities of continuing operations	(80,467)	32,704	33,881
Effect of exchange rate changes on cash and due from banks (CHF million)			
Effect of exchange rate changes on cash and due from banks	(1,164)	(692)	(6,463)
Net cash provided by/(used in) discontinued operations (CHF million)			
Net cash provided by/(used in) operating activities of discontinued operations	0	25	(42)
Net increase/(decrease) in cash and due from banks (CHF million)			
Net increase/(decrease) in cash and due from banks	(49,848)	45,877	13,236
Cash and due from banks at beginning of period	111,224	65,347	52,111
Cash and due from banks at end of period	61,376	111,224	65,347

Supplemental cash flow information

in	2012	2011	2010
Cash paid for income taxes and interest (CHF million)			
Cash paid for income taxes	962	1,038	970
Cash paid for interest	14,889	17,119	18,839
Assets acquired and liabilities assumed in business acquisitions (CHF million)			
Fair value of assets acquired	2,418	0	0
Fair value of liabilities assumed	2,418	0	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. Prior year's consolidated financial statements have been restated to reflect the Clariden Leu integration on April 2, 2012. In addition, certain reclassifications have been made to the prior year's consolidated financial statements to conform to the current year's presentation and had no impact on net income/(loss) or total shareholder's equity.

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

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

Pensions and other post-retirement benefits

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

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

For single-employer defined benefit plans, the Bank uses the projected unit credit actuarial method to determine the present value of its projected benefit obligations (PBO) and

the current and past service costs or credits related to its defined benefit and other post-retirement benefit plans. The measurement date used to perform the actuarial valuation is December 31.

Certain key assumptions are used in performing the actuarial valuations. These assumptions must be made concerning the future events that will determine the amount and timing of the benefit payments and thus require significant judgment and estimates by Bank management. For example, assumptions have to be made with regard to discount rates, expected return on plan assets and salary increases.

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

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

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

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

Actuarial gains and losses in excess of 10% of the greater of the PBO or the market value of plan assets and unrecognized prior service costs or credits are amortized to net periodic pension and other post-retirement cost 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 and subsequent events" in V – Consolidated financial statements – Credit Suisse Group for further information. The acquisition of Neue Aargauer Bank AG and the capital raising through mandatory and contingent convertible securities were not relevant to the Bank.

4 Discontinued operations

- ▶ Refer to "Note 4 – Discontinued operations" in V – Consolidated financial statements – Credit Suisse Group for further information.

5 Segment information

For purpose of 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, 2012, 2011 and 2010 was CHF 237 million, CHF 259 million and CHF 277 million, respectively. For the

same periods, net revenues of these non-consolidated affiliate entities included in the segment presentation were CHF 684 million, CHF 707 million and CHF 711 million, respectively, and total assets of these non-consolidated affiliate entities included in the segment presentation as of December 31, 2012 and 2011, were CHF 25.8 billion and CHF 24.9 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	2012	2011	2010
Net revenues (CHF million)			
Private Banking & Wealth Management	13,541	13,447	14,580
Investment Banking	12,558	10,460	15,873
Adjustments ^{1,2}	(2,566)	1,280	80
Net revenues	23,533	25,187	30,533
Income/(loss) from continuing operations before taxes (CHF million)			
Private Banking & Wealth Management	3,775	2,961	4,142
Investment Banking	2,002	(593)	3,594
Adjustments ^{1,3}	(3,804)	133	(1,200)
Income from continuing operations before taxes	1,973	2,501	6,536

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 365 million, CHF 900 million and CHF 775 million in 2012, 2011 and 2010, respectively, from the consolidation of certain private equity funds and other entities in which the Bank does not have a significant economic interest (SEI) in such revenues. ³ Includes noncontrolling interest income of CHF 307 million, CHF 816 million and CHF 702 million in 2012, 2011 and 2010, respectively, from the consolidation of certain private equity funds and other entities in which the Bank does not have an SEI in such income.

Total assets

end of	2012	2011
Total assets (CHF million)		
Private Banking & Wealth Management	407,329	392,201
Investment Banking	658,622	790,167
Adjustments ¹	(157,791)	(147,581)
Total assets	908,160	1,034,787

¹ Adjustments mainly 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	2012	2011	2010
Net revenues (CHF million)			
Switzerland	8,017	7,792	8,533
EMEA	3,498	6,450	7,367
Americas	10,194	9,246	12,718
Asia Pacific	1,824	1,699	1,915
Net revenues	23,533	25,187	30,533
Income/(loss) from continuing operations before taxes (CHF million)			
Switzerland	1,170	(176)	1,117
EMEA	(1,428)	1,275	1,452
Americas	3,068	2,357	4,806
Asia Pacific	(837)	(955)	(839)
Income from continuing operations before taxes	1,973	2,501	6,536

The designation of net revenues and income/(loss) before taxes is based upon 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	2012	2011
Total assets (CHF million)		
Switzerland	183,735	201,360
EMEA	221,476	276,674
Americas	422,181	469,191
Asia Pacific	80,768	87,562
Total assets	908,160	1,034,787

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

6 Net interest income

in	2012	2011	2010
Net interest income (CHF million)			
Loans	4,333	4,333	4,715
Investment securities	52	74	68
Trading assets	11,949	11,700	14,073
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	2,940	3,265	2,667
Other	2,285	3,065	3,462
Interest and dividend income	21,559	22,437	24,985
Deposits	(1,332)	(1,669)	(1,573)
Short-term borrowings	(71)	(69)	(63)
Trading liabilities	(6,833)	(7,125)	(9,017)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(1,676)	(1,621)	(1,637)
Long-term debt	(4,554)	(5,537)	(6,161)
Other	(276)	(402)	(344)
Interest expense	(14,742)	(16,423)	(18,795)
Net interest income	6,817	6,014	6,190

7 Commissions and fees

in	2012	2011	2010
Commissions and fees (CHF million)			
Lending business	1,474	1,247	1,408
Investment and portfolio management	3,949	3,955	4,210
Other securities business	126	38	19
Fiduciary business	4,075	3,993	4,229
Underwriting	1,561	1,479	2,125
Brokerage	3,663	4,027	3,937
Underwriting and brokerage	5,224	5,506	6,062
Other services	2,125	1,928	2,120
Commissions and fees	12,898	12,674	13,819

8 Trading revenues

in	2012	2011	2010
Trading revenues (CHF million)			
Interest rate products	2,868	6,578	5,673
Foreign exchange products	560	(4,456)	2,232
Equity/index-related products	111	1,604	2,306
Credit products	(3,306)	522	(1,644)
Commodity, emission and energy products	198	361	323
Other products	897	131	324
Trading revenues	1,328	4,740	9,214

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	2012	2011	2010
Other revenues (CHF million)			
Noncontrolling interests without SEI	333	794	723
Loans held-for-sale	(37)	(4)	(84)
Long-lived assets held-for-sale	456	(43)	(182)
Equity method investments	136	137	193
Other investments	752	330	120
Other	850	545	540
Other revenues	2,490	1,759	1,310

10 Provision for credit losses

in	2012	2011	2010
Provision for credit losses (CHF million)			
Provision for loan losses	77	78	(136)
Provision for lending-related and other exposures	11	45	15
Provision for credit losses	88	123	(121)

11 Compensation and benefits

in	2012	2011	2010
Compensation and benefits (CHF million)			
Salaries and variable compensation	10,647	11,159	12,156
Social security	751	842	903
Other ¹	1,048	1,187	1,642
Compensation and benefits²	12,446	13,188	14,701

¹ Includes pension and other post-retirement expense of CHF 747 million, CHF 926 million and CHF 939 million in 2012, 2011 and 2010, respectively, and the UK levy on variable compensation of CHF 404 million in 2010. ² Includes severance and other compensation expense relating to headcount reductions of CHF 427 million and CHF 576 million as of 2012 and 2011, respectively.

12 General and administrative expenses

in	2012	2011	2010
General and administrative expenses (CHF million)			
Occupancy expenses	1,201	1,104	1,163
IT, machinery, etc.	1,459	1,437	1,333
Provisions and losses	682	707	495
Travel and entertainment	382	427	456
Professional services	1,881	2,030	2,131
Amortization and impairment of other intangible assets	28	30	34
Other	1,635	1,672	1,684
General and administrative expenses	7,268	7,407	7,296

13 Securities borrowed, lent and subject to repurchase agreements

end of	2012	2011
Securities borrowed or purchased under agreements to resell (CHF million)		
Central bank funds sold and securities purchased under resale agreements	121,234	172,156
Deposits paid for securities borrowed	62,212	64,779
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	183,446	236,935
Securities lent or sold under agreements to repurchase (CHF million)		
Central bank funds purchased and securities sold under repurchase agreements	120,164	161,220
Deposits received for securities lent	12,557	15,339
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	132,721	176,559

- ▶ 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	2012	2011
Trading assets (CHF million)		
Debt securities	135,814	144,961
Equity securities ¹	74,945	66,986
Derivative instruments ²	33,416	52,735
Other	12,427	15,066
Trading assets	256,602	279,748
Trading liabilities (CHF million)		
Short positions	51,501	67,639
Derivative instruments ²	39,590	60,170
Trading liabilities	91,091	127,809

¹ Including convertible bonds. ² Amounts shown net of cash collateral receivables and payables.

Cash collateral on derivative instruments

end of	2012	2011
Cash collateral – netted (CHF million) ¹		
Cash collateral paid	36,715	37,883
Cash collateral received	33,274	36,326
Cash collateral – not netted (CHF million) ²		
Cash collateral paid	10,904	15,812
Cash collateral received	12,224	11,933

¹ Recorded as cash collateral netting on derivative instruments in Note 29 – Derivatives and hedging activities. ² Recorded as cash collateral on derivative instruments in Note 21 – Other assets and other liabilities.

15 Investment securities

end of	2012	2011
Investment securities (CHF million)		
Debt securities held-to-maturity	0	2
Securities available-for-sale	1,939	3,650
Total investment securities	1,939	3,652

Investment securities by type

end of	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
2012 (CHF million)				
Debt securities issued by foreign governments	1,288	67	0	1,355
Corporate debt securities	465	0	0	465
Collateralized debt obligations	23	1	0	24
Debt securities available-for-sale	1,776	68	0	1,844
Banks, trust and insurance companies	73	14	0	87
Industry and all other	8	0	0	8
Equity securities available-for-sale	81	14	0	95
Securities available-for-sale	1,857	82	0	1,939
2011 (CHF million)				
Debt securities issued by foreign governments	2	0	0	2
Debt securities held-to-maturity	2	0	0	2
Debt securities issued by the Swiss federal, cantonal or local governmental entities	1	0	0	1
Debt securities issued by foreign governments	2,916	113	1	3,028
Corporate debt securities	352	0	0	352
Collateralized debt obligations	176	1	0	177
Debt securities available-for-sale	3,445	114	1	3,558
Banks, trust and insurance companies	68	8	0	76
Industry and all other	15	1	0	16
Equity securities available-for-sale	83	9	0	92
Securities available-for-sale	3,528	123	1	3,650

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
2011 (CHF million)						
Debt securities issued by foreign governments	8	1	0	0	8	1
Debt securities available-for-sale	8	1	0	0	8	1

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

than not that the Bank will be required to sell the investments before the recovery of their amortized cost bases, which may be maturity.

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

in	Debt securities			Equity securities		
	2012	2011	2010	2012	2011	2010
Additional information (CHF million)						
Proceeds from sales	294	2,117	984	642	1	3
Realized gains	14	40	5	294	0	0
Realized losses	(2)	(22)	(11)	0	0	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 %)
2012 (CHF million)			
Due within 1 year	948	958	2.53
Due from 1 to 5 years	703	754	3.76
Due from 5 to 10 years	87	87	0.00
Due after 10 years	38	45	5.32
Total debt securities	1,776	1,844	2.97

16 Other investments

end of	2012	2011
Other investments (CHF million)		
Equity method investments	2,147	2,508
Non-marketable equity securities ¹	7,156	7,654
Real estate held for investment	641	731
Life finance instruments ²	1,872	2,022
Total other investments	11,816	12,915

¹ 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. ² 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 32 – 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 proper-

ties were written down to their respective fair values, establishing new cost bases. For these properties, the fair values were measured based on either discounted cash flow analyses or external market appraisals. Impairments of CHF 13 million and CHF 3 million were recorded in 2012 and 2011, respectively. No impairments were recorded in 2010.

Accumulated depreciation related to real estate held for investment amounted to CHF 280 million, CHF 278 million and CHF 273 million for 2012, 2011 and 2010, 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	2012	2011
Loans (CHF million)		
Mortgages	78,328	75,461
Loans collateralized by securities	27,248	26,350
Consumer finance	3,931	3,759
Consumer	109,507	105,570
Real estate	24,133	22,397
Commercial and industrial loans	59,518	56,984
Financial institutions	32,627	33,058
Governments and public institutions	2,555	2,245
Corporate & institutional	118,833	114,684
Gross loans	228,340	220,254
of which held at amortized cost	208,340	199,561
of which held at fair value	20,000	20,693
Net (unearned income)/deferred expenses	(121)	(98)
Allowance for loan losses	(721)	(722)
Net loans	227,498	219,434
Gross loans by location (CHF million)		
Switzerland	135,439	132,477
Foreign	92,901	87,777
Gross loans	228,340	220,254
Impaired loan portfolio (CHF million)		
Non-performing loans	637	520
Non-interest-earning loans	281	220
Total non-performing and non-interest-earning loans	918	740
Restructured loans	30	13
Potential problem loans	450	619
Total other impaired loans	480	632
Gross impaired loans	1,398	1,372

Allowance for loan losses

	2012			2011			2010
	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total	Total
Allowance for loan losses (CHF million)							
Balance at beginning of period	159	563	722	157	675	832	1,204
Change in scope of consolidation	(18)	0	(18)	0	0	0	0
Net movements recognized in statements of operations	26	51	77	21	57	78	(138)
Gross write-offs	(42)	(80)	(122)	(58)	(175)	(233)	(239)
Recoveries	19	20	39	33	4	37	57
Net write-offs	(23)	(60)	(83)	(25)	(171)	(196)	(182)
Provisions for interest	4	20	24	0	11	11	1
Foreign currency translation impact and other adjustments, net	(5)	4	(1)	6	(9)	(3)	(53)
Balance at end of period	143	578	721	159	563	722	832

Allowance for loan losses and gross loans held at amortized cost by loan portfolio

end of	2012			2011			2010		
	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total
Allowance for loan losses (CHF million)									
Balance at end of period	143	578	721	159	563	722	157	675	832
of which individually evaluated for impairment	116	416	532	130	387	517	124	494	618
of which collectively evaluated for impairment	27	162	189	29	176	205	33	181	214
Gross loans held at amortized cost (CHF million)									
Balance at end of period	109,495	98,845	208,340	105,561	94,000	199,561	99,581	90,037	189,618
of which individually evaluated for impairment	422	976	1,398	425	947	1,372	433	1,074	1,507
of which collectively evaluated for impairment	109,073	97,869	206,942	105,136	93,053	198,189	99,148	88,963	188,111

Purchases, reclassifications and sales

in	2012			2011			
	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total	
Loans held at amortized cost (CHF million)							
Purchases		348	4,605	4,953	0	4,121	4,121
Reclassifications from loans held-for-sale		0	216	216	0	0	0
Reclassifications to loans held-for-sale ¹		0	1,323	1,323	0	1,363	1,363
Sales ¹		0	1,058	1,058	0	1,117	1,117

¹ All loans held at amortized cost which are sold are reclassified to loans held-for-sale on or prior to the date of the sale.

Gross loans held at amortized cost by internal counterparty rating

end of	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	Total
2012 (CHF million)											
Mortgages	378	708	11,277	51,295	14,088	413	8	8	0	153	78,328
Loans collateralized by securities	79	57	944	23,289	2,686	91	6	1	0	95	27,248
Consumer finance	0	6	98	3,171	473	18	0	0	1	152	3,919
Consumer	457	771	12,319	77,755	17,247	522	14	9	1	400	109,495
Real estate	258	367	2,039	13,397	7,519	159	0	0	0	50	23,789
Commercial and industrial loans	214	307	1,442	21,079	21,319	3,268	203	1	40	676	48,549
Financial institutions	2,288	2,086	12,490	5,168	2,555	381	0	33	14	147	25,162
Governments and public institutions	68	34	324	464	125	101	229	0	0	0	1,345
Corporate & institutional	2,828	2,794	16,295	40,108	31,518	3,909	432	34	54	873	98,845
Gross loans held at amortized cost	3,285	3,565	28,614	117,863	48,765	4,431	446	43	55	1,273	208,340
Value of collateral ¹	2,899	2,577	18,358	107,275	40,170	2,835	170	43	4	664	174,995
2011 (CHF million)											
Mortgages	163	628	8,433	48,871	16,635	556	8	16	0	151	75,461
Loans collateralized by securities	1	18	396	24,027	1,746	87	0	2	0	73	26,350
Consumer finance	0	4	43	2,994	507	20	0	9	23	150	3,750
Consumer	164	650	8,872	75,892	18,888	663	8	27	23	374	105,561
Real estate	340	196	907	11,397	8,969	273	0	3	0	40	22,125
Commercial and industrial loans	398	245	1,676	20,345	18,281	2,927	171	26	117	648	44,834
Financial institutions	3,906	2,091	11,120	5,483	1,875	760	3	43	0	119	25,400
Governments and public institutions	55	84	320	444	158	104	470	0	0	6	1,641
Corporate & institutional	4,699	2,616	14,023	37,669	29,283	4,064	644	72	117	813	94,000
Gross loans held at amortized cost	4,863	3,266	22,895	113,561	48,171	4,727	652	99	140	1,187	199,561
Value of collateral ¹	3,931	1,696	13,535	104,129	39,447	2,760	96	82	0	727	166,403

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.

Gross loans held at amortized cost – aging analysis

end of	Current				Past due		Total	Total
		Up to 30 days	31–60 days	61–90 days	More than 90 days	Total		
2012 (CHF million)								
Mortgages	78,023	154	14	10	127	305	78,328	
Loans collateralized by securities	26,919	220	3	3	103	329	27,248	
Consumer finance	3,508	314	33	26	38	411	3,919	
Consumer	108,450	688	50	39	268	1,045	109,495	
Real estate	23,634	106	2	2	45	155	23,789	
Commercial and industrial loans	47,406	640	22	136	345	1,143	48,549	
Financial institutions	24,929	53	2	34	144	233	25,162	
Governments and public institutions	1,310	35	0	0	0	35	1,345	
Corporate & institutional	97,279	834	26	172	534	1,566	98,845	
Gross loans held at amortized cost	205,729	1,522	76	211	802	2,611	208,340	
2011 (CHF million)								
Mortgages	75,278	46	11	3	123	183	75,461	
Loans collateralized by securities	26,114	180	11	3	42	236	26,350	
Consumer finance	3,302	372	29	26	21	448	3,750	
Consumer	104,694	598	51	32	186	867	105,561	
Real estate	22,059	41	3	1	21	66	22,125	
Commercial and industrial loans	43,975	444	87	48	280	859	44,834	
Financial institutions	25,201	78	2	48	71	199	25,400	
Governments and public institutions	1,634	1	0	0	6	7	1,641	
Corporate & institutional	92,869	564	92	97	378	1,131	94,000	
Gross loans held at amortized cost	197,563	1,162	143	129	564	1,998	199,561	

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	
2012 (CHF million)							
Mortgages	125	9	134	0	39	39	173
Loans collateralized by securities	18	74	92	0	3	3	95
Consumer finance	143	10	153	0	1	1	154
Consumer	286	93	379	0	43	43	422
Real estate	42	4	46	0	15	15	61
Commercial and industrial loans	251	146	397	30	327	357	754
Financial institutions	58	38	96	0	65	65	161
Corporate & institutional	351	188	539	30	407	437	976
Gross impaired loans	637	281	918	30	450	480	1,398
2011 (CHF million)							
Mortgages	126	5	131	0	43	43	174
Loans collateralized by securities	27	13	40	0	46	46	86
Consumer finance	113	28	141	0	24	24	165
Consumer	266	46	312	0	113	113	425
Real estate	11	6	17	0	24	24	41
Commercial and industrial loans	194	110	304	13	425	438	742
Financial institutions	49	52	101	0	57	57	158
Governments and public institutions	0	6	6	0	0	0	6
Corporate & institutional	254	174	428	13	506	519	947
Gross impaired loans	520	220	740	13	619	632	1,372

As of December 31, 2012 and 2011, 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.

In 2012 and 2011, the number of troubled debt restructurings and related financial effects and the number of

defaults and related carrying values of loans, which had been restructured within the previous 12 months, were not material. As of December 31, 2012 and 2011, 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	2012			2011		
	Recorded investment	Unpaid principal balance	Associated specific allowance	Recorded investment	Unpaid principal balance	Associated specific allowance
Gross impaired loan details (CHF million)						
Mortgages	149	141	16	141	133	19
Loans collateralized by securities	68	66	53	85	82	50
Consumer finance	129	125	47	152	151	61
Consumer	346	332	116	378	366	130
Real estate	58	54	18	27	22	16
Commercial and industrial loans	627	592	306	675	650	282
Financial institutions	157	154	92	142	141	83
Governments and public institutions	0	0	0	6	4	6
Corporate & institutional	842	800	416	850	817	387
Gross impaired loans with a specific allowance	1,188	1,132	532	1,228	1,183	517
Mortgages	24	24	–	33	33	–
Loans collateralized by securities	27	27	–	1	1	–
Consumer finance	25	25	–	13	13	–
Consumer	76	76	–	47	47	–
Real estate	3	3	–	14	14	–
Commercial and industrial loans	127	128	–	67	67	–
Financial institutions	4	4	–	16	16	–
Corporate & institutional	134	135	–	97	97	–
Gross impaired loans without specific allowance	210	211	–	144	144	–
Gross impaired loans	1,398	1,343	532	1,372	1,327	517
of which consumer	422	408	116	425	413	130
of which corporate & institutional	976	935	416	947	914	387

Gross impaired loan details (continued)

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

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

18 Premises and equipment

end of	2012	2011
Premises and equipment (CHF million)		
Buildings and improvements	2,210	3,849
Land	476	847
Leasehold improvements	2,159	2,225
Software	5,323	4,607
Equipment	3,080	3,095
Premises and equipment	13,248	14,623
Accumulated depreciation	(7,832)	(7,633)
Total premises and equipment, net	5,416	6,990

Depreciation and impairment

in	2012	2011	2010
CHF million			
Depreciation	1,218	1,067	1,101
Impairment	17	84	16

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

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

19 Goodwill

end of	2012			2011		
	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	2,260	5,522	7,782	2,269	5,507	7,776
Goodwill acquired during the year	28	0	28	0	0	0
Foreign currency translation impact	(65)	(138)	(203)	(11)	15	4
Other	(13)	(2)	(15)	2	0	2
Balance at end of period	2,210	5,382	7,592	2,260	5,522	7,782
Accumulated impairment (CHF million)						
Balance at beginning of period	0	82	82	0	82	82
Balance at end of period	0	82	82	0	82	82
Net book value (CHF million)						
Net book value	2,210	5,300	7,510	2,260	5,440	7,700

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

20 Other intangible assets

	2012			2011		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
end of						
Other intangible assets (CHF million)						
Tradenames/trademarks	25	(21)	4	26	(21)	5
Client relationships	303	(142)	161	357	(189)	168
Other	8	(2)	6	7	(1)	6
Total amortizing other intangible assets	336	(165)	171	390	(211)	179
Non-amortizing other intangible assets	72	–	72	101	–	101
of which mortgage servicing rights, at fair value	43	–	43	70	–	70
Total other intangible assets	408	(165)	243	491	(211)	280

Additional information

in	2012	2011	2010
Aggregate amortization and impairment (CHF million)			
Aggregate amortization	28	30	33
Impairment	0	0	1

Estimated amortization

Estimated amortization (CHF million)	
2013	25
2014	24
2015	23
2016	19
2017	19

- ▶ 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	2012	2011
Other assets (CHF million)		
Cash collateral on derivative instruments	10,904	15,812
Cash collateral on non-derivative transactions	1,995	2,083
Derivative instruments used for hedging	3,913	3,607
Assets held-for-sale	20,343	21,205
of which loans ¹	19,894	20,457
of which real estate	442	732
Assets held for separate accounts	13,414	14,407
Interest and fees receivable	5,845	6,084
Deferred tax assets	7,094	8,843
Prepaid expenses	532	593
Failed purchases	2,699	1,513
Other	6,043	3,933
Other assets	72,782	78,080
Other liabilities (CHF million)		
Cash collateral on derivative instruments	12,224	11,933
Cash collateral on non-derivative transactions	1,246	1,002
Derivative instruments used for hedging	1,114	1,848
Provisions ²	1,348	1,098
of which off-balance sheet risk	59	64
Liabilities held for separate accounts	13,414	14,407
Interest and fees payable	6,556	6,983
Current tax liabilities	811	715
Deferred tax liabilities	103	282
Failed sales	4,336	6,888
Other	16,215	17,011
Other liabilities	57,367	62,167

¹ Included as of December 31, 2012 and 2011 were CHF 3,730 million and CHF 6,299 million, respectively, in restricted loans, which represented collateral on secured borrowings, and CHF 922 million and CHF 1,386 million, respectively, in loans held in trusts, which are consolidated as a result of failed sales under US GAAP. ² Includes provision for bridge commitments.

22 Deposits

end of	2012			2011		
	Switzerland	Foreign	Total	Switzerland	Foreign	Total
Deposits (CHF million)						
Non-interest-bearing demand deposits	8,282	4,521	12,803	11,441	4,214	15,655
Interest-bearing demand deposits	129,352	25,713	155,065	110,919	20,751	131,670
Savings deposits	52,534	44	52,578	47,212	38	47,250
Time deposits	8,965	98,853	107,818 ¹	15,473	134,159	149,632 ¹
Total deposits	199,133	129,131	328,264 ²	185,045	159,162	344,207 ²
of which due to banks	–	–	30,574	–	–	40,077
of which customer deposits	–	–	297,690	–	–	304,130

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

¹ Included as of December 31, 2012 and 2011 were CHF 107,705 million and CHF 160,992 million, respectively, of individual time deposits issued in Switzerland and in foreign offices in the Swiss franc equivalent amounts of USD 100,000 or more. ² Not included as of December 31, 2012 and 2011 were CHF 67 million and CHF 51 million, respectively, of overdrawn deposits reclassified as loans.

23 Long-term debt

end of	2012	2011
Long-term debt (CHF million)		
Senior	112,123	120,497
Subordinated	20,342	25,998
Non-recourse liabilities from consolidated VIEs	14,532	14,858
Long-term debt	146,997	161,353
of which reported at fair value	64,774	68,036
of which structured notes	36,639	35,728

Structured notes by product

end of	2012
Structured notes (CHF million)	
Equity	23,761
Fixed income	6,559
Emerging markets ¹	3,304
Credit	1,893
Other	1,122
Total structured notes	36,639

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

Long-term debt by maturities

end of	2013	2014	2015	2016	2017	Thereafter	Total
Long-term debt (CHF million)							
Senior debt							
Fixed rate	13,931	11,295	13,859	3,493	8,548	13,802	64,928
Variable rate	12,807	8,179	7,221	4,497	4,532	9,959	47,195
Interest rates (range in %) ¹	0.0–13.6	0.0–13.0	0.0–12.5	0.3–10.2	0.6–5.1	0.0–8.2	–
Subordinated debt							
Fixed rate	2,465	144	89	1,830	1,011	11,303	16,842
Variable rate	3,000	200	19	30	46	205	3,500
Interest rates (range in %) ¹	0.4–13.2	1.3–9.3	2.8–10.3	0.3–8.2	1.0–8.5	0.0–13.2	–
Non-recourse liabilities from consolidated VIEs							
Fixed rate	218	2	815	89	–	92	1,216
Variable rate	153	478	468	748	34	11,435	13,316
Interest rates (range in %) ¹	0.6–0.8	0.7–13.2	0.0–12.6	0.0–12.8	2.0	0.0–10.9	–
Total long-term debt	32,574	20,298	22,471	10,687	14,171	46,796	146,997
of which structured notes	7,655	7,505	5,730	3,793	3,397	8,559	36,639

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)	Accumulated other comprehensive income
2012 (CHF million)						
Balance at beginning of period	0	(10,326)	96	(729)	4	(10,955)
Increase/(decrease)	7	(1,067)	199	4	0	(857)
Reclassification adjustments, included in net income	0	44	(242)	55	(1)	(144)
Balance at end of period	7	(11,349)	53	(670)	3	(11,956)
2011 (CHF million)						
Balance at beginning of period	32	(9,994)	99	(871)	5	(10,729)
Increase/(decrease)	(5)	(348)	21	103	0	(229)
Reclassification adjustments, included in net income	(27)	16	(24)	39	(1)	3
Balance at end of period	0	(10,326)	96	(729)	4	(10,955)
2010 (CHF million)						
Balance at beginning of period	10	(7,755)	86	(761)	6	(8,414)
Increase/(decrease)	45	(2,361)	7	(135)	0	(2,444)
Reclassification adjustments, included in net income	(23)	(13)	6	25	(1)	(6)
Cumulative effect of accounting changes, net of tax	0	135	0	0	0	135
Balance at end of period	32	(9,994)	99	(871)	5	(10,729)

Refer to "Note 25 – Tax" and "Note 28 – Pension and other post-retirement benefits" for income tax expense/(benefit) on the movements of accumulated other comprehensive income.

25 Tax

Details of current and deferred taxes

in	2012	2011	2010
Current and deferred taxes (CHF million)			
Switzerland	85	(35)	25
Foreign	544	429	237
Current income tax expense	629	394	262
Switzerland	(121)	(251)	(296)
Foreign	(30)	316	1,341
Deferred income tax expense	(151)	65	1,045
Income tax expense	478	459	1,307
Income tax expense/(benefit) reported in shareholder's equity related to:			
Gains/(losses) on cash flow hedges	0	(4)	4
Cumulative translation adjustment	(12)	16	32
Unrealized gains/(losses) on securities	(1)	16	0
Actuarial gains/(losses)	30	29	(46)
Net prior service cost	(2)	(1)	0
Share-based compensation and treasury shares	(53)	275	(608)

Reconciliation of taxes computed at the Swiss statutory rate

in	2012	2011	2010
Income/(loss) from continuing operations before taxes (CHF million)			
Switzerland	1,170	(176)	1,117
Foreign	803	2,677	5,419
Income from continuing operations before taxes	1,973	2,501	6,536
Reconciliation of taxes computed at the Swiss statutory rate (CHF million)			
Income tax expense computed at the statutory tax rate of 22%	434	550	1,438
Increase/(decrease) in income taxes resulting from			
Foreign tax rate differential	312	(11)	562
Non-deductible amortization of other intangible assets and goodwill impairment	0	0	1
Other non-deductible expenses	382	444	621
Additional taxable income	6	6	22
Lower taxed income	(407)	(422)	(765)
Income taxable to noncontrolling interests	(117)	(312)	(282)
Changes in tax law and rates	182	170	119
Changes in deferred tax valuation allowance	11	471	56
Tax deductible impairments of Swiss subsidiary investments	(161)	(55)	0
Other	(164)	(382)	(465)
Income tax expense	478	459	1,307

Foreign tax rate differential

2012 included a foreign tax expense of CHF 312 million 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 Bahamas. The total foreign tax expense of CHF 514 million is 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.

2011 included a foreign tax rate benefit of CHF 11 million in respect of profits earned in lower tax jurisdictions, mainly Guernsey and Bahamas, partially offset by foreign tax rate differential related to profits in higher tax jurisdictions, mainly Brazil and the US. The total foreign tax expense of CHF 745 million is not only impacted by the foreign tax rate expense but also by tax impacts related to additional reconciling items explained below.

Other non-deductible expenses

2012 and 2011 included non-deductible interest expenses of CHF 259 million and CHF 240 million, respectively, non-taxable offshore expenses of CHF 8 million and CHF 80 million, respectively, non-deductible bank levy costs and other non-deductible compensation expenses of CHF 57 million and CHF 49 million, respectively, and other various smaller non-deductible expenses.

Lower taxed income

2012 and 2011 included a tax benefit of CHF 29 million and CHF 52 million, respectively, related to exempt offshore income, CHF 40 million and CHF 47 million, respectively, in respect to non-taxable dividend income and CHF 11 million and CHF 47 million, respectively, related to non-taxable foreign exchange gains. In addition, 2012 and 2011 included tax benefits of CHF 100 million and CHF 42 million, respectively, related to tax credits and CHF 48 million and CHF 40 million, respectively, related to non-taxable life insurance income. 2012 also included a CHF 114 million Swiss income tax benefit as a result of foreign branch earnings beneficially impacting the earnings mix. The remaining balance included various smaller items, amongst others related to permanent tax benefits from tax deductible goodwill amortization and tax holidays.

2011 and 2010 included a tax benefit of CHF 116 million and CHF 130 million, respectively, in respect of the reversal of the deferred tax liability recorded to cover estimated recapture of loss deductions arising from foreign branches of the Bank.

2010 included a tax benefit of CHF 380 million in respect of a legal entity merger that reflected regulatory concerns about complex holding structures.

Changes in tax law and rates

2012 and 2011 included a tax expense of CHF 182 million and CHF 170 million, respectively, 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 allowance

2012 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. 2011 included an increase to the valuation allowance of CHF 428 million in respect of three of the Bank's operating entities, two in the UK and one in Asia, mainly relating to deferred tax assets on tax loss carry-forwards. 2010 included an increase to the valuation allowance of CHF 193 million in respect of one of the Bank's operating entities in the UK relating to deferred tax assets on tax loss carry-forwards.

2012, 2011 and 2010 also included a tax benefit of CHF 820 million, CHF 7 million and CHF 199 million, respectively, resulting from the release of valuation allowances on deferred tax assets for one of the Bank's operating entities in the US.

Other

2012 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. 2012 also included 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.

2011 included a tax benefit of CHF 261 million relating to the increase of deferred tax assets in two of the Bank's operating entities, one in Switzerland (CHF 129 million) and one in the US (CHF 132 million). The increase is related to the re-measurement of existing deferred tax assets on net operating losses due to changes in the mix of the sources of income and related tax rates that these net operating losses are expected to be applied to.

2012, 2011 and 2010 included an amount of CHF 43 million, CHF 125 million and CHF 301 million, respectively, relating to the release of tax contingency accruals following the favorable resolution of tax matters.

As of December 31, 2012, the Bank had accumulated undistributed earnings from foreign subsidiaries of CHF 6.8 billion. No deferred tax liability was recorded in respect of those amounts as these earnings are considered indefinitely rein-

vested. 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	2012	2011
Tax effect of temporary differences (CHF million)		
Compensation and benefits	2,279	2,172
Loans	441	392
Investment securities	1,818	1,480
Provisions	1,760	1,943
Business combinations	0	101
Derivatives	343	385
Real estate	242	212
Net operating loss carry-forwards	5,177	7,291
Other	204	174
Gross deferred tax assets before valuation allowance	12,264	14,150
Less valuation allowance	(2,550)	(2,689)
Gross deferred tax assets net of valuation allowance	9,714	11,461
Compensation and benefits	(164)	(129)
Loans	(162)	(147)
Investment securities	(1,354)	(1,199)
Provisions	(402)	(378)
Business combinations	(20)	(227)
Derivatives	(295)	(392)
Leasing	(40)	(58)
Real estate	(78)	(82)
Other	(208)	(288)
Gross deferred tax liabilities	(2,723)	(2,900)
Net deferred tax assets	6,991	8,561

The decrease in net deferred tax assets from 2011 to 2012 of CHF 1,570 million was primarily due to the recognition of a valuation allowance against deferred tax assets, mainly in the UK and Asia, of CHF 215 million, and taxable gains on transfers of assets within the consolidated Bank for which associated tax charges of CHF 1,511 million have been deferred as other assets in accordance with ASC 810-10-45-8 (Consolidation – other presentation matters, formerly Accounting Research Bulletin 51). The deferral will be amortized over a period of up to 15 years in line with Accounting Standards Codification 810-10-45-8 principles and will be matched by future tax deductions. In addition, the decrease reflected a write-down of CHF 182 million as a result of changes to corporation tax rates in the UK and Japan and foreign exchange

translation losses of CHF 213 million, which are included within currency translation adjustments recorded in accumulated other comprehensive income/(loss) (AOCI). These decreases were partially offset by an increase in net deferred tax asset balances following a re-measurement of deferred tax balances in Switzerland and the US of CHF 529 million. The remaining movement, an increase of net deferred tax assets of CHF 22 million, mainly represents the impact of temporary differences and taxable income in 2012.

Due to uncertainty concerning its ability to generate the necessary amount and mix of taxable income in future periods, the Bank recorded a valuation allowance against deferred tax assets in the amount of CHF 2.6 billion as of December 31, 2012 compared to CHF 2.7 billion as of December 31, 2011.

Amounts and expiration dates of net operating loss carry-forwards

end of 2012	Total
Net operating loss carry-forwards (CHF million)	
Due to expire within 1 year	29
Due to expire within 2 to 5 years	10,637
Due to expire within 6 to 10 years	1,981
Due to expire within 11 to 20 years	2,759
Amount due to expire	15,406
Amount not due to expire	11,778
Total net operating loss carry-forwards	27,184

Movements in the valuation allowance

in	2012	2011	2010
Movements in the valuation allowance (CHF million)			
Balance at beginning of period	2,689	2,262	2,794
Net changes	(139)	427	(532)
Balance at end of period	2,550	2,689	2,262

Tax benefits associated with share-based compensation

in	2012	2011	2010
Tax benefits associated with share-based compensation (CHF million)			
Tax benefits recorded in the consolidated statements of operations	596	464	536
Windfall tax benefits/(shortfall tax charges) recorded in additional paid-in capital	30	(277)	615
Tax benefits in respect of tax on dividend equivalent payments	12	1	26

- ▶ Refer to "Note 26 – Employee deferred compensation" for further information on share-based compensation.

Windfall deductions and dividend equivalents aggregating CHF 0.9 billion and CHF 1.1 billion for 2012 and 2011, respec-

tively, 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 192 million tax benefit will be recorded in additional paid-in capital.

Uncertain tax positions

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

in	2012	2011	2010
Movements in gross unrecognized tax benefits (CHF million)			
Balance at beginning of period	370	578	944
Increases in unrecognized tax benefits as a result of tax positions taken during a prior period	33	54	53
Decreases in unrecognized tax benefits as a result of tax positions taken during a prior period	(58)	(177)	(286)
Increases in unrecognized tax benefits as a result of tax positions taken during the current period	38	29	37
Decreases in unrecognized tax benefits relating to settlements with tax authorities	(4)	(65)	(12)
Reductions to unrecognized tax benefits as a result of a lapse of the applicable statute of limitations	(43)	(19)	(88)
Other (including foreign currency translation)	80	(30)	(70)
Balance at end of period	416	370	578
of which, if recognized, would affect the effective tax rate	410	364	553

Interest and penalties

in	2012	2011	2010
Interest and penalties (CHF million)			
Interest and penalties recognized in the consolidated statements of operations	(13)	(19)	(42)
Interest and penalties recognized in the consolidated balance sheets	64	82	206

Interest and penalties are reported as tax expense. The Bank is currently subject to ongoing tax audits and inquiries with the tax authorities in a number of jurisdictions, including the US, the UK and Switzerland. Although the timing of the completion of these audits is uncertain, it is reasonably possible that some of these audits and inquiries 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 4 million in unrecognized tax benefits within 12 months of the reporting date.

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

► Refer to “Note 26 – Tax” in V – Consolidated financial statements – Credit Suisse Group for further information.

26 Employee deferred compensation

Deferred compensation for employees

- Refer to "Note 27 – 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 2012 and prior

years that was recognized in the consolidated statements of operations during 2012, 2011 and 2010, the total shares delivered, the estimated unrecognized compensation expense for deferred compensation awards granted in 2012 and prior years outstanding as of December 31, 2012 and the remaining requisite service period over which the estimated unrecognized compensation expense will be recognized.

Deferred compensation expense

in	2012	2011	2010
Deferred compensation expense (CHF million)			
Share awards	773	759	293
Performance share awards	362	0	0
2011 Partner Asset Facility awards ¹	675	0	0
Adjustable Performance Plan share awards	71	0	0
Adjustable Performance Plan cash awards	281	1,087	948
Restricted Cash Awards	165	252	0
Scaled Incentive Share Units	95	404	552
Incentive Share Units	62	172	716
Cash Retention Awards	0	0	574
Performance Incentive Plans (PIP I and PIP II) ²	0	0	(2)
2008 Partner Asset Facility awards ¹	173	3	45
Other cash awards	363	337	421
Total deferred compensation expense	3,020	3,014	3,547
Total shares delivered (million)			
Total shares delivered	30.9	23.7	46.7

¹ Compensation expense includes the change in the underlying fair value of the indexed assets during the period. ² Includes clawbacks.

Additional information

end of	2012
Estimated unrecognized compensation expense (CHF million)	
Share awards	700
Performance share awards	158
Adjustable Performance Plan share awards	41
Adjustable Performance Plan cash awards	54
Scaled Incentive Share Units	72
Other cash awards	72
Total	1,097
Aggregate remaining weighted-average requisite service period (years)	
Aggregate remaining weighted-average requisite service period	1.5

Does not include the estimated unrecognized compensation expense relating to grants made in 2013 for 2012.

Share awards

On January 17, 2013, the Bank granted 37.8 million share awards with a total value of CHF 947 million. The estimated unrecognized compensation expense of CHF 932 million was determined based on the fair value of the award on the grant date, including the current estimate of future forfeitures, but excluding the share awards that have been reallocated to Plus Bond awards after the grant date, and will be recognized over the three-year vesting period, subject to early retirement rules. On January 19, 2012 and January 20, 2011, the Bank granted

19.7 million and 34.0 million share awards with a total value of CHF 432 million and CHF 1,408 million, respectively, equivalent to the Group's closing share price on the grant date.

On January 17, 2013, the Bank granted 0.1 million blocked shares with a total value of CHF 3 million that vested immediately upon grant, have no future service requirements and were attributed to services performed in 2012. On January 19, 2012 and January 20, 2011, the Bank granted 0.4 million and 0.7 million blocked shares with a total value of CHF 9 million and CHF 30 million, respectively.

Share award activities

	2012		2011		2010	
	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	47.6	41.91	17.3	43.86	15.5	45.67
Granted	24.5	23.39	39.8	41.03	7.1	45.30
Settled	(14.6)	40.43	(7.4)	43.39	(4.9)	48.39
Forfeited	(2.4)	36.96	(2.1)	43.39	(0.4)	51.65
Balance at end of period	55.1	34.27	47.6	41.91	17.3	43.86
of which vested	3.9	–	1.8	–	1.3	–
of which unvested	51.2	–	45.8	–	16.0	–

Performance share awards

On January 17, 2013, the Bank granted 26.0 million performance share awards with a total value of CHF 651 million. The estimated unrecognized compensation expense of CHF 668 million was determined based on the fair value of the award at

the grant date, including 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 19, 2012, the Bank granted 23.2 million performance share awards with a total value of CHF 509 million.

Performance share award activities

	2012	
	Number of performance share awards in million	Weighted-average grant-date fair value in CHF
Performance share awards		
Balance at beginning of period	–	–
Granted	23.3	23.90
Forfeited	(0.4)	23.90
Balance at end of period	22.9	23.90
of which vested	0.9	–
of which unvested	22.0	–

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

On January 20, 2011, the Bank granted Adjustable Performance Plan cash awards with a total value of CHF 1,099 million.

In 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

	2012
	Number of APP share awards in million
Adjustable Performance Plan share awards	
Balance at beginning of period	–
Granted	29.9
Forfeited	(0.2)
Balance at end of period	29.7
of which vested	0.3
of which unvested	29.4

Scaled Incentive Share Unit

On January 21, 2010, the Bank granted 20.7 million Scaled Incentive Share Units (SISUs).

Scaled Incentive Share Unit activities

	2012	2011	2010
SISU awards (million)			
Balance at beginning of period	14.4	20.0	–
Granted	–	–	20.7 ¹
Settled	(4.8)	(5.0)	(0.2)
Forfeited	(0.2)	(0.6)	(0.5)
Balance at end of period	9.4	14.4	20.0
of which vested	1.7	1.0	0.2
of which unvested	7.7	13.4	19.8

¹ Includes SISUs granted in January and throughout the year.

Incentive Share Unit

On January 21, 2010, the Bank granted 6.0 million Incentive Share Units (ISUs).

Incentive Share Unit activities

	2012	2011	2010
ISU awards (million)			
Balance at beginning of period	13.2	37.2	40.2
Granted	–	–	6.0 ¹
Settled	(8.7)	(23.0)	(8.2)
Forfeited	(0.9)	(1.0)	(0.8)
Balance at end of period	3.6	13.2	37.2
of which vested	0.4	1.4	3.9
of which unvested	3.2	11.8	33.3

¹ Includes ISUs granted in January and throughout the year.

Share options

There were no options granted during 2012, 2011 and 2010. As of December 31, 2012, there was no aggregate intrinsic value of options outstanding or exercisable, no total intrinsic value of options exercised and the weighted-average remaining contractual term of options was 0.2 years. As of the exer-

cise date, the total intrinsic value of options exercised during 2011 and 2010 was CHF 1 million and CHF 8 million, respectively. There was no cash received from option exercises in 2012. Cash received from option exercises during 2011 and 2010 was CHF 2 million and CHF 32 million, respectively. In January 2013, 4.7 million options expired.

Share option activities

	2012		2011		2010	
	Number of share options in million	Weighted-average exercise price in CHF	Number of share options in million	Weighted-average exercise price in CHF	Number of share options in million	Weighted-average exercise price in CHF
Balance at beginning of period	16.5	50.99	28.3	63.94	32.8	62.68
Exercised	0.0	0.00	(0.1)	31.74	(0.8)	40.12
Settled	0.0	0.00	0.0	0.00	0.0	0.00
Expired	(11.3)	59.40	(11.7)	82.41	(3.7)	57.98
Balance at end of period	5.2	32.61	16.5	50.99	28.3	63.94
Exercisable at end of period	5.2	32.61	16.5	50.99	28.3	63.94

Fair value assumptions for share-based compensation

The following table illustrates the significant assumptions used to estimate the fair value of SISUs and ISUs granted in 2010, based on the annual deferred compensation process.

Significant fair value assumptions

	2010	
	SISU	ISU
Significant fair value assumptions		
Expected volatility, in %	33.42	33.52
Expected dividend cash flows, in CHF		
2010	1.45	1.45
2011	1.55	1.55
2012	1.65	1.65
2013	1.75	–
Expected risk-free interest rate, in %	1.26	1.00
Expected term, in years	4	3

27 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 28 – Related parties" in V – Consolidated financial statements – Credit Suisse Group for further information.

Related party assets and liabilities

end of	2012	2011
Assets (CHF million)		
Cash and due from banks	386	977
Interest-bearing deposits with banks	1,775	1,910
Trading assets	213	268
Net loans	7,894	7,950
Other assets	58	67
Total assets	10,326	11,172
Liabilities (CHF million)		
Due to banks/customer deposits	1,915	2,856
Trading liabilities	209	21
Long-term debt	4,907	6,872
Other liabilities	206	227
Total liabilities	7,237	9,976

Related party revenues and expenses

in	2012	2011	2010
Revenues (CHF million)			
Interest and dividend income	54	61	78
Interest expense	(117)	(195)	(252)
Net interest income	(63)	(134)	(174)
Commissions and fees	6	(50)	(71)
Other revenues	174	201	205
Net revenues	117	17	(40)
Expenses (CHF million)			
Total operating expenses	270	309	400

Related party guarantees

end of	2012	2011
Guarantees (CHF million)		
Credit guarantees and similar instruments	1	1
Performance guarantees and similar instruments	0	1
Derivatives	0	0
Other guarantees	0	2
Total guarantees	1	4

Loans to members of the Executive Board and the Board of Directors

	2012	2011	2010
Loans to members of the Executive Board (CHF million)			
Balance at beginning of period	22 ¹	18	19
Additions	3	5	5
Reductions	(17)	(1)	(6)
Balance at end of period	8 ¹	22	18
Loans to members of the Board of Directors (CHF million)			
Balance at beginning of period	33 ²	34	24
Additions	13	2	14
Reductions	(5)	(3)	(4)
Balance at end of period	41 ²	33	34

¹ The number of individuals with outstanding loans at the beginning and end of the year was six and three, respectively. ² The number of individuals with outstanding loans at the beginning and end of the year was six and five, respectively.

Liabilities due to own pension funds

Liabilities due to the Bank's own pension funds as of December 31, 2012 and 2011 of CHF 2,804 million and CHF 2,263 million, respectively, were reflected in various liability accounts in the Bank's consolidated balance sheets.

28 Pension and other post-retirement benefits

Pension plans

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

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 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. On January 1, 2010, in addition to the annuity section (defined benefit), a new savings section (defined contribution) was introduced in the Swiss main plan and a partial changeover from the annuity section to the savings section has been processed. Furthermore, on December 20, 2011, the Group announced the complete changeover to the savings section of the plan and the discontinuance of the annuity section, effective as of January 1, 2013. In accordance with US GAAP, the Group accounts for the Group plan as a single-employer defined benefit pension plan, for both the annuity section and the savings section, and uses the projected unit credit actuarial method to determine the net periodic pension expense, the PBO and the accumulated benefit obligation (ABO). The Bank accounts for the defined benefit pension plan sponsored by the Group as a Group 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 annuity section of the plan, the Bank's contributions were determined using a predetermined formula based on each employee's salary level, age and funding level and amount to at least 200% of each employee's contribution. 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 2012, 2011 and 2010, the Bank contributed and recognized as expense CHF 458 million, CHF 645 million and CHF 653 million to the Group plan, respectively. The Bank expects to contribute CHF 403 million to the Group plan during 2013. 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 2012, 2011 and 2010 would have been lower by CHF 197 million, CHF 476 million and CHF 472 million, respectively, and the Bank would have recognized CHF 88 million, CHF 96 million and CHF 98 million, respectively, as amortization of actuarial losses and prior service cost for the Group plan.

As of December 31, 2012 and 2011, the ABO of the Group plan was CHF 13.8 billion and CHF 13.5 billion, the PBO was CHF 14.3 billion and CHF 13.9 billion and the fair value of plan assets was CHF 14.3 billion and CHF 13.6 billion, respectively. As of December 31, 2012 and 2011, the Group plan was overfunded on an ABO basis by CHF 519 million and CHF 137 million. On a PBO basis, the Group plan was overfunded by CHF 44 million as of December 31, 2012 and underfunded by CHF 340 million as of December 31, 2011. If the Bank had accounted for the Group plan as a defined benefit pension plan, the Bank would have had to recognize the funded status of the Group plan on a PBO basis of CHF 42 million as an asset as of December 31, 2012 and CHF 323 million as a liability as of December 31, 2011 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 29 – 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 pension plans cover the Bank's employees outside of Switzerland, including both single-employer defined benefit and defined contribution pension plans. These plans provide defined benefits in the event of retirement, death, disability or employment termination. Retirement benefits under the plans depend on age, contributions and salary. The Bank's funding policy with respect to these plans is consistent with local government and tax requirements. The assumptions used are derived based on local economic conditions.

Other post-retirement defined benefit plans

In the US, the Bank sponsors post-retirement defined benefit plans, that provide health and welfare benefits for certain retired employees. In exchange for the current services pro-

vided 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.

Pension costs

The net periodic pension cost for defined benefit pension and other post-retirement defined benefit plans is the cost of the respective plan for a period during which an employee renders services. The actual amount to be recognized is determined using an actuarial formula 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 pension costs

in	International single-employer defined benefit pension plans			Other post- retirement defined benefit plans		
	2012	2011	2010	2012	2011	2010
Total pension costs (CHF million)						
Service costs on benefit obligation	30	33	30	1	0	1
Interest costs on benefit obligation	127	123	134	8	7	9
Expected return on plan assets	(164)	(160)	(163)	0	0	0
Amortization of recognized prior service cost/(credit)	(1)	0	1	(2)	(2)	(2)
Amortization of recognized actuarial losses/(gains)	74	51	36	13	9	6
Net periodic pension costs	66	47	38	20	14	14
Settlement losses/(gains)	0	0	(2)	0	0	0
Total pension costs	66	47	36	20	14	14

Total pension costs reflected in compensation and benefits – other for 2012, 2011 and 2010 were CHF 86 million, CHF 61 million and CHF 50 million, respectively.

The discontinuance of a Japanese plan in 2009 resulted in a gain of CHF 2 million in 2010 from the related settlement of the obligation.

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 and 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	
	2012	2011	2012	2011
PBO (CHF million) ¹				
Beginning of the measurement period	2,675	2,373	174	160
Service cost	30	33	1	0
Interest cost	127	123	8	7
Plan amendments	0	(2)	0	0
Settlements	0	(1)	0	0
Curtailments	(12)	1	0	0
Special termination benefits	1	4	0	0
Actuarial losses/(gains)	70	199	10	15
Plans removed	(6)	0	0	0
Benefit payments	(103)	(56)	(8)	(8)
Exchange rate losses/(gains)	(9)	1	(5)	0
End of the measurement period	2,773	2,675	180	174
Fair value of plan assets (CHF million)				
Beginning of the measurement period	2,586	2,121	0	0
Actual return on plan assets	234	485	0	0
Employer contributions	158	33	8	8
Settlements	0	(1)	0	0
Benefit payments	(103)	(56)	(8)	(8)
Exchange rate gains/(losses)	18	4	0	0
End of the measurement period	2,893	2,586	0	0
Total funded status recognized (CHF million)				
Funded status of the plan – over/(underfunded)	120	(89)	(180)	(174)
Total funded status recognized in the consolidated balance sheet at December 31	120	(89)	(180)	(174)
Total amount recognized (CHF million)				
Noncurrent assets	695	498	0	0
Current liabilities	(7)	(8)	(8)	(8)
Noncurrent liabilities	(568)	(579)	(172)	(166)
Total amount recognized in the consolidated balance sheet at December 31	120	(89)	(180)	(174)
ABO (CHF million) ²				
End of the measurement period	2,714	2,584	0	0

¹ Including estimated future salary increases. ² Exclusive of estimated future salary increases.

The total net amount recognized in other assets – other and other liabilities – other in the consolidated balance sheets as of December 31, 2012 and 2011 was an underfunding of CHF 60 million and CHF 263 million, respectively.

In 2012 and 2011, the Bank made contributions of CHF 158 million and CHF 33 million, respectively, to the international single-employer defined benefit pension plans. In 2013, the Bank expects to contribute CHF 47 million to the international single-employer defined benefit pension plans

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

PBO or ABO in excess of plan assets

The following table discloses 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, 2012 and 2011, respectively.

Defined benefit pension plans in which PBO or ABO were in excess of plan assets

December 31	PBO exceeds fair value of plan assets ¹		ABO exceeds fair value of plan assets ¹	
	2012	2011	2012	2011
CHF million				
PBO	1,400	1,340	1,382	1,326
ABO	1,364	1,304	1,354	1,296
Fair value of plan assets	825	753	810	741

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 discloses the actuarial gains/(losses) and prior service credit/(cost) which were recorded in AOCI and subsequently recognized as components of net periodic pension cost.

Amounts recognized in AOCI, net of tax

end of	International single-employer defined benefit pension plans		Other post-retirement defined benefit plans		Total	
	2012	2011	2012	2011	2012	2011
Amounts recognized in AOCI (CHF million)						
Actuarial gains/(losses)	(617)	(674)	(53)	(55)	(670)	(729)
Prior service credit/(cost)	0	0	3	4	3	4
Total	(617)	(674)	(50)	(51)	(667)	(725)

The following tables disclose the changes in other comprehensive income due to actuarial gains/(losses) and prior service credit/(cost) recognized in AOCI during 2012 and 2011 and the amortization of the aforementioned items as components of net periodic pension cost for these periods as well as the amounts expected to be amortized in 2013.

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	
2012 (CHF million)							
Actuarial gains/(losses)	0	0	0	(10)	4	(6)	(6)
Amortization of actuarial losses/(gains)	74	(27)	47	13	(5)	8	55
Amortization of prior service cost/(credit)	(1)	1	0	(2)	1	(1)	(1)
Immediate recognition due to curtailment/settlement	12	(2)	10	0	0	0	10
Total amounts recognized in other comprehensive income	85	(28)	57	1	0	1	58
2011 (CHF million)							
Actuarial gains/(losses)	126	(14)	112	(15)	6	(9)	103
Amortization of actuarial losses/(gains)	51	(17)	34	9	(4)	5	39
Amortization of prior service cost/(credit)	0	0	0	(2)	1	(1)	(1)
Total amounts recognized in other comprehensive income	177	(31)	146	(8)	3	(5)	141

Amounts in AOCI, net of tax, expected to be amortized in 2013

in 2013	International single-employer defined benefit pension plans	Other post-retirement defined benefit plans
CHF million		
Amortization of actuarial losses/(gains)	47	7
Total	47	7

Assumptions

Weighted-average assumptions used to determine net periodic pension cost and benefit obligation

December 31	International single-employer defined benefit pension plans			Other post- retirement defined benefit plans		
	2012	2011	2010	2012	2011	2010
Net benefit pension cost (%)						
Discount rate	4.8	5.5	6.0	4.7	5.5	6.1
Salary increases	4.0	4.2	4.3	–	–	–
Expected long-term rate of return on plan assets	6.4	7.3	7.2	–	–	–
Benefit obligation (%)						
Discount rate	4.5	4.8	5.5	4.3	4.7	5.5
Salary increases	4.0	4.0	4.2	–	–	–

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 of 9.00% for 2012 and 2011 and 9.75% for 2010 was assumed in the cost of covered health care benefits. As of December 31, 2012, the rate is assumed to decrease gradually to 5% by 2020 and remain at that level thereafter. As of December 31, 2012, 2011 and 2010, a 1% increase in the health care cost trend rate assumption would have resulted in an increase in post-retirement expenses of CHF 1.4 million, CHF 1.3 million and CHF 1.5 million, and an increase in accumulated post-retirement defined benefit obligation of CHF 27 million, CHF 23 million and CHF 26 million, respectively. A 1% decrease in the health care cost trend assumption would result in a decrease in post-retirement expenses of CHF 1.1 million, CHF 1.1 million and CHF 1.2 million, and a decrease in post-retirement

defined benefit obligation of CHF 22 million, CHF 19 million and CHF 21 million as of December 31, 2012, 2011 and 2010.

Plan assets and investment strategy

- ▶ Refer to “Note 29 – Pension and other post-retirement benefits” in V – Consolidated financial statements – Credit Suisse Group for further information.

As of December 31, 2012 and 2011, no Group debt or equity securities were included in plan assets for the international single-employer defined benefit pension plans.

Fair value of plan assets

The following tables present the plan assets measured at fair value on a recurring basis as of December 31, 2012 and 2011, for the Bank’s defined benefits plans.

Plan assets measured at fair value on a recurring basis

end of	2012								2011
	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	0	394	0	394	51	18	0	69	
Debt securities	234	985	71	1,290	130	792	90	1,012	
of which governments	234	8	0	242	128	2	0	130	
of which corporates	0	977	71	1,048	2	790	90	882	
Equity securities	188	562	0	750	82	807	0	889	
Real estate – indirect	0	0	89	89	0	0	84	84	
Alternative investments	0	241	34	275	3	351	90	444	
of which private equity	0	0	4	4	0	0	9	9	
of which hedge funds	0	0	30	30	0	0	81	81	
of which other	0	241 ¹	0	241	3	351 ¹	0	354	
Other investments	0	95	0	95	0	88	0	88	
Total plan assets at fair value	422	2,277	194	2,893	266	2,056	264	2,586	

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				Balance at end of period
				On assets still held at reporting date	On assets sold during the period	Purchases, sales, settlements	Foreign currency translation impact	
2012 (CHF million)								
Debt securities – corporates	90	0	(28)	9	3	(3)	0	71
Real estate – indirect	84	0	0	6	0	1	(2)	89
Alternative investments	90	0	0	0	3	(56)	(3)	34
of which private equity	9	0	0	(1)	2	(6)	0	4
of which hedge funds	81	0	0	1	1	(50)	(3)	30
Total plan assets at fair value	264	0	(28)	15	6	(58)	(5)	194
2011 (CHF million)								
Debt securities – corporates	122	30	(2)	(4)	5	(61)	0	90
Real estate – indirect	52	0	0	11	0	21	0	84
Alternative investments	94	3	(4)	(2)	3	(4)	0	90
of which private equity	8	0	0	1	0	0	0	9
of which hedge funds	81	3	0	(3)	3	(3)	0	81
of which other	5	0	(4)	0	0	(1)	0	0
Total plan assets at fair value	268	33	(6)	5	8	(44)	0	264

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 as of the measurement date

December 31	2012	2011
Weighted-average plan asset allocation (%)		
Cash and cash equivalents	13.6	2.7
Debt securities	44.6	39.1
Equity securities	25.9	34.4
Real estate	3.1	3.2
Alternative investments	9.5	17.2
Insurance	3.3	3.4
Total	100.0	100.0

The following table shows the target plan asset allocation for 2013 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 pension costs for 2013.

Weighted-average target plan asset allocation to be applied prospectively

2013 (%)	
Cash and cash equivalents	0
Debt securities	62
Equity securities	22
Real estate	3
Alternative investments	10
Insurance	3
Total	100

Estimated future benefit payments for defined benefit pension and other post-retirement defined benefit plans

	International single- employer defined benefit pension plans	Other post- retirement defined benefit plans
Estimated future benefit payments (CHF million)		
2013	55	8
2014	64	9
2015	73	9
2016	75	10
2017	87	11
For five years thereafter	582	57

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 2012, 2011, and 2010, the

Bank contributed to these plans and recognized as expense CHF 219 million, CHF 244 million and CHF 263 million, respectively.

29 Derivatives and hedging activities

- ▶ Refer to “Note 30 – Derivatives and hedging activities” in V – Consolidated financial statements – Credit Suisse Group for further information.

flows for forecasted transactions, excluding those forecasted transactions related to the payment of variable interest on existing financial instruments, was eight months.

Hedge accounting**Cash flow hedges**

As of the end of 2012, the maximum length of time over which the Bank hedged its exposure to the variability in future cash

The net loss associated with cash flow hedges expected to be reclassified from AOCI within the next 12 months was CHF 7 million.

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 2012						
Derivative instruments (CHF billion)						
Forwards and forward rate agreements	8,055.9	2.6	2.5	0.0	0.0	0.0
Swaps	29,159.0	635.8	630.1	58.0	3.8	1.3
Options bought and sold (OTC)	3,739.9	62.4	62.6	0.0	0.0	0.0
Futures	1,145.4	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	952.0	0.3	0.2	0.0	0.0	0.0
Interest rate products	43,052.2	701.1	695.4	58.0	3.8	1.3
Forwards	2,134.1	21.6	21.3	19.6	0.2	0.1
Swaps	1,336.4	32.1	46.6	0.0	0.0	0.0
Options bought and sold (OTC)	985.3	9.7	10.7	0.0	0.0	0.0
Futures	14.9	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	3.6	0.0	0.0	0.0	0.0	0.0
Foreign exchange products	4,474.3	63.4	78.6	19.6	0.2	0.1
Forwards	29.1	0.9	1.2	0.0	0.0	0.0
Options bought and sold (OTC)	32.3	0.6	0.6	0.0	0.0	0.0
Futures	0.9	0.0	0.0	0.0	0.0	0.0
Precious metals products	62.3	1.5	1.8	0.0	0.0	0.0
Forwards	5.5	0.6	0.0	0.0	0.0	0.0
Swaps	211.1	4.5	5.9	0.0	0.0	0.0
Options bought and sold (OTC)	215.1	11.5	11.1	0.0	0.0	0.0
Futures	74.4	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	338.2	13.7	14.1	0.0	0.0	0.0
Equity/index-related products	844.3	30.3	31.1	0.0	0.0	0.0
Credit derivatives ²	1,694.5	30.6	29.8	0.0	0.0	0.0
Forwards	2.2	0.2	0.2	0.0	0.0	0.0
Swaps	55.3	3.6	3.1	0.0	0.0	0.0
Options bought and sold (OTC)	21.9	1.0	1.0	0.0	0.0	0.0
Futures	186.7	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	50.4	1.6	1.7	0.0	0.0	0.0
Other products ³	316.5	6.4	6.0	0.0	0.0	0.0
Total derivative instruments	50,444.1	833.3	842.7	77.6	4.0	1.4

The notional amount for derivative instruments (trading and hedging) was CHF 50,521.7 billion as of December 31, 2012.

¹ Relates to derivative contracts that qualify for hedge accounting under US GAAP. ² Primarily credit default swaps. ³ Primarily commodity, energy and emission products.

Fair value of derivative instruments (continued)

	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 2011						
Derivative instruments (CHF billion)						
Forwards and forward rate agreements	7,210.5	4.5	4.2	0.0	0.0	0.0
Swaps	28,760.7	658.2	650.3	67.9	3.7	2.1
Options bought and sold (OTC)	2,902.5	65.9	66.3	0.0	0.0	0.0
Futures	2,537.1	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	962.3	0.4	0.3	0.0	0.0	0.0
Interest rate products	42,373.1	729.0	721.1	67.9	3.7	2.1
Forwards	2,133.8	29.7	30.7	17.4	0.1	0.0
Swaps	1,231.7	34.0	51.4	0.0	0.0	0.0
Options bought and sold (OTC)	831.7	12.3	12.7	0.0	0.0	0.0
Futures	25.6	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	3.7	0.0	0.0	0.0	0.0	0.0
Foreign exchange products	4,226.5	76.0	94.8	17.4	0.1	0.0
Forwards	16.3	1.4	1.4	0.0	0.0	0.0
Options bought and sold (OTC)	34.7	0.9	1.0	0.0	0.0	0.0
Futures	0.1	0.0	0.0	0.0	0.0	0.0
Precious metals products	51.1	2.3	2.4	0.0	0.0	0.0
Forwards	4.1	0.9	0.0	0.0	0.0	0.0
Swaps	211.5	5.8	5.8	0.0	0.0	0.0
Options bought and sold (OTC)	241.5	14.5	14.9	0.2	0.0	0.0
Futures	57.8	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	366.0	18.2	21.2	0.0	0.0	0.0
Equity/index-related products	880.9	39.4	41.9	0.2	0.0	0.0
Credit derivatives²	2,042.8	63.3	60.0	0.0	0.0	0.0
Forwards	8.7	0.9	0.8	0.0	0.0	0.0
Swaps	63.6	8.3	7.8	0.0	0.0	0.0
Options bought and sold (OTC)	29.9	2.2	1.7	0.0	0.0	0.0
Futures	177.1	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	63.3	3.9	3.8	0.0	0.0	0.0
Other products³	342.6	15.3	14.1	0.0	0.0	0.0
Total derivative instruments	49,917.0	925.3	934.3	85.5	3.8	2.1

The notional amount for derivative instruments (trading and hedging) was CHF 50,002.5 billion as of December 31, 2011.

¹ Relates to derivative contracts that qualify for hedge accounting under US GAAP. ² Primarily credit default swaps. ³ Primarily commodity, energy and emission products.

Fair value of derivative instruments (continued)

	2012		2011	
	Positive replacement value (PRV)	Negative replacement value (NRV)	Positive replacement value (PRV)	Negative replacement value (NRV)
end of				
Derivative instruments (CHF billion)				
Replacement values (trading and hedging) before netting agreements	837.3	844.1	929.1	936.4
Counterparty netting ¹	(766.7)	(766.7)	(836.5)	(836.5)
Cash collateral netting ¹	(33.3)	(36.7)	(36.3)	(37.9)
Replacement values (trading and hedging) after netting agreements	37.3	40.7	56.3	62.0
of which recorded in trading assets (PRV) and trading liabilities (NRV)	33.4	39.6	52.7	60.2
of which recorded in other assets (PRV) and other liabilities (NRV)	3.9	1.1	3.6	1.8

¹ Netting was based on legally enforceable netting agreements.

Fair value hedges

in	2012	2011	2010
Gains/(losses) recognized in income on derivatives (CHF million)			
Interest rate products	849	634	576
Foreign exchange products	(13)	20	21
Total	836	654	597
Gains/(losses) recognized in income on hedged items (CHF million)			
Interest rate products	(894)	(672)	(559)
Foreign exchange products	13	(20)	(21)
Total	(881)	(692)	(580)
Details of fair value hedges (CHF million)			
Net gains/(losses) on the ineffective portion	(45)	(38)	17

Represents gains/(losses) recognized in trading revenues.

Cash flow hedges

in	2012	2011	2010
Gains/(losses) recognized in AOCI on derivatives (CHF million)			
Interest rate products	8	0	0
Foreign exchange products	0	(5)	54
Total	8	(5)	54
Gains/(losses) reclassified from AOCI into income (CHF million)			
Foreign exchange products ¹	0	31	27
Total	0	31	27

Represents gains/(losses) on effective portion.

¹ Included in commissions and fees.

Net investment hedges

in	2012	2011	2010
Gains/(losses) recognized in AOCI on derivatives (CHF million)			
Interest rate products	0	0	8
Foreign exchange products	(81)	280	1,563
Total	(81)	280	1,571
Gains/(losses) reclassified from AOCI into income (CHF million)			
Foreign exchange products ¹	75	4	(4)
Total	75	4	(4)

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

- ▶ Refer to “Note 30 – Derivatives and hedging activities” in V – Consolidated financial statements – Credit Suisse Group for further information.

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.

Contingent credit risk

end of	Bilateral counterparties	Special purpose entities	Accelerated terminations	Total
2012 (CHF billion)				
Current net exposure	15.3	1.4	0.6	17.3
Collateral posted	13.4	1.4	–	14.8
Additional collateral required in a one-notch downgrade event	0.2	0.5	0.0	0.7
Additional collateral required in a two-notch downgrade event	0.4	1.5	0.5	2.4
2011 (CHF billion)				
Current net exposure	17.0	2.0	0.7	19.7
Collateral posted	14.8	1.8	–	16.6
Additional collateral required in a one-notch downgrade event	0.2	1.6	0.0	1.8
Additional collateral required in a two-notch downgrade event	0.4	3.0	0.5	3.9

Credit derivatives

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 6.0 billion and CHF 4.8 billion as of December 31, 2012 and 2011, 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

	Credit protection sold	Credit protection purchased ¹	Net credit protection (sold)/ purchased	Other protection purchased	Fair value of credit protection sold
end of 2012					
Single-name instruments (CHF billion)					
Investment grade ²	(423.2)	407.6	(15.6)	67.8	2.3
Non-investment grade	(167.5)	160.0	(7.5)	18.1	0.8
Total single-name instruments	(590.7)	567.6	(23.1)	85.9	3.1
of which sovereigns	(119.4)	117.0	(2.4)	10.4	(0.7)
of which non-sovereigns	(471.3)	450.6	(20.7)	75.5	3.8
Multi-name instruments (CHF billion)					
Investment grade ²	(193.6)	173.4	(20.2)	8.8	(0.5)
Non-investment grade	(30.7)	25.4 ³	(5.3)	3.0	(2.8)
Total multi-name instruments	(224.3)	198.8	(25.5)	11.8	(3.3)
of which sovereigns	(13.5)	13.2	(0.3)	0.3	(0.1)
of which non-sovereigns	(210.8)	185.6	(25.2)	11.5	(3.2)
Total instruments (CHF billion)					
Investment grade ²	(616.8)	581.0	(35.8)	76.6	1.8
Non-investment grade	(198.2)	185.4	(12.8)	21.1	(2.0)
Total instruments	(815.0)	766.4	(48.6)	97.7	(0.2)
of which sovereigns	(132.9)	130.2	(2.7)	10.7	(0.8)
of which non-sovereigns	(682.1)	636.2	(45.9)	87.0	0.6
end of 2011					
Single-name instruments (CHF billion)					
Investment grade ²	(452.2)	432.4	(19.8)	55.6	(9.0)
Non-investment grade	(189.1)	179.4	(9.7)	16.7	(15.3)
Total single-name instruments	(641.3)	611.8	(29.5)	72.3	(24.3)
of which sovereigns	(134.8)	132.6	(2.2)	10.8	(8.1)
of which non-sovereigns	(506.5)	479.2	(27.3)	61.5	(16.2)
Multi-name instruments (CHF billion)					
Investment grade ²	(278.2)	253.1	(25.1)	14.5	(15.5)
Non-investment grade	(71.9)	64.1 ³	(7.8)	9.0	(1.7)
Total multi-name instruments	(350.1)	317.2	(32.9)	23.5	(17.2)
of which sovereigns	(18.4)	17.5	(0.9)	0.9	(1.5)
of which non-sovereigns	(331.7)	299.7	(32.0)	22.6	(15.7)
Total instruments (CHF billion)					
Investment grade ²	(730.4)	685.5	(44.9)	70.1	(24.5)
Non-investment grade	(261.0)	243.5	(17.5)	25.7	(17.0)
Total instruments	(991.4)	929.0	(62.4)	95.8	(41.5)
of which sovereigns	(153.2)	150.1	(3.1)	11.7	(9.6)
of which non-sovereigns	(838.2)	778.9	(59.3)	84.1	(31.9)

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	2012	2011
Credit derivatives (CHF billion)		
Credit protection sold	815.0	991.4
Credit protection purchased	766.4	929.0
Other protection purchased	97.7	95.8
Other instruments ¹	15.4	26.6
Total credit derivatives	1,694.5	2,042.8

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
2012 (CHF billion)				
Single-name instruments	130.3	351.6	108.8	590.7
Multi-name instruments	37.4	145.4	41.5	224.3
Total instruments	167.7	497.0	150.3	815.0
2011 (CHF billion)				
Single-name instruments	134.1	394.5	112.7	641.3
Multi-name instruments	58.7	202.4	89.0	350.1
Total instruments	192.8	596.9	201.7	991.4

30 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
2012 (CHF million)								
Credit guarantees and similar instruments	10,101	1,548	334	845	12,828	12,441	167	2,164
Performance guarantees and similar instruments	5,047	1,599	951	1,750	9,347	8,608	135	3,307
Securities lending indemnifications	12,211	0	0	0	12,211	12,211	0	12,211
Derivatives ²	21,197	9,951	1,833	2,434	35,415	35,415	985	– ³
Other guarantees	4,172	684	281	144	5,281	5,260	3	2,789
Total guarantees	52,728	13,782	3,399	5,173	75,082	73,935	1,290	20,471
2011 (CHF million)								
Credit guarantees and similar instruments	3,267	2,061	1,106	907	7,341	6,606	50	2,451
Performance guarantees and similar instruments	5,470	1,619	1,300	1,705	10,094	9,184	69	3,345
Securities lending indemnifications	15,005	0	0	0	15,005	15,005	0	15,005
Derivatives ²	27,593	12,953	5,137	5,710	51,393	51,393	3,650	– ³
Other guarantees	3,846	379	418	192	4,835	4,799	4	2,241
Total guarantees	55,181	17,012	7,961	8,514	88,668	86,987	3,773	23,042

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 considered significant.

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) 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, 2012 to June 30, 2013 is CHF 0.6 billion. These deposit insurance guarantees were reflected in other guarantees.

PAF2 transaction

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

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

The model used to value the PAF2 awards is the standard Gaussian copula valuation model used for synthetic CDO trades with adjustments necessary to incorporate the specific nature of the PAF2 transaction. The key model inputs are notional value, correlation assumption, credit spreads, liquidity and recovery rates of the portfolio, the Bank's own credit spread and the maturity of the trade. In the model, the credit spreads of the counterparties determine the respective probability of default. Such probability is used to compute the expected value of the cash flows contingent on survival and on default of the counterparties in the reference portfolio. The credit spreads are sourced using observable data from CDS on the specific reference entity. Where a specific reference entity curve does not exist for a reference name in the portfolio, a proxy curve is used. The expected value of the counterparty exposure on default determines the equivalent notional

value for the given name. This is computed from the effective positive exposure which is the weighted average over time of the expected exposure used by the Bank for counterparty risk management. As of December 31, 2012, the carrying value of the PAF2 awards was CHF 625 million. The amount of the PAF2 awards compensation expense for the year ended December 31, 2012 was CHF 645 million and is included in the amount reflected in the “Deferred compensation expense” table in Note 26 – Employee deferred compensation, which includes deferred compensation expense for a smaller plan unrelated to the hedging aspects of this transaction.

The Bank has purchased protection on the senior layer to hedge against the potential for future counterparty credit spread volatility. This was executed through a CDS, accounted for at fair value, with a third-party entity. The value of the senior layer is calculated using the same model as for the PAF2 awards. As of December 31, 2012, the CDS had a positive replacement value of CHF 8 million and was reflected in credit derivatives in the “Fair value of derivative instruments” table in Note 30 – Derivatives and hedging activities. The Bank also has a credit support facility with this entity that allows the Bank to provide credit support in connection with other assets that are commonly financed through the issuance of commercial paper (CP) and, in connection with the CDS, to provide immediately available funding to this entity in certain circumstances. Among others, such circumstances include: (i) a disruption of the CP market such that the entity cannot issue or roll a CP to fund the CDS payment or repay a maturing CP; (ii) the interest payable on the CP exceeds certain thresholds and the Bank instructed the entity to draw on the facility instead of issuing a CP; (iii) a CP was issued by the entity to fund a CDS payment and subsequently the short-term rating of the facility provider is downgraded; or (iv) to repay any outstanding CP at the maturity date of the facility. Any funded amount may be settled by the assign-

ment of the rights and obligations of the CDS to the Bank. The credit support facility is accounted for on an accrual basis and is reflected in credit guarantees and similar instruments in the “Guarantees” table. As of December 31, 2012, the carrying value of the credit support facility included in this table was CHF 7 million. The transaction overall is a four-year transaction, but can be extended to nine years. The Bank has the right to terminate the third-party transaction for certain reasons, including certain regulatory developments.

In December 2012, the Basel Committee on Banking Supervision (BCBS) published updated regulatory guidance that make the PAF2 transaction as currently structured ineligible for counterparty credit spread hedging under the Basel III framework. As a result of this new guidance, the Group now has the right to exercise the regulatory call to restructure or terminate the CDS and the credit support facility layer at par and terminate the mezzanine layer at fair value. The Group is evaluating restructuring the transaction in order for the PAF2 transaction as a whole to remain an eligible counterparty credit spread hedge under Basel III, or alternatively, the Group may decide to terminate the transaction in its entirety.

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.

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

Residential mortgage loans sold

Residential mortgage loans sold from January 1, 2004 to December 31, 2012 (USD billion)

Government-sponsored enterprises	8.2
Private investors ¹	22.6
Non-agency securitizations	130.1 ²
Total	160.9

¹ Primarily banks. ² The outstanding balance of residential mortgage loans sold was USD 27.6 billion as of December 31, 2012. The difference of the total balance of mortgage loans sold and the outstanding balance as of December 31, 2012 was attributable to borrower payments of USD 85.4 billion and losses of USD 17.1 billion due to loan defaults.

Residential mortgage loans sold – repurchase claims

	2012						2011 ¹	
	Government-sponsored enterprises	Private investors	Non-agency securitizations	Total	Government-sponsored enterprises	Private investors	Non-agency securitizations	Total
Outstanding repurchase claims (USD million)								
Balance at beginning of period	68	432	243	743	60	487	1,084	1,631
New claims	58	57	2,032	2,147	29	10	1,160	1,199
Claims settled through repurchases	(7)	0	(7)	(14) ²	0	(1)	(4)	(5) ²
Other settlements	(15)	(7)	(32)	(54) ³	(8)	0	(3)	(11) ³
Total claims settled	(22)	(7)	(39)	(68)	(8)	(1)	(7)	(16)
Claims rescinded	(37)	(18)	0	(55)	(13)	(64)	(28)	(105)
Transfers to/from arbitration and litigation, net ⁴	0	0	(841)	(841)	0	0	(1,966)	(1,966)
Balance at end of period	67	464	1,395	1,926	68	432	243	743

¹ All related to period July 1, 2011 to December 31, 2011. ² Settled at a repurchase price of USD 15 million and USD 5 million in 2012 and 2011, respectively. ³ Settled at USD 41 million and USD 9 million in 2012 and 2011, respectively. ⁴ Refer to "Note 35 – Litigation" for repurchase claims that are in arbitration or litigation.

Residential mortgage loans sold – provisions for outstanding repurchase claims

	2012	2011
Provisions for outstanding repurchase claims (USD million)¹		
Balance at beginning of period	59	29
Increase/(decrease) in provisions, net	52	47
Realized losses ²	(56) ³	(17) ⁴
Balance at end of period	55⁵	59⁵

¹ Excludes provisions for repurchase claims related to residential mortgage loans sold that are in arbitration or litigation. Refer to "Note 35 – Litigation" for further information. ² Includes indemnifications paid to resolve loan repurchase claims. ³ Primarily related to government-sponsored enterprises and non-agency securitizations. ⁴ Primarily related to government-sponsored enterprises. ⁵ Substantially all related to government-sponsored enterprises.

Lease commitments

Lease commitments (CHF million)	
2013	673
2014	592
2015	514
2016	463
2017	411
Thereafter	3,502
Future operating lease commitments	6,155
Less minimum non-cancellable sublease rentals	353
Total net future minimum lease commitments	5,802

Rental expense for operating leases

in	2012	2011	2010
Rental expense for operating leases (CHF million)			
Minimum rental expense	629	549	620
Sublease rental income	(97)	(96)	(122)
Total net expenses for operating leases	532	453	498

Operating lease commitments

- ▶ Refer to “Note 31 – Guarantees and commitments” in V – Consolidated financial statements – Credit Suisse Group for further information.

Sale-leaseback transactions in 2012

In the first quarter of 2012, the Bank sold the office complex of its European headquarters at One Cabot Street 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 Investment Management 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 Investment Management was acting as the buyer on behalf of the Norwegian Government Pension Fund Global, which is a minority shareholder of the Group.

During 2012, the Bank entered into several smaller sale-leaseback transactions in respect of own property, which were all recognized as operating lease arrangements with lease terms of between five and ten years. Total contractual rental expenses under these leases will amount to CHF 41 million.

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
2012 (CHF million)							
Irrevocable commitments under documentary credits	6,210	35	6	0	6,251	6,054	3,219
Loan commitments	166,259	23,574	37,688	6,384	233,905 ²	228,433	151,616
Forward reverse repurchase agreements	45,556	0	0	0	45,556	45,556	45,556
Other commitments	906	863	171	575	2,515	2,515	131
Total other commitments	218,931	24,472	37,865	6,959	288,227	282,558	200,522
2011 (CHF million)							
Irrevocable commitments under documentary credits	5,638	3	40	0	5,681	5,201	2,371
Loan commitments	154,394	19,951	35,746	7,112	217,203 ²	211,986	142,339
Forward reverse repurchase agreements	28,885	0	0	0	28,885	28,885	28,885
Other commitments	1,430	405	872	870	3,577	3,577	32
Total other commitments	190,347	20,359	36,658	7,982	255,346	249,649	173,627

¹ Total net amount is computed as the gross amount less any participations. ² Included CHF 136,669 million and CHF 134,901 million of unused credit limits as of December 31, 2012 and 2011, respectively, which were revocable at the Bank’s sole discretion upon notice to the client.

In November 2007, Banco de Investimentos Credit Suisse (Brasil) S.A., a wholly owned subsidiary of the Bank, acquired a majority interest (50% plus one share) in Credit Suisse Hedging-Griffo Investimentos S.A. (Hedging-Griffo) and entered into option arrangements in respect of the remaining equity interests in Hedging-Griffo. In the second quarter of

2012, the Bank acquired the remaining equity interests in Hedging-Griffo as contemplated under the existing option arrangements at a final purchase price of BRL 1,248 million (CHF 584 million), gaining full control and ownership of Hedging-Griffo.

- ▶ Refer to "Note 31 – Guarantees and commitments" in V – Consolidated financial statements – Credit Suisse Group for further information.

31 Transfers of financial assets and variable interest entities

Transfers of financial assets

Securitizations

- ▶ Refer to "Note 32 – 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 2012, 2011 and 2010 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	2012	2011	2010
Gains and cash flows (CHF million)			
CMBS			
Net gain ¹	56	6	13
Proceeds from transfer of assets	6,156	974	523
Servicing fees	0	1	1
Cash received on interests that continue to be held	57	205	150
RMBS			
Net gain ¹	3	65	214
Proceeds from transfer of assets	15,143	30,695	52,308
Purchases of previously transferred financial assets or their underlying collateral	(25)	(4)	0
Servicing fees	3	3	6
Cash received on interests that continue to be held	554	382	488
Other asset-backed financings			
Net gain ¹	83	24	85
Proceeds from transfer of assets	591	1,268	4,376
Purchases of previously transferred financial assets or their underlying collateral ²	(621)	(256)	(2,519)
Servicing fees	0	1	0
Cash received on interests that continue to be held	1,350	701	1,539

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 are 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 2012 and 2011, regardless of when the transfer of assets occurred.

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

end of	2012	2011
CHF million		
CMBS		
Principal amount outstanding	30,050	35,487
Total assets of SPE	45,407	52,536
RMBS		
Principal amount outstanding	58,112	91,242
Total assets of SPE	60,469	95,297
Other asset-backed financing activities		
Principal amount outstanding	32,805	35,233
Total assets of SPE	32,805	35,307

Principal amounts outstanding relate to assets transferred from the Bank and do not include principal 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 con-

tinuing 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 32 – Financial instruments" for further information on fair value hierarchy.

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

at time of transfer in	2012		2011	
	CMBS	RMBS	CMBS	RMBS
CHF million, except where indicated				
Fair value of beneficial interests	761	2,219	57	5,095
of which level 2	654	2,090	42	4,695
of which level 3	107	129	15	399
Weighted-average life, in years	8.4	5.0	7.2	5.4
Prepayment speed assumption (rate per annum), in % ¹	– ²	0.1–34.9	– ²	9.0–34.9
Cash flow discount rate (rate per annum), in % ³	0.8–10.7	0.1–25.7	2.9–10.6	0.5–71.2
Expected credit losses (rate per annum), in %	0.5–9.0	0.0–25.1	1.2–9.3	0.3–71.0

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% 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 2012 and 2011.

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

end of	2012			2011		
	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	274	1,929	692	342	2,960	1,754
of which non-investment grade	90	342	686	133	688	1,513
Weighted-average life, in years	4.0	5.2	3.6	4.1	5.3	2.5
Prepayment speed assumption (rate per annum), in % ³	–	0.1–27.6	–	–	0.1–30.0	–
Impact on fair value from 10% adverse change	–	(38.5)	–	–	(44.2)	–
Impact on fair value from 20% adverse change	–	(74.3)	–	–	(86.6)	–
Cash flow discount rate (rate per annum), in % ⁴	1.1–50.2	0.2–42.8	0.7–51.7	2.3–50.1	0.3–49.1	0.7–58.7
Impact on fair value from 10% adverse change	(14.8)	(62.8)	(1.0)	(30.5)	(94.4)	(8.2)
Impact on fair value from 20% adverse change	(19.9)	(93.5)	(1.8)	(36.2)	(151.9)	(15.9)
Expected credit losses (rate per annum), in %	0.9–49.5	0.9–42.8	0.3–51.4	1.9–49.0	0.9–48.9	5.4–31.8
Impact on fair value from 10% adverse change	(14.4)	(55.9)	(0.8)	(29.8)	(83.6)	(6.8)
Impact on fair value from 20% adverse change	(19.2)	(80.3)	(1.6)	(34.8)	(131.5)	(13.2)

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% 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 is 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 2012 and 2011.

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

end of	2012	2011
CHF million		
CMBS		
Other assets	467	664
Liability to SPE, included in Other liabilities	(467)	(664)
RMBS		
Other assets	0	12
Liability to SPE, included in Other liabilities	0	(12)
Other asset-backed financing activities		
Trading assets	1,171	1,851
Other assets	913	1,475
Liability to SPE, included in Other liabilities	(2,084)	(3,326)

Variable interest entities

- ▶ Refer to “Note 32 – Transfers of financial assets and variable interest entities” in V – Consolidated financial statements – Credit Suisse Group for further information.

Consolidated VIEs

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

Consolidated VIEs in which the Bank was the primary beneficiary

end of 2012	Financial intermediation						Total
	CDO	CP Conduit	Securi- tizations	Funds	Loans	Other	
Assets of consolidated VIEs (CHF million)							
Cash and due from banks	1,534	27	0	125	44	20	1,750
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	117	0	0	0	0	117
Trading assets	1,064	196	14	1,861	565	997	4,697
Investment securities	0	23	0	0	0	0	23
Other investments	0	0	0	0	1,712	577	2,289
Net loans	0	4,360	859	0	405	429	6,053
Premises and equipment	0	0	0	0	474	72	546
Loans held-for-sale	7,324	0	3,110	0	71	0	10,505
Other assets	45	1,637	1	4	500	1,816	4,003
Total assets of consolidated VIEs	9,967	6,360	3,984	1,990	3,771	3,911	29,983
Liabilities of consolidated VIEs (CHF million)							
Customer deposits	0	0	0	0	0	247	247
Trading liabilities	20	0	0	0	4	101	125
Short-term borrowings	0	5,776	0	3	0	0	5,779
Long-term debt	9,944	14	3,608	500	38	428	14,532
Other liabilities	45	6	97	7	167	842	1,164
Total liabilities of consolidated VIEs	10,009	5,796	3,705	510	209	1,618	21,847

end of 2011	Financial intermediation						Total
	CDO	CP Conduit	Securi- tizations	Funds	Loans	Other	
Assets of consolidated VIEs (CHF million)							
Cash and due from banks	1,202	24	0	43	102	25	1,396
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	19	0	0	0	0	19
Trading assets	1,207	728	18	2,681	554	1,211	6,399
Investment securities	0	41	0	0	0	0	41
Other investments	0	0	0	0	1,863	483	2,346
Net loans	0	4,720	0	0	62	1,158	5,940
Premises and equipment	0	0	0	0	527	82	609
Loans held-for-sale	7,231	0	3,941	0	2	0	11,174
Other assets	43	751	0	30	740	263	1,827
Total assets of consolidated VIEs	9,683	6,283	3,959	2,754	3,850	3,222	29,751
Liabilities of consolidated VIEs (CHF million)							
Customer deposits	0	0	0	0	0	221	221
Trading liabilities	30	0	0	0	3	1,253	1,286
Short-term borrowings	0	6,141	0	0	0	0	6,141
Long-term debt	9,383	24	4,483	276	227	465	14,858
Other liabilities	69	2	0	24	157	493	745
Total liabilities of consolidated VIEs	9,482	6,167	4,483	300	387	2,432	23,251

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 2012	Financial intermediation					Total
	CDO	Securizations	Funds	Loans	Other	
Variable interest assets (CHF million)						
Trading assets	100	3,210	1,143	868	600	5,921
Net loans	8	111	2,048	3,572	1,668	7,407
Other assets	0	17	49	0	4	70
Total variable interest assets	108	3,338	3,240	4,440	2,272	13,398
Maximum exposure to loss (CHF million)						
Maximum exposure to loss	108	14,123	3,475	4,906	3,039	25,651
Non-consolidated VIE assets (CHF million)						
Non-consolidated VIE assets	5,163	103,990	52,268	22,304	6,486	190,211
<hr/>						
end of 2011	Financial intermediation					Total
	CDO	Securizations	Funds	Loans	Other	
Variable interest assets (CHF million)						
Trading assets	126	5,497	1,449	834	2,079	9,985
Net loans	0	123	1,302	4,742	3,257	9,424
Other assets	0	0	32	0	369	401
Total variable interest assets	126	5,620	2,783	5,576	5,705	19,810
Maximum exposure to loss (CHF million)						
Maximum exposure to loss	153	7,056	3,180	6,051	6,075	22,515
Non-consolidated VIE assets (CHF million)						
Non-consolidated VIE assets	7,093	113,845	58,646	23,633	10,440	213,657

32 Financial instruments

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

¹ Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable netting agreements. ² Assets of consolidated VIEs that are not risk-weighted assets under the Basel framework.

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

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

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

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

end of 2011	Level 1	Level 2	Level 3	Netting impact ¹	Total
Assets (CHF million)					
Interest-bearing deposits with banks	0	405	0	0	405
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	157,469	1,204	0	158,673
Debt	94	3,895	112	0	4,101
of which corporates	0	3,835	112	0	3,947
Equity	25,958	51	81	0	26,090
Securities received as collateral	26,052	3,946	193	0	30,191
Debt	82,237	52,783	9,941	0	144,961
of which foreign governments	61,506	8,123	358	0	69,987
of which corporates	337	27,639	5,076	0	33,052
of which RMBS	19,331	5,848	1,786	0	26,965
of which CMBS	0	4,556	1,517	0	6,073
of which CDO	0	6,570	727	0	7,297
Equity	57,481	9,038	467	0	66,986
Derivatives	6,455	909,261	9,588	(872,569)	52,735
of which interest rate products	2,017	724,413	2,547	–	–
of which foreign exchange products	1	74,950	1,040	–	–
of which equity/index-related products	3,929	32,770	2,732	–	–
of which credit derivatives	0	61,120	2,172	–	–
Other	9,235	3,636	2,195	0	15,066
Trading assets	155,408	974,718	22,191	(872,569)	279,748
Debt	3,010	446	102	0	3,558
of which foreign governments	3,010	0	18	0	3,028
of which corporates	0	309	43	0	352
of which CDO	0	136	41	0	177
Equity	9	83	0	0	92
Investment securities	3,019	529	102	0	3,650
Private equity	0	0	4,143	0	4,143
of which equity funds	0	0	2,973	0	2,973
Hedge funds	0	232	266	0	498
of which debt funds	0	154	172	0	326
Other equity investments	403	50	2,490	0	2,943
of which private	0	40	2,490	0	2,530
Life finance instruments	0	0	1,968	0	1,968
Other investments	403	282	8,867	0	9,552
Loans	0	13,851	6,842	0	20,693
of which commercial and industrial loans	0	7,591	4,559	0	12,150
of which financial institutions	0	5,480	2,179	0	7,659
Other intangible assets (mortgage servicing rights)	0	0	70	0	70
Other assets	5,451	22,951	7,469	(205)	35,666
of which loans held-for-sale	0	12,104	6,901	0	19,005
Total assets at fair value	190,333	1,174,151	46,938	(872,774)	538,648
Less other investments – equity at fair value attributable to noncontrolling interests	(295)	(99)	(3,944)	0	(4,338)
Less assets consolidated under ASU 2009-17 ²	0	(9,304)	(4,003)	0	(13,307)
Assets at fair value excluding noncontrolling interests and assets not consolidated under the Basel framework	190,038	1,164,748	38,991	(872,774)	521,003

¹ Derivative contracts are reported on a gross basis by level. The impact of netting represents legally enforceable netting agreements. ² Assets of consolidated VIEs that are not risk-weighted assets under the Basel framework.

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

end of 2011	Level 1	Level 2	Level 3	Netting impact ¹	Total
Liabilities (CHF million)					
Due to banks	0	2,737	0	0	2,737
Customer deposits	0	4,583	0	0	4,583
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	136,483	0	0	136,483
Debt	94	3,895	112	0	4,101
of which corporates	0	3,835	112	0	3,947
Equity	25,958	51	81	0	26,090
Obligation to return securities received as collateral	26,052	3,946	193	0	30,191
Debt	38,680	9,302	21	0	48,003
of which foreign governments	38,622	829	0	0	39,451
of which corporates	6	7,591	13	0	7,610
Equity	19,124	461	7	0	19,592
Derivatives	6,283	920,612	7,315	(873,996)	60,214
of which interest rate products	1,941	717,436	1,588	–	–
of which foreign exchange products	1	91,984	2,836	–	–
of which equity/Index-related products	3,809	37,054	1,022	–	–
of which credit derivatives	0	58,497	1,520	–	–
Trading liabilities	64,087	930,375	7,343	(873,996)	127,809
Short-term borrowings	0	3,311	236	0	3,547
Long-term debt	122	55,199	12,715	0	68,036
of which treasury debt over two years	0	13,191	0	0	13,191
of which structured notes over two years	1	19,694	7,576	0	27,271
of which non-recourse liabilities	121	10,564	3,585	0	14,270
Other liabilities	0	27,387	3,890	(335)	30,942
of which failed sales	0	3,821	1,909	0	5,730
Total liabilities at fair value	90,261	1,164,021	24,377	(874,331)	404,328

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

Transfers between level 1 and level 2

2012	Transfers to level 1 out of level 2	Transfers out of level 1 to level 2
Assets (CHF million)		
Debt	318	23,632
Equity	209	650
Derivatives	5,510	20
Trading assets	6,037	24,302
Liabilities (CHF million)		
Debt	87	34
Equity	100	226
Derivatives	6,441	72
Trading liabilities	6,628	332

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

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

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 gains recorded in trading revenues of CHF 307 million primarily related to sub-prime exposures in the RMBS and CMBS businesses 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	(1,174)	0	(28)	0	0	(2)	0	
0	0	0	0	0	0	0	(5)	0	
(8,793)	0	0	72	129	(4)	0	(271)	5,830	
(4,745)	0	0	49	278	(4)	0	(176)	3,192	
(1,924)	0	0	18	60	0	0	(26)	724	
(809)	0	0	(4)	(228)	0	0	(43)	1,023	
(851)	0	0	(4)	67	0	0	(12)	447	
(611)	0	0	0	(63)	0	0	(4)	485	
0	1,007	(3,262)	60	163	0	0	(196)	6,650	
0	303	(976)	47	515	0	0	(59)	1,859	
0	346	(844)	(31)	(56)	0	0	(64)	1,920	
0	161	(914)	43	(179)	0	0	(37)	1,294	
(2,290)	0	0	2	(4)	0	0	(72)	2,486	
(11,694)	1,007	(3,262)	134	225	(4)	0	(543)	15,451	
(17)	0	0	0	0	0	0	(9)	170	
(1,789)	0	0	0	2	0	620	(168)	6,264	
(274)	0	0	0	72	0	0	(50)	1,818	
(2,063)	0	0	0	74	0	620	(218)	8,082	
(1,286)	4,490	(3,473)	15	(250)	0	0	(191)	6,619	
(469)	3,084	(2,773)	15	76	0	0	(135)	4,778	
(745)	1,078	(672)	(1)	(293)	0	0	(50)	1,530	
(16)	0	0	0	0	0	(20)	(2)	43	
(3,356)	298	(2,319)	128	580	0	0	(203)	5,164	
(3,182)	298	(2,319)	127	486	0	0	(172)	4,463	
(18,432)	5,795	(10,228)	277	601	(4)	600	(1,173)	35,529	
0	25	0	0	0	0	0	0	25	
0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	(5)	0	
(346)	853	(2,599)	151	505	0	0	(156)	5,356	
0	115	(194)	75	340	0	0	(43)	1,357	
0	1	(1,037)	24	48	0	0	(49)	1,648	
0	537	(315)	(16)	(61)	0	0	(34)	1,003	
0	88	(939)	79	(36)	0	0	(22)	819	
0	288	(332)	(3)	14	0	0	(6)	124	
0	4,015	(6,043)	182	989	(4)	0	(328)	10,098	
0	1,925	(2,867)	32	604	(4)	0	(198)	6,189	
0	1,473	(2,312)	144	275	0	0	(90)	2,551	
(1,322)	2	(219)	(15)	74	0	278	(93)	2,847	
(1,260)	0	0	0	153	0	0	(33)	1,160	
(1,668)	5,183	(9,193)	315	1,582	(4)	278	(588)	18,450	
(16,764)	612	(1,035)	(38)	(981)	0	322	(585)	17,079	

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

2011	Balance at beginning of period	Transfers in	Transfers out	Purchases
Assets (CHF million)				
Interest-bearing deposits with banks	0	0	(24)	27
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,196	0	(11)	0
Securities received as collateral	0	201	0	0
Debt	10,887	3,405	(3,043)	10,382
of which corporates	3,805	931	(706)	5,484
of which RMBS	3,265	1,704	(1,277)	2,820
of which CMBS	1,862	324	(237)	831
of which CDO	1,134	370	(625)	712
Equity	623	309	(515)	726
Derivatives	8,720	2,998	(2,311)	0
of which interest rate products	2,071	815	(142)	0
of which equity/index-related products	2,298	666	(796)	0
of which credit derivatives	2,724	1,216	(1,267)	0
Other	2,016	195	(434)	2,806
Trading assets	22,246	6,907	(6,303)	13,914
Investment securities	79	2	0	48
Equity	9,346	26	(74)	986
Life finance instruments	1,843	0	0	79
Other investments	11,189	26	(74)	1,065
Loans	6,256	1,560	(1,367)	1,335
of which commercial and industrial loans	3,559	1,411	(854)	447
of which financial institutions	2,195	149	(240)	836
Other intangible assets	66	0	0	23
Other assets	9,253	6,198	(6,988)	4,730
of which loans held-for-sale	8,933	5,988	(6,974)	4,426
Total assets at fair value	50,285	14,894	(14,767)	21,142
Liabilities (CHF million)				
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	507	0	(293)	0
Obligation to return securities received as collateral	0	201	0	0
Trading liabilities	9,201	1,276	(2,062)	214
of which interest rate derivatives	1,342	91	(45)	0
of which foreign exchange derivatives	2,940	48	(135)	0
of which equity/index-related derivatives	2,939	113	(716)	0
of which credit derivatives	1,255	949	(1,072)	0
Short-term borrowings	123	64	(23)	0
Long-term debt	16,798	7,346	(8,522)	0
of which structured notes over two years	9,486	1,911	(2,109)	0
of which non-recourse liabilities	6,825	5,187	(6,213)	0
Other liabilities	3,733	663	(383)	290
of which failed sales	1,848	607	(345)	237
Total liabilities at fair value	30,362	9,550	(11,283)	504
Net assets/liabilities at fair value	19,923	5,344	(3,484)	20,638

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	0	0	(1)	(2)	0	0	0	0
0	55	(45)	0	4	0	0	5	1,204
0	0	(7)	0	0	0	0	(1)	193
(11,178)	0	0	1	(467)	0	0	(46)	9,941
(4,573)	0	0	34	49	0	0	52	5,076
(4,230)	0	0	(37)	(361)	0	0	(98)	1,786
(1,072)	0	0	(2)	(181)	0	0	(8)	1,517
(907)	0	0	16	33	0	0	(6)	727
(668)	0	0	35	(47)	0	0	4	467
0	778	(3,085)	22	2,436	0	0	30	9,588
0	133	(599)	13	266	0	0	(10)	2,547
0	272	(184)	(21)	455	0	0	42	2,732
0	86	(2,051)	31	1,452	0	0	(19)	2,172
(2,300)	0	(43)	(7)	(68)	0	0	30	2,195
(14,146)	778	(3,128)	51	1,854	0	0	18	22,191
(18)	0	(4)	0	0	0	0	(5)	102
(4,605)	0	0	0	30	0	1,255	(65)	6,899
(83)	0	0	0	116	0	0	13	1,968
(4,688)	0	0	0	146	0	1,255	(52)	8,867
(978)	2,483	(2,338)	18	(122)	0	0	(5)	6,842
(521)	1,984	(1,494)	2	(2)	0	0	27	4,559
(353)	371	(608)	(1)	(143)	0	0	(27)	2,179
0	0	0	0	0	0	(19)	0	70
(5,534)	1,570	(1,442)	(105)	(161)	0	1	(53)	7,469
(5,180)	1,569	(1,443)	(105)	(255)	0	0	(58)	6,901
(25,364)	4,886	(6,964)	(37)	1,719	0	1,237	(93)	46,938
0	0	(199)	(4)	0	0	0	(11)	0
0	0	(7)	0	0	0	0	(1)	193
(290)	502	(1,929)	203	259	0	0	(31)	7,343
0	2	(194)	(4)	383	0	0	13	1,588
0	17	(704)	7	655	0	0	8	2,836
0	153	(348)	181	(1,236)	0	0	(64)	1,022
0	136	(414)	19	622	0	0	25	1,520
0	320	(229)	1	(24)	0	0	4	236
0	6,253	(8,383)	(166)	(490)	0	0	(121)	12,715
0	2,921	(3,566)	(55)	(932)	0	0	(80)	7,576
0	2,609	(4,393)	(117)	(215)	0	0	(98)	3,585
(437)	17	(245)	(45)	181	0	128	(12)	3,890
(403)	0	0	(11)	(20)	0	0	(4)	1,909
(727)	7,092	(10,992)	(11)	(74)	0	128	(172)	24,377
(24,637)	(2,206)	4,028	(26)	1,793	0	1,109	79	22,561

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

in	2012			2011		
	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	(1,019)	322	(697) ¹	1,767	1,109	2,876 ¹
Whereof:						
Unrealized gains/(losses) relating to assets and liabilities still held as of the reporting date	(1,209)	(23)	(1,232)	546	(116)	430

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

Quantitative information about level 3 assets at fair value

2012	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value
CHF million, except where indicated					
Debt	5,830				
of which corporates	3,192				
of which	754	Option model	Correlation, in %	(87)	97
			Buyback probability, in % ¹	50	100
of which	797	Market comparable	Price, in %	0	146
of which	1,231	Discounted cash flow	Credit spread, in bp	0	2,439
of which RMBS	724	Discounted cash flow	Discount rate, in %	2	50
			Prepayment rate, in %	0	55
			Default rate, in %	0	25
			Loss severity, in %	0	100
of which CMBS	1,023	Discounted cash flow	Capitalization rate, in %	5	12
			Internal rate of return, in %	9	15
			Discount rate, in %	2	35
			Prepayment rate, in %	0	10
			Default rate, in %	0	40
			Loss severity, in %	0	90
of which CDO	447				
of which	193	Vendor price	Price, in %	0	102
of which	123	Discounted cash flow	Discount rate, in %	2	35
			Prepayment rate, in %	0	40
			Default rate, in %	0	25
			Loss severity, in %	0	100
of which	78	Market comparable	Price, in %	80	93

¹ 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)

2012	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value
CHF million, except where indicated					
Equity	485				
of which	237	Market comparable	EBITDA multiple	3	12
of which	26	Discounted cash flow	Capitalization rate, in %	7	7
Derivatives	6,650				
of which interest rate products	1,859	Option model	Correlation, in %	17	100
			Prepayment rate, in %	2	45
			Volatility, in %	(5)	31
			Credit spread, in bp	34	157
of which equity/index-related products	1,920	Option model	Correlation, in %	(87)	97
			Volatility, in %	2	157
of which credit derivatives	1,294	Discounted cash flow	Credit spread, in bp	1	5,843
			Recovery rate, in %	0	75
			Discount rate, in %	2	35
			Default rate, in %	0	25
			Loss severity, in %	0	100
			Correlation, in %	30	97
			Prepayment rate, in %	0	40
Other	2,486				
of which	1,891	Market comparable	Price, in %	0	103
of which	564	Discounted cash flow	Life expectancy, in years	4	20
Trading assets	15,451				
Investment securities	170	–	–	–	–
Private equity	3,855	– ¹	– ¹	– ¹	– ¹
Hedge funds	165	– ¹	– ¹	– ¹	– ¹
Other equity investments	2,244				
of which private	2,245				
of which	759	Discounted cash flow	Credit spread, in bp	1,070	2,049
			Contingent probability, in %	50	50
of which	903	Market comparable	EBITDA multiple	2	13
Life finance instruments	1,818	Discounted cash flow	Life expectancy, in years	1	23
Other investments	8,082				
Loans	6,619				
of which commercial and industrial loans	4,778	Discounted cash flow	Credit spread, in bp	0	2,763
of which financial institutions	1,530	Discounted cash flow	Credit spread, in bp	0	888
Other intangible assets (mortgage servicing rights)	43	–	–	–	–
Other assets	5,164				
of which loans held-for-sale	4,463				
of which	2,031	Vendor price	Price, in %	0	103
of which	328	Discounted cash flow	Credit spread, in bp	20	1,458
of which	2,009	Market comparable	Price, in %	0	115
Total level 3 assets at fair value	35,529				

¹ 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)

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

¹ Management's best estimate of the speed at which interest rates will revert to the long-term average. ² 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. ³ Risk of unexpected large declines in the underlying values occurring between collateral settlement dates.

Fair value, unfunded commitments and term of redemption conditions

end of 2012	Non- redeemable	Redeemable	Total fair value	Unfunded commit- ments
Fair value and unfunded commitments (CHF million)				
Debt funds	127	38	165	0
Equity funds	52	3,810 ¹	3,862	0
Equity funds sold short	0	(111)	(111)	0
Total funds held in trading assets and liabilities	179	3,737	3,916	0
Debt funds	68	365	433	157
Equity funds	3	43	46	0
Others	4	152	156	46
Hedge funds	75	560 ²	635	203
Debt funds	97	0	97	17
Equity funds	2,530	0	2,530	723
Real estate funds	382	0	382	131
Others	846	0	846	198
Private equity	3,855	0	3,855	1,069
Equity method investments	385	0	385	0
Total funds held in other investments	4,315	560	4,875	1,272
Total fair value	4,494 ³	4,297 ⁴	8,791	1,272 ⁵

¹ 57% of the redeemable fair value amount of equity funds is redeemable on demand with a notice period of less than 30 days, 17% is redeemable on an annual basis with a notice period primarily of more than 60 days, 13% is redeemable on a monthly basis with a notice period primarily of less than 30 days and 13% is redeemable on a quarterly basis with a notice period primarily of more than 45 days. ² 66% of the redeemable fair value amount of hedge funds is redeemable on a quarterly basis with a notice period primarily of more than 60 days, 19% is redeemable on demand with a notice period primarily of less than 30 days and 11% is redeemable on an annual basis with a notice period of more than 60 days. ³ Includes CHF 1,958 million attributable to noncontrolling interests. ⁴ Includes CHF 107 million attributable to noncontrolling interests. ⁵ Includes CHF 418 million attributable to noncontrolling interests.

Fair value, unfunded commitments and term of redemption conditions (continued)

end of 2011	Non-redeemable	Redeemable	Total fair value	Unfunded commitments
Fair value and unfunded commitments (CHF million)				
Debt funds	45	61	106	0
Equity funds	40	4,864 ¹	4,904	0
Equity funds sold short	0	(78)	(78)	0
Total funds held in trading assets and liabilities	85	4,847	4,932	0
Debt funds	58	268	326	219
Equity funds	4	50	54	0
Others	5	113	118	55
Hedge funds	67	431 ²	498	274
Debt funds	9	0	9	18
Equity funds	2,973	0	2,973	952
Real estate funds	338	0	338	200
Others	823	0	823	231
Private equity	4,143	0	4,143	1,401
Equity method investments	360	0	360	0
Total funds held in other investments	4,570	431	5,001	1,675
Total fair value	4,655 ³	5,278 ⁴	9,933	1,675 ⁵

¹ 46% 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 a quarterly basis with a notice period primarily of more than 45 days, 18% is redeemable on an annual basis with a notice period primarily of more than 60 days and 17% is redeemable on a monthly basis with a notice period primarily of less than 30 days. ² 72% 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, 17% is redeemable on an annual basis with a notice period of more than 60 days and 10% is redeemable on demand with a notice period primarily of less than 30 days. ³ Includes CHF 2,248 million attributable to noncontrolling interests. ⁴ Includes CHF 91 million attributable to noncontrolling interests. ⁵ Includes CHF 540 million attributable to noncontrolling interests.

Nonrecurring fair value changes

end of	2012	2011
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	0.5	0.7
of which level 3	0.5	0.7

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

end of	2012			2011		
	Aggregate fair value	Aggregate unpaid principal	Difference	Aggregate fair value	Aggregate unpaid principal	Difference
Loans (CHF million)						
Non-interest-earning loans	920	3,810	(2,890)	807	3,277	(2,470)
Financial instruments (CHF million)						
Interest-bearing deposits with banks	627	615	12	405	404	1
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	113,664	113,196	468	158,673	157,889	784
Loans	20,000	20,278	(278)	20,693	21,381	(688)
Other assets ¹	22,060	29,787	(7,727)	20,511	30,778	(10,267)
Due to banks and customer deposits	(531)	(493)	(38)	(610)	(620)	10
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(108,784)	(108,701)	(83)	(136,483)	(136,396)	(87)
Short-term borrowings	(4,513)	(4,339)	(174)	(3,547)	(3,681)	134
Long-term debt	(64,774)	(66,434)	1,660	(68,036)	(77,000)	8,964
Other liabilities	(3,683)	(6,186)	2,503	(5,730)	(8,210)	2,480

¹ Primarily loans held-for-sale.

Gains and losses on financial instruments

	2012	2011	2010
in	Net gains/ (losses)	Net gains/ (losses)	Net gains/ (losses)
Financial instruments (CHF million)			
Cash and due from banks	(13) ²	–	–
of which related to credit risk	(13)	–	–
Interest-bearing deposits with banks	12 ¹	0	11 ¹
of which related to credit risk	3	0	0
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,183 ¹	1,698 ¹	1,901 ¹
Other trading assets	10 ²	10 ²	46 ²
Other investments	144 ³	196 ²	(225) ³
of which related to credit risk	34	(14)	(2)
Loans	925 ¹	(1,105) ²	1,065 ¹
of which related to credit risk	318	(256)	707
Other assets	2,641 ¹	476 ¹	5,896 ²
of which related to credit risk	355	(332)	589
Due to banks and customer deposits	(22) ¹	(2) ¹	(27) ²
of which related to credit risk	8	45	0
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(114) ¹	(575) ¹	(471) ¹
Short-term borrowings	(350) ²	91 ²	(51) ²
of which related to credit risk ⁴	0	(2)	1
Long-term debt	(7,709) ²	2,301 ²	(6,313) ²
of which related to credit risk ⁴	(2,365)	1,769	166
Other liabilities	826 ²	(286) ²	(232) ²
of which related to credit risk	912	(348)	(97)

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 2012	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets (CHF million)					
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	69,783	0	69,755	27	69,782
Loans	204,551	0	206,214	4,482	210,696
Other financial assets ¹	133,498	63,519	68,568	1,680	133,767
Financial liabilities (CHF million)					
Due to banks and deposits	320,208	193,288	126,798	9	320,095
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	23,937	0	23,939	0	23,939
Short-term borrowings	10,325	0	10,328	0	10,328
Long-term debt	82,223	0	79,032	4,546	83,578
Other financial liabilities ²	89,275	0	88,035	1,170	89,205

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.

Carrying value and fair value of financial instruments not carried at fair value (continued)

end of 2011	Carrying value	Fair value
Financial assets (CHF million)		
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	78,262	78,262
Loans	195,813	199,657
Other financial assets ¹	188,755	188,793
Financial liabilities (CHF million)		
Due to banks and deposits	336,887	336,809
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	40,076	40,076
Short-term borrowings	22,569	22,570
Long-term debt	93,317	90,017
Other financial liabilities ²	96,497	96,497

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.

33 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.

end of **2012** 2011

Assets pledged (CHF million)

Total assets pledged or assigned as collateral	145,598	152,527
of which encumbered	90,745	96,922

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.

end of **2012** 2011

Collateral (CHF million)

Fair value of collateral received with the right to sell or repledge	402,784	373,794
of which sold or repledged	292,531	332,878

Other information

end of **2012** 2011

Other information (CHF million)

Cash and securities restricted under foreign banking regulations	14,340	17,943
Swiss National Bank required minimum liquidity reserves	2,312	2,178

- ▶ Refer to "Note 34 – Assets pledged and collateral" in V – Consolidated financial statements – Credit Suisse Group for further information.

34 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 2008, the Bank operated under the international capital adequacy standards known as ◉Basel II set forth by the BCBS. These standards affected the measurement of both total eligible capital and ◉risk-weighted assets. In January 2011, as required by FINMA, the Bank implemented BCBS's "Revisions to the Basel II market risk framework" (◉Basel II.5) for FINMA regulatory capital purposes. The Bank has based its capital adequacy calculations on US GAAP, as permitted by FINMA Circular 2008/34.

FINMA has advised the Bank that it may continue to include as tier 1 capital CHF 1.6 billion and CHF 3.2 billion of equity from SPEs which are deconsolidated under US GAAP as of December 31, 2012 and 2011, respectively.

As of December 31, 2012 and 2011, the Bank was adequately capitalized under the regulatory provisions outlined under both FINMA and the Bank for International Settlements (BIS) guidelines.

► Refer to "Note 35 – Capital adequacy" in V – Consolidated financial statements – Credit Suisse Group for further information.

BIS statistics – Basel II.5

end of	2012	2011
Eligible capital (CHF million)		
Tier 1 capital	39,660	35,098
of which core tier 1 capital	30,879	24,210
Tier 2 capital	8,092	13,292
Total eligible capital	47,752	48,390
Risk-weighted assets (CHF million)		
Credit risk	134,760	148,378
Market risk	29,338	40,571
Non-counterparty risk	5,873	7,564
Operational risk	45,125	36,088
Risk-weighted assets	215,096	232,601
Capital ratios (%)		
Core tier 1 ratio	14.4	10.4
Tier 1 ratio	18.4	15.1
Total capital ratio	22.2	20.8

Broker-dealer operations

Certain Bank broker-dealer subsidiaries are also subject to capital adequacy requirements. As of December 31, 2012 and 2011, the Bank and its subsidiaries complied with all applicable regulatory capital adequacy requirements.

Dividend restrictions

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

As of December 31, 2012 and 2011, the Bank was not subject to restrictions on its ability to pay the proposed dividends.

35 Litigation

- Refer to “Note 37 – Litigation” in V – Consolidated financial statements – Credit Suisse Group for further information.

36 Significant subsidiaries and equity method investments

Significant subsidiaries

Equity interest in %	Company name	Domicile	Currency	Nominal capital in million
as of December 31, 2012				
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 Títulos e Valores Mobiliários S.A.	São Paulo, Brazil	BRL	5.0
100	Credit Suisse (Brasil) S.A. Corretora de Títulos e Valores Mobiliários	São Paulo, Brazil	BRL	98.4
100	Credit Suisse (Deutschland) Aktiengesellschaft	Frankfurt, Germany	EUR	130.0
100	Credit Suisse (France)	Paris, France	EUR	52.9
100	Credit Suisse (Gibraltar) Limited	Gibraltar, Gibraltar	GBP	5.0
100	Credit Suisse (Guernsey) Limited	St. Peter Port, Guernsey	USD	6.1
100	Credit Suisse (Hong Kong) Limited	Hong Kong, China	HKD	6,135.9
100	Credit Suisse (Italy) S.p.A.	Milan, Italy	EUR	109.6
100	Credit Suisse (Monaco) S.A.M.	Monte Carlo, Monaco	EUR	18.0
100	Credit Suisse (Poland) Sp. z o.o.	Warsaw, Poland	PLN	20.0
100	Credit Suisse (Qatar) LLC	Doha, Qatar	USD	20.0
100	Credit Suisse (Singapore) Limited	Singapore, Singapore	SGD	743.3
100	Credit Suisse (UK) Limited	London, United Kingdom	GBP	126.8
100	Credit Suisse (USA), Inc.	Wilmington, United States	USD	0.0
100	Credit Suisse Alternative Capital, LLC	Wilmington, United States	USD	81.6
100	Credit Suisse Asset Management Funds (UK) Limited	London, United Kingdom	GBP	15.5
100	Credit Suisse Asset Management Funds S.p.A. S.G.R.	Milan, Italy	EUR	5.0
100	Credit Suisse Asset Management (UK) Holding Limited	London, United Kingdom	GBP	144.2
100	Credit Suisse Asset Management Immobilien Kapitalanlagegesellschaft mbH	Frankfurt, Germany	EUR	6.1
100	Credit Suisse Asset Management International Holding Ltd	Zurich, Switzerland	CHF	20.0
100	Credit Suisse Asset Management Investments Ltd	Zurich, Switzerland	CHF	0.1
100	Credit Suisse Asset Management Limited	London, United Kingdom	GBP	45.0
100	Credit Suisse Asset Management, LLC	Wilmington, United States	USD	1,079.6
100	Credit Suisse Business Analytics (India) Private Limited	Mumbai, India	INR	40.0
100	Credit Suisse Capital (Guernsey) I Limited	St. Peter Port, Guernsey	USD	0.0
100	Credit Suisse Capital Funding, Inc.	Wilmington, United States	USD	0.0
100	Credit Suisse Capital LLC	Wilmington, United States	USD	737.6

Significant subsidiaries (continued)

Equity interest in %	Company name	Domicile	Currency	Nominal capital in million
100	Credit Suisse Energy LLC	Wilmington, United States	USD	0.0
100	Credit Suisse Equities (Australia) Limited	Sydney, Australia	AUD	62.5
100	Credit Suisse Finance (Guernsey) Limited	St. Peter Port, Guernsey	USD	0.2
100	Credit Suisse Finance (India) Private Limited	Mumbai, India	INR	1,050.1
100	Credit Suisse First Boston (Latin America Holdings) LLC	George Town, Cayman Islands	USD	23.8
100	Credit Suisse First Boston Finance B.V.	Amsterdam, The Netherlands	EUR	0.0
100	Credit Suisse First Boston Mortgage Capital LLC	Wilmington, United States	USD	356.6
100	Credit Suisse Fund Management S.A.	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Fund Services (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	1.5
100	Credit Suisse Funds AG	Zurich, Switzerland	CHF	7.0
100	Credit Suisse Hedging-Griffo Corretora de Valores S.A.	São Paulo, Brazil	BRL	29.6
100	Credit Suisse Holding Europe (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	32.6
100	Credit Suisse Holdings (Australia) Limited	Sydney, Australia	AUD	3.0
100 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	894.5
100	Credit Suisse Principal Investments Limited	George Town, Cayman Islands	JPY	3,324.0
100	Credit Suisse Private Equity, LLC	Wilmington, United States	USD	42.2
100	Credit Suisse PSL GmbH	Zurich, Switzerland	CHF	0.0
100	Credit Suisse Securities (Canada), Inc.	Toronto, Canada	CAD	3.4
100	Credit Suisse Securities (Europe) Limited	London, United Kingdom	USD	2,859.3
100	Credit Suisse Securities (Hong Kong) Limited	Hong Kong, China	HKD	530.9
100	Credit Suisse Securities (India) Private Limited	Mumbai, India	INR	2,214.8
100	Credit Suisse Securities (Japan) Limited	Tokyo, Japan	JPY	78,100.0
100	Credit Suisse Securities (Johannesburg) (Proprietary) Limited	Johannesburg, South Africa	ZAR	0.0
100	Credit Suisse Securities (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	MYR	100.0
100	Credit Suisse Securities (Moscow)	Moscow, Russia	RUB	97.1
100	Credit Suisse Securities (Singapore) Pte Limited	Singapore, Singapore	SGD	30.0
100	Credit Suisse Securities (Thailand) Limited	Bangkok, Thailand	THB	500.0
100	Credit Suisse Securities (USA) LLC	Wilmington, United States	USD	2,847.9
100	CS Non-Traditional Products Ltd.	Nassau, Bahamas	USD	0.1
100	DLJ Mortgage Capital, Inc.	Wilmington, United States	USD	0.0
100	J O Hambro Investment Management Limited	London, United Kingdom	GBP	0.0
100	Merban Equity AG	Zug, Switzerland	CHF	0.1
100	SPS Holding Corporation	Wilmington, United States	USD	0.1
100	Whist Equity Trading LLC	Wilmington, United States	USD	140.4
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	3,107.7
83	Asset Management Finance LLC	Wilmington, United States	USD	341.5
71	Credit Suisse Saudi Arabia	Riyadh, Saudi Arabia	SAR	300.0
58 ³	Credit Suisse (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	150.0

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. ³ 42% of voting rights held directly by Credit Suisse Group AG.

Significant equity method investments

Equity interest in %	Company name	Domicile
as of December 31, 2012		
Credit Suisse AG		
33	Credit Suisse Founder Securities Limited	Beijing, China
25	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

¹ The Bank holds a significant noncontrolling interest.

37 Significant valuation and income recognition differences between US GAAP and Swiss GAAP bank law (true and fair view)

- ▶ Refer to “Note 41 – Significant valuation and income recognition differences between US GAAP and Swiss GAAP bank law (true and fair view)” in V – Consolidated financial statements – Credit Suisse Group for further information.

38 Risk assessment

During the reporting period the Board of Directors (Board) 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 and the Executive Board are comprised of the same individuals.

- ▶ Refer to “Note 42 – 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.

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, 2012, 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, 2012 using the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission 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, 2012.

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, 2012, 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.



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

We have audited Credit Suisse AG and subsidiaries' (the "Bank") internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control—Integrated Framework* 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.

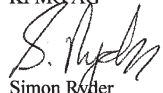
A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal 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, 2012, based on criteria established in *Internal Control—Integrated Framework* 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, 2012 and 2011, 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, 2012, and our report dated March 22, 2013 expressed an unqualified opinion on those consolidated financial statements.

KPMG AG


 Simon Ryder
 Licensed Audit Expert
 Auditor in Charge


 Anthony Anzevino
 Global Lead Partner

Zurich, Switzerland
 March 22, 2013