

VII

Consolidated financial statements – Credit Suisse (Bank)

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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 balance sheets as of December 31, 2015 and 2014, 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, 2015.

Board of Directors’ Responsibility

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

Auditor’s Responsibility

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

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

Opinion

In our opinion, the consolidated financial statements for the years ended December 31, 2015 and 2014, give a true and fair view of the financial position, the results of operations and the cash flows for each of the years in the three-year period ended December 31, 2015, in accordance with U.S. Generally Accepted Accounting Principles, and comply with Swiss law.



Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) 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, 2015, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated March 24, 2016 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 24, 2016

Consolidated financial statements

Consolidated statements of operations

	Reference to notes	2015	2014	in 2013
Consolidated statements of operations (CHF million)				
Interest and dividend income	6	18,857	18,585	19,017
Interest expense	6	(9,990)	(9,908)	(11,307)
Net interest income	6	8,867	8,677	7,710
Commissions and fees	7	11,846	12,887	13,057
Trading revenues	8	1,298	1,790	2,755
Other revenues	9	1,200	2,235	1,792
Net revenues		23,211	25,589	25,314
Provision for credit losses	10	276	125	93
Compensation and benefits	11	11,523	11,382	11,187
General and administrative expenses	12	8,614	9,573	8,642
Commission expenses		1,614	1,548	1,726
Goodwill impairment	20	3,797	0	12
Restructuring expenses	13	325	–	–
Total other operating expenses		14,350	11,121	10,380
Total operating expenses		25,873	22,503	21,567
Income/(loss) from continuing operations before taxes		(2,938)	2,961	3,654
Income tax expense	27	439	1,299	1,170
Income/(loss) from continuing operations		(3,377)	1,662	2,484
Income from discontinued operations, net of tax	4	0	102	145
Net income/(loss)		(3,377)	1,764	2,629
Net income/(loss) attributable to noncontrolling interests		(7)	445	669
Net income/(loss) attributable to shareholder		(3,370)	1,319	1,960
of which from continuing operations		(3,370)	1,217	1,815
of which from discontinued operations		0	102	145

Consolidated statements of comprehensive income

		2015	2014	in 2013
Comprehensive income/(loss) (CHF million)				
Net income/(loss)		(3,377)	1,764	2,629
Gains/(losses) on cash flow hedges		24	(27)	2
Foreign currency translation		(1,147)	2,284	(2,234)
Unrealized gains/(losses) on securities		(6)	21	(18)
Actuarial gains/(losses)		44	58	(43)
Net prior service credit/(cost)		(14)	14	0
Other comprehensive income/(loss), net of tax		(1,099)	2,350	(2,293)
Comprehensive income/(loss)		(4,476)	4,114	336
Comprehensive income/(loss) attributable to noncontrolling interests		(26)	614	634
Comprehensive income/(loss) attributable to shareholder		(4,450)	3,500	(298)

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

Consolidated balance sheets

	Reference to notes	2015	end of 2014
Assets (CHF million)			
Cash and due from banks		90,521	78,000
of which reported at fair value		89	304
of which reported from consolidated VIEs		1,693	1,493
Interest-bearing deposits with banks		4,953	4,104
of which reported at fair value		2	0
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	14	123,436	163,208
of which reported at fair value		83,565	104,283
of which reported from consolidated VIEs		53	660
Securities received as collateral, at fair value		28,511	26,854
of which encumbered		27,940	25,220
Trading assets, at fair value	15	191,096	241,313
of which encumbered		62,559	77,583
of which reported from consolidated VIEs		2,372	4,261
Investment securities	16	2,698	2,379
of which reported at fair value		2,698	2,379
of which reported from consolidated VIEs		1,009	0
Other investments	17	6,787	8,467
of which reported at fair value		4,227	5,642
of which reported from consolidated VIEs		1,986	2,105
Net loans	18	254,915	255,928
of which reported at fair value		20,820	22,913
of which encumbered		108	192
of which reported from consolidated VIEs		1,312	245
allowance for loan losses		(724)	(597)
Premises and equipment	19	4,439	4,441
of which reported from consolidated VIEs		299	422
Goodwill	20	3,929	7,766
Other intangible assets	21	196	249
of which reported at fair value		112	70
Brokerage receivables		34,540	41,629
Other assets	22	57,910	70,511
of which reported at fair value		25,626	32,321
of which encumbered		671	250
of which reported from consolidated VIEs		14,450	16,132
Total assets		803,931	904,849

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

Consolidated balance sheets (continued)

	Reference to notes	2015	end of 2014
Liabilities and equity (CHF million)			
Due to banks	23	21,460	26,506
of which reported at fair value		490	832
Customer deposits	23	331,700	357,569
of which reported at fair value		3,656	3,251
of which reported from consolidated VIEs		0	3
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	14	46,598	70,119
of which reported at fair value		32,398	54,732
Obligation to return securities received as collateral, at fair value		28,511	26,854
Trading liabilities, at fair value	15	49,054	72,667
of which reported from consolidated VIEs		27	35
Short-term borrowings		8,657	25,921
of which reported at fair value		3,112	3,861
of which reported from consolidated VIEs		81	9,384
Long-term debt	24	192,094	172,947
of which reported at fair value		80,002	80,260
of which reported from consolidated VIEs		14,826	13,452
Brokerage payables		39,452	56,977
Other liabilities	22	41,715	50,648
of which reported at fair value		11,745	16,933
of which reported from consolidated VIEs		835	1,727
Total liabilities		759,241	860,208
Common shares		4,400	4,400
Additional paid-in capital		39,883	34,842
Retained earnings		12,427	15,877
Accumulated other comprehensive income/(loss)	25	(13,304)	(12,224)
Total shareholder's equity		43,406	42,895
Noncontrolling interests		1,284	1,746
Total equity		44,690	44,641
Total liabilities and equity		803,931	904,849

end of	2015	2014
Additional share information		
Par value (CHF)	1.00	1.00
Issued shares	4,399,680,200	4,399,680,200
Shares outstanding	4,399,680,200	4,399,680,200

The Bank's total share capital is fully paid and consists of 4,399,680,200 registered shares as of December 31, 2015. Each share is entitled to one vote. The Bank has no warrants on its own shares outstanding.

Consolidated statements of changes in equity

	Attributable to shareholder							
	Common shares	Additional paid-in capital	Retained earnings	Treasury shares, at cost ¹	Accumulated other comprehensive income/(loss)	Total shareholder's equity	Non-controlling interests	Total equity
2015 (CHF million)								
Balance at beginning of period	4,400	34,842	15,877	0	(12,224)	42,895	1,746	44,641
Purchase of subsidiary shares from non-controlling interests, not changing ownership ^{2,3}	–	–	–	–	–	–	(434)	(434)
Sale of subsidiary shares to noncontrolling interests, not changing ownership ³	–	–	–	–	–	–	57	57
Net income/(loss)	–	–	(3,370)	–	–	(3,370)	(7)	(3,377)
Total other comprehensive income/(loss), net of tax	–	–	–	–	(1,080)	(1,080)	(19)	(1,099)
Share-based compensation, net of tax	–	(436) ⁴	–	–	–	(436)	–	(436)
Dividends on share-based compensation, net of tax	–	(12)	–	–	–	(12)	–	(12)
Dividends paid	–	–	(80)	–	–	(80)	–	(80)
Changes in scope of consolidation, net	–	–	–	–	–	–	(57)	(57)
Other	–	5,489 ⁵	–	–	–	5,489	(2)	5,487
Balance at end of period	4,400	39,883	12,427	0	(13,304)	43,406	1,284	44,690
2014 (CHF million)								
Balance at beginning of period	4,400	34,851	14,621	0	(14,405)	39,467	4,165	43,632
Purchase of subsidiary shares from non-controlling interests, changing ownership	–	26	–	–	–	26	–	26
Purchase of subsidiary shares from non-controlling interests, not changing ownership	–	–	–	–	–	–	(578)	(578)
Sale of subsidiary shares to noncontrolling interests, not changing ownership	–	–	–	–	–	–	40	40
Net income/(loss)	–	–	1,319	–	–	1,319	445	1,764
Total other comprehensive income/(loss), net of tax	–	–	–	–	2,181	2,181	169	2,350
Share-based compensation, net of tax	–	(61)	–	–	–	(61)	–	(61)
Dividends on share-based compensation, net of tax	–	(44)	–	–	–	(44)	–	(44)
Dividends paid	–	–	(63)	–	–	(63)	(21)	(84)
Changes in redeemable noncontrolling interests	–	2	–	–	–	2	–	2
Changes in scope of consolidation, net	–	–	–	–	–	–	(2,477)	(2,477)
Other	–	68	–	–	–	68	3	71
Balance at end of period	4,400	34,842	15,877	0	(12,224)	42,895	1,746	44,641

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

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

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

⁴ Includes a net tax charge of CHF (28) million from the excess recognized compensation expense over fair value of shares delivered.

⁵ Includes a capital contribution of CHF 5,300 million from Credit Suisse Group AG to Credit Suisse AG following the capital increase in December 2015 by the Group.

Consolidated statements of changes in equity (continued)

	Attributable to shareholder							Total equity
	Common shares/participation securities	Additional paid-in capital	Retained earnings	Treasury shares, at cost	Accumulated other comprehensive income/(loss)	Total shareholder's equity	Non-controlling interests	
2013 (CHF million)								
Balance at beginning of period	4,400	29,365	13,086	0	(12,147)	34,704	8,179	42,883
Purchase of subsidiary shares from non-controlling interests, changing ownership	–	–	–	–	–	–	(22)	(22)
Purchase of subsidiary shares from non-controlling interests, not changing ownership	–	–	–	–	–	–	(5,060)	(5,060)
Sale of subsidiary shares to noncontrolling interests, not changing ownership	–	–	–	–	–	–	693	693
Net income/(loss)	–	–	1,960	–	–	1,960	682	2,642
Total other comprehensive income/(loss), net of tax	–	–	–	–	(2,258)	(2,258)	(35)	(2,293)
Cancellation of repurchased shares	–	(445)	–	–	–	(445)	–	(445)
Share-based compensation, net of tax	–	196	–	–	–	196	–	196
Dividends on share-based compensation, net of tax	–	(87)	–	–	–	(87)	–	(87)
Dividends paid	–	–	(424)	–	–	(424)	(59)	(483)
Changes in redeemable noncontrolling interests	–	(13)	–	–	–	(13)	–	(13)
Changes in scope of consolidation, net	–	–	–	–	–	–	(211)	(211)
Other	–	5,835	(1)	–	–	5,834	(2)	5,832
Balance at end of period	4,400	34,851	14,621	0	(14,405)	39,467	4,165	43,632

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

Consolidated statements of cash flows

in	2015	2014	2013
Operating activities of continuing operations (CHF million)			
Net income/(loss)	(3,377)	1,764	2,629
(Income)/loss from discontinued operations, net of tax	0	(102)	(145)
Income/(loss) from continuing operations	(3,377)	1,662	2,484
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities of continuing operations (CHF million)			
Impairment, depreciation and amortization	4,879	1,276	1,337
Provision for credit losses	276	125	93
Deferred tax provision/(benefit)	2	619	658
Share of net income/(loss) from equity method investments	(101)	147	48
Trading assets and liabilities, net	26,141	(5,096)	10,427
(Increase)/decrease in other assets	11,367	6,483	(3,248)
Increase/(decrease) in other liabilities	(22,312)	(24,146)	10,134
Other, net	(1,950)	730	84
Total adjustments	18,302	(19,862)	19,533
Net cash provided by/(used in) operating activities of continuing operations	14,925	(18,200)	22,017
Investing activities of continuing operations (CHF million)			
(Increase)/decrease in interest-bearing deposits with banks	(929)	(727)	443
(Increase)/decrease in central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	36,578	11,677	17,120
Purchase of investment securities	(376)	(1,060)	(676)
Proceeds from sale of investment securities	19	118	176
Maturities of investment securities	887	187	673
Investments in subsidiaries and other investments	(555)	(1,228)	(1,338)
Proceeds from sale of other investments	1,895	1,519	3,165
(Increase)/decrease in loans	(3,941)	(23,690)	(8,577)
Proceeds from sales of loans	1,579	1,255	1,483
Capital expenditures for premises and equipment and other intangible assets	(1,087)	(1,043)	(895)
Proceeds from sale of premises and equipment and other intangible assets	13	1	9
Other, net	402	601	115
Net cash provided by/(used in) investing activities of continuing operations	34,485	(12,390)	11,698

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

Consolidated statements of cash flows (continued)

in	2015	2014	2013
Financing activities of continuing operations (CHF million)			
Increase/(decrease) in due to banks and customer deposits	(28,757)	27,137	22,630
Increase/(decrease) in short-term borrowings	(18,148)	3,509	6,002
Increase/(decrease) in central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(22,149)	(31,001)	(36,347)
Issuances of long-term debt	76,883	74,150	37,914
Repayments of long-term debt	(48,919)	(37,871)	(55,216)
Dividends paid	(10)	(84)	(483)
Other, net	4,789	(488)	736
Net cash provided by/(used in) financing activities of continuing operations	(36,311)	35,352	(24,764)
Effect of exchange rate changes on cash and due from banks (CHF million)			
Effect of exchange rate changes on cash and due from banks	(578)	5,617	(1,219)
Net cash provided by/(used in) discontinued operations (CHF million)			
Net cash provided by/(used in) discontinued operations	0	(460)	(1,027)
Net increase/(decrease) in cash and due from banks (CHF million)			
Net increase/(decrease) in cash and due from banks	12,521	9,919	6,705
Cash and due from banks at beginning of period	78,000	68,081	61,376
Cash and due from banks at end of period	90,521	78,000	68,081

Supplemental cash flow information

in	2015	2014	2013
Cash paid for income taxes and interest (CHF million)			
Cash paid for income taxes	946	1,455	769
Cash paid for interest	10,158	9,419	11,686
Assets acquired and liabilities assumed in business acquisitions (CHF million)			
Fair value of assets acquired	3	143	4
Fair value of liabilities assumed	0	29	0
Assets and liabilities sold in business divestitures (CHF million)			
Assets sold	35	687	338
Liabilities sold	7	1,084	162

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.

On October 21, 2015, the Group announced its new strategy and organization, which included the introduction of a new segment structure as presented in Note 5 – Segment information. Restructuring expenses of the Bank related to the implementation of the new Group strategy are presented in Note 13 – Restructuring expenses. Reclassifications have been made to the prior year's consolidated financial statements to conform to the current presentation. The reclassifications had no impact on net income/(loss) or total shareholders' equity.

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

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

Pensions and other post-retirement benefits

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

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

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

Certain key assumptions are used in performing the actuarial valuations. These assumptions must be made concerning the future

events that will determine the amount and timing of the benefit payments and thus require significant judgment and estimates by Bank management. For example, assumptions have to be made with regard to discount rates, expected return on plan assets and salary increases.

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

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

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

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

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

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

Own shares, own bonds and financial instruments on Group shares

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

2 Recently issued accounting standards

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

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

3 Business developments and subsequent events

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

4 Discontinued operations

There were no operations that were discontinued in 2015.

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

Income/(loss) from discontinued operations

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

5 Segment information

For the purposes of the presentation of reportable segments, the Bank has included accounts of affiliate entities wholly owned by the same parent which are managed together with the operating segments of the Bank. These affiliate entities include certain bank and trust affiliates, primarily managed by Swiss Universal Bank. Income from continuing operations before taxes of these non-consolidated affiliate entities included in the segment presentation for the years ended December 31, 2015, 2014 and 2013 was CHF 279 million, CHF 264 million and CHF 243 million,

respectively. For the same periods, net revenues of these non-consolidated affiliate entities included in the segment presentation were CHF 644 million, CHF 656 million and CHF 659 million, respectively, and total assets of these non-consolidated affiliate entities included in the segment presentation as of December 31, 2015 and 2014, were CHF 27.6 billion and CHF 25.7 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	2015	2014	2013
Net revenues (CHF million)			
Swiss Universal Bank	5,563	5,721	5,612
International Wealth Management	4,394	4,751	4,929
Asia Pacific	3,839	3,335	3,018
Global Markets	7,391	8,613	8,974
Investment Banking & Capital Markets	1,752	2,106	2,014
Strategic Resolution Unit	413	1,168	1,630
Adjustments ¹	(141)	(105)	(863)
Net revenues	23,211	25,589	25,314
Income/(loss) before taxes (CHF million)			
Swiss Universal Bank	1,659	1,976	1,740
International Wealth Management	709	1,212	1,217
Asia Pacific	377	900	752
Global Markets	(1,944)	2,657	3,012
Investment Banking & Capital Markets	(353)	508	581
Strategic Resolution Unit	(2,510)	(3,573)	(2,558)
Adjustments ¹	(876)	(719)	(1,090)
Income/(loss) from continuing operations before taxes	(2,938)	2,961	3,654

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.

Total assets

end of	2015	2014
Total assets (CHF million)		
Swiss Universal Bank	218,306	213,888
International Wealth Management	94,033	92,466
Asia Pacific	85,929	105,574
Global Markets	262,201	365,580
Investment Banking & Capital Markets	19,800	14,928
Strategic Resolution Unit	77,664	107,464
Adjustments ¹	45,998	4,949
Total assets	803,931	904,849

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

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

in	2015	2014	2013
Net revenues (CHF million)			
Switzerland	7,967	7,585	7,479
EMEA	3,819	4,301	4,797
Americas	8,514	11,173	10,831
Asia Pacific	2,911	2,530	2,207
Net revenues	23,211	25,589	25,314
Income/(loss) from continuing operations before taxes (CHF million)			
Switzerland	1,315	(179)	300
EMEA	(1,493)	(621)	195
Americas	(2,909)	3,723	3,301
Asia Pacific	149	38	(142)
Income/(loss) from continuing operations before taxes	(2,938)	2,961	3,654

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

Total assets by geographic location

end of	2015	2014
Total assets (CHF million)		
Switzerland	204,715	195,512
EMEA	162,093	187,921
Americas	355,481	428,195
Asia Pacific	81,642	93,221
Total assets	803,931	904,849

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

6 Net interest income

in	2015	2014	2013
Net interest income (CHF million)			
Loans	4,957	4,606	4,319
Investment securities	63	27	28
Trading assets	9,045	9,507	10,058
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	2,622	2,317	2,517
Other	2,170	2,128	2,095
Interest and dividend income	18,857	18,585	19,017
Deposits	(864)	(1,035)	(958)
Short-term borrowings	(105)	(119)	(67)
Trading liabilities	(3,855)	(3,938)	(5,083)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(1,264)	(1,042)	(1,155)
Long-term debt	(3,696)	(3,484)	(3,796)
Other	(206)	(290)	(248)
Interest expense	(9,990)	(9,908)	(11,307)
Net interest income	8,867	8,677	7,710

7 Commissions and fees

in	2015	2014	2013
Commissions and fees (CHF million)			
Lending business	1,532	1,711	1,774
Investment and portfolio management	3,319	3,630	3,854
Other securities business	66	94	101
Fiduciary business	3,385	3,724	3,955
Underwriting	1,659	1,911	1,681
Brokerage	3,616	3,669	3,901
Underwriting and brokerage	5,275	5,580	5,582
Other services	1,654	1,872	1,746
Commissions and fees	11,846	12,887	13,057

8 Trading revenues

in	2015	2014	2013
Trading revenues (CHF million)			
Interest rate products	2,947	5,661	1,048
Foreign exchange products	(1,127)	(4,405)	1,201
Equity/index-related products	(276)	273	952
Credit products	1	265	(879)
Commodity, emission and energy products	(46)	(228)	340
Other products	(201)	224	93
Total	1,298	1,790	2,755

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	2015	2014	2013
Other revenues (CHF million)			
Noncontrolling interests without significant economic interest	3	451	695
Loans held-for-sale	(19)	(4)	(5)
Long-lived assets held-for-sale	34	391	30
Equity method investments	210	239	240
Other investments	147	276	255
Other	825	882	577
Other revenues	1,200	2,235	1,792

10 Provision for credit losses

in	2015	2014	2013
Provision for credit losses (CHF million)			
Provision for loan losses	248	85	91
Provision for lending-related and other exposures	28	40	2
Provision for credit losses	276	125	93

11 Compensation and benefits

in	2015	2014	2013
Compensation and benefits (CHF million)			
Salaries and variable compensation	9,826	9,685	9,455
Social security	771	775	763
Other ¹	926	922	969
Compensation and benefits²	11,523	11,382	11,187

¹ Includes pension and other post-retirement expense of CHF 579 million, CHF 624 million and CHF 658 million in 2015, 2014 and 2013, respectively.

² Includes severance and other compensation expense relating to headcount reductions of CHF 89 million, CHF 274 million and CHF 216 million in 2015, 2014 and 2013, respectively.

12 General and administrative expenses

in	2015	2014	2013
General and administrative expenses (CHF million)			
Occupancy expenses	1,004	1,161	1,168
IT, machinery, etc.	1,254	1,436	1,508
Provisions and losses	1,157	2,782	2,136
Travel and entertainment	366	339	342
Professional services	3,188	2,338	1,912
Amortization and impairment of other intangible assets	19	24	25
Other	1,626	1,493	1,551
General and administrative expenses	8,614	9,573	8,642

13 Restructuring expenses

► Refer to “Note 13 – Restructuring expenses” in V – Consolidated financial statements – Credit Suisse Group for further information.

In connection with the strategic review of the Bank, restructuring expenses of CHF 325 million were recognized in 2015.

Restructuring expenses by segment

in	2015
Restructuring expenses by segment (CHF million)	
Swiss Universal Bank	39
International Wealth Management	33
Asia Pacific	3
Global Markets	105
Investment Banking & Capital Markets	22
Strategic Resolution Unit	153
Adjustments	(30) ¹
Total restructuring expenses	325

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.

Restructuring expenses by type

in	2015
Restructuring expenses by type (CHF million)	
Compensation and benefits-related expenses	279
of which severance expenses	191
of which accelerated deferred compensation	87
of which pension expenses	1
General and administrative-related expenses	46
Total restructuring expenses	325

Restructuring provision

	2015		
	Severance expense	General and administrative- related expenses	Total
Restructuring provision (CHF million)			
Balance at beginning of period	0	0	0
Net additional charges	191	46	237 ¹
Utilization	(4)	(34)	(38)
Balance at end of period	187	12	199

¹ The following items for which expense accretion was accelerated in 2015 due to the restructuring of the Bank are not included in the restructuring provision: unsettled share-based compensation of CHF 23 million and unsettled pension obligations of CHF 1 million, which remain classified as a component of total shareholder's equity; and unsettled cash-based deferred compensation of CHF 64 million, which remains classified as compensation liabilities. The settlement date for the unsettled share-based compensation remains unchanged at three years.

14 Securities borrowed, lent and subject to repurchase agreements

end of	2015	2014
Securities borrowed or purchased under agreements to resell (CHF million)		
Central bank funds sold and securities purchased under resale agreements	78,861	100,169
Deposits paid for securities borrowed	44,575	63,039
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	123,436	163,208
Securities lent or sold under agreements to repurchase (CHF million)		
Central bank funds purchased and securities sold under repurchase agreements	36,754	60,752
Deposits received for securities lent	9,844	9,367
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	46,598	70,119

► Refer to “Note 15 – Securities borrowed, lent and subject to repurchase agreements” in V – Consolidated financial statements – Credit Suisse Group for further information.

15 Trading assets and liabilities

end of	2015	2014
Trading assets (CHF million)		
Debt securities	80,546	94,405
Equity securities	71,102	94,493
Derivative instruments ¹	28,579	37,979
Other	10,869	14,436
Trading assets	191,096	241,313
Trading liabilities (CHF million)		
Short positions	25,509	35,799
Derivative instruments ¹	23,545	36,868
Trading liabilities	49,054	72,667

¹ Amounts shown after counterparty and cash collateral netting.

Cash collateral on derivative instruments

end of	2015	2014
Cash collateral – netted (CHF million)¹		
Cash collateral paid	32,127	33,716
Cash collateral received	22,027	28,505
Cash collateral – not netted (CHF million)²		
Cash collateral paid	7,987	10,909
Cash collateral received	13,991	16,776

¹ Recorded as cash collateral netting on derivative instruments in Note 26 – Offsetting of financial assets and financial liabilities.

² Recorded as cash collateral on derivative instruments in Note 22 – Other assets and other liabilities.

16 Investment securities

end of	2015	2014
Investment securities (CHF million)		
Securities available-for-sale	2,698	2,379
Total investment securities	2,698	2,379

Investment securities by type

end of	2015								2014
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	
2015 (CHF million)									
Debt securities issued by foreign governments	1,292	30	0	1,322	1,919	43	0	1,962	
Corporate debt securities	281	0	0	281	309	0	0	309	
Residential mortgage-backed securities	750	0	0	750	0	0	0	0	
Commercial mortgage-backed securities	259	0	0	259	0	0	0	0	
Debt securities available-for-sale	2,582	30	0	2,612	2,228	43	0	2,271	
Banks, trust and insurance companies	65	20	0	85	72	25	0	97	
Industry and all other	1	0	0	1	11	0	0	11	
Equity securities available-for-sale	66	20	0	86	83	25	0	108	
Securities available-for-sale	2,648	50	0	2,698	2,311	68	0	2,379	

There were no unrealized losses on investment securities in 2015 and 2014. 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	2015		2014		2013	
	Debt securities	Equity securities	Debt securities	Equity securities	Debt securities	Equity securities
Additional information (CHF million)						
Proceeds from sales	1	17	103	15	163	13
Realized gains	0	2	0	1	7	1

Amortized cost, fair value and average yield of debt securities

end of	Debt securities available-for-sale		
	Amortized cost	Fair value	Average yield (in %)
2015 (CHF million)			
Due within 1 year	271	271	0.15
Due from 1 to 5 years	1,302	1,333	0.78
Due from 5 to 10 years	1	0	14.74
Due after 10 years	1,008	1,008	2.98
Total debt securities	2,582	2,612	1.57

17 Other investments

end of	2015	2014
Other investments (CHF million)		
Equity method investments	2,728	3,397
Non-marketable equity securities ¹	1,951	2,667
Real estate held for investment ²	375	507
Life finance instruments ³	1,733	1,896
Total other investments	6,787	8,467

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 As of December 31, 2015 and 2014, real estate held for investment included foreclosed or repossessed real estate of CHF 37 million and CHF 39 million, respectively, of which CHF 36 million and CHF 39 million, respectively were related to residential real estate.

³ Includes life settlement contracts at investment method and SPIA contracts.

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

► Refer to “Note 34 – Financial instruments” for further information on such investments.

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

The Bank performs a regular impairment analysis of real estate portfolios. The carrying values of the impaired properties were written down to their respective fair values, establishing a new cost base. For these properties, the fair values were measured based on either discounted cash flow analyses or external market appraisals. Impairments of CHF 21 million, CHF 10 million and CHF 48 million were recorded in 2015, 2014 and 2013, respectively.

Accumulated depreciation related to real estate held for investment amounted to CHF 319 million, CHF 304 million and CHF 289 million for 2015, 2014 and 2013, respectively.

► Refer to “Note 18 – Other investments” in V – Consolidated financial statements – Credit Suisse Group for further information.

18 Loans, allowance for loan losses and credit quality

end of	2015	2014
Loans (CHF million)		
Mortgages	88,566	84,527
Loans collateralized by securities	37,833	39,712
Consumer finance	1,092	1,582
Consumer	127,491	125,821
Real estate	23,561	26,279
Commercial and industrial loans	74,967	72,191
Financial institutions	26,375	28,654
Governments and public institutions	3,445	3,746
Corporate & institutional	128,348	130,870
Gross loans	255,839	256,691
of which held at amortized cost	235,019	233,778
of which held at fair value	20,820	22,913
Net (unearned income)/deferred expenses	(200)	(166)
Allowance for loan losses	(724)	(597)
Net loans	254,915	255,928
Gross loans by location (CHF million)		
Switzerland	137,729	139,211
Foreign	118,110	117,480
Gross loans	255,839	256,691
Impaired loan portfolio (CHF million)		
Non-performing loans	810	564
Non-interest-earning loans	251	257
Total non-performing and non-interest-earning loans	1,061	821
Restructured loans	282	171
Potential problem loans	373	140
Total other impaired loans	655	311
Gross impaired loans	1,716	1,132

Allowance for loan losses

	2015			2014			2013		
	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total
Allowance for loan losses (CHF million)									
Balance at beginning of period	131	466	597	134	557	691	143	578	721
Changes in scope of consolidation	0	0	0	0	0	0	0	(1)	(1)
Net movements recognized in statements of operations	21	227	248	7	78	85	7	84	91
Gross write-offs	(51)	(107)	(158)	(35)	(232)	(267)	(38)	(147)	(185)
Recoveries	6	16	22	12	24	36	20	30	50
Net write-offs	(45)	(91)	(136)	(23)	(208)	(231)	(18)	(117)	(135)
Provisions for interest	7	12	19	3	19	22	5	20	25
Foreign currency translation impact and other adjustments, net	(1)	(3)	(4)	10	20	30	(3)	(7)	(10)
Balance at end of period	113	611	724	131	466	597	134	557	691
of which individually evaluated for impairment	84	455	539	104	309	413	104	407	511
of which collectively evaluated for impairment	29	156	185	27	157	184	30	150	180
Gross loans held at amortized cost (CHF million)									
Balance at end of period	127,471	107,548	235,019	125,804	107,974	233,778	115,601	96,939	212,540
of which individually evaluated for impairment ¹	468	1,248	1,716	393	739	1,132	354	840	1,194
of which collectively evaluated for impairment	127,003	106,300	233,303	125,411	107,235	232,646	115,247	96,099	211,346

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

Purchases, reclassifications and sales

in	2015			2014			2013		
	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total	Consumer	Corporate & institutional	Total
Loans held at amortized cost (CHF million)									
Purchases ¹	389	4,294	4,683	181	4,127	4,308	0	4,611	4,611
Reclassifications from loans held-for-sale ²	0	355	355	0	397	397	0	275	275
Reclassifications to loans held-for-sale ³	1,641	735	2,376	1,055	806	1,861	0	996	996
Sales ³	0	373	373	0	272	272	0	698	698

¹ Includes drawdowns under purchased loan commitments.

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

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

Gross loans held at amortized cost by internal counterparty rating

end of	Investment grade	Non-investment grade		Total
	Ratings AAA to BBB	Ratings BB to C	Rating D	
2015 (CHF million)				
Mortgages	79,664	8,697	205	88,566
Loans collateralized by securities	36,028	1,667	138	37,833
Consumer finance	743	231	98	1,072
Consumer	116,435	10,595	441	127,471
Real estate	17,717	4,995	77	22,789
Commercial and industrial loans	31,720	30,898	802	63,420
Financial institutions	17,445	2,951	149	20,545
Governments and public institutions	691	103	0	794
Corporate & institutional	67,573	38,947	1,028	107,548
Gross loans held at amortized cost	184,008	49,542	1,469	235,019
Value of collateral ¹	166,086	41,583	957	208,626
2014 (CHF million)				
Mortgages	72,844	11,527	156	84,527
Loans collateralized by securities	37,338	2,288	86	39,712
Consumer finance	1,235	235	95	1,565
Consumer	111,417	14,050	337	125,804
Real estate	19,169	6,020	67	25,256
Commercial and industrial loans	30,156	29,890	475	60,521
Financial institutions	18,209	2,619	106	20,934
Governments and public institutions	850	413	0	1,263
Corporate & institutional	68,384	38,942	648	107,974
Gross loans held at amortized cost	179,801	52,992	985	233,778
Value of collateral ¹	162,598	43,141	564	206,303

¹ Includes the value of collateral up to the amount of the outstanding related loans. For mortgages, the value of collateral is determined at the time of granting the loan and thereafter regularly reviewed according to the Bank's risk management policies and directives, with maximum review periods determined by property type, market liquidity, market transparency and appraisal cost.

Since the fourth quarter of 2015, the Bank's internal credit rating methodology for lombard loans in the Bank's main locations in the Asia Pacific region across all loan classes considers the quality and diversification of collateral securities as a basis for determining the internal risk rating both for regulatory and financial

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

Gross loans held at amortized cost – aging analysis

end of	Current				Past due		Total	Total
	Up to 30 days	31-60 days	61-90 days	More than 90 days	Total			
2015 (CHF million)								
Mortgages	88,326	78	16	8	138	240	88,566	
Loans collateralized by securities	37,476	214	7	1	135	357	37,833	
Consumer finance	875	120	7	19	51	197	1,072	
Consumer	126,677	412	30	28	324	794	127,471	
Real estate	22,708	24	3	0	54	81	22,789	
Commercial and industrial loans	62,379	498	105	68	370	1,041	63,420	
Financial institutions	20,299	90	45	2	109	246	20,545	
Governments and public institutions	793	1	0	0	0	1	794	
Corporate & institutional	106,179	613	153	70	533	1,369	107,548	
Gross loans held at amortized cost	232,856	1,025	183	98	857	2,163	235,019	
2014 (CHF million)								
Mortgages	84,269	97	13	8	140	258	84,527	
Loans collateralized by securities	39,542	81	1	1	87	170	39,712	
Consumer finance	1,372	123	7	23	40	193	1,565	
Consumer	125,183	301	21	32	267	621	125,804	
Real estate	25,167	23	1	4	61	89	25,256	
Commercial and industrial loans	59,555	659	15	37	255	966	60,521	
Financial institutions	20,771	41	0	0	122	163	20,934	
Governments and public institutions	1,238	25	0	0	0	25	1,263	
Corporate & institutional	106,731	748	16	41	438	1,243	107,974	
Gross loans held at amortized cost	231,914	1,049	37	73	705	1,864	233,778	

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	
2015 (CHF million)							
Mortgages	173	13	186	18	25	43	229 ¹
Loans collateralized by securities	108	27	135	0	3	3	138
Consumer finance	77	23	100	0	1	1	101
Consumer	358	63	421	18	29	47	468
Real estate	51	19	70	0	11	11	81
Commercial and industrial loans	314	119	433	263	298	561	994
Financial institutions	87	50	137	1	35	36	173
Corporate & institutional	452	188	640	264	344	608	1,248
Gross impaired loans	810	251	1,061	282	373	655	1,716
2014 (CHF million)							
Mortgages	166	17	183	4	23	27	210 ¹
Loans collateralized by securities	11	75	86	0	2	2	88
Consumer finance	78	17	95	0	0	0	95
Consumer	255	109	364	4	25	29	393
Real estate	49	15	64	0	9	9	73
Commercial and industrial loans	172	98	270	167	103	270	540
Financial institutions	88	35	123	0	3	3	126
Corporate & institutional	309	148	457	167	115	282	739
Gross impaired loans	564	257	821	171	140	311	1,132

¹ As of December 31, 2015 and 2014, CHF 57 million and CHF 66 million, respectively, were related to consumer mortgages secured by residential real estate for which formal foreclosure proceedings according to local requirements of the applicable jurisdiction were in process.

As of December 31, 2015 and 2014, loans held-to-maturity carried at amortized cost did not include any subprime residential mortgages. Accordingly, impaired loans did not include any subprime residential mortgages. As of December 31, 2015 and 2014, 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	2015			2014		
	Recorded investment	Unpaid principal balance	Associated specific allowance	Recorded investment	Unpaid principal balance	Associated specific allowance
Gross impaired loan detail (CHF million)						
Mortgages	163	153	19	166	154	19
Loans collateralized by securities	117	112	14	63	60	53
Consumer finance	94	88	51	88	87	32
Consumer	374	353	84	317	301	104
Real estate	57	52	7	65	62	7
Commercial and industrial loans	760	745	365	533	507	230
Financial institutions	171	166	83	125	120	72
Corporate & institutional	988	963	455	723	689	309
Gross impaired loans with a specific allowance	1,362	1,316	539	1,040	990	413
Mortgages	66	65	–	44	43	–
Loans collateralized by securities	21	22	–	25	25	–
Consumer finance	7	7	–	7	7	–
Consumer	94	94	–	76	75	–
Real estate	24	24	–	8	7	–
Commercial and industrial loans	234	234	–	7	7	–
Financial institutions	2	2	–	1	1	–
Corporate & institutional	260	260	–	16	15	–
Gross impaired loans without specific allowance	354	354	–	92	90	–
Gross impaired loans	1,716	1,670	539	1,132	1,080	413
of which consumer	468	447	84	393	376	104
of which corporate & institutional	1,248	1,223	455	739	704	309

Gross impaired loan details (continued)

in	2015			2014			2013		
	Average recorded investment	Interest income recognized	Interest income recognized on a cash basis	Average recorded investment	Interest income recognized	Interest income recognized on a cash basis	Average recorded investment	Interest income recognized	Interest income recognized on a cash basis
Gross impaired loan detail (CHF million)									
Mortgages	152	1	1	163	2 ¹	2 ¹	154	3 ¹	2 ¹
Loans collateralized by securities	82	0	0	65	1 ¹	1 ¹	70	2	2
Consumer finance	92	1	1	81	1	1	87	0	0
Consumer	326	2	2	309	4	4	311	5	4
Real estate	67	0	0	74	0	0	67	1	1
Commercial and industrial loans	566	7	1	597	10 ¹	4 ¹	669	12 ¹	6 ¹
Financial institutions	149	1	1	127	0	0	136	1 ¹	1 ¹
Governments and public institutions	0	0	0	5	0	0	0	0	0
Corporate & institutional	782	8	2	803	10	4	872	14	8
Gross impaired loans with a specific allowance	1,108	10	4	1,112	14	8	1,183	19	12
Mortgages	46	3	0	30	5 ¹	0	19	3 ¹	0
Loans collateralized by securities	33	0	0	29	1 ¹	1 ¹	27	0	0
Consumer finance	7	0	0	21	0	0	22	0	0
Consumer	86	3	0	80	6	1	68	3	0
Real estate	9	1	0	9	4 ¹	0	11	0	0
Commercial and industrial loans	97	3	0	17	3 ¹	0	58	5 ¹	0
Financial institutions	4	0	0	0	0	0	2	0	0
Corporate & institutional	110	4	0	26	7	0	71	5	0
Gross impaired loans without specific allowance	196	7	0	106	13	1	139	8	0
Gross impaired loans	1,304	17	4	1,218	27	9	1,322	27	12
of which consumer	412	5	2	389	10	5	379	8	4
of which corporate & institutional	892	12	2	829	17	4	943	19	8

¹ Prior period has been corrected.

Restructured loans held at amortized cost

in	2015			2014			2013		
	Number of contracts	Recorded investment – pre-modification	Recorded investment – post-modification	Number of contracts	Recorded investment – pre-modification	Recorded investment – post-modification	Number of contracts	Recorded investment – pre-modification	Recorded investment – post-modification
Restructured loans (CHF million)									
Mortgages	1	13	13	1	4	4	0	0	0
Loans collateralized by securities	1	0	0	0	0	0	0	0	0
Consumer finance	0	0	0	0	0	0	1	1	0
Commercial and industrial loans	13	207	210	10	290	238	5	27	25
Financial institutions	1	2	2	0	0	0	0	0	0
Total	16	222	225	11	294	242	6	28	25

In 2015, the Bank reported the default of one loan within commercial and industrial loans with a recorded investment amount of CHF 65 million, which had been restructured within the previous 12 months. In 2014 and 2013, the Bank did not experience a default of such loans.

In 2015, the loan modifications of the Bank included interest rate reductions to rates lower than the current market rate for new loans with similar risk, extended repayment terms, waivers of loan covenants, partial loan waivers, reductions of accrued interest and added penalty interest.

► Refer to "Note 19 – Loans, allowance for loan losses and credit quality" in V – Consolidated financial statements – Credit Suisse Group for further information.

19 Premises and equipment

end of	2015	2014
Premises and equipment (CHF million)		
Buildings and improvements	2,110	2,087
Land	394	396
Leasehold improvements	2,045	2,162
Software	5,889	6,476
Equipment	1,946	2,304
Premises and equipment	12,384	13,425
Accumulated depreciation	(7,945)	(8,984)
Total premises and equipment, net	4,439	4,441

Depreciation and impairment

in	2015	2014	2013
CHF million			
Depreciation	1,002	1,224	1,227
Impairment	24	23	65

20 Goodwill

Goodwill

2015	Swiss Universal Bank	International Wealth Management	Asia Pacific	Global Markets	Investment Banking & Capital Markets	Strategic Resolution Unit	Credit Suisse (Bank)
Gross amount of goodwill (CHF million)							
Balance at beginning of period	456	1,495	2,058	2,919	920	12	7,860
Foreign currency translation impact	(2)	(7)	(4)	(4)	0	0	(17)
Other	(1)	(1)	(8)	(10)	(3)	0	(23)
Balance at end of period	453	1,487	2,046	2,905	917	12	7,820
Accumulated impairment (CHF million)							
Balance at beginning of period	0	0	16	58	8	12	94
Impairment losses	0	0	756	2,661	380	0	3,797
Balance at end of period	0	0	772	2,719	388	12	3,891
Net book value (CHF million)							
Net book value	453	1,487	1,274	186	529	0	3,929

Goodwill (continued)

2014	Swiss Universal Bank	International Wealth Management	Asia Pacific	Global Markets	Investment Banking & Capital Markets	Strategic Resolution Unit	Credit Suisse (Bank)
Gross amount of goodwill (CHF million)							
Balance at beginning of period	427	1,381	1,886	2,667	842	12	7,215
Goodwill acquired during the year	0	22	0	0	0	0	22
Foreign currency translation impact	29	126	172	254	80	0	661
Other	0	(34)	0	(2)	(2)	0	(38)
Balance at end of period	456	1,495	2,058	2,919	920	12	7,860
Accumulated impairment (CHF million)							
Balance at beginning of period	0	0	16	58	8	12	94
Balance at end of period	0	0	16	58	8	12	94
Net book value (CHF million)							
Net book value	456	1,495	2,042	2,861	912	0	7,766

► Refer to "Note 21 – Goodwill" in V – Consolidated financial statements – Credit Suisse Group for further information.

21 Other intangible assets

end of	2015						2014
	Gross carrying amount	Accumu- lated amorti- zation	Net carrying amount	Gross carrying amount	Accumu- lated amorti- zation	Net carrying amount	
Other intangible assets (CHF million)							
Trade names/trademarks	27	(25)	2	27	(24)	3	
Client relationships	113	(70)	43	201	(92)	109	
Other	5	(3)	2	11	(3)	8	
Total amortizing other intangible assets	145	(98)	47	239	(119)	120	
Non-amortizing other intangible assets	149	–	149	129	–	129	
of which mortgage servicing rights, at fair value	112	–	112	70	–	70	
Total other intangible assets	294	(98)	196	368	(119)	249	

Additional information

in	2015	2014	2013
Aggregate amortization and impairment (CHF million)			
Aggregate amortization	18	22	24
Impairment	16	1	8
of which related to restructuring expenses	15	–	–
of which related to discontinued operations	0	0	7

Estimated amortization

Estimated amortization (CHF million)

2016	8
2017	8
2018	8
2019	5
2020	3

22 Other assets and other liabilities

end of	2015	2014
Other assets (CHF million)		
Cash collateral on derivative instruments	7,987	10,909
Cash collateral on non-derivative transactions	327	3,238
Derivative instruments used for hedging	186	1,539
Assets held-for-sale	26,061	26,544
of which loans ¹	25,839	25,911
of which real estate ²	182	535
of which long-lived assets	40	98
Assets held for separate accounts	1,307	5,650
Interest and fees receivable	5,643	6,229
Deferred tax assets	6,068	6,064
Prepaid expenses	442	511
Failed purchases	2,770	3,138
Other	7,119	6,689
Other assets	57,910	70,511
Other liabilities (CHF million)		
Cash collateral on derivative instruments	13,991	16,776
Cash collateral on non-derivative transactions	518	797
Derivative instruments used for hedging	110	469
Provisions	1,841	1,347
of which off-balance sheet risk	87	102
Restructuring liabilities	199	0
Liabilities held for separate accounts	1,307	5,650
Interest and fees payable	5,926	6,465
Current tax liabilities	577	782
Deferred tax liabilities	41	33
Failed sales	1,551	1,313
Other	15,654	17,016
Other liabilities	41,715	50,648

¹ Included as of December 31, 2015 and December 31, 2014 were CHF 1,135 million and CHF 1,103 million, respectively, in restricted loans, which represented collateral on secured borrowings, and CHF 60 million and CHF 226 million, respectively, in loans held in trusts, which are consolidated as a result of failed sales under US GAAP.

² As of the end of December 31, 2015 and December 31, 2014, real estate held-for-sale included foreclosed or repossessed real estate of CHF 31 million and CHF 169 million, respectively, of which CHF 3 million and CHF 2 million, respectively, were related to residential real estate.

23 Deposits

end of	2015			2014		
	Switzer- land	Foreign	Total	Switzer- land	Foreign	Total
Deposits (CHF million)						
Non-interest-bearing demand deposits	3,157	3,780	6,937	5,941	4,582	10,523
Interest-bearing demand deposits	123,336	33,975	157,311	131,858	32,297	164,155
Savings deposits	54,615	5	54,620	69,204	29	69,233
Time deposits	33,012	101,280	134,292 ¹	18,187	121,977	140,164 ¹
Total deposits	214,120	139,040	353,160²	225,190	158,885	384,075²
of which due to banks	–	–	21,460	–	–	26,506
of which customer deposits	–	–	331,700	–	–	357,569

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

¹ Included CHF 133,988 million and CHF 140,057 million as of December 31, 2015 and 2014, respectively, of the Swiss franc equivalent of individual time deposits greater than USD 100,000 in Switzerland and foreign offices.

² Not included as of December 31, 2015 and 2014 were CHF 2 million and CHF 10 million, respectively, of overdrawn deposits reclassified as loans.

24 Long-term debt

end of	2015	2014
Long-term debt (CHF million)		
Senior	153,372	135,196
Subordinated	23,896	24,299
Non-recourse liabilities from consolidated VIEs	14,826	13,452
Long-term debt	192,094	172,947
of which reported at fair value	80,002	80,260
of which structured notes	54,848	50,469

Structured notes by product

end of	2015	2014
Structured notes (CHF million)		
Equity	35,594	35,309
Fixed income	11,534	8,321
Credit	5,261	5,244
Other	2,459	1,595
Total structured notes	54,848	50,469

Long-term debt by maturities

end of	2016	2017	2018	2019	2020	Thereafter	Total
Long-term debt (CHF million)							
Senior debt							
Fixed rate	4,233	11,874	10,779	13,813	8,648	27,318	76,665
Variable rate	17,428	15,496	9,668	7,009	6,163	20,943	76,707
Interest rates (range in %) ¹	0.0–15.5	0.0–15.2	0.1–14.8	0.1–14.1	0.1–4.4	0.0–9.3	–
Subordinated debt							
Fixed rate	0	171	10,489	0	3,422	9,519	23,601
Variable rate	0	50	0	187	58	0	295
Interest rates (range in %) ¹	–	1.1–7.0	4.9–13.3	0.5	0.9–7.0	5.70–8.2	–
Non-recourse liabilities from consolidated VIEs							
Fixed rate	85	998	0	0	3	563	1,649
Variable rate	73	61	0	2	884	12,157	13,177
Interest rates (range in %) ¹	0.0–5.4	2.8–4.0	–	0.0	0.0–4.1	0.0–10.5	–
Total long-term debt	21,819	28,650	30,936	21,011	19,178	70,500	192,094
of which structured notes	10,428	7,343	7,987	4,404	5,528	19,158	54,848

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

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

▶ Refer to “Note 25 – Long-term debt” in V – Consolidated financial statements
– Credit Suisse Group for further information.

25 Accumulated other comprehensive income

	Gains/ (losses) on cash flow hedges	Cumulative translation adjustments	Unrealized gains/ (losses) on securities	Actuarial gains/ (losses)	Net prior service credit/ (cost)	Accumu- lated other compre- hensive income/ (loss)
2015 (CHF million)						
Balance at beginning of period	(18)	(11,623)	56	(656)	17	(12,224)
Increase/(decrease)	0	(1,133)	(5)	(30)	(1)	(1,169)
Decrease due to equity method investments	0	(1)	0	0	0	(1)
Reclassification adjustments, included in net income/(loss)	24	6	(1)	74	(13)	90
Total increase/(decrease)	24	(1,128)	(6)	44	(14)	(1,080)
Balance at end of period	6	(12,751)	50	(612)	3	(13,304)
2014 (CHF million)						
Balance at beginning of period	9	(13,738)	35	(714)	3	(14,405)
Increase/(decrease)	(11)	2,115	21	14	20	2,159
Reclassification adjustments, included in net income/(loss)	(16)	0	0	44	(6)	22
Total increase/(decrease)	(27)	2,115	21	58	14	2,181
Balance at end of period	(18)	(11,623)	56	(656)	17	(12,224)
2013 (CHF million)						
Balance at beginning of period	7	(11,540)	53	(670)	3	(12,147)
Increase/(decrease)	6	(2,281)	(13)	(102)	0	(2,390)
Reclassification adjustments, included in net income/(loss)	(4)	83	(5)	58	0	132
Total increase/(decrease)	2	(2,198)	(18)	(44)	0	(2,258)
Balance at end of period	9	(13,738)	35	(714)	3	(14,405)

Refer to "Note 27 – Tax" and "Note 30 – Pension and other post-retirement benefits" for income tax expense/(benefit) on the movements of accumulated other comprehensive income/(loss).

Details of significant reclassification adjustments

in	2015	2014	2013
Reclassification adjustments, included in net income/(loss) (CHF million)			
Cumulative translation adjustments			
Sale of subsidiaries	0	0	83 ¹
Actuarial gains/(losses)			
Amortization of recognized actuarial losses ²	98	62	92
Tax expense/(benefit)	(24)	(18)	(34)
Net of tax	74	44	58

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

² These components are included in the computation of total benefit costs. Refer to "Note 30 – Pension and other post-retirement benefits" for further information.

26 Offsetting of financial assets and financial liabilities

► Refer to “Note 27 – Offsetting of financial assets and financial liabilities” in V – Consolidated financial statements – Credit Suisse Group for further information.

Offsetting of derivatives

end of	2015		2014	
	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
Gross derivatives subject to enforceable master netting agreements (CHF billion)				
OTC-cleared	15.7	14.5	257.8	250.1
OTC	152.9	146.3	213.6	210.3
Exchange-traded	0.0	0.0	0.1	0.0
Interest rate products	168.6	160.8	471.5	460.4
OTC	58.1	68.2	86.9	99.0
Exchange-traded	0.3	0.3	0.1	0.2
Foreign exchange products	58.4	68.5	87.0	99.2
OTC	12.0	13.5	14.8	15.3
Exchange-traded	8.9	11.2	12.4	14.0
Equity/index-related products	20.9	24.7	27.2	29.3
OTC-cleared	3.8	4.0	6.3	6.1
OTC	13.5	12.4	20.0	19.5
Credit derivatives	17.3	16.4	26.3	25.6
OTC-cleared	0.0	0.1	0.0	0.0
OTC	2.7	1.5	8.6	8.7
Exchange-traded	0.0	0.2	0.4	0.4
Other products	2.7	1.8	9.0	9.1
OTC-cleared	19.5	18.6	264.1	256.2
OTC	239.2	241.9	343.9	352.8
Exchange-traded	9.2	11.7	13.0	14.6
Total gross derivatives subject to enforceable master netting agreements	267.9	272.2	621.0	623.6
Offsetting (CHF billion)				
OTC-cleared	(19.0)	(18.6)	(261.7)	(255.8)
OTC	(217.1)	(226.7)	(316.7)	(326.4)
Exchange-traded	(9.0)	(9.8)	(11.9)	(13.1)
Offsetting	(245.1)	(255.1)	(590.3)	(595.3)
of which counterparty netting	(223.0)	(223.0)	(561.6)	(561.6)
of which cash collateral netting	(22.1)	(32.1)	(28.7)	(33.7)
Net derivatives presented in the consolidated balance sheets (CHF billion)				
OTC-cleared	0.5	0.0	2.4	0.4
OTC	22.1	15.2	27.2	26.4
Exchange-traded	0.2	1.9	1.1	1.5
Total net derivatives subject to enforceable master netting agreements	22.8	17.1	30.7	28.3
Total derivatives not subject to enforceable master netting agreements¹	6.0	6.5	8.8	9.1
Total net derivatives presented in the consolidated balance sheets	28.8	23.6	39.5	37.4
of which recorded in trading assets and trading liabilities	28.6	23.5	38.0	36.9
of which recorded in other assets and other liabilities	0.2	0.1	1.5	0.5

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

Offsetting of securities purchased under resale agreements and securities borrowing transactions

end of	2015						2014
	Gross	Offsetting	Net	Gross	Offsetting	Net	
Securities purchased under resale agreements and securities borrowing transactions (CHF billion)							
Securities purchased under resale agreements	92.4	(19.6)	72.8	119.3	(28.0)	91.3	
Securities borrowing transactions	21.4	(3.9)	17.5	27.8	(6.9)	20.9	
Total subject to enforceable master netting agreements	113.8	(23.5)	90.3	147.1	(34.9)	112.2	
Total not subject to enforceable master netting agreements ¹	33.1	–	33.1	51.0	–	51.0	
Total	146.9	(23.5)	123.4 ²	198.1	(34.9)	163.2 ²	

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

² CHF 83,565 million and CHF 104,283 million of the total net amount as of December 31, 2015 and December 31, 2014, respectively, are reported at fair value.

Offsetting of securities sold under repurchase agreements and securities lending transactions

end of	2015						2014
	Gross	Offsetting	Net	Gross	Offsetting	Net	
Securities sold under repurchase agreements and securities lending transactions (CHF billion)							
Securities sold under repurchase agreements	43.2	(21.4)	21.8	69.9	(31.9)	38.0	
Securities lending transactions	9.8	(2.1)	7.7	10.8	(3.0)	7.8	
Obligation to return securities received as collateral, at fair value	19.4	0.0	19.4	18.8	0.0	18.8	
Total subject to enforceable master netting agreements	72.4	(23.5)	48.9	99.5	(34.9)	64.6	
Total not subject to enforceable master netting agreements ¹	26.2	–	26.2	32.4	–	32.4	
Total	98.6	(23.5)	75.1	131.9	(34.9)	97.0	
of which securities sold under repurchase agreements and securities lending transactions	70.1	(23.5)	46.6 ²	105.0	(34.9)	70.1 ²	
of which obligation to return securities received as collateral, at fair value	28.5	0.0	28.5	26.9	0.0	26.9	

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

² CHF 32,398 million and CHF 54,732 million of the total net amount as of December 31, 2015 and December 31, 2014, respectively, are reported at fair value.

Amounts not offset in the consolidated balance sheets

end of	2015								2014
	Net	Financial instruments ¹	Cash collateral received/pledged ¹	Net exposure	Net	Financial instruments ¹	Cash collateral received/pledged ¹	Net exposure	
Financial assets subject to enforceable master netting agreements (CHF billion)									
Derivatives	22.8	6.2	0.8	15.8	30.7	6.5	0.1	24.1	
Securities purchased under resale agreements	72.8	72.8	0.0	0.0	91.3	91.3	0.0	0.0	
Securities borrowing transactions	17.5	17.1	0.0	0.4	20.9	20.3	0.0	0.6	
Total financial assets subject to enforceable master netting agreements	113.1	96.1	0.8	16.2	142.9	118.1	0.1	24.7	
Financial liabilities subject to enforceable master netting agreements (CHF billion)									
Derivatives	17.1	3.4	0.0	13.7	28.3	8.5	0.0	19.8	
Securities sold under repurchase agreements	21.8	21.8	0.0	0.0	38.0	38.0	0.0	0.0	
Securities lending transactions	7.7	7.4	0.0	0.3	7.8	7.6	0.0	0.2	
Obligation to return securities received as collateral, at fair value	19.4	18.5	0.0	0.9	18.8	18.1	0.0	0.7	
Total financial liabilities subject to enforceable master netting agreements	66.0	51.1	0.0	14.9	92.9	72.2	0.0	20.7	

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

27 Tax

Details of current and deferred taxes

in	2015	2014	2013
Current and deferred taxes (CHF million)			
Switzerland	(25)	56	(52)
Foreign	462	624	564
Current income tax expense	437	680	512
Switzerland	166	(384)	(15)
Foreign	(164)	1,003	673
Deferred income tax expense	2	619	658
Income tax expense	439	1,299	1,170
Income tax expense on discontinued operations	0	40	75
Income tax expense/(benefit) reported in shareholder's equity related to:			
Gains/(losses) on cash flow hedges	(4)	4	1
Cumulative translation adjustment	(14)	(117)	44
Unrealized gains/(losses) on securities	(3)	7	(8)
Actuarial gains/(losses)	14	(27)	99
Net prior service cost	(9)	9	0
Share-based compensation and treasury shares	28	68	1

Reconciliation of taxes computed at the Swiss statutory rate

in	2015	2014	2013
Income/(loss) from continuing operations before taxes (CHF million)			
Switzerland	1,315	(179)	300
Foreign	(4,253)	3,140	3,354
Income/(loss) from continuing operations before taxes	(2,938)	2,961	3,654
Reconciliation of taxes computed at the Swiss statutory rate (CHF million)			
Income tax expense/(benefit) computed at the statutory tax rate of 22%	(646)	651	804
Increase/(decrease) in income taxes resulting from			
Foreign tax rate differential	(731)	347	248
Non-deductible amortization of other intangible assets and goodwill impairment	1,432	6	25
Other non-deductible expenses	389	666	493
Additional taxable income	15	2	(5)
Lower taxed income	(272)	(265)	(374)
(Income)/loss taxable to noncontrolling interests	7	(173)	(297)
Changes in tax law and rates	347	151	184
Changes in deferred tax valuation allowance	(108)	1,071	381
Change in recognition of outside basis difference	262	(450)	0
Tax deductible impairments of Swiss subsidiary investments	(258)	(555)	(268)
Other	2	(152)	(21)
Income tax expense	439	1,299	1,170

2015

Foreign tax rate differential of CHF 731 million reflected a foreign tax benefit mainly driven by losses made in higher tax jurisdictions, such as Brazil and the US, partially offset by foreign tax rate differential related to profits earned in lower tax jurisdictions, mainly Guernsey and the Bahamas. The foreign tax rate benefit in relation to total foreign tax expense of CHF 298 million was more

than offset by tax impacts related to additional reconciling items as explained below.

Non-deductible amortization of other intangible assets and goodwill impairment of CHF 1,432 million reflected the non-deductible nature of the goodwill impairment.

Other non-deductible expenses of CHF 389 million included the impact of CHF 219 million relating to non-deductible

interest expenses, CHF 69 million related to non-deductible bank levy costs and other non-deductible compensation expenses and management costs, CHF 50 million related to the non-deductible portion of the litigation provisions and settlement charges, and other various smaller non-deductible expenses of CHF 51 million.

Lower taxed income of CHF 272 million included a tax benefit of CHF 59 million related to non-taxable dividend income, CHF 58 million related to non-taxable life insurance income, CHF 50 million related to exempt income, CHF 49 million related to non-taxable foreign exchange gains, CHF 16 million in respect of income taxed at rates lower than the statutory tax rate, and various smaller items.

Changes in tax law and rates of CHF 347 million reflected a tax expense of CHF 189 million related to the change in New York City tax law, CHF 175 million caused by the reduction of deferred tax assets from the enactment of UK corporation tax rate changes and introduction of the bank corporation tax surcharge, and CHF 10 million related to changes in other countries, partially offset by a tax benefit of CHF 16 million from a change in the Brazil tax rate and CHF 11 million related to a change in New York state tax law.

Changes in deferred tax valuation allowances of CHF 108 million included the net impact of the release of valuation allowances of CHF 109 million, mainly in respect of two of the Bank's operating entities, one in the UK and one in Hong Kong, relating to current year earnings. Additionally, 2015 included a release of valuation allowances of CHF 88 million for previously recognized deferred tax assets in respect of one of the Bank's operating entities in Hong Kong. The change in UK corporation tax rates and introduction of the bank corporation tax surcharge in 2015 caused a release of valuation allowances of CHF 162 million in respect of four of the Bank's operating entities in the UK. Also included was a tax expense of CHF 251 million resulting from the increase in valuation allowances on deferred tax assets mainly from three of the Bank's operating entities, two in the UK and one in Switzerland.

Change in recognition of outside basis difference of CHF 262 million reflected a tax expense related to the expected reversal of the outside basis differences relating to Swiss subsidiary investments.

Other of CHF 2 million included a tax expense of CHF 48 million relating to the increase of tax contingency accruals, a tax expense of CHF 28 million from prior year adjustments and various smaller items, partially offset by a tax benefit of CHF 109 million relating to the re-assessment of deferred tax balances in Switzerland reflecting changes in forecasted future profitability.

2014

Foreign tax rate differential of CHF 347 million reflected a foreign tax expense in respect of profits earned in higher tax jurisdictions, mainly Brazil and the US, partially offset by foreign tax rate differential related to profits earned in lower tax jurisdictions,

mainly Guernsey and the Bahamas. The total foreign tax expense of CHF 1,627 million was not only impacted by the foreign tax expense based on statutory tax rates but also by tax impacts related to additional reconciling items as explained below.

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

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

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

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

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

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

2013

Foreign tax rate differential of CHF 248 million reflected a foreign tax expense in respect of profits earned in higher tax jurisdictions, mainly Brazil and the US, partially offset by foreign tax rate differential related to profits earned in lower tax jurisdictions, mainly Guernsey and the Bahamas. The total foreign tax expense of CHF 1,237 million was not only impacted by the foreign tax expense based on statutory tax rates but also by tax impacts related to additional reconciling items explained below.

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

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

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

Changes in deferred tax valuation allowances of CHF 381 million included the impact of the increase of valuation allowances of CHF 246 million mainly in respect of four of the Bank's operating entities, three in Europe and one in Asia, relating to current year earnings. Additionally, 2013 included an increase in valuation allowance for previously recognized deferred tax assets in respect of one of the Bank's operating entities in the UK of CHF 278 million. Also included was a tax benefit of CHF 143 million resulting from the release of valuation allowances on deferred tax assets mainly for two of the Bank's operating entities, one in Japan and one in the UK.

Other of CHF 21 million included a tax benefit of CHF 57 million relating to the current year's earnings mix and the re-assessment of deferred tax assets in Switzerland reflecting changes in forecasted future profitability related to deferred tax assets and a CHF 36 million income tax benefit following a change in the tax status of one of the Bank's US entities, partially offset by a tax expense of CHF 41 million relating to the increase of tax contingency accruals and a tax expense of CHF 41 million relating to non-recoverable foreign taxes. The remaining balance included various smaller items.

As of December 31, 2015, the Bank had accumulated undistributed earnings from foreign subsidiaries of CHF 4.0 billion. No deferred tax liability was recorded in respect of those amounts as these earnings are considered indefinitely reinvested. It is not practicable to estimate the amount of unrecognized deferred tax liabilities for these undistributed foreign earnings.

Deferred tax assets and liabilities

end of	2015	2014
Deferred tax assets and liabilities (CHF million)		
Compensation and benefits	2,316	2,361
Loans	326	231
Investment securities	547	882
Provisions	1,718	1,658
Derivatives	117	119
Real estate	340	277
Net operating loss carry-forwards	5,831	6,232
Other	113	95
Gross deferred tax assets before valuation allowance	11,308	11,855
Less valuation allowance	(3,898)	(4,107)
Gross deferred tax assets net of valuation allowance	7,410	7,748
Compensation and benefits	(211)	(164)
Loans	(31)	(40)
Investment securities	(273)	(611)
Provisions	(449)	(447)
Business combinations	(1)	(1)
Derivatives	(187)	(168)
Leasing	(18)	(23)
Real estate	(66)	(62)
Other	(147)	(201)
Gross deferred tax liabilities	(1,383)	(1,717)
Net deferred tax assets	6,027	6,031
of which deferred tax assets	6,068	6,064
of which net operating losses	1,753	1,816
of which deductible temporary differences	4,315	4,248
of which deferred tax liabilities	(41)	(33)

The decrease in net deferred tax assets from 2014 to 2015 of CHF 4 million was primarily driven by a decrease of deferred tax assets of CHF 217 million as a result of changes to the corporation tax rates in New York, the UK and Japan, prior year adjustments of CHF 127 million, and foreign exchange translation losses of CHF 94 million, which are included within the currency translation adjustments recorded in accumulated other comprehensive income/(loss) (AOCI). These decreases were partially offset by the impact of CHF 207 million related to current year earnings, CHF 162 million from the re-measurement of deferred tax balances in Switzerland and Brazil and the release of valuation allowances in Hong Kong, and the tax impacts directly recorded in equity, mainly related to the net impact of share-based compensation, pension plan re-measurement and other tax recorded directly in equity of CHF 65 million.

Due to uncertainty concerning its ability to generate the necessary amount and mix of taxable income in future periods, the Bank recorded a valuation allowance against deferred tax assets in the amount of CHF 3.9 billion as of December 31, 2015 compared to CHF 4.1 billion as of December 31, 2014.

Amounts and expiration dates of net operating loss carry-forwards

end of 2015	Total
Net operating loss carry-forwards (CHF million)	
Due to expire within 1 year	5,304
Due to expire within 2 to 5 years	7,662
Due to expire within 6 to 10 years	7,055
Due to expire within 11 to 20 years	2,981
Amount due to expire	23,002
Amount not due to expire	15,694
Total net operating loss carry-forwards	38,696

Movements in the valuation allowance

in	2015	2014	2013
Movements in the valuation allowance (CHF million)			
Balance at beginning of period	4,107	2,704	2,550
Net changes	(209)	1,403	154
Balance at end of period	3,898	4,107	2,704

Uncertain tax positions

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

in	2015	2014	2013
Movements in gross unrecognized tax benefits (CHF million)			
Balance at beginning of period	382	416	416
Increases in unrecognized tax benefits as a result of tax positions taken during a prior period	44	2	4
Decreases in unrecognized tax benefits as a result of tax positions taken during a prior period	(3)	(47)	(8)
Increases in unrecognized tax benefits as a result of tax positions taken during the current period	15	37	43
Decreases in unrecognized tax benefits relating to settlements with tax authorities	0	(10)	0
Reductions to unrecognized tax benefits as a result of a lapse of the applicable statute of limitations	(22)	(24)	(5)
Other (including foreign currency translation)	(56)	8	(34)
Balance at end of period	360	382	416
of which, if recognized, would affect the effective tax rate	360	382	410

Interest and penalties

in	2015	2014	2013
Interest and penalties (CHF million)			
Interest and penalties recognized in the consolidated statements of operations	13	21	6
Interest and penalties recognized in the consolidated balance sheets	85	85	64

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

Tax benefits associated with share-based compensation

in	2015	2014	2013
Tax benefits associated with share-based compensation (CHF million)			
Tax benefits recorded in the consolidated statements of operations ¹	447	506	481
Windfall tax benefits/(shortfall tax charges) recorded in additional paid-in capital	(28)	(69)	(24)
Tax benefits in respect of tax on dividend equivalent payments	0	1	22

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

► Refer to "Note 28 – Employee deferred compensation" for further information on share-based compensation.

Windfall deductions and dividend equivalents aggregating CHF 1.1 billion and CHF 1.1 billion for 2015 and 2014, respectively, did not result in a reduction of income taxes payable because certain entities were in a net operating loss position. When the income tax benefit of these deductions is realized, an estimated CHF 239 million tax benefit will be recorded in additional paid-in capital.

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

It is reasonably possible that there will be a decrease of between zero and CHF 41 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: Japan – 2012; Switzerland – 2011; Brazil – 2010; the UK – 2009; the US – 2006; and the Netherlands – 2005.

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

28 Employee deferred compensation

Deferred compensation for employees

► Refer to "Note 29 – 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 2015 and prior years that was recognized in the consolidated statements of operations during 2015, 2014 and 2013, the total shares delivered, the estimated unrecognized compensation expense for deferred compensation awards granted in 2015 and prior years outstanding as of December 31, 2015 and the remaining requisite service period over which the estimated unrecognized compensation expense will be recognized. The recognition of compensation expenses for the deferred compensation awards granted in January 2016 began in 2016 and thus had no impact on the 2015 consolidated financial statements.

Deferred compensation expense

in	2015	2014	2013
Deferred compensation expense (CHF million)			
Share awards	849	935	806
Performance share awards	562	610	580
Contingent Capital Awards	429	213	–
Capital Opportunity Facility awards	16	13	–
Plus Bond awards ¹	22	36	37
2011 Partner Asset Facility awards ²	2	7	77
Adjustable Performance Plan share awards ³	0	0	30
Adjustable Performance Plan cash awards ³	0	0	4
Restricted Cash Awards	39	92	145
Scaled Incentive Share Units ³	0	(3)	38
Incentive Share Units ⁴	0	0	(3)
2008 Partner Asset Facility awards ⁵	34	87	93
Other cash awards	398	394	430
Discontinued operations	0	(8)	(21)
Total deferred compensation expense	2,351	2,376	2,216
Total shares delivered (million)			
Total shares delivered	43.8	36.5	32.6

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

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

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

⁴ Includes forfeitures.

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

Estimated unrecognized deferred compensation

end of	2015
Estimated unrecognized compensation expense (CHF million)	
Share awards	569
Performance share awards	164
Contingent Capital Awards	230
Other cash awards	155
Total	1,118
Aggregate remaining weighted-average requisite service period (years)	
Aggregate remaining weighted-average requisite service period	1.2

Does not include the estimated unrecognized compensation expense relating to grants made in 2016 for 2015.

Share awards

On January 19, 2016, the Bank granted 28.7 million share awards with a total value of CHF 547 million. The estimated unrecognized compensation expense of CHF 518 million was determined based on the fair value of the award on the grant date, includes the current estimate of future forfeitures and will be recognized over the three-year vesting period, subject to early retirement rules.

Share awards granted in January for previous years

For compensation year	2015	2014	2013
Share awards granted in January			
Shares awarded (million)	28.7	36.9	30.1
Value of shares awarded (CHF million)	547	636	824

On January 19, 2016, the Bank granted 0.6 million blocked shares with a total value of CHF 12 million that vested immediately upon grant, have no future service requirements and were attributed to services performed in 2015.

Blocked share awards granted in January for previous years

For compensation year	2015	2014	2013
Blocked share awards granted in January			
Shares awarded (million)	0.6	1.5	0.5
Value of shares awarded (CHF million)	12	35	15

Share award activities

	2015		2014		2013	
	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	76.5	28.63	72.2	30.07	55.1	34.27
Granted	46.1 ¹	16.49	37.3	27.60	40.0	26.43
Settled	(39.8)	29.02	(29.1)	30.41	(19.6)	34.12
Forfeited	(3.9)	24.03	(3.9)	32.24	(3.3)	32.04
Balance at end of period	78.9	21.56	76.5	28.63	72.2	30.07
of which vested	4.7	–	6.1	–	5.8	–
of which unvested	74.2	–	70.4	–	66.4	–

¹ Includes an adjustment for share awards granted in the fourth quarter of 2015 to compensate for the proportionate dilution of Group shares resulting from the rights offering approved on November 19, 2015. The number of deferred share-based awards held by each individual was increased by 2.89%. The terms and conditions of the adjusted shares were the same as the existing share-based awards thereby ensuring that holders of the awards were neither advantaged nor disadvantaged by the additional shares granted.

Performance share awards

On January 19, 2016, the Bank granted 21.2 million performance share awards with a total value of CHF 427 million. The estimated unrecognized compensation expense of CHF 384 million was determined based on the fair value of the award at the grant date, includes the current estimated outcome of the relevant performance criteria and estimated future forfeitures and will be recognized over the three-year vesting period.

Performance share awards granted in January for previous years

For compensation year	2015	2014	2013
Performance share awards granted in January			
Shares awarded (million)	21.2	30.3	23.9
Value of shares awarded (CHF million)	427	523	654

Performance share award activities

	2015		2014		2013	
	Number of performance share awards in million	Weighted-average grant-date fair value in CHF	Number of performance share awards in million	Weighted-average grant-date fair value in CHF	Number of performance share awards in million	Weighted-average grant-date fair value in CHF
Performance share awards						
Balance at beginning of period	47.5	26.89	40.7	25.51	22.9	23.90
Granted	32.1 ¹	16.11	24.0	28.13	26.2	26.44
Settled	(23.0)	26.25	(15.8)	25.27	(7.5)	23.90
Forfeited	(1.3)	21.78	(1.4)	26.28	(0.9)	24.92
Balance at end of period	55.3	21.01	47.5	26.89	40.7	25.51
of which vested	3.3	–	3.2	–	2.7	–
of which unvested	52.0	–	44.3	–	38.0	–

¹ Includes an adjustment for performance share awards granted in the fourth quarter of 2015 to compensate for the proportionate dilution of Group shares resulting from the rights offering approved on November 19, 2015. The number of deferred share-based awards held by each individual was increased by 2.89%. The terms and conditions of the adjusted performance shares were the same as the existing share-based awards thereby ensuring that holders of the awards were neither advantaged nor disadvantaged by the additional performance shares granted.

Contingent Capital Awards

On January 19, 2016, the Bank awarded CHF 217 million of Contingent Capital Awards (CCA) that will be expensed over the three-year period from the grant date. The estimated unrecognized compensation expense of CHF 249 million was determined based on the fair value of the award on the grant date, includes the current estimated outcome of the relevant performance criteria, estimated future forfeitures and the expected semi-annual cash payments of interest and will be recognized over the three-year vesting period.

CCA granted in January for previous years

For compensation year	2015	2014	2013
CCA granted in January			
CCA awarded (CHF million)	217	355	391

Adjustable Performance Plan awards**Adjustable Performance Plan share award activities**

	Number of APP share awards in million		
	2015	2014	2013
Adjustable Performance Plan share awards			
Balance at beginning of period	7.1	14.0	29.7
Granted ¹	0.3	0.8	1.1
Settled	(7.4)	(7.3)	(16.5)
Forfeited	0.0	(0.4)	(0.3)
Balance at end of period	0.0	7.1	14.0
of which vested	0.0	1.1	1.2
of which unvested	0.0	6.0	12.8

¹ Represents additional units earned in the first quarter of 2015, 2014 and 2013 as the original Adjustable Performance Plan awards met performance criteria in accordance with the terms and conditions of the awards.

Incentive Share Unit**Incentive Share Unit activities**

	2015	2014	2013
ISU awards (million)			
Balance at beginning of period	0.6	1.2	3.6
Settled	(0.2)	(0.1)	(1.8)
Forfeited	(0.2)	(0.5)	(0.6)
Balance at end of period	0.2	0.6	1.2
of which vested	0.1	0.1	0.1
of which unvested	0.1	0.5	1.1

29 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 30 – Related parties" in V – Consolidated financial statements – Credit Suisse Group for further information.

Related party assets and liabilities

end of	2015	2014
Assets (CHF million)		
Cash and due from banks	1,345	2
Interest-bearing deposits with banks	4,091	2,862
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	387	0
Trading assets	143	220
Net loans	5,154	6,453
Other assets	89	27
Total assets	11,209	9,564
Liabilities (CHF million)		
Due to banks/customer deposits	1,838	1,916
Trading liabilities	87	15
Long-term debt	4,092	4,042
Other liabilities	232	224
Total liabilities	6,249	6,197

Related party revenues and expenses

in	2015	2014	2013
Revenues (CHF million)			
Interest and dividend income	5	70	45
Interest expense	(269)	(223)	(55)
Net interest income	(264)	(153)	(10)
Commissions and fees	4	(11)	(21)
Other revenues	169	178	172
Net revenues	(91)	14	141
Expenses (CHF million)			
Total operating expenses	193	165	288

Related party guarantees

end of	2015	2014
Guarantees (CHF million)		
Credit guarantees and similar instruments	0	1
Performance guarantees and similar instruments	0	1
Other guarantees	65	0
Total guarantees	65	2

Executive Board and Board of Directors loans

	2015	2014	2013
Loans to members of the Executive Board (CHF million)			
Balance at beginning of period	5¹	10	8
Additions	21	3	4
Reductions	0	(8)	(2)
Balance at end of period	26¹	5	10
Loans to members of the Board of Directors (CHF million)			
Balance at beginning of period	16²	55	41
Additions	1	6	16
Reductions	(9)	(45)	(2)
Balance at end of period	8²	16	55

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

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

Liabilities due to own pension funds

Liabilities due to the Bank's own defined benefit pension funds as of December 31, 2015 and 2014 of CHF 1,580 million and CHF 3,131 million, respectively, were reflected in various liability accounts in the Bank's consolidated balance sheets.

30 Pension and other post-retirement benefits

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

DEFINED CONTRIBUTION PENSION PLANS

The Bank contributes to various defined contribution pension plans primarily in the US and the UK as well as other countries throughout the world. During 2015, 2014 and 2013, the Bank contributed to these plans and recognized as expense CHF 156 million, CHF 181 million and CHF 178 million, respectively.

► Refer to "Note 31 – Pension and other post-retirement benefits" in V – Consolidated financial statements – Credit Suisse Group for further information on defined contribution pension plans.

DEFINED BENEFIT PENSION AND OTHER POST-RETIREMENT BENEFIT PLANS

Defined benefit pension plans

► Refer to "Note 31 – Pension and other post-retirement benefits" in V – Consolidated financial statements – Credit Suisse Group for further information on defined benefit pension plans.

Group pension plan

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

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

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

During 2015, 2014 and 2013, the Bank contributed and recognized as expense CHF 389 million, CHF 415 million and CHF 390 million to the Group plan, respectively. The Bank expects to contribute CHF 356 million to the Group plan during 2016. 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 2015, 2014 and 2013 would have been lower by CHF 206 million, CHF 277 million and CHF 131 million, respectively, and the Bank would have recognized CHF 252 million, CHF 48 million and CHF 158 million, respectively, as amortization of actuarial losses and prior service cost for the Group plan.

As of December 31, 2015 and 2014, the ABO of the Group plan was CHF 15.2 billion and CHF 15.1 billion, the PBO was CHF 16.1 billion and CHF 15.7 billion and the fair value of plan assets was CHF 15.6 billion and CHF 15.6 billion, respectively. As of December 31, 2015 and 2014, the Group plan was overfunded on an ABO basis by CHF 442 million and CHF 525 million, respectively. On a PBO basis, the Group plan was underfunded by CHF 486 million and underfunded by CHF 26 million as of December 31, 2015 and 2014, respectively. If the Bank had accounted for the Group plan as a defined benefit pension plan, the Bank would have had to recognize the underfunding of the Group plan on a PBO basis of CHF 462 million as a liability as of December 31, 2015 and the underfunding of CHF 25 million as a liability as of December 31, 2014 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 31 – Pension and other post-retirement benefits" in V – Consolidated financial statements – Credit Suisse Group for information on assumptions made by the Group for Switzerland.

International pension plans

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

Other post-retirement defined benefit plans

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

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

Benefit costs of defined benefit plans

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

Components of total benefit costs

in	International single-employer defined benefit pension plans			Other post-retirement defined benefit plans		
	2015	2014	2013	2015	2014	2013
Total benefit costs (CHF million)						
Service costs on benefit obligation	21	19	24	0	0	0
Interest costs on benefit obligation	129	134	122	7	7	8
Expected return on plan assets	(195)	(178)	(161)	0	0	0
Amortization of recognized prior service cost/(credit)	0	0	0	(23)	(9)	0
Amortization of recognized actuarial losses/(gains)	84	52	79	14	9	13
Net periodic benefit costs/(credits)	39	27	64	(2)	7	21
Settlement losses/(gains)	(1)	(2)	0	0	0	0
Total benefit costs/(credits)	38	25	64	(2)	7	21

Total benefit costs reflected in compensation and benefits – other for 2015, 2014 and 2013 were CHF 36 million, CHF 32 million and CHF 85 million, respectively.

Benefit obligation

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

Obligations and funded status of the plans

in / end of	International single-employer defined benefit pension plans		Other post-retirement defined benefit plans	
	2015	2014	2015	2014
PBO (CHF million)¹				
Beginning of the measurement period	3,539	2,843	178	168
Service cost	21	19	0	0
Interest cost	129	134	7	7
Plan amendments	0	0	0	(32)
Settlements	0	(4)	0	0
Special termination benefits	2	1	0	0
Actuarial losses/(gains)	(97)	463	4	25
Benefit payments	(113)	(109)	(10)	(8)
Exchange rate losses/(gains)	(115)	192	1	18
End of the measurement period	3,366	3,539	180	178
Fair value of plan assets (CHF million)				
Beginning of the measurement period	3,876	3,007	0	0
Actual return on plan assets	62	637	0	0
Employer contributions	19	135	10	8
Settlements	0	(2)	0	0
Benefit payments	(113)	(109)	(10)	(8)
Exchange rate gains/(losses)	(132)	208	0	0
End of the measurement period	3,712	3,876	0	0
Total funded status recognized (CHF million)				
Funded status of the plan – over/(underfunded)	346	337	(180)	(178)
Funded status recognized in the consolidated balance sheet as of December 31	346	337	(180)	(178)
Total amount recognized (CHF million)				
Noncurrent assets	825	822	0	0
Current liabilities	(9)	(8)	(11)	(10)
Noncurrent liabilities	(470)	(477)	(169)	(168)
Total amount recognized in the consolidated balance sheet as of December 31	346	337	(180)	(178)
ABO (CHF million)²				
End of the measurement period	3,315	3,469	180	178

¹ Including estimated future salary increases.

² Excluding estimated future salary increases.

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

The total net amount recognized in the consolidated balance sheets as of December 31, 2015 and 2014 was an overfunding of CHF 166 million and an overfunding of CHF 159 million, respectively.

In 2015 and 2014, the Bank made contributions of CHF 19 million and CHF 135 million, respectively, to the international

single-employer defined benefit pension plans and CHF 10 million and CHF 8 million to the other post-retirement defined benefit plans. In 2016, the Bank expects to contribute CHF 21 million to the international single-employer defined benefit pension plans and CHF 11 million to other post-retirement defined benefit plans.

PBO or ABO in excess of plan assets

The following table shows the aggregate PBO and ABO, as well as the aggregate fair value of plan assets for those plans with PBO in excess of plan assets and those plans with ABO in excess of plan assets as of December 31, 2015 and 2014, respectively.

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

December 31	PBO exceeds fair value of plan assets ¹		ABO exceeds fair value of plan assets ¹	
	2015	2014	2015	2014
CHF million				
PBO	1,630	1,671	1,613	1,655
ABO	1,600	1,637	1,589	1,627
Fair value of plan assets	1,152	1,187	1,137	1,173

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

Amount recognized in AOCI and other comprehensive income

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

Amounts recognized in AOCI, net of tax

end of	International single-employer defined benefit pension plans		Other post-retirement defined benefit plans		Total	
	2015	2014	2015	2014	2015	2014
Amounts recognized in AOCI (CHF million)						
Actuarial gains/(losses)	(569)	(606)	(43)	(50)	(612)	(656)
Prior service credit/(cost)	0	0	3	17	3	17
Total	(569)	(606)	(40)	(33)	(609)	(639)

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

amortization of the aforementioned items as components of net periodic benefit costs for these periods, as well as the amounts expected to be amortized in 2016.

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	
2015 (CHF million)							
Actuarial gains/(losses)	(36)	8	(28)	(4)	2	(2)	(30)
Amortization of actuarial losses/(gains)	84	(19)	65	14	(5)	9	74
Amortization of prior service cost/(credit)	0	0	0	(23)	9	(14)	(14)
Immediate recognition due to curtailment/settlement	(1)	0	(1)	0	0	0	(1)
Total	47	(11)	36	(13)	6	(7)	29
2014 (CHF million)							
Actuarial gains/(losses)	(5)	35	30	(25)	9	(16)	14
Prior service credit/(cost)	0	0	0	32	(12)	20	20
Amortization of actuarial losses/(gains)	52	(14)	38	9	(3)	6	44
Amortization of prior service cost/(credit)	0	0	0	(9)	3	(6)	(6)
Total	47	21	68	7	(3)	4	72

Amounts in AOCI, net of tax, expected to be amortized in 2016

in 2016	International single-employer defined benefit pension plans	Other post-retirement defined benefit plans
CHF million		
Amortization of actuarial losses/(gains)	33	6
Total	33	6

Assumptions

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

December 31	International single-employer defined benefit pension plans			Other post-retirement defined benefit plans		
	2015	2014	2013	2015	2014	2013
Net periodic benefit cost (%)						
Discount rate	3.82	4.71	4.47	4.20	5.10	4.30
Salary increases	4.19	4.31	4.02	–	–	–
Expected long-term rate of return on plan assets	6.00	6.16	6.18	–	–	–
Benefit obligation (%)						
Discount rate	4.05	3.82	4.71	4.50	4.20	5.10
Salary increases	3.56	4.19	4.31	–	–	–

Health care cost assumptions

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

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

Health care cost trend rates and sensitivity

in / end of	2015	2014	2013
Health care cost trend rate (%)			
Annual weighted-average health care cost trend rate ¹	8.00	8.00	8.00
Increase/(decrease) in post-retirement expenses (CHF million)			
One percentage point increase in health care cost trend rates	0.2	0.2	1.3
One percentage point decrease in health care cost trend rates	(0.2)	(0.3)	(1.0)
Increase/(decrease) in post-retirement benefit obligation (CHF million)			
One percentage point increase in health care cost trend rates	4	5	23
One percentage point decrease in health care cost trend rates	(4)	(4)	(19)

¹ The annual health care cost trend rate is assumed to decrease gradually to achieve the long-term health care cost trend rate of 5% by 2022.

The annual health care cost trend rate used to determine the defined benefit cost for 2016 is 8.30%.

Plan assets and investment strategy

► Refer to "Note 31 – Pension and other post-retirement benefits" in V – Consolidated financial statements – Credit Suisse Group for further information.

As of December 31, 2015 and 2014, 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, 2015 and 2014, for the Bank's defined benefits plans.

Plan assets measured at fair value on a recurring basis

end of	2015				2014			
	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	32	210	0	242	191	88	0	279
Debt securities	890	744	292	1,926	189	1,590	267	2,046
of which governments	368	7	0	375	8	562	0	570
of which corporates	522	737	292	1,551	181	1,028	267	1,476
Equity securities	339	520	77	936	216	666	0	882
Real estate – indirect	0	87	48	135	0	0	117	117
Alternative investments	(15)	308	79	372	0	386	58	444
of which hedge funds	0	78	79	157	0	111	58	169
of which other	(15) ¹	230	0	215	0	275	0	275
Other investments	0	101	0	101	0	108	0	108
Total plan assets at fair value	1,246	1,970	496	3,712	596	2,838	442	3,876

¹ Primarily related to derivative instruments.

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

	Balance at beginning of period	Transfers in	Transfers out	Actual return on plan assets		Purchases, sales, settlements	Foreign currency translation impact	Balance at end of period
				On assets still held at reporting date	On assets sold during the period			
2015 (CHF million)								
Debt securities – corporates	267	0	(12)	2	0	35	0	292
Equity securities	0	77	0	0	0	0	0	77
Real estate – indirect	117	0	(87)	12	0	4	2	48
Alternative investments	58	6	0	1	(1)	15	0	79
of which hedge funds	58	6	0	1	(1)	15	0	79
Total plan assets at fair value	442	83	(99)	15	(1)	54	2	496
2014 (CHF million)								
Debt securities – corporates	177	2	0	(13)	17	65	19	267
Real estate – indirect	94	0	0	9	0	3	11	117
Alternative investments	7	0	(4)	(10)	(1)	65	1	58
of which hedge funds	3	0	0	(10)	(1)	65	1	58
of which other	4	0	(4)	0	0	0	0	0
Total plan assets at fair value	278	2	(4)	(14)	16	133	31	442

Plan asset allocation

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

Weighted-average plan asset allocation

December 31	2015	2014
Weighted-average plan asset allocation (%)		
Cash and cash equivalents	6.5	7.2
Debt securities	51.9	52.7
Equity securities	25.2	22.8
Real estate	3.6	3.0
Alternative investments	10.0	11.5
Insurance	2.8	2.8
Total	100.0	100.0

The following table shows the target plan asset allocation for 2016 in accordance with the Bank's investment strategy. The target plan asset allocation is used to determine the expected return on plan assets to be considered in the net periodic benefit costs for 2016.

Weighted-average target plan asset allocation for 2016

2016 (%)	
Cash and cash equivalents	0.3
Debt securities	56.6
Equity securities	23.0
Real estate	4.2
Alternative investments	13.1
Insurance	2.8
Total	100.0

Estimated future benefit payments for defined benefit plans

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

Estimated future benefit payments for defined benefit plans

	International single-employer defined benefit pension plans	Other post-retirement defined benefit plans
Estimated future benefit payments (CHF million)		
2016	82	11
2017	92	12
2018	98	12
2019	106	13
2020	122	13
For five years thereafter	722	62

31 Derivatives and hedging activities

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

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

Hedge accounting

Cash flow hedges

As of the end of 2015, the maximum length of time over which the Bank hedged its exposure to the variability in future cash flows for

Fair value of derivative instruments

	Trading			Hedging ¹		
	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)	Notional amount	Positive replacement value (PRV)	Negative replacement value (NRV)
end of 2015						
Derivative instruments (CHF billion)						
Forwards and forward rate agreements	7,229.5	1.0	1.2	0.0	0.0	0.0
Swaps	16,740.0	118.4	112.8	49.3	1.2	0.8
Options bought and sold (OTC)	2,856.0	49.2	47.3	0.0	0.0	0.0
Futures	1,789.9	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	198.4	0.1	0.0	0.0	0.0	0.0
Interest rate products	28,813.8	168.7	161.3	49.3	1.2	0.8
Forwards	1,499.1	16.6	16.9	10.7	0.0	0.1
Swaps	1,050.8	30.5	40.8	0.0	0.0	0.0
Options bought and sold (OTC)	534.8	12.8	12.8	8.2	0.0	0.0
Futures	22.5	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	13.0	0.3	0.3	0.0	0.0	0.0
Foreign exchange products	3,120.2	60.2	70.8	18.9	0.0	0.1
Forwards	1.3	0.0	0.1	0.0	0.0	0.0
Swaps	203.9	5.0	6.7	0.0	0.0	0.0
Options bought and sold (OTC)	193.9	8.7	8.0	0.0	0.0	0.0
Futures	39.9	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	284.4	9.1	11.4	0.0	0.0	0.0
Equity/index-related products	723.4	22.8	26.2	0.0	0.0	0.0
Credit derivatives²	831.9	17.8	17.3	0.0	0.0	0.0
Forwards	6.3	0.1	0.1	0.0	0.0	0.0
Swaps	19.6	2.6	1.7	0.0	0.0	0.0
Options bought and sold (OTC)	8.8	0.4	0.3	0.0	0.0	0.0
Futures	11.9	0.0	0.0	0.0	0.0	0.0
Options bought and sold (exchange-traded)	1.1	0.1	0.1	0.0	0.0	0.0
Other products³	47.7	3.2	2.2	0.0	0.0	0.0
Total derivative instruments	33,537.0	272.7	277.8	68.2	1.2	0.9

The notional amount, PRV and NRV (trading and hedging) was CHF 33,605.2 billion, CHF 273.9 billion and CHF 278.7 billion, respectively, as of December 31, 2015.

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

² Primarily credit default swaps.

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

Fair value of derivative instruments (continued)

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

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

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

² Primarily credit default swaps.

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

Fair value hedges

in	2015	2014	2013
Gains/(losses) recognized in income on derivatives (CHF million)			
Interest rate products	(94)	(142)	378
Foreign exchange products	0	3	(9)
Total	(94)	(139)	369
Gains/(losses) recognized in income on hedged items (CHF million)			
Interest rate products	76	136	(375)
Foreign exchange products	0	(3)	9
Total	76	133	(366)
Details of fair value hedges (CHF million)			
Net gains/(losses) on the ineffective portion	(18)	(6)	3

Represents gains/(losses) recognized in trading revenues.

Cash flow hedges

in	2015	2014	2013
Gains/(losses) recognized in AOCI on derivatives (CHF million)			
Interest rate products	21	40	7
Foreign exchange products	(17)	(47)	0
Total	4	(7)	7
Gains/(losses) reclassified from AOCI into income (CHF million)			
Interest rate products	37 ¹	21 ²	3 ²
Foreign exchange products	(53) ^{2,3}	(5) ³	0 ²
Total	(16)	16	3
Details of cash flow hedges (CHF million)			
Net gains on the ineffective portion ²	(12)	(1)	1

Represents gains/(losses) on effective portion.

¹ Included in interest and other dividend income.

² Included in trading revenues.

³ Included in total other operating expenses.

The net gain associated with cash flow hedges expected to be reclassified from AOCI within the next 12 months was CHF 4 million.

Contingent credit risk

end of	2015							2014	
	Bilateral counterparties	Special purpose entities	Accelerated terminations	Total	Bilateral counterparties	Special purpose entities	Accelerated terminations ¹	Total	
Contingent credit risk (CHF billion)									
Current net exposure	13.2	0.5	1.4	15.1	14.0	0.8	1.6	16.4	
Collateral posted	12.3	0.5	–	12.8	12.2	0.9	–	13.1	
Additional collateral required in a one-notch downgrade event	0.7	0.4	0.1	1.2	0.7	0.5	0.1	1.3	
Additional collateral required in a two-notch downgrade event	1.8	0.7	0.6	3.1	2.2	0.8	0.7	3.7	
Additional collateral required in a three-notch downgrade event	2.1	1.3	0.8	4.2	2.7	1.4	1.0	5.1	

¹ Additional collateral required for accelerated terminations event has been corrected.

Credit derivatives

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

Net investment hedges

in	2015	2014	2013
Gains/(losses) recognized in AOCI on derivatives (CHF million)			
Foreign exchange products	443	(1,672)	504
Total	443	(1,672)	504
Gains/(losses) reclassified from AOCI into income (CHF million)			
Foreign exchange products ¹	0	0	2
Total	0	0	2

Represents gains/(losses) on effective portion.

¹ Included in other revenues.

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

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

Disclosures relating to contingent credit risk

The following table provides the Bank's current net exposure from contingent credit risk relating to derivative contracts with bilateral counterparties and special purpose entities (SPEs) that include credit support agreements, the related collateral posted and the additional collateral required in a one-notch, two-notch and a three-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 negative replacement value and a percentage of the notional value of the derivative.

Credit protection sold/purchased

The following tables do not include all credit derivatives and differ from the credit derivatives in the "Fair value of derivative

instruments” table. This is due to the exclusion of certain credit derivative instruments under US GAAP, which defines a credit derivative as a derivative instrument (a) in which one or more of its underlyings are related to the credit risk of a specified entity (or a group of entities) or an index based on the credit risk of a group of entities and (b) that exposes the seller to potential loss from credit risk-related events specified in the contract.

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

US GAAP rules. Total return swaps (TRS) of CHF 7.8 billion and CHF 12.6 billion as of December 31, 2015 and 2014, respectively, were also excluded because a TRS does not expose the seller to potential loss from credit risk-related events specified in the contract. A TRS only provides protection against a loss in asset value and not against additional amounts as a result of specific credit events.

Credit protection sold/purchased

end of	2015										2014
	Credit protection sold	Credit protection purchased ¹	Net credit protection (sold)/purchased	Other protection purchased	Fair value of credit protection sold	Credit protection sold	Credit protection purchased ¹	Net credit protection (sold)/purchased	Other protection purchased	Fair value of credit protection sold	
Single-name instruments (CHF billion)											
Investment grade ²	(199.6)	188.6	(11.0)	26.9	1.0	(266.5)	254.0	(12.5)	32.7	4.5	
Non-investment grade	(65.2)	61.1	(4.1)	15.7	(3.2)	(103.9)	99.9	(4.0)	13.5	0.1	
Total single-name instruments	(264.8)	249.7	(15.1)	42.6	(2.2)	(370.4)	353.9	(16.5)	46.2	4.6	
of which sovereign	(47.5)	43.9	(3.6)	6.1	(1.1)	(76.2)	73.0	(3.2)	8.6	(1.1)	
of which non-sovereign	(217.3)	205.8	(11.5)	36.5	(1.1)	(294.2)	280.9	(13.3)	37.6	5.7	
Multi-name instruments (CHF billion)											
Investment grade ²	(89.1)	88.3	(0.8)	31.6	(0.5)	(162.2)	159.9	(2.3)	56.2	2.2	
Non-investment grade	(24.4)	18.0 ³	(6.4)	6.2	0.2	(53.4)	51.1 ³	(2.3)	12.1	1.0	
Total multi-name instruments	(113.5)	106.3	(7.2)	37.8	(0.3)	(215.6)	211.0	(4.6)	68.3	3.2	
of which sovereign	(1.0)	1.0	0.0	1.0	0.0	(7.3)	7.2	(0.1)	1.1	0.0	
of which non-sovereign	(112.5)	105.3	(7.2)	36.8	(0.3)	(208.3)	203.8	(4.5)	67.2	3.2	
Total instruments (CHF billion)											
Investment grade ²	(288.7)	276.9	(11.8)	58.5	0.5	(428.7)	413.9	(14.8)	88.9	6.7	
Non-investment grade	(89.6)	79.1	(10.5)	21.9	(3.0)	(157.3)	151.0	(6.3)	25.6	1.1	
Total instruments	(378.3)	356.0	(22.3)	80.4	(2.5)	(586.0)	564.9	(21.1)	114.5	7.8	
of which sovereign	(48.5)	44.9	(3.6)	7.1	(1.1)	(83.5)	80.2	(3.3)	9.7	(1.1)	
of which non-sovereign	(329.8)	311.1	(18.7)	73.3	(1.4)	(502.5)	484.7	(17.8)	104.8	8.9	

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	2015	2014
Credit derivatives (CHF billion)		
Credit protection sold	378.3	586.0
Credit protection purchased	356.0	564.9
Other protection purchased	80.4	114.5
Other instruments ¹	17.2	22.1
Total credit derivatives	831.9	1,287.5

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
2015 (CHF billion)				
Single-name instruments	52.1	196.4	16.3	264.8
Multi-name instruments	19.0	84.9	9.6	113.5
Total instruments	71.1	281.3	25.9	378.3
2014 (CHF billion)				
Single-name instruments	78.0	253.9	38.5	370.4
Multi-name instruments	31.2	134.3	50.1	215.6
Total instruments	109.2	388.2	88.6	586.0

32 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
2015 (CHF million)								
Credit guarantees and similar instruments	2,908	743	285	451	4,387	4,178	24	1,727
Performance guarantees and similar instruments	4,201	1,929	603	81	6,814	5,915	75	3,104
Securities lending indemnifications	0	0	0	0	0	0	0	0
Derivatives ²	23,528	10,061	3,149	1,451	38,189	38,189	755	– ³
Other guarantees	3,901	517	445	516	5,379	5,374	51	3,492
Total guarantees	34,538	13,250	4,482	2,499	54,769	53,656	905	8,323
2014 (CHF million)								
Credit guarantees and similar instruments	2,488	733	257	593	4,071	3,832	30	1,654
Performance guarantees and similar instruments	4,798	1,219	1,178	97	7,292	6,425	40	3,155
Securities lending indemnifications	12,257	0	0	0	12,257	12,257	0	12,257
Derivatives ²	24,599	6,157	981	1,815	33,552	33,552	954	– ³
Other guarantees	3,477	776	230	394	4,877	4,870	43	2,773
Total guarantees	47,619	8,885	2,646	2,899	62,049	60,936	1,067	19,839

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

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

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

Deposit-taking banks and securities dealers in Switzerland and certain other European countries are required to ensure the payout of privileged deposits in case of specified restrictions or compulsory liquidation of a deposit-taking bank. In Switzerland, deposit-taking banks and securities dealers jointly guarantee an amount of up to CHF 6 billion. Upon occurrence of a payout event triggered by a specified restriction of business imposed by the Swiss Financial Market Supervisory Authority FINMA (FINMA) or by the compulsory liquidation of another deposit-taking bank, the Bank's contribution will be calculated based on its share of privileged deposits in proportion to total privileged deposits. Based on FINMA's estimate for the Bank, the Bank's share in the deposit insurance guarantee program for the period July 1, 2015 to June 30, 2016 is CHF 0.5 billion. These deposit insurance guarantees were reflected in other guarantees.

▶ Refer to "Note 33 – Guarantees and commitments" in V – Consolidated financial statements – Credit Suisse Group for further information.

Representations and warranties on residential mortgage loans sold

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

▶ Refer to "Note 33 – Guarantees and commitments" in V – Consolidated financial statements – Credit Suisse Group for further information.

Lease commitments

Lease commitments (CHF million)

2016	563
2017	546
2018	517
2019	483
2020	458
Thereafter	3,460
Future operating lease commitments	6,027
Less minimum non-cancellable sublease rentals	200
Total net future minimum lease commitments	5,827

Rental expense for operating leases

in	2015	2014	2013
Rental expense for operating leases (CHF million)			
Minimum rental expense	558	572	642
Sublease rental income	(92)	(81)	(85)
Total net expenses for operating leases	466	491	557

Operating lease commitments

► Refer to “Note 33 – Guarantees and commitments” in V – Consolidated financial statements – Credit Suisse Group for further information.

Sale-leaseback transactions

There were no significant transactions in 2015.

During 2015, 2014 and 2013, the Bank entered into several smaller sale-leaseback transactions in respect of own property,

which were all recognized as operating lease arrangements with lease terms of between two and eighteen years, between two and ten years and between five and ten years, respectively. The total contractual rental expenses were CHF 67 million for the 2015 sale-leaseback transactions, CHF 17 million for the 2014 sale-leaseback transactions and CHF 78 million for the 2013 sale-leaseback transactions.

Other commitments

end of	Maturity less than 1 year	Maturity between 1 to 3 years	Maturity between 3 to 5 years	Maturity greater than 5 years	Total gross amount	Total net amount ¹	Collateral received
2015 (CHF million)							
Irrevocable commitments under documentary credits	4,020	4	3	0	4,027	3,932	2,468
Irrevocable loan commitments	33,776	45,286	44,755	13,586	137,403 ²	133,583	63,275
Forward reverse repurchase agreements	48	0	0	0	48	48	48
Other commitments	404	124	29	168	725	726	6
Total other commitments	38,248	45,414	44,787	13,754	142,203	138,289	65,797
2014 (CHF million)							
Irrevocable commitments under documentary credits	4,717	11	1	0	4,729	4,570	2,769
Irrevocable loan commitments	29,938	32,751	46,440	10,965	120,094 ²	115,306	56,958
Forward reverse repurchase agreements	8,292	0	0	0	8,292	8,292	8,292
Other commitments	690	768	43	223	1,724	1,724	0
Total other commitments	43,637	33,530	46,484	11,188	134,839	129,892	68,019

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

² Irrevocable loan commitments do not include a total gross amount of CHF 95,025 million and CHF 97,608 million of unused credit limits as of December 31, 2015 and 2014, respectively, which were revocable at the Bank's sole discretion upon notice to the client.

► Refer to “Note 33 – Guarantees and commitments” in V – Consolidated financial statements – Credit Suisse Group for further information.

33 Transfers of financial assets and variable interest entities

TRANSFERS OF FINANCIAL ASSETS

► Refer to "Note 34 – Transfers of financial assets and variable interest entities" in V – Credit Suisse Group – Consolidated financial statements for further information.

Securitizations

The following table provides the gains or losses and proceeds from the transfer of assets relating to 2015, 2014 and 2013 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	2015	2014	2013
Gains and cash flows (CHF million)			
CMBS			
Net gain ¹	1	7	4
Proceeds from transfer of assets	9,813	5,335	5,574
Cash received on interests that continue to be held	148	102	70
RMBS			
Net gain/(loss) ¹	5	13	(8)
Proceeds from transfer of assets	20,062	22,728	24,523
Purchases of previously transferred financial assets or its underlying collateral	(1)	(4)	(10)
Servicing fees	3	2	4
Cash received on interests that continue to be held	457	444	486
Other asset-backed financings			
Net gain ¹	24	29	15
Proceeds from transfer of assets	1,740	1,819	915
Purchases of previously transferred financial assets or its underlying collateral ²	0	0	(213)
Cash received on interests that continue to be held	3	17	633

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

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

Continuing involvement in transferred financial assets

The following table provides the outstanding principal balance of assets to which the Bank continued to be exposed after the transfer of the financial assets to any SPE and the total assets of the SPE as of December 31, 2015 and 2014, regardless of when the transfer of assets occurred.

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

end of	2015	2014
CHF million		
CMBS		
Principal amount outstanding	40,625	41,216
Total assets of SPE	56,118	53,354
RMBS		
Principal amount outstanding	54,164	49,884
Total assets of SPE	55,833	50,017
Other asset-backed financings		
Principal amount outstanding	21,653	26,176
Total assets of SPE	22,787	26,176

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

Fair value of beneficial interests

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

Key economic assumptions at the time of transfer

► Refer to "Note 34 – Financial instruments" for further information on the fair value hierarchy.

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

at time of transfer, in	2015		2014		2013	
	CMBS	RMBS	CMBS	RMBS	CMBS	RMBS
CHF million, except where indicated						
Fair value of beneficial interests	1,512	2,110	1,341	4,023	633	2,993
of which level 2	1,442	1,695	1,242	3,791	476	2,879
of which level 3	70	415	100	232	156	114
Weighted-average life, in years	8.2	9.0	4.1	7.7	7.3	7.7
Prepayment speed assumption (rate per annum), in % ¹	- ²	1.1–30.1	- ²	1.5–23.0	- ²	2.0–31.0
Cash flow discount rate (rate per annum), in % ³	1.7–7.2	1.7–33.7	1.0–11.0	1.9–17.8	1.6–11.6	0.0–45.9
Expected credit losses (rate per annum), in %	0.7–5.9	0.5–15.9	1.0–2.2	0.4–15.3	0.0–7.5	0.0–45.8

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

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

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

³ The rate was based on the weighted-average yield on the beneficial interests.

Key economic assumptions as of the reporting date

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 December 31, 2015 and 2014.

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

end of	2015			2014		
	CMBS ¹	RMBS	Other asset-backed financing activities ²	CMBS ¹	RMBS	Other asset-backed financing activities ²
CHF million, except where indicated						
Fair value of beneficial interests	1,007	2,274	56	1,168	2,394	212
of which non-investment grade	73	581	55	79	246	146
Weighted-average life, in years	6.7	9.7	2.5	5.6	7.8	3.6
Prepayment speed assumption (rate per annum), in % ³	-	1.0–37.1	-	-	1.0–36.6	-
Impact on fair value from 10% adverse change	-	(30.5)	-	-	(29.2)	-
Impact on fair value from 20% adverse change	-	(57.6)	-	-	(56.4)	-
Cash flow discount rate (rate per annum), in % ⁴	2.1–13.3	1.5–35.5	5.7–21.2	1.6–22.3	1.7–44.0	0.3–21.2
Impact on fair value from 10% adverse change	(18.1)	(63.1)	(0.7)	(14.0)	(43.8)	(1.2)
Impact on fair value from 20% adverse change	(35.6)	(122.5)	(1.5)	(27.4)	(85.3)	(2.4)
Expected credit losses (rate per annum), in %	0.9–12.7	1.3–34.3	0.2–14.2	1.0–22.2	0.0–41.7	1.4–13.1
Impact on fair value from 10% adverse change	(8.0)	(32.3)	(0.7)	(7.1)	(25.3)	(0.4)
Impact on fair value from 20% adverse change	(15.9)	(63.2)	(1.5)	(14.0)	(49.4)	(0.7)

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

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

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

⁴ The rate was based on the weighted-average yield on the beneficial interests.

Transfers of financial assets where sale treatment was not achieved

The following table provides the carrying amounts of transferred financial assets and the related liabilities where sale treatment was not achieved as of December 31, 2015 and 2014.

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

end of	2015	2014
CHF million		
CMBS		
Other assets	0	26
Liability to SPE, included in Other liabilities	0	(26)
RMBS		
Other assets	266	0
Liability to SPE, included in Other liabilities	(266)	0
Other asset-backed financings		
Trading assets	155	138
Other assets	122	252
Liability to SPE, included in Other liabilities	(277)	(390)

Transfers of financial assets accounted for as a sale

The following table presents information about the transfers of financial assets accounted for as sales with agreements that result in the Bank retaining substantially all of the exposure to the economic return on the transferred assets at the date of sale and remain outstanding as of December 31, 2015, gross cash proceeds received for assets derecognized at the date of sale and the fair values of transferred assets and the types of agreements as of December 31, 2015.

Transfer of financial assets accounted for as sales – by transaction type

	at date of derecognition		Fair value of transferred assets	Gross derivative assets recorded ¹	Gross derivative liabilities recorded ¹
	Carrying amount derecognized	Gross cash proceeds received for assets derecognized			
2015 (CHF million)					
Sales with total return swaps	395	397	398	7	7
Sales with longevity swaps	308	378	375	546	–
Total transactions outstanding	703	775	773	553²	7³

¹ Balances presented on a gross basis, before application of counterparty and cash collateral netting.

² Gross derivative assets of CHF 7 million and CHF 546 million included in equity/index-related products and other products, respectively, as disclosed in Note 31 – Derivatives and hedging activities.

³ Gross derivative liabilities of CHF 7 million in equity/index-related products, as disclosed in Note 31 – Derivatives and hedging activities.

Securities sold under repurchase agreements and securities lending transactions accounted for as secured borrowings

The following tables provide the gross obligation relating to securities sold under repurchase agreements, securities lending transactions and obligation to return securities received as collateral by the class of collateral pledged and by remaining contractual maturity as of December 31, 2015.

Securities sold under repurchase agreements, securities lending transactions and obligation to return securities received as collateral – by class of collateral pledged

end of	2015
CHF billion	
Government debt securities	21.1
Corporate debt securities	15.2
Asset-backed securities	21.6
Equity securities	0.1
Other	0.1
Securities sold under repurchase agreements	58.1
Government debt securities	3.1
Corporate debt securities	0.4
Equity securities	8.2
Other	0.3
Securities lending transactions	12.0
Government debt securities	0.5
Corporate debt securities	0.1
Equity securities	27.9
Obligation to return securities received as collateral, at fair value	28.5
Total	98.6

Securities sold under repurchase agreements, securities lending transactions and obligation to return securities received as collateral – by remaining contractual maturity

end of	Remaining contractual maturities				Total
	On demand ¹	Up to 30 days ²	31-90 days	More than 90 days	
2015 (CHF billion)					
Securities sold under repurchase agreements	7.7	29.9	8.1	12.4	58.1
Securities lending transactions	6.0	3.6	1.8	0.6	12.0
Obligation to return securities received as collateral, at fair value	26.2	2.3	0.0	0.0	28.5
Total	39.9	35.8	9.9	13.0	98.6

¹ Includes contracts with no contractual maturity that may contain termination arrangements subject to a notice period.

² Includes overnight transactions.

► Refer to "Note 26 – Offsetting of financial assets and financial liabilities" for further information on the gross amount of securities sold under repurchase agreements, securities lending transactions and obligation to return securities received as collateral and the net amounts disclosed in the consolidated balance sheets.

VARIABLE INTEREST ENTITIES

► Refer to "Note 34 – Transfers of financial assets and variable interest entities" in V – Consolidated financial statements – Credit Suisse Group for further information.

Commercial paper conduit

The Bank acts as the administrator and provider of liquidity and credit enhancement facilities for one asset-backed CP conduit, Alpine, a client-focused multi-seller conduit vehicle. Alpine publishes portfolio and asset data and submits its portfolio to a rating agency for public ratings based on the cash flows of the portfolio taken as a whole. This CP conduit purchases assets, primarily loans and receivables, from clients and finances such purchases through the issuance of CP backed by these assets. For an asset to qualify for acquisition by the CP conduit, it must be rated at least investment grade after giving effect to the related asset-specific credit enhancement primarily provided by the client seller of the asset. The clients provide credit support to investors of the CP conduit in the form of over-collateralization and other asset-specific enhancements. Further, an unaffiliated investor retains a limited first-loss position in Alpine's entire portfolio. Alpine is a separate legal entity that is wholly owned by the Bank. However, its assets are available to satisfy only the claims of its creditors. In addition, the Bank, as administrator and liquidity and credit enhancement facilities provider, has significant exposure to and power over the activities of Alpine. Alpine is considered a VIE for accounting purposes and the Bank is deemed the primary beneficiary and consolidates this entity. The Bank has decided not to issue any CP from Alpine and all outstanding CP was fully repaid as of December 31, 2015.

The overall average maturity of the conduit's outstanding CP was approximately 49 days as of December 31, 2014. As of December 31, 2014, Alpine had the highest short-term rating from

Moody's and Dominion Bond Rating Service and was rated A-1 by Standard & Poor's and F-1 by Fitch. Alpine's purchased assets were advance financing receivables, student loans and CDOs. As of December 31, 2015 and 2014, those assets had a weighted average rating of A- and AA, respectively, based on the lowest of each asset's internal rating and, where available, external rating, and an average maturity of 3.3 years and 1.8 years, respectively.

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

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

Consolidated VIEs

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

Consolidated VIEs in which the Bank was the primary beneficiary

end of	CDO	CP Conduit	Financial intermediation				Total
			Securi- tizations	Funds	Loans	Other	
2015 (CHF million)							
Cash and due from banks	1,351	0	21	9	93	219	1,693
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	53	0	0	0	0	53
Trading assets	283	49	0	941	1,001	98	2,372
Investment securities	0	0	1,009	0	0	0	1,009
Other investments	0	0	0	0	1,553	433	1,986
Net loans	0	0	0	0	27	1,285	1,312
Premises and equipment	0	0	0	0	299	0	299
Other assets	10,839	123	1,671	0	82	1,735	14,450
of which loans held-for-sale	10,790	0	469	0	16	0	11,275
Total assets of consolidated VIEs	12,473	225	2,701	950	3,055	3,770	23,174
Trading liabilities	8	0	0	0	18	1	27
Short-term borrowings	0	0	81	0	0	0	81
Long-term debt	12,428	0	2,128	125	136	9	14,826
Other liabilities	51	3	3	1	134	643	835
Total liabilities of consolidated VIEs	12,487	3	2,212	126	288	653	15,769
2014 (CHF million)							
Cash and due from banks	1,122	0	16	187	109	59	1,493
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	660	0	0	0	0	660
Trading assets	615	57	250	1,715	867	757	4,261
Other investments	0	0	0	30	1,651	424	2,105
Net loans	0	12	0	0	24	209	245
Premises and equipment	0	0	0	0	422	0	422
Other assets	8,726	262	4,741	3	195	2,205	16,132
of which loans held-for-sale	8,689	0	3,500	0	24	356	12,569
Total assets of consolidated VIEs	10,463	991	5,007	1,935	3,268	3,654	25,318
Customer deposits	0	0	0	0	0	3	3
Trading liabilities	6	0	0	0	23	6	35
Short-term borrowings	0	9,384	0	0	0	0	9,384
Long-term debt	10,318	18	2,418	216	99	383	13,452
Other liabilities	27	29	573	124	146	828	1,727
Total liabilities of consolidated VIEs	10,351	9,431	2,991	340	268	1,220	24,601

Non-consolidated VIEs

Non-consolidated VIE assets are related to the non-consolidated VIEs with which the Bank has variable interests. These amounts represent the assets of the entities themselves and are typically unrelated to the exposures the Bank has with the entity and thus are not amounts that are considered for risk management purposes.

Non-consolidated VIEs

end of	Financial intermediation					Total
	CDO	Secur- tizations	Funds	Loans	Other	
2015 (CHF million)						
Trading assets	90	6,021	871	425	8	7,415
Net loans	36	1,508	2,634	5,053	1,723	10,954
Other assets	0	11	13	0	161	185
Total variable interest assets	126	7,540	3,518	5,478	1,892	18,554
Maximum exposure to loss	126	12,986	3,518	11,866	2,570	31,066
Non-consolidated VIE assets	6,590	113,530	54,112	41,824	11,463	227,519
2014 (CHF million)						
Trading assets	179	5,009	1,201	494	625	7,508
Net loans	211	2,307 ¹	3,113	5,482 ¹	1,544	12,657 ¹
Other assets	0	4	20	0	189	213
Total variable interest assets	390	7,320¹	4,334	5,976¹	2,358	20,378¹
Maximum exposure to loss	752	12,830¹	4,489	11,157¹	2,358	31,586¹
Non-consolidated VIE assets	8,604	120,243¹	56,413	45,268¹	12,170	242,698¹

¹ Prior period has been corrected.

34 Financial instruments

► Refer to "Note 35 – 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 2015	Level 1	Level 2	Level 3	Netting impact ¹	Total
Assets (CHF million)					
Cash and due from banks	0	89	0	–	89
Interest-bearing deposits with banks	0	2	0	–	2
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	0	83,407	158	–	83,565
Debt	811	493	0	–	1,304
of which corporates	0	261	0	–	261
Equity	27,141	66	0	–	27,207
Securities received as collateral	27,952	559	0	–	28,511
Debt	27,932	48,050	4,564	–	80,546
of which foreign governments	27,710	3,737	285	–	31,732
of which corporates	13	15,765	1,746	–	17,524
of which RMBS	0	22,302	814	–	23,116
of which CMBS	0	3,924	215	–	4,139
of which CDO	0	2,317	1,298	–	3,615
Equity	64,393	5,222	1,487	–	71,102
Derivatives	2,625	265,362	4,831	(244,239)	28,579
of which interest rate products	657	167,269	791	–	–
of which foreign exchange products	104	59,742	383	–	–
of which equity/index-related products	1,857	20,053	936	–	–
of which credit derivatives	0	16,267	1,568	–	–
Other	2,034	4,569	4,266	–	10,869
Trading assets	96,984	323,203	15,148	(244,239)	191,096
Debt	1,322	1,142	148	–	2,612
of which foreign governments	1,322	0	0	–	1,322
of which corporates	0	281	0	–	281
of which RMBS	0	602	148	–	750
of which CMBS	0	259	0	–	259
Equity	2	84	0	–	86
Investment securities	1,324	1,226	148	–	2,698
Private equity	0	0	1,033	–	1,033
of which equity funds	0	0	428	–	428
Hedge funds	0	98	197	–	295
of which debt funds	0	68	192	–	260
Other equity investments	0	79	1,149	–	1,228
of which private	0	70	1,149	–	1,219
Life finance instruments	0	2	1,669	–	1,671
Other investments	0	179	4,048	–	4,227
Loans	0	11,870	8,950	–	20,820
of which commercial and industrial loans	0	5,811	5,735	–	11,546
of which financial institutions	0	4,102	1,729	–	5,831
Other intangible assets (mortgage servicing rights)	0	0	112	–	112
Other assets	687	18,863	7,087	(1,011)	25,626
of which loans held-for-sale	0	14,378	6,768	–	21,146
Total assets at fair value	126,947	439,398	35,651	(245,250)	356,746
Less other investments – equity at fair value attributable to noncontrolling interests	0	(18)	(583)	–	(601)
Less assets consolidated under ASU 2009-17 ²	0	(9,212)	(3,558)	–	(12,770)
Assets at fair value excluding noncontrolling interests and assets not risk-weighted under the Basel framework	126,947	430,168	31,510	(245,250)	343,375

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

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

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

end of 2015	Level 1	Level 2	Level 3	Netting impact ¹	Total
Liabilities (CHF million)					
Due to banks	0	490	0	–	490
Customer deposits	0	3,402	254	–	3,656
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	0	32,398	0	–	32,398
Debt	811	493	0	–	1,304
of which corporates	0	261	0	–	261
Equity	27,141	66	0	–	27,207
Obligation to return securities received as collateral	27,952	559	0	–	28,511
Debt	4,100	4,289	16	–	8,405
of which foreign governments	4,050	491	0	–	4,541
of which corporates	30	3,597	16	–	3,643
Equity	16,899	160	45	–	17,104
Derivatives	3,062	270,135	4,554	(254,206)	23,545
of which interest rate products	671	160,026	578	–	–
of which foreign exchange products	82	70,382	329	–	–
of which equity/index-related products	2,299	22,515	1,347	–	–
of which credit derivatives	0	15,522	1,757	–	–
Trading liabilities	24,061	274,584	4,615	(254,206)	49,054
Short-term borrowings	0	3,040	72	–	3,112
Long-term debt	0	65,879	14,123	–	80,002
of which treasury debt over two years	0	4,590	0	–	4,590
of which structured notes over one year and up to two years	0	6,396	364	–	6,760
of which structured notes over two years	0	38,066	9,924	–	47,990
of which other debt instruments over two years	0	1,435	638	–	2,073
of which other subordinated bonds	0	4,547	0	–	4,547
of which non-recourse liabilities	0	10,642	3,197	–	13,839
Other liabilities	0	9,999	2,483	(737)	11,745
of which failed sales	0	530	454	–	984
Total liabilities at fair value	52,013	390,351	21,547	(254,943)	208,968

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

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

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

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

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

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

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

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

Transfers between level 1 and level 2

in	2015		2014	
	Transfers to level 1 out of level 2	Transfers out of level 1 to level 2	Transfers to level 1 out of level 2	Transfers out of level 1 to level 2
Assets (CHF million)				
Debt		85	187	1,108
Equity		566	1,257	513
Derivatives		4,328	24	5,785
Trading assets		4,979	1,468	7,406
Liabilities (CHF million)				
Debt		108	79	861
Equity		85	139	133
Derivatives		4,552	114	6,073
Trading liabilities		4,745	332	7,067
				835

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

2015	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	77	0	(41)	0
Securities received as collateral	0	0	0	4
Debt	4,465	1,591	(1,463)	2,950
of which corporates	1,435	823	(467)	1,281
of which RMBS	612	492	(615)	1,064
of which CMBS	257	127	(83)	207
of which CDO	1,421	72	(252)	379
Equity	1,566	749	(702)	1,228
Derivatives	6,823	2,310	(1,243)	0
of which interest rate products	1,803	53	(282)	0
of which equity/index-related products	1,063	530	(362)	0
of which credit derivatives	2,569	1,574	(599)	0
Other	4,326	1,157	(896)	4,085
Trading assets	17,180	5,807	(4,304)	8,263
Investment securities	3	8	(97)	320
Equity	3,437	1	(424)	200
Life finance instruments	1,834	0	0	201
Other investments	5,271	1	(424)	401
Loans	9,353	1,347	(1,153)	686
of which commercial and industrial loans	5,853	985	(365)	69
of which financial institutions	1,494	329	(266)	296
Other intangible assets (mortgage servicing rights)	70	0	0	18
Other assets	7,468	4,025	(3,937)	4,244
of which loans held-for-sale ²	6,851	4,016	(3,841)	4,137
Total assets at fair value	39,422	11,188	(9,956)	13,936
Liabilities (CHF million)				
Customer deposits	100	12	(16)	0
Obligation to return securities received as collateral	0	0	0	4
Trading liabilities	6,417	2,515	(1,891)	63
of which interest rate derivatives	1,202	109	(400)	0
of which foreign exchange derivatives	560	19	(36)	0
of which equity/index-related derivatives	1,466	297	(796)	0
of which credit derivatives	2,760	1,860	(628)	0
Short-term borrowings	95	98	(37)	0
Long-term debt	14,608	2,603	(4,819)	0
of which structured notes over two years	10,267	1,117	(3,293)	0
of which non-recourse liabilities	2,952	1,197	(902)	0
Other liabilities	3,358	249	(1,238)	184
of which failed sales	616	14	(18)	132
Total liabilities at fair value	24,578	5,477	(8,001)	251
Net assets/(liabilities) at fair value	14,844	5,711	(1,955)	13,685

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

² Includes unrealized losses recorded in trading revenues of CHF (308) million primarily related to subprime exposures in securitized products business and market movements across the wider loans held-for-sale portfolio.

			Trading revenues		Other revenues			Foreign currency translation impact	Balance at end of period
Sales	Issuances	Settlements	On transfers in / out ¹	On all other	On transfers in / out ¹	On all other			
0	259	(141)	0	0	0	0	4	158	
(4)	0	0	0	0	0	0	0	0	
(2,974)	0	0	(30)	221	0	0	(196)	4,564	
(1,388)	0	0	(17)	189	0	0	(110)	1,746	
(772)	0	0	(6)	29	0	0	10	814	
(265)	0	0	(2)	(24)	0	0	(2)	215	
(364)	0	0	(6)	51	0	0	(3)	1,298	
(1,087)	0	0	(34)	(228)	0	0	(5)	1,487	
0	1,493	(3,875)	11	(545)	0	0	(143)	4,831	
0	304	(719)	6	(341)	0	0	(33)	791	
0	366	(680)	10	32	0	0	(23)	936	
0	405	(1,776)	(5)	(547)	0	0	(53)	1,568	
(4,276)	0	(292)	(7)	182	0	0	(13)	4,266	
(8,337)	1,493	(4,167)	(60)	(370)	0	0	(357)	15,148	
(102)	0	(36)	6	39	0	0	7	148	
(786)	0	0	0	(18)	70	57	(158)	2,379	
(361)	0	0	0	(1)	0	0	(4)	1,669	
(1,147)	0	0	0	(19)	70	57	(162)	4,048	
(1,055)	3,519	(3,371)	1	(207)	(4)	(14)	(152)	8,950	
(687)	2,205	(2,072)	1	(85)	(4)	(14)	(151)	5,735	
(213)	811	(639)	0	(85)	0	0	2	1,729	
0	0	0	0	9	0	14	1	112	
(3,691)	784	(1,309)	(8)	(208)	0	(5)	(276)	7,087	
(3,410)	784	(1,309)	(13)	(178)	0	(3)	(266)	6,768	
(14,336)	6,055	(9,024)	(61)	(756)	66	52	(935)	35,651	
0	213	(28)	0	(18)	0	0	(9)	254	
(4)	0	0	0	0	0	0	0	0	
(57)	1,460	(3,098)	20	(697)	0	(18)	(99)	4,615	
0	140	(343)	13	(127)	0	0	(16)	578	
0	20	(76)	1	(151)	0	0	(8)	329	
0	689	(349)	48	3	0	0	(11)	1,347	
0	330	(2,098)	(43)	(362)	0	0	(62)	1,757	
0	371	(442)	(1)	(10)	0	0	(2)	72	
0	7,386	(4,874)	(16)	(801)	0	(5)	41	14,123	
0	5,464	(3,104)	(7)	(566)	0	0	46	9,924	
0	912	(807)	(3)	(148)	0	0	(4)	3,197	
(218)	10	(244)	11	18	8	403	(58)	2,483	
(127)	0	0	2	(160)	0	0	(5)	454	
(279)	9,440	(8,686)	14	(1,508)	8	380	(127)	21,547	
(14,057)	(3,385)	(338)	(75)	752	58	(328)	(808)	14,104	

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

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

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

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

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

in	2015			2014		
	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	677	(270)	407 ¹	1,698	170	1,868 ¹
Whereof:						
Unrealized gains/(losses) relating to assets and liabilities still held as of the reporting date	80	7	87	(834)	23	(811)

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

Quantitative information about level 3 assets at fair value

end of 2015	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average ¹
CHF million, except where indicated						
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	158	Discounted cash flow	Funding spread, in bp	350	475	361
Debt	4,564					
of which corporates	1,746					
of which	240	Option model	Correlation, in %	(87)	99	17
of which	836	Market comparable	Price, in %	0	128	29
of which	285	Discounted cash flow	Credit spread, in bp	134	1,408	493
of which RMBS	814	Discounted cash flow	Discount rate, in %	1	36	8
			Prepayment rate, in %	0	27	9
			Default rate, in %	0	20	3
			Loss severity, in %	0	100	50
of which CMBS	215	Discounted cash flow	Capitalization rate, in %	7	8	7
			Discount rate, in %	0	23	8
			Prepayment rate, in %	0	16	3
			Default rate, in %	0	32	1
			Loss severity, in %	0	75	4
of which CDO	1,298					
of which	66	Vendor price	Price, in %	0	100	96
of which	329	Discounted cash flow	Discount rate, in %	1	25	11
			Prepayment rate, in %	0	20	14
			Credit spread, in bp	293	336	309
			Default rate, in %	0	10	2
			Loss severity, in %	0	100	46
of which	807	Market comparable	Price, in %	214	214	214
Equity	1,487					
of which	342	Option model	Volatility, in %	2	253	29
of which	471	Market comparable	EBITDA multiple	3	12	8
			Price, in %	0	202	96

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

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

end of 2015	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average ¹
CHF million, except where indicated						
Derivatives	4,831					
of which interest rate products	791	Option model	Correlation, in %	17	100	63
			Prepayment rate, in %	1	36	16
			Volatility skew, in %	(8)	0	(2)
			Mean reversion, in % ²	5	10	10
			Credit spread, in bp	130	1,687	330
of which equity/index-related products	936					
of which	778	Option model	Correlation, in %	(87)	99	23
			Volatility, in %	0	253	26
of which	109	Market comparable	EBITDA multiple	4	10	7
			Price, in %	97	97	97
of which credit derivatives	1,568	Discounted cash flow	Credit spread, in bp	1	2,349	331
			Recovery rate, in %	0	60	23
			Discount rate, in %	2	50	19
			Default rate, in %	1	35	6
			Loss severity, in %	15	100	64
			Correlation, in %	43	97	85
			Prepayment rate, in %	0	12	4
			Funding spread, in bp	61	68	67
Other	4,266					
of which	2,859	Market comparable	Price, in %	0	106	45
of which	865	Discounted cash flow	Market implied life expectancy, in years	3	18	8
Trading assets	15,148					
Investment securities	148	–	–	–	–	–
Private equity	1,033	– ³	– ³	– ³	– ³	– ³
Hedge funds	197	– ³	– ³	– ³	– ³	– ³
Other equity investments	1,149	– ³	– ³	– ³	– ³	– ³
Life finance instruments	1,669	Discounted cash flow	Market implied life expectancy, in years	2	20	8
Other investments	4,048					
Loans	8,950					
of which commercial and industrial loans	5,735					
of which	3,799	Discounted cash flow	Credit spread, in bp	70	2,528	474
of which	1,146	Market comparable	Price, in %	0	106	65
of which financial institutions	1,729					
of which	1,451	Discounted cash flow	Credit spread, in bp	84	826	359
of which	109	Market comparable	Price, in %	0	100	98
Other intangible assets (mortgage servicing rights)	112	–	–	–	–	–
Other assets	7,087					
of which loans held-for-sale	6,768					
of which	3,594	Vendor price	Price, in %	0	101	97
of which	722	Discounted cash flow	Credit spread, in bp	99	3,220	515
			Recovery rate, in %	1	1	1
of which	2,251	Market comparable	Price, in %	0	104	76
Total level 3 assets at fair value	35,651					

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

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

³ Disclosure not required as balances are carried at unadjusted net asset value. Refer to "Fair value, unfunded commitments and term of redemption conditions" for further information.

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

end of 2014	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average ¹
CHF million, except where indicated						
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	77	Discounted cash flow	Funding spread, in bp	350	350	350
Debt	4,465					
of which corporates	1,435					
of which	201	Option model	Correlation, in %	(88)	97	17
			Buyback probability, in % ²	50	100	68
of which	180	Market comparable	Price, in %	0	124	67
of which	1,051	Discounted cash flow	Credit spread, in bp	9	1,644	361
of which RMBS	612	Discounted cash flow	Discount rate, in %	1	31	9
			Prepayment rate, in %	0	29	8
			Default rate, in %	1	19	3
			Loss severity, in %	0	100	50
of which CMBS	257	Discounted cash flow	Capitalization rate, in %	7	10	8
			Discount rate, in %	0	28	9
			Prepayment rate, in %	0	20	12
			Default rate, in %	0	21	1
			Loss severity, in %	0	35	3
of which CDO	1,421					
of which	89	Vendor price	Price, in %	0	100	95
of which	286	Discounted cash flow	Discount rate, in %	3	23	7
			Prepayment rate, in %	0	20	17
			Default rate, in %	0	7	2
			Loss severity, in %	3	100	35
of which	837	Market comparable	Price, in %	93	196	191
Equity	1,566					
of which	765	Market comparable	EBITDA multiple	3	13	9
			Price, in %	1	163	51
of which	26	Discounted cash flow	Capitalization rate, in %	7	7	7
			Discount rate, in %	15	15	15

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

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

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

end of 2014	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average ¹
CHF million, except where indicated						
Derivatives	6,823					
of which interest rate products	1,803	Option model	Correlation, in %	9	100	76
			Prepayment rate, in %	0	33	24
			Volatility skew, in %	(9)	3	(1)
			Mean reversion, in % ²	5	10	10
			Credit spread, in bp	229	1,218	1,046
of which equity/index-related products	1,063	Option model	Correlation, in %	(88)	97	8
			Volatility, in %	0	276	27
of which credit derivatives	2,569	Discounted cash flow	Credit spread, in bp	1	6,087	614
			Recovery rate, in %	0	75	20
			Discount rate, in %	1	38	18
			Default rate, in %	1	43	7
			Loss severity, in %	10	100	65
			Correlation, in %	46	97	83
			Prepayment rate, in %	0	9	4
			Funding spread, in bp	51	106	80
Other	4,326					
of which	3,493	Market comparable	Price, in %	0	104	50
of which	770	Discounted cash flow	Market implied life expectancy, in years	3	20	9
Trading assets	17,180					
Investment securities	3	–	–	–	–	–
Private equity	1,268	– ³	– ³	– ³	– ³	– ³
Hedge funds	314	– ³	– ³	– ³	– ³	– ³
Other equity investments	1,855					
of which private	1,855					
of which	337	Discounted cash flow	Contingent probability, in %	69	69	69
of which	1,051	– ³	– ³	– ³	– ³	– ³
Life finance instruments	1,834	Discounted cash flow	Market implied life expectancy, in years	2	21	8
Other investments	5,271					
Loans	9,353					
of which commercial and industrial loans	5,853					
of which	5,011	Discounted cash flow	Credit spread, in bp	34	2,528	462
			Recovery rate, in %	0	100	68
of which	650	Market comparable	Price, in %	0	100	82
of which financial institutions	1,494	Discounted cash flow	Credit spread, in bp	60	813	304
Other intangible assets (mortgage servicing rights)	70	–	–	–	–	–
Other assets	7,468					
of which loans held-for-sale	6,851					
of which	2,654	Vendor price	Price, in %	0	109	99
of which	1,321	Discounted cash flow	Credit spread, in bp	146	2,047	334
			Recovery rate, in %	1	39	30
of which	2,430	Market comparable	Price, in %	0	100	67
Total level 3 assets at fair value	39,422					

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

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

³ Disclosure not required as balances are carried at unadjusted net asset value. Refer to "Fair value, unfunded commitments and term of redemption conditions" for further information.

Quantitative information about level 3 liabilities at fair value

end of 2015	Fair value	Valuation technique	Unobservable input	Minimum value	Maximum value	Weighted average ¹
CHF million, except where indicated						
Customer deposits	254	–	–	–	–	–
Trading liabilities	4,615					
of which interest rate derivatives	578	Option model	Basis spread, in bp	(7)	53	25
			Correlation, in %	17	100	75
			Mean reversion, in % ²	5	10	8
			Prepayment rate, in %	0	36	9
			Gap risk, in % ³	20	20	20
			Funding spread, in bp	218	218	218
of which foreign exchange derivatives	329	Option model	Correlation, in %	(10)	70	54
			Prepayment rate, in %	24	36	30
of which equity/index-related derivatives	1,347	Option model	Correlation, in %	(87)	99	17
			Volatility, in %	2	253	26
			Buyback probability, in % ⁴	50	100	59
of which credit derivatives	1,757	Discounted cash flow	Credit spread, in bp	1	1,687	275
			Discount rate, in %	2	50	19
			Default rate, in %	1	33	5
			Recovery rate, in %	8	60	27
			Loss severity, in %	15	100	64
			Correlation, in %	17	95	80
			Funding spread, in bp	51	68	68
			Prepayment rate, in %	0	12	5
Short-term borrowings	72	–	–	–	–	–
Long-term debt	14,123					
of which structured notes over two years	9,924	Option model	Correlation, in %	(87)	99	17
			Volatility, in %	2	253	28
			Buyback probability, in % ⁴	50	100	59
			Gap risk, in % ³	0	3	1
			Credit spread, in bp	153	182	177
of which non-recourse liabilities	3,197					
of which	3,183	Vendor price	Price, in %	0	101	97
of which	14	Market comparable	Price, in %	0	87	9
Other liabilities	2,483					
of which failed sales	454					
of which	379	Market comparable	Price, in %	0	106	90
of which	68	Discounted cash flow	Credit spread, in bp	571	1,687	1,425
			Discount rate, in %	7	23	15
Total level 3 liabilities at fair value	21,547					

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

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

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

⁴ Estimate of the probability of structured notes being put back to the Bank at the option of the investor over the remaining life of the financial instruments.

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

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

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

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

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

⁴ Estimate of the probability of structured notes being put back to the Bank at the option of the investor over the remaining life of the financial instruments.

Fair value, unfunded commitments and term of redemption conditions

end of	2015								2014
	Non-redeemable	Redeemable	Total fair value	Unfunded commitments	Non-redeemable	Redeemable	Total fair value	Unfunded commitments	
Fair value and unfunded commitments (CHF million)									
Debt funds	2	0	2	0	7	106	113	0	
Equity funds	79	1,606 ¹	1,685	0	102	1,842 ²	1,944	0	
Equity funds sold short	0	(6)	(6)	0	0	(42)	(42)	0	
Total funds held in trading assets and liabilities	81	1,600	1,681	0	109	1,906	2,015	0	
Debt funds	184	76	260	1	296	187	483	1	
Equity funds	0	0	0	0	0	0	0	0	
Others	0	35	35	0	0	50	50	0	
Hedge funds	184	111 ³	295	1	296	237 ⁴	533	1	
Debt funds	11	0	11	17	17	0	17	15	
Equity funds	428	0	428	114	567	0	567	122	
Real estate funds	282	0	282	76	302	0	302	98	
Others	312	0	312	141	382	0	382	158	
Private equities	1,033	0	1,033	348	1,268	0	1,268	393	
Equity method investments ⁵	660	196	856	100	1,196	157	1,353	220	
Total funds held in other investments ⁵	1,877	307	2,184	449	2,760	394	3,154	614	
Total fair value⁵	1,958⁶	1,907⁷	3,865	449⁸	2,869⁶	2,300⁷	5,169	614⁸	

¹ 40% of the redeemable fair value amount of equity funds is redeemable on demand with a notice period primarily of less than 30 days, 31% is redeemable on an annual basis with a notice period of more than 60 days, 23% is redeemable on a monthly basis with a notice period primarily of less than 30 days, and 6% is redeemable on a quarterly basis with a notice period primarily of more than 45 days.

² 42% of the redeemable fair value amount of equity funds is redeemable on demand with a notice period primarily of less than 30 days, 28% is redeemable on an annual basis with a notice period of more than 60 days, 16% is redeemable on a monthly basis with a notice period primarily of less than 30 days, and 14% is redeemable on a quarterly basis with a notice period primarily of more than 45 days.

³ 87% of the redeemable fair value amount of hedge funds is redeemable on a quarterly basis with a notice period primarily of more than 60 days, 5% is redeemable on demand with a notice period primarily of less than 30 days, 5% is redeemable on an annual basis with a notice period of more than 60 days, and 3% is redeemable on a monthly basis with a notice period of more than 30 days.

⁴ 87% of the redeemable fair value amount of hedge funds is redeemable on a quarterly basis with a notice period primarily of more than 60 days, and 11% is redeemable on an annual basis with a notice period of more than 60 days.

⁵ Prior period has been corrected.

⁶ Includes CHF 464 million and CHF 612 million attributable to noncontrolling interests in 2015 and 2014, respectively.

⁷ Includes CHF 9 million and CHF 138 million attributable to noncontrolling interests in 2015 and 2014, respectively.

⁸ Includes CHF 176 million and CHF 185 million attributable to noncontrolling interests in 2015 and 2014, respectively.

Nonrecurring fair value changes

end of	2015	2014
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	0.1	1.4
of which level 2	0.1	1.2
of which level 3	0.0	0.2

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

end of	2015			2014		
	Aggregate fair value	Aggregate unpaid principal	Difference	Aggregate fair value	Aggregate unpaid principal	Difference
Loans (CHF million)						
Non-interest-earning loans	1,628	5,019	(3,391)	1,147	3,816	(2,669)
Financial instruments (CHF million)						
Interest-bearing deposits with banks	2	2	0	0	0	0
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	83,565	83,397	168	104,283	104,027	256
Loans	20,820	22,289	(1,469)	22,913	23,782	(869)
Other assets ¹	23,906	30,308	(6,402)	26,088	33,091	(7,003)
Due to banks and customer deposits	(913)	(826)	(87)	(914)	(873)	(41)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	(32,398)	(32,381)	(17)	(54,732)	(54,661)	(71)
Short-term borrowings	(3,112)	(3,263)	151	(3,861)	(3,918)	57
Long-term debt	(80,002)	(84,351)	4,349	(80,260)	(80,344)	84
Other liabilities	(984)	(2,619)	1,635	(1,268)	(2,767)	1,499

¹ Primarily loans held-for-sale.

Gains and losses on financial instruments

in	2015	2014	2013
	Net gains/ (losses)	Net gains/ (losses)	Net gains/ (losses)
Financial instruments (CHF million)			
Interest-bearing deposits with banks	(38) ²	9 ¹	10 ¹
of which related to credit risk	1	3	(3)
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	1,279 ¹	913 ¹	1,143 ¹
Other investments	240 ³	373 ³	126 ³
of which related to credit risk	0	5	11
Loans	439 ¹	10 ²	1,470 ¹
of which related to credit risk	(236)	(151)	26
Other assets	111 ¹	1,302 ¹	2,058 ¹
of which related to credit risk	(511)	387	604
Due to banks and customer deposits	4 ²	(59) ²	0
of which related to credit risk	19	(17)	(5)
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	55 ²	205 ²	(67) ¹
Short-term borrowings	439 ²	152 ²	(256) ²
Long-term debt	5,398 ²	678 ²	(2,738) ²
of which related to credit risk ⁴	224	527	(334)
Other liabilities	314 ³	(175) ²	413 ²
of which related to credit risk	(95)	(162)	112

¹ Primarily recognized in net interest income.

² Primarily recognized in trading revenues.

³ Primarily recognized in other revenues.

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

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

end of	Carrying value	Level 1	Level 2	Level 3	Fair value Total
2015 (CHF million)					
Financial assets					
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	39,871	0	39,872	0	39,872
Loans	231,395	4	232,391	6,150	238,545
Other financial assets ¹	150,743	90,740	58,456	1,796	150,992
Financial liabilities					
Due to banks and deposits	349,015	197,645	151,774	0	349,419
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	14,200	0	14,401	0	14,401
Short-term borrowings	5,546	0	5,545	0	5,545
Long-term debt	112,091	0	112,638	778	113,416
Other financial liabilities ²	63,970	32	63,496	578	64,106
2014 (CHF million)					
Financial assets					
Central bank funds sold, securities purchased under resale agreements and securities borrowing transactions	58,925	0	58,925	0	58,925
Loans	230,340	0	232,271	3,678	235,949
Other financial assets ¹	149,925	79,170	69,554	1,482	150,206
Financial liabilities					
Due to banks and deposits	379,992	208,759	171,230	0	379,989
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	15,387	0	15,387	0	15,387
Short-term borrowings	22,061	0	22,064	0	22,064
Long-term debt	92,687	0	92,908	1,201	94,109
Other financial liabilities ²	84,874	15	84,146	585	84,746

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.

35 Assets pledged and collateral

Assets pledged

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

Assets pledged

end of	2015	2014
Assets pledged (CHF million)		
Total assets pledged or assigned as collateral	130,983	148,345
of which encumbered	91,278	103,245

Collateral

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

Collateral

end of	2015	2014
Collateral (CHF million)		
Fair value of collateral received with the right to sell or repledge	422,659	444,852
of which sold or repledged	186,298	218,752 ¹

¹ Prior period has been corrected.

Other information

end of	2015	2014
Other information (CHF million)		
Cash and securities restricted under foreign banking regulations	24,592	26,286
Swiss National Bank required minimum liquidity reserves	1,890	2,051

► Refer to "Note 36 – Assets pledged and collateral" in V – Consolidated financial statements – Credit Suisse Group for further information.

36 Capital adequacy

The Bank is subject to regulation by FINMA. The capital levels of the Bank are subject to qualitative judgments by regulators, including FINMA, about the components of capital, risk weightings and other factors. Since January 2013, the Bank has operated under the international capital adequacy standards known as Basel III, as issued by the Basel Committee on Banking Supervision (BCBS), the standard setting committee within the Bank for International Settlements (BIS). These standards have affected the measurement of both total eligible capital and risk-weighted assets.

As of December 31, 2015 and 2014, the Bank was adequately capitalized under the regulatory provisions outlined under both FINMA and the BIS guidelines.

► Refer to "Note 37 – Capital adequacy" in V – Consolidated financial statements – Credit Suisse Group for further information.

Broker-dealer operations

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

Dividend restrictions


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

As of December 31, 2015 and 2014, the Bank was not subject to restrictions on its ability to pay the proposed dividends.

BIS statistics – Basel III

end of	2015	2014
Eligible capital (CHF million)		
CET1 capital	40,013	40,853
Additional tier 1 capital	10,557	6,261
Total tier 1 capital	50,570	47,114
Tier 2 capital	9,672	10,997
Total eligible capital	60,242	58,111
Risk-weighted assets (CHF million)		
Credit risk	185,574	184,531
Market risk	29,755	34,439
Operational risk	66,438	58,413
Non-counterparty risk	5,180	5,611
Risk-weighted assets	286,947	282,994
Capital ratios (%)		
CET1 ratio	13.9	14.4
Tier 1 ratio	17.6	16.6
Total capital ratio	21.0	20.5

37 Assets under management

The following disclosure provides information regarding client assets, assets under management and net new assets as regulated by the  FINMA.

► Refer to “Note 38 – Assets under management” in V – Consolidated financial statements – Credit Suisse Group for further information.

Assets under management

end of	2015	2014
Assets under management (CHF billion)		
Assets in collective investment instruments managed by Credit Suisse	186.9	157.2
Assets with discretionary mandates	220.3	269.1
Other assets under management	789.7	924.8
Assets under management (including double counting)	1,196.9	1,351.1
of which double counting	46.8	46.3

Changes in assets under management

	2015	2014
Assets under management (CHF billion)		
Assets under management at beginning of period¹	1,351.1	1,265.1
Net new assets/(net asset outflows)	46.4	27.2 ²
Market movements, interest, dividends and foreign exchange	(26.6)	87.4
of which market movements, interest and dividends ³	10.0	38.6
of which foreign exchange	(36.6)	48.8
Other effects	(174.0) ⁴	(28.6)
Assets under management at end of period	1,196.9	1,351.1

¹ Including double counting.

² Includes CHF (2.0) billion net asset outflows from discontinued operations.

³ Net of commissions and other expenses and net of interest expenses charged.

⁴ Effective as of July 1, 2015, the Group updated its assets under management policy primarily to introduce more specific criteria and indicators to evaluate whether client assets qualify as assets under management. The introduction of this updated policy resulted in a reclassification of CHF 45.9 billion of assets under management to assets under custody within client assets, which has been reflected as a structural effect in the third quarter of 2015.

38 Litigation

► Refer to “Note 39 – Litigation” in V – Consolidated financial statements – Credit Suisse Group for further information.

39 Significant subsidiaries and equity method investments

Significant subsidiaries

Equity interest in %	Company name	Domicile	Currency	Nominal capital in million
as of December 31, 2015				
Credit Suisse AG				
100	AJP Cayman Ltd.	George Town, Cayman Islands	JPY	8,025.6
100	Asset Management Finance LLC	Wilmington, United States	USD	341.8
100	Banco Credit Suisse (Brasil) S.A.	São Paulo, Brazil	BRL	53.6
100	Banco Credit Suisse (México), S.A.	Mexico City, Mexico	MXN	1,716.7
100	Banco de Investimentos Credit Suisse (Brasil) S.A.	São Paulo, Brazil	BRL	164.8
100	Boston Re Ltd.	Hamilton, Bermuda	USD	2.0
100	CJSC Bank Credit Suisse (Moscow)	Moscow, Russia	USD	37.8
100	Column Financial, Inc.	Wilmington, United States	USD	0.0
100	Credit Suisse (Australia) Limited	Sydney, Australia	AUD	34.1
100	Credit Suisse (Brasil) Distribuidora de Titulos e Valores Mobiliários S.A.	São Paulo, Brazil	BRL	5.0
100	Credit Suisse (Brasil) S.A. Corretora de Titulos e Valores Mobiliários	São Paulo, Brazil	BRL	98.4
100	Credit Suisse (Cayman) Management Limited	George Town, Cayman Islands	USD	0.0
100	Credit Suisse (Channel Islands) Limited	St. Peter Port, Guernsey	USD	6.1
100	Credit Suisse (Deutschland) Aktiengesellschaft	Frankfurt, Germany	EUR	130.0
100	Credit Suisse (Gibraltar) Limited	Gibraltar, Gibraltar	GBP	5.0
100	Credit Suisse (Hong Kong) Limited	Hong Kong, China	HKD	13,758.0
100	Credit Suisse (Italy) S.p.A.	Milan, Italy	EUR	139.6
100	Credit Suisse (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	230.9
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	29.0
100	Credit Suisse (Singapore) Limited	Singapore, Singapore	SGD	743.3
100	Credit Suisse (UK) Limited	London, United Kingdom	GBP	245.2
100	Credit Suisse (USA), Inc.	Wilmington, United States	USD	0.0
100	Credit Suisse Asset Management (UK) Holding Limited	London, United Kingdom	GBP	144.2
100	Credit Suisse Asset Management Immobilien Kapitalanlagegesellschaft GmbH	Frankfurt, Germany	EUR	6.1
100	Credit Suisse Asset Management International Holding Ltd	Zurich, Switzerland	CHF	20.0
100	Credit Suisse Asset Management Investments Ltd	Zurich, Switzerland	CHF	0.1
100	Credit Suisse Asset Management Limited	London, United Kingdom	GBP	45.0
100	Credit Suisse Asset Management, LLC	Wilmington, United States	USD	1,086.8
100	Credit Suisse Atlas I Investments (Luxembourg) S.à.r.l.	Luxembourg, Luxembourg	USD	0.0
100	Credit Suisse Business Analytics (India) Private Limited	Mumbai, India	INR	40.0
100	Credit Suisse Capital LLC	Wilmington, United States	USD	937.6

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 (India) Private Limited	Mumbai, India	INR	1,050.1
100	Credit Suisse First Boston (Latam Holdings) LLC	George Town, Cayman Islands	USD	23.8
100	Credit Suisse First Boston Finance B.V.	Amsterdam, The Netherlands	EUR	0.0
100	Credit Suisse First Boston Mortgage Capital LLC	Wilmington, United States	USD	356.6
100	Credit Suisse First Boston Next Fund, Inc.	Wilmington, United States	USD	10.0
100	Credit Suisse Fund Management S.A.	Luxembourg, Luxembourg	CHF	0.3
100	Credit Suisse Fund Services (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	1.5
100	Credit Suisse Funds AG	Zurich, Switzerland	CHF	7.0
100	Credit Suisse Group Finance (U.S.) Inc.	Wilmington, United States	USD	100.0
100	Credit Suisse Hedging-Griffo Corretora de Valores S.A.	São Paulo, Brazil	BRL	29.6
100	Credit Suisse Holding Europe (Luxembourg) S.A.	Luxembourg, Luxembourg	CHF	32.6
100	Credit Suisse Holdings (Australia) Limited	Sydney, Australia	AUD	42.0
100 ¹	Credit Suisse Holdings (USA), Inc.	Wilmington, United States	USD	4,184.7
100	Credit Suisse Istanbul Menkul Degerler A.S.	Istanbul, Turkey	TRY	6.8
100	Credit Suisse Leasing 92A, L.P.	New York, United States	USD	43.9
100	Credit Suisse Life & Pensions AG	Vaduz, Liechtenstein	CHF	15.0
100	Credit Suisse Life (Bermuda) Ltd.	Hamilton, Bermuda	USD	1.0
100	Credit Suisse Loan Funding LLC	Wilmington, United States	USD	0.0
100	Credit Suisse Management LLC	Wilmington, United States	USD	896.8
100	Credit Suisse Prime Securities Services (USA) LLC	Wilmington, United States	USD	263.3
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	3,859.3
100	Credit Suisse Securities (Hong Kong) Limited	Hong Kong, China	HKD	2,080.9
100	Credit Suisse Securities (India) Private Limited	Mumbai, India	INR	2,214.7
100	Credit Suisse Securities (Japan) Limited	Tokyo, Japan	JPY	78,100.0
100	Credit Suisse Securities (Johannesburg) Proprietary Limited	Johannesburg, South Africa	ZAR	0.0
100	Credit Suisse Securities (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	MYR	100.0
100	Credit Suisse Securities (Moscow)	Moscow, Russia	RUB	97.1
100	Credit Suisse Securities (Singapore) Pte Limited	Singapore, Singapore	SGD	30.0
100	Credit Suisse Securities (Thailand) Limited	Bangkok, Thailand	THB	500.0
100	Credit Suisse Securities (USA) LLC	Wilmington, United States	USD	1,881.7
100	Credit Suisse Services (India) Private Limited	Pune, India	INR	0.1
100	CSAM Americas Holding Corp.	Wilmington, United States	USD	0.0
100	CS Non-Traditional Products Ltd.	Nassau, Bahamas	USD	0.1
100	DLJ Merchant Banking Funding, Inc	Wilmington, United States	USD	0.0
100	DLJ Mortgage Capital, Inc.	Wilmington, United States	USD	0.0
100	Merban Equity AG	Zug, Switzerland	CHF	0.1
100	Merchant Holding, Inc	Wilmington, United States	USD	0.0
100	SPS Holding Corporation	Wilmington, United States	USD	0.1
99	PT Credit Suisse Securities Indonesia	Jakarta, Indonesia	IDR	235,000.0
98	Credit Suisse Hypotheken AG	Zurich, Switzerland	CHF	0.1
98 ²	Credit Suisse International	London, United Kingdom	USD	12,366.1
71	Credit Suisse Saudi Arabia	Riyadh, Saudi Arabia	SAR	300.0

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

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

Significant equity method investments

Equity interest in %	Company name	Domicile
as of December 31, 2015		
Credit Suisse AG		
33	Credit Suisse Founder Securities Limited	Beijing, China
23	E.L. & C. Baillieu Stockbroking (Holdings) Pty Ltd	Melbourne, Australia
20	ICBC Credit Suisse Asset Management Co., Ltd.	Beijing, China
5 ¹	York Capital Management Global Advisors, LLC	New York, United States
0 ¹	Holding Verde Empreendimentos e Participações S.A.	São Paulo, Brazil

¹ The Bank holds a significant noncontrolling interest.

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

► Refer to “Note 43 – Significant valuation and income recognition differences between US GAAP and Swiss GAAP banking law (true and fair view)” in V – Consolidated financial statements – Credit Suisse Group for further information.

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, 2015, 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, 2015 using the criteria issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control – Integrated Framework".

Based upon its review and evaluation, management, including the Bank CEO and CFO, has concluded that the Bank's internal control over financial reporting is effective as of December 31, 2015.

The Bank's independent auditors, KPMG AG, have issued an unqualified opinion on the effectiveness of the Bank's internal control over financial reporting as of December 31, 2015, 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

Credit Suisse AG, Zurich

We have audited Credit Suisse AG and subsidiaries' (the "Bank") internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). 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, 2015, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

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, 2015 and 2014, 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, 2015, and our report dated March 24, 2016 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 24, 2016