FitchRatings

Banks
Universal Commercial Banks
Switzerland

Credit Suisse Group AG

Ratings

Foreign Currency	
Long-Term IDR	BBB
Short-Term IDR	F2
Viability Rating	bbb
Government Support Rating	ns

Sovereign Risk (Switzerland)	
Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA
Country Ceiling	AAA

Outlooks	
Long-Term Foreign-Currency IDR	Negative
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Key Rating Drivers

Weak Profitability: Credit Suisse Group AG's (Credit Suisse) and Credit Suisse AG's (CS AG) Viability Ratings (VRs) are below the 'bbb+' implied VRs as the group's weak operating profitability has a strong impact on Fitch Ratings' overall view of its credit profile. The VRs also reflect the group's global wealth-management business with a strong franchise but significantly weakened earnings in 1H22, its sound domestic franchise, adequate target capital ratios, and sound asset quality in its loan book.

Rating Uplift to Opco: CS AG, the group's main operating company (opco) has a Long-Term Issuer Default Rating (IDR) one notch above its VR because of the protection offered to its external senior creditors by buffers of subordinated debt issued by the holding company (holdco), which we view as sustainable given resolution requirements for the group.

Holdco Rating Equalised with Opco's: Credit Suisse's VR is equalised with that of CS AG, reflecting moderate Fitch-calculated common equity double leverage at Credit Suisse (117% at end-2021), which we expect to remain below 120%, and our expectation that the holdco's liquidity management will remain prudent.

Unstable Business Model: The decision to review Credit Suisse's strategy for a second time in less than a year indicates material pressure on the business model and challenges for management to stabilise it. Fitch believes that a prolonged period of restructuring exposes the group to the risk of a weakening franchise and to significant execution risk in a weak operating environment. However, over time, a successful execution of the new strategy should result in a simpler group and less reliance on volatile earnings from the investment bank.

Risk Improvement Will Take Time: Risk exposures declined in 2021 and capital allocated to the investment bank will likely now be reduced by more than was announced in 2021. Credit Suisse has worked on strengthening its risk management and controls framework since 2Q21, and governance remains one of the key areas of focus of its strategic plan. Even so, we expect that fully embedding an improved risk culture will take some time and is likely to require further material investments.

Strong Loan Quality: We expect the quality of Credit Suisse's loan book to remain strong. Our assessment of asset quality includes the bank's sizeable non-loan exposures and its appetite for underwriting positions, including in its leveraged-finance business. Credit Suisse reviewed its counterparty exposure in 2021, and we expect it to maintain a moderate appetite for concentration risk.

Weak Operating Profitability: Following three quarterly losses Credit Suisse announced a second strategic review to address weaknesses in its business model, particularly in its investment bank, and to improve efficiency in a continued challenging operating environment. We expect Credit Suisse's profitability to remain extremely weak in 2H22. Over the longer term, a further reduction in the size of the investment bank should reduce earnings volatility.

Weakened Internal Capital Generation: Credit Suisse's CET1 ratio compares favourably with international peers', but the group's internal capital generation has weakened considerably given its weak earnings prospects and looming restructuring costs, increasing risks to the group's capitalisation targets. Fitch expects updated capital guidance after the publication of the new strategy plan but expects the bank to operate with a CET1 ratio no lower than 13%.

Applicable Criteria

Bank Rating Criteria (November 2021)

Related Research

Fitch Downgrades Credit Suisse Group to 'BBB'; Outlook Negative (August 2022)

Fitch Bank Debt-Class Visualisation Tool (June 2022)

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Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- The ratings would come under pressure if Credit Suisse's CET1 ratio drops below 13% during the restructuring without a credible plan to restore the ratio swiftly, or if it becomes unlikely that it will meet its medium-term target CET1 ratio of more than 14% pre-Basel III Reform (B3R). We expect the bank to operate with sound capital ratio targets given its wealth-management operations, but a sharp reduction of the targets would put pressure on ratings.
- The ratings would also come under pressure if the bank's management are unable to develop and demonstrate tangible progress towards the implementation of a new strategic plan and maintain reasonable operating performance in a challenging operating environment.
- A downgrade in the funding and liquidity score to below 'a-' would lead to a downgrade of the Short-Term IDRs.
- We expect that risk governance will continue to strengthen given the group's focus on risk culture. A material governance failure would put ratings under pressure if it indicates the management's inability to execute on this part of its strategy.
- The ratings would come under further pressure if the group's wealth-management franchise suffers lasting damage, which could be the result of failing to execute its new strategy.
- We would likely downgrade Credit Suisse's VR and Long-Term IDR by one notch if common equity double leverage at the holdco exceeds 120%.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- A revision of Outlook to Stable is contingent on signs of successful implementation of the new strategic plan, a stabilisation of the bank's business model, and adequate earnings generation.
- We could upgrade the ratings if the group establishes a clear path to achieving an operating return of close to 1% of risk-weighted assets (RWAs; 2021: 0.13%), the CET1 ratio increases towards the target of 14%, and if there is tangible evidence that the bank's risk governance has been sufficiently strengthened.

Other Debt and Issuer Ratings

Debt Rating Classes

Rating level	Credit Suisse	CS AG	Credit Suisse International	Credit Suisse (Deutschland) AG
Deposits	-	-	-	BBB+/F2
Senior unsecured debt	BBB/F2[a]	BBB+/F2	BBB+/F2	-
Tier 2 subordinated debt	-	BB+	-	-
Additional Tier 1 debt	BB-	-	-	-

[a] Including debt issued by Credit Suisse Group Funding (Guernsey) Ltd

Source: Fitch Ratings

Senior unsecured debt is rated in line with the respective issuing entities' IDRs. Senior unsecured debt issued by Credit Suisse Group Funding (Guernsey) Limited and guaranteed by Credit Suisse is rated in line with the guarantor's IDR.

The Derivative Counterparty Rating (DCR) of CSAG is at the same level as its Long-Term IDR because derivative counterparties in Switzerland have no definitive preferential status over other senior obligations in a resolution.

CS AG's subordinated Tier 2 debt is rated two notches below its VR for poor recovery prospects, which is Fitch's baseline notching for this type of debt.

Credit Suisse's additional Tier 1 (AT1) debt with fully flexible coupons is rated four notches below the entity's VR. The notching comprises two notches for loss severity, reflecting the notes' deep subordination, and two notches for incremental non-performance risk relative to the VR, due to fully discretionary coupon omission.

Ratings Navigator

Credit Suisse Group AG

ESG Relevance:

Banks
Ratings Navigator

	Operating Environment	Business Profile	Risk Profile	Financial Profile: Asset Quality	Financial Profile: Earnings & Profitability	Financial Profile: Capitalisation & Leverage	Financial Profile: Funding & Liquidity	Implied Viability Rating	Viability Rating	Government Support Rating	Issuer Default Rating
		20%	10%	20%	15%	25%	10%				
aaa								aaa	aaa	aaa	AAA
aa+								aa+	aa+	aa+	AA+
aa								aa	aa	aa	AA
aa-								aa-	aa-	aa-	AA-
a+								a+	a+	a+	A+
a								a	a	a	A
a-								a-	a-	a-	A-
bbb+								bbb+	bbb+	bbb+	BBB+
bbb								bbb	bbb	bbb	BBB Neg
bbb-								bbb-	bbb-	bbb-	BBB-
bb+								bb+	bb+	bb+	BB+
bb								bb	bb	bb	BB
bb-								bb-	bb-	bb-	BB-
b+								b+	b+	b+	B+
b								b	b	b	B
b-								b-	b-	b-	B-
ccc+								ccc+	ccc+	ccc+	CCC+
ccc								ccc	ccc	ccc	CCC
ccc-								ccc-	ccc-	ccc-	CCC-
cc								cc	cc	cc	CC
c								c	c	c	C
f								f	f	ns	D or RD

The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

VR - Adjustments to Key Rating Drivers

The 'bbb' VRs of Credit Suisse and CS AG are below their 'bbb+' implied VRs due to the following adjustment reasons: 'weakest link' earnings and profitability (negative).

The 'bbb+' VR of Credit Suisse (Schweiz) AG (CS Schweiz) is below its 'a-' implied VR due to the following adjustment reason: business profile (negative).

The 'bbb' business profile scores of Credit Suisse and CS AG are below their 'a' implied scores due to the following reason: strategy and execution (negative).

The 'bbb' business profile score of CS Schweiz is below its 'a' implied score due to the following reason: group benefits and risks (negative).

The 'a' asset quality scores of Credit Suisse, CS AG and CS Schweiz are below their 'aa' implied scores due to the following reason: non-loan exposures (negative).

The 'bbb+' capitalisation and leverage scores of Credit Suisse, CS AG and CS Schweiz are below their 'a' implied scores due to the following reason: internal capital generation and growth (negative).

Company Summary and Key Qualitative Factors

Business Profile

Credit Suisse announced a second strategic review in July 2022, which follows the announced outcome of the previous review in 4Q21. The bank expects to provide the outcome of the latest review when it announces 3Q22 results. Its management aims to strengthen its wealth-management franchise and transform its investment bank further, concentrating on its advisory services and a more focused markets business, while reducing the group's cost base. In Fitch's opinion, the renewed restructuring that is likely under the new plan should eventually reduce Credit Suisse's risk appetite further. At the same time, the execution of the plan will likely require material restructuring costs, delay a return to target earnings further into the future, and carry considerable execution risks given the weak economic outlook at a time when the group has had very high senior management turnover.

Credit Suisse had already simplified its organisational structure from January 2022, reducing its operating divisions to four: a global wealth-management unit (WM), a global investment bank (IB), a Swiss bank (SB) and an asset manager (AM). Wealth-management and investment-banking activities previously undertaken in the Asia-Pacific division were transferred to the global divisions, while high-net-worth and affluent clients in Switzerland remained in the Swiss bank.

The group is one of the world's largest wealth managers, with about CHF662 billion of private banking assets under management (AUM) at end-2Q22 in its WM division. The group also has the second-largest universal banking presence in the concentrated Swiss market through its SB division, which had CHF545 billion AUM at end-2Q22. Its private banking franchise is complemented by a sizeable asset management operation, now booked in the AM unit, with CHF427 billion of AUM at end-2Q22. Credit Suisse still generates significant operating profit from the SB, and to a lesser extent the WM and AM divisions, which over time should allow the group to generate a generally stable and sound revenue stream and contribute to the overall stability of the group's business model.

Credit Suisse's latest announcement of a strategic review should result in a further streamlining of its investment bank to reduce the capital allocated to this business. The bank announced that it would seek third-party capital for its securitised products business, and that it will concentrate on its advisory capacities. Reducing its leveraged finance activities, where Credit Suisse has had a strong franchise for many years, could reduce risk exposure materially, but would also remove a business that has made significant contributions to earnings for many years until early 2022. The IB generated a significant 38% of operating income and a pre-tax loss of CHF435 million in the 12 months to end-2Q22, down from a CHF3.6 billion pre-tax profit in the 12 months to end-2Q21 (figures excluding Archegos, one-offs and the corporate centre) given weak IB performance in 4Q21, 1Q22 and 2Q22. This has exposed the group to larger earnings volatility than other international rated peers.

Assets Under Management

(CHFbn)	2018	2019	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
WM	673	720	636	675	687	707	757	769	761	743	707	662
SB	431	524	489	515	530	551	571	588	589	598	583	545
AM	389	438	410	424	439	440	458	471	475	477	462	427
Intra-business[a]	-148	-175	-164	-170	-177	-186	-190	-197	-201	-203	-197	-179
	1,344	**1,507**	**1,371**	**1,443**	**1,478**	**1,512**	**1,596**	**1,632**	**1,623**	**1,614**	**1,555**	**1,454**

[a]Assets managed across businesses
Source: Fitch Ratings, Credit Suisse

Credit Suisse Financial Targets

Division/metric	2024 Target	2021 Reported	1Q22 Reported	2Q22 Reported
IB RoRC (%)	>12	18[a]	-1[a]	-19[a]
IB capital utilisation (%)	~1/3 of group	37	34	34
WM RoRC (%)	>18	18[a]	7[a]	4[a]
CET1 ratio (%)	>14[b]	14.4	13.8	13.5
Leverage ratio	~4.5	4.3	4.3	4.3
Group RoTE (%)	>10	-4	-2.6	-15
Corporate center pre-tax loss	<CHF0.5bn loss	-CHF0.64bn[c]	-CHF0.3bn[c]	-CHF0.17bn[c]

[a] Excl non-recurring items, Archegos, [b] Pre-Basel III Reform aspiration [c] Excl non-recurring items, litigation
RoRC = return on regulatory capital
Source: Fitch Ratings, Credit Suisse

Risk Profile

As a globally operating banking group active in wealth-management and investment banking, Credit Suisse is exposed to material operational, reputational, market and counterparty risk. Appetite for credit risk in the wealth-management, retail and corporate loan books is moderate, but the group has an appetite for assuming large underwriting positions, including in its leverage finance business, and it provides leverage to institutional and wealth-management clients, including in emerging markets. Plain vanilla Lombard lending and Swiss mortgage loans are generally low-risk, and underwriting standards in these segments are sound. Domestic mortgage loans are granted on the basis of borrower affordability, assessed under stressed interest rates. For rental properties and commercial real estate, accepted loans-to-values are lower at origination and the required amortisation is quicker.

Credit Suisse has exposure to share-backed lending, which includes loans that are secured by less liquid collateral. Such loans are subject to a strict collateral haircut policy but sharp falls in the value of typically concentrated underlying collateral can result in impairment. The group maintains some appetite for specialty lending to wealth-management clients, including for shipping, aviation and yacht financing.

Corporate lending and underwriting exposures can be individually large, but risk is mitigated through the use of hedging and collateral, where available. Overall single-name concentration in the loan book is moderate. Credit Suisse has a strong franchise in leveraged finance, which can result in notable underwriting exposure to sub-investment-grade borrowers in relation to the group's capital and exposes the group to the risk of mark-to-market losses and hung deals during periods of market stress.

Fitch views market risk as material given the scale of trading and capital market activities in relation to the group's capital base. Credit and securitised products are key drivers of traded market risk. Interest-rate risk in the banking book is moderate.

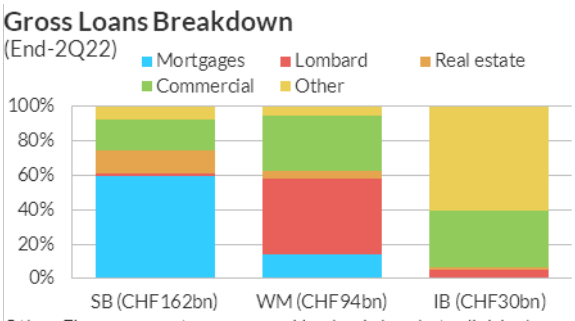
The group's material exposure to operational, litigation and regulatory risks reflects its global activities. Litigation provisions in 2021 were mainly in connection with legacy litigation matters, including US RMBS-related matters and the Mozambique loans. Total provisions for litigation were CHF1.54 billion at end-2021 (CHF1.66 billion at end-2020). In addition, the group booked additional litigation charges of CHF653 million in 1Q22 and CHF434 million in 2Q22 and estimates additional reasonably possible losses not covered by provisions at up to CHF1.6 billion. Civil actions have been filed against Credit Suisse in relation to the supply chain funds matter and relating to Credit Suisse's relationship with Archegos Capital Management. We expect that it will take a long time before these and other matters are finally resolved and their outcome remains uncertain.

Financial Profile

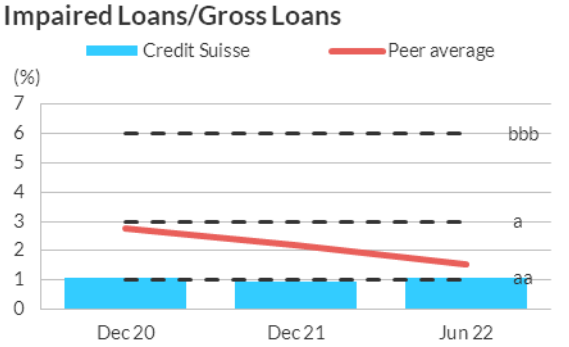
Asset Quality

Credit Suisse's loan book is of sound quality, due to the quality and stability of its domestic loans, which predominantly consist of low-risk residential mortgages. Risk is heightened by exposures to emerging markets, leveraged finance and specialised loans (with private banking clients). Our assessment of asset quality also considers non-loan-book exposures, the riskiest of which are generated mostly by capital market activities. The impaired loans ratio increased to 1.07% at end-2Q22 (end-2021: 0.94%) due to an increase in WM impaired loans – this was partially due to the Russian invasion as well as to a contraction in the group's loan book. We expect loan impairment charges to normalise in the near- to medium-term but to remain slightly above pre-pandemic levels once write-backs of LICs made in 2020 have finished, driven by loan growth and cyclical deterioration in the loan book.

Credit Suisse's capital market operations are material and expose it to various asset classes – some of which, including inventory for credit and securitised products, are potentially volatile. Trading assets (end-2Q22: CHF101 billion) mostly consist of listed equities and debt, of which around a third relates to foreign governments. The remaining balance is derivatives, mostly interest-rate and foreign-exchange products. Level 3 assets amounted to CHF10.1 billion at end-2Q22 (5% of total assets at fair value). The group has a significant franchise in securitised products and is active across a number of underlying asset classes, including commercial and residential real estate, consumer loans and, to a lesser extent, transportation.



Other: FI, governments, consumer. Number in brackets: division's loans.
Source: Fitch Ratings, Credit Suisse



Source: Fitch Ratings, Fitch Solutions

Earnings and Profitability

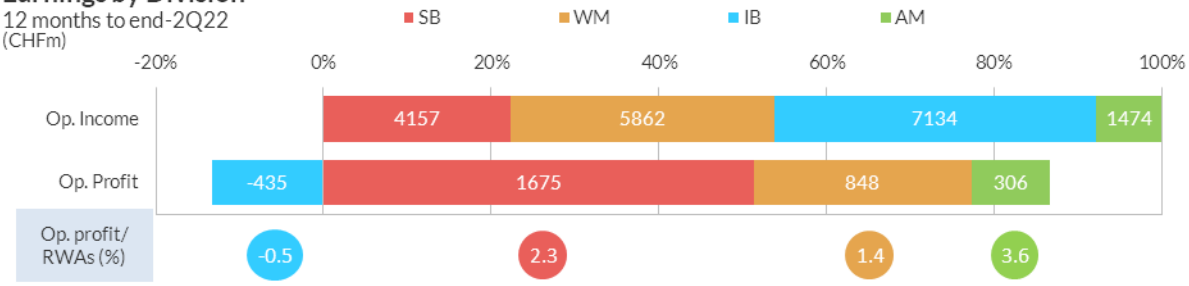
Credit Suisse reported a Fitch-calculated operating loss of CHF1.2 billion in 1H22 (operating profit of CHF352 million in 2021) and announced that it expects to report a further loss in the IB in 3Q22. Results in 2Q22 continued to be very weak in the core WM and in the IB divisions, as revenues were subdued, particularly transaction-based revenues and leveraged finance, which was also affected by CHF235 million mark-to-market losses. Capital markets income declined particularly sharply. Results have also been affected by additional litigation charges (2021: CHF1.2 billion; 1Q22: CHF653 million; 2Q22: CHF 434 million).

Excluding the Archegos-related losses, goodwill impairment, litigation charges and restructuring expenses, the IB generated an operating loss/RWAs of -0.5% for the 12 months to end-2Q22. This is substantially down from 4.1% for the 12 months to end-2Q21, which included a very strong 1Q21. Since 2Q21, results were affected by much lower special-purpose acquisition company and leveraged finance activity, declining equity revenues following the withdrawal from prime services, and a challenging fixed-income trading environment, particularly in the segments the group is most active in. If the current weak environment persists, it will continue to put pressure on Credit Suisse's business relative to peers with larger macro franchises. Credit Suisse's global rankings declined across ECM, DCM, and syndicated loans in 1H22 compared to European Global Trading and Universal Bank (GTUB) peers, with M&A remaining more resilient.

WM generated operating profit/RWAs of 1.4% for the 12 months to end-2Q22, excluding litigation charges and restructuring expenses. This was well below the 3.1% for the twelve months to end-2Q21 as a result of significantly lower client transaction volumes. The group has had sound inflows of net new assets over the past four years, and had further positive net new assets of CHF4.6 billion in 1Q22 (spread across regions), with net new assets outflows of CHF1.4 billion in 2Q22, which was in part due to Russia-related outflows. Balances have also been significantly affected by market movements, with AUM declining to CHF662 billion from CHF707 billion over 2Q22. AUM fluctuations introduce a degree of volatility into the amount of recurring fees generated in WM, which will continue to be under pressure if market valuations do not recover.

Fitch expects that the SB and AM will continue to generate more stable earnings, but the SB's profitability would be affected by market-value-induced AUM reductions. AUM declined to CHF545 billion at end-2Q22 (end-1Q22: CHF583 billion). We also expect that the group's earnings profile from 2023 could change materially under its new strategic plan, and that updated performance targets are likely to be announced at the time of the 3Q22 results announcement.

Earnings by Division
12 months to end-2Q22
(CHFm)



Excluding non-recurring items and corporate centre
Source: Fitch Ratings, Credit Suisse

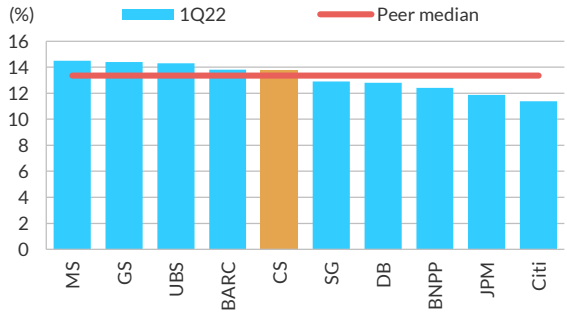
Capital and Leverage

Credit Suisse's CET1 ratio declined to 13.5% at end-2Q22 (end-2021: 14.4%; end-2020: 12.9%). The continued reduction in credit-risk RWA from the deleveraging in the investment bank was offset by foreign-exchange-rate movements in 2Q22. The group expects to operate with a CET1 ratio of 13%–14% until the end of 2022 and to reach a CET1 ratio of more than 14% in 2024 before the implementation of B3R.

The CET1 leverage ratio was 4.3% at 2Q22, in line with end-2021. The temporary exclusion of central bank cash from leveraged exposure expired on 1 January 2022. The group revised its guidance for the CET1 leverage ratio to around 4.5%, per the 2024 strategic plan.

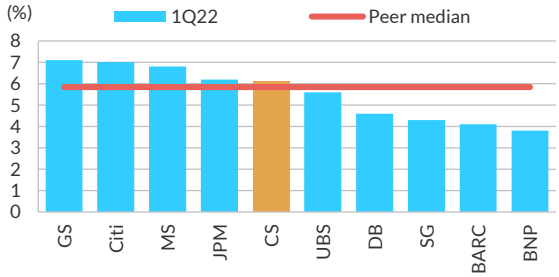
The group accrued for dividends in 2021 and the pay-out was approved by the AGM in April 2022. Following the Archegos case, the board suspended the previously announced buyback programme, which it intends to restore only after restoring the full dividend.

CET1 Ratios



Source: Fitch Ratings. Banks

Leverage Ratios



US: Fully-loaded supplementary leverage ratio; Europe: Basel III fully-loaded Tier 1 leverage ratio
Source: Fitch Ratings, Banks

Funding and Liquidity

Credit Suisse's funding profile benefits from a well-established and diversified deposit base, stemming from its domestic franchise and international wealth-management activities. The group's business model relies on significant access to confidence-sensitive wholesale funding. This is mitigated by sound diversification across type, geography and currency, with a manageable maturity profile.

Client deposits of CHF389 billion at end-2Q22 (excluding certificates of deposit and bank deposits) structurally exceed the group's CHF286 billion loan book (excluding banks), although a large portion of deposits resides within the CS Schweiz legal entity.

The group's long-term wholesale funding is material at CHF158 billion at end-2Q22, but is well diversified. Around a quarter of total long-term debt was in the form of structured notes issued to private-banking clients. The group expects long-term debt issuance for 2022 to be in line with previous years and weighted towards total loss-absorbing capacity-eligible senior holding-company bonds, supplemented by operating company instruments, to support liquidity. This reflects higher going/gone concern capital requirements as a result of RWA inflation. A USD1.5 billion AT1 instrument was recently called on the first optional redemption date, and replaced with a USD1.65 billion instrument at 9.75%. The group expects to issue CHF2 billion to CHF4 billion of AT1 notes in 2022, including the notes already issued. The use of short-term unsecured funding is moderate. Funding costs are expected to be about CHF200 million higher in 2022 than in 2021.

Liquidity remains sound, with the average group liquidity coverage ratio at 191% in 2Q22 (1Q22: 196%; 2021: 203%). The moderate decline in 2Q22 was due to higher modelled net inflows offset by growth in high-quality liquid assets (HQLA). About half of Credit Suisse's HQLA was cash with central banks in Switzerland, the US and the eurozone, with the remainder largely in US and UK government and agency securities.

Black dashed lines represent indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category. Light-blue columns represent Fitch's forecasts.

Peer average includes UBS Group AG (VR: a+), Deutsche Bank AG (bbb+), Barclays plc (a), BNP Paribas S.A. (a+), Societe Generale S.A. (a-), Morgan Stanley (a), Citigroup Inc. (a), The Goldman Sachs Group, Inc. (a), JPMorgan Chase & Co. (aa-).

Financials

Financial Statements

	30 Jun 22		31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
	6 months (USDm) Reviewed - unqualified	6 months (CHFm) Reviewed - unqualified	Year end (CHFm) Audited - unqualified	Year end (CHFm) Audited - unqualified	Year end (CHFm) Audited - unqualified	Year end (CHFm) Audited - unqualified
Summary income statement						
Net interest and dividend income	2,767	2,654.0	5,811.0	5,948.0	7,017.0	7,009.0
Net fees and commissions	4,461	4,279.0	11,922.0	10,597.0	9,882.0	10,631.0
Other operating income	969	930.0	3,049.0	4,315.0	3,235.0	1,922.0
Total operating income	8,197	7,863.0	20,782.0	20,860.0	20,134.0	19,562.0
Operating costs	9,516	9,129.0	16,225.0	16,519.0	16,056.0	15,993.0
Pre-impairment operating profit	-1,320	-1,266.0	4,557.0	4,341.0	4,078.0	3,569.0
Loan and other impairment charges	-48	-46.0	4,205.0	1,096.0	324.0	245.0
Operating profit	-1,272	-1,220.0	352.0	3,245.0	3,754.0	3,324.0
Other non-operating items (net)	-397	-381.0	-952.0	222.0	966.0	48.0
Tax	279	268.0	1,026.0	801.0	1,295.0	1,361.0
Net income	-1,948	-1,869.0	-1,626.0	2,666.0	3,425.0	2,011.0
Other comprehensive income	3,952	3,791.0	1,830.0	-2,887.0	-2,222.0	776.0
Fitch comprehensive income	2,004	1,922.0	204.0	-221.0	1,203.0	2,787.0
Summary balance sheet						
Assets						
Gross loans	299,107	286,933.0	292,983.0	293,444.0	297,725.0	288,483.0
- of which impaired	3,212	3,081.0	2,767.0	3,197.0	2,126.0	2,192.0
Loan loss allowances	1,418	1,360.0	1,297.0	1,536.0	946.0	902.0
Net loans	297,689	285,573.0	291,686.0	291,908.0	296,779.0	287,581.0
Interbank	887	851.0	1,323.0	1,298.0	741.0	1,142.0
Derivatives	16,827	16,142.0	17,771.0	25,662.0	17,914.0	18,345.0
Other securities and earning assets	211,685	203,069.0	219,327.0	267,716.0	298,892.0	287,211.0
Total earning assets	527,087	505,635.0	530,107.0	586,584.0	614,326.0	594,279.0
Cash and due from banks	166,238	159,472.0	164,818.0	139,112.0	101,879.0	100,047.0
Other assets	64,899	62,258.0	60,908.0	80,126.0	71,090.0	74,590.0
Total assets	758,225	727,365.0	755,833.0	805,822.0	787,295.0	768,916.0
Liabilities						
Customer deposits	406,009	389,484.0	392,819.0	390,921.0	383,783.0	363,925.0
Interbank and other short-term funding	75,800	72,715.0	88,649.0	111,915.0	112,881.0	103,465.0
Other long-term funding	148,361	142,323.0	151,052.0	145,246.0	138,988.0	144,092.0
Trading liabilities and derivatives	31,243	29,971.0	27,545.0	45,916.0	38,234.0	42,177.0
Total funding and derivatives	661,412	634,493.0	660,065.0	693,998.0	673,886.0	653,659.0
Other liabilities	32,439	31,119.0	35,694.0	53,042.0	56,678.0	61,022.0
Preference shares and hybrid capital	16,353	15,687.0	15,844.0	15,841.0	13,017.0	10,216.0
Total equity	48,020	46,066.0	44,230.0	42,941.0	43,714.0	44,019.0
Total liabilities and equity	758,225	727,365.0	755,833.0	805,822.0	787,295.0	768,916.0
Exchange rate		USD1 = CHF0.9593	USD1 = CHF0.9202	USD1 = CHF0.88985	USD1 = CHF0.97165	USD1 = CHF0.9811

Source: Fitch Ratings, Fitch Solutions, Credit Suisse

Key Ratios

	30 Jun 22	31 Dec 21	31 Dec 20	31 Dec 19	31 Dec 18
Ratios (annualised as appropriate)					
Profitability					
Operating profit/risk-weighted assets	-0.9	0.1	1.2	1.3	1.2
Net interest income/average earning assets	1.0	1.0	1.0	1.1	1.2
Non-interest expense/gross revenue	117.5	78.3	78.3	80.7	82.7
Net income/average equity	-8.4	-3.7	5.8	7.8	4.7
Asset quality					
Impaired loans ratio	1.1	0.9	1.1	0.7	0.8
Growth in gross loans	-2.1	-0.2	-1.4	3.2	3.0
Loan loss allowances/impaired loans	44.1	46.9	48.1	44.5	41.2
Loan impairment charges/average gross loans	0.1	0.0	0.3	0.1	0.1
Capitalisation					
Common equity Tier 1 ratio	13.5	14.4	12.9	12.7	12.6
Fully loaded common equity Tier 1 ratio	n.a.	n.a.	12.9	12.7	12.6
Tangible common equity/tangible assets	5.8	4.6	4.1	4.8	4.9
Basel leverage ratio	6.1	6.1	6.4	5.5	5.2
Net impaired loans/common equity Tier 1	4.7	3.8	4.7	3.2	3.6
Funding and liquidity					
Gross loans/customer deposits	73.7	74.6	75.1	77.6	79.3
Liquidity coverage ratio	191.0	203.0	190.0	198.0	184.0
Customer deposits/total non-equity funding	61.4	59.1	56.5	57.0	56.1
Net stable funding ratio	132.0	127.0	n.a.	n.a.	n.a.

Source: Fitch Ratings, Fitch Solutions, Credit Suisse

Support Assessment

Commercial Banks: Government Support	
Typical D-SIB GSR for sovereign's rating level (assuming high propensity)	A+ to A-
Actual jurisdiction D-SIB GSR	ns
Government Support Rating	**ns**
Government ability to support D-SIBs	
Sovereign Rating	AAA/ Stable
Size of banking system	Negative
Structure of banking system	Negative
Sovereign financial flexibility (for rating level)	Neutral
Government propensity to support D-SIBs	
Resolution legislation	Negative
Support stance	Negative
Government propensity to support bank	
Systemic importance	Neutral
Liability structure	Neutral
Ownership	Neutral

The colours indicate the weighting of each KRD in the assessment.

Higher influence Moderate influence Lower influence

CSG's and CS AG's GSRs of 'ns' reflect our view that senior creditors of both the holding company and the operating bank can no longer rely on receiving full extraordinary support from the sovereign if the group becomes non-viable. CSG has issued material amounts of loss-absorbing capital, including senior debt issued by the holding company, and Swiss legislation and regulation includes provisions to bail in senior creditors in case of bank failure.

Subsidiaries and Affiliates

Ratings of Main Legal Entities

Rating level	Credit Suisse	CS AG	CS Schweiz	CSI	CSBE	CSD
Long-Term IDR	BBB/Negative	BBB+/ Negative	A-/Negative	BBB+/ Negative	BBB+/ Negative	BBB+/ Negative
Short-Term IDR	F2	F2	F1	F2	F2	F2
Viability Rating	bbb	bbb	bbb+	-	-	-
Government Support	ns	ns	-	-	-	-
Shareholder Support	-	-	bbb+	bbb+	bbb+	bbb+
Derivative Counterparty Rating	-	BBB+(dcr)	A-(dcr)	BBB+(dcr)	BBB+(dcr)	-

Source: Fitch Ratings

Credit Suisse (Schweiz) AG (CS Schweiz): This subsidiary of CS AG houses the group's domestic retail- and commercial-banking and wealth-management activities. CS Schweiz's VR is below its 'a-' implied VR as we believe that the group's business profile (scored at 'bbb'), which is closely integrated with its parent's in strategy and risk governance, has a strong impact on our overall view of CS Schweiz's credit profile.

The VR also reflects its low-risk domestic loan book, solid profitability with reported profit set to benefit from lower amortisation of intangibles, sound capitalisation and a strong deposit franchise. The VR also factors in the high fungibility of liquidity and capital between the two entities in the normal course of business. These can result in material exposures to CS AG, making it unlikely that CS Schweiz's VR would be rated above CS AG's Long-Term IDR.

IDR Above VR: CS Schweiz's Long-Term IDR of 'A-' is one notch above its VR because of significant buffers of junior and internal bail-in debt that offer protection to senior creditors of CS Schweiz in case of its failure. The DCR is at the same level as the Long-Term IDR because derivative counterparties in Switzerland have no definitive preferential status over other senior obligations in a resolution.

Strong Support from Parent: CS Schweiz's SSR is equalised with CS AG's Long-Term IDR and primarily reflects our view of support from the parent based on the entity being an integral part of CS AG.

Other Subsidiaries: Credit Suisse International (CSI; based in the UK), Credit Suisse (Deutschland) AG (CSD; based in Germany) and Credit Suisse Bank (Europe) S.A. (CSBE; based in Spain) are wholly owned subsidiaries of CSAG. Credit Suisse (USA), Inc. (CSUSA) is a US holding company directly held by Credit Suisse Holdings (USA), Inc., the group's US intermediate holding company, which is in turn owned by CS AG. Their SSRs and Long-Term IDRs are equalised with CS AG's Long-Term IDR and reflect our view that these entities are extremely likely to be supported by the parent, in case of need. We view these entities as integral to the group's business and core to CS AG's strategy, and we expect the parent to pre-place resolution debt buffers into these entities where required.

Credit Suisse NY (New York Branch): The IDRs are at the same level as those of CS AG because the branch is part of the same legal entity and, in our view, there are no country risk restrictions. The alignment of IDRs reflects our view that senior creditors of the branch would be treated identically to senior creditors of CS AG.

Environmental, Social and Governance Considerations

Credit-Relevant ESG Derivation

Credit Suisse Group AG has 2 ESG rating drivers and 3 ESG potential rating drivers

- Credit Suisse Group AG has exposure to operational implementation of strategy which, in combination with other factors, impacts the rating.
- Credit Suisse Group AG has exposure to board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions which, in combination with other factors, impacts the rating.
- Credit Suisse Group AG has exposure to compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security) but this has very low impact on the rating.
- Credit Suisse Group AG has exposure to organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership but this has very low impact on the rating.
- Credit Suisse Group AG has exposure to quality and frequency of financial reporting and auditing processes but this has very low impact on the rating.

			Overall ESG Scale
key driver	0	issues	5
driver	2	issues	4
potential driver	3	issues	3
not a rating driver	4	issues	2
	5	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	1	n.a.	n.a.	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile (incl. Management & governance); Risk Profile; Asset Quality	1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile (incl. Management & governance); Risk Profile	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile (incl. Management & governance); Risk Profile	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile (incl. Management & governance)	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile (incl. Management & governance); Financial Profile	1

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board (SASB).

Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy	4	Operational implementation of strategy	Business Profile (incl. Management & governance)	5
Governance Structure	4	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile (incl. Management & governance); Earnings & Profitability; Capitalisation & Leverage	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile (incl. Management & governance)	3
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile (incl. Management & governance)	2
				1

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Credit Suisse and its subsidiaries have ESG Relevance Scores of '4' for governance structure and for management strategy due to the group's governance issues and challenges to the implementation of its strategy, which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.