

# V – Compensation

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# Compensation

## Letter from the Chair of the Compensation Committee



**Kai S. Nargolwala**  
Chair of the  
Compensation Committee

### Dear shareholders

As Chair of the Compensation Committee of the Board of Directors (Compensation Committee), I am pleased to present to you the 2020 Compensation Report.

We have all experienced an unprecedented period during 2020 on various levels, with extreme market volatility, global economic disruption, restricted mobility and social distancing driven by the COVID-19 pandemic, all factors which the Compensation Committee has had to consider and balance during the year.

As a global company operating in more than 50 countries, Credit Suisse had an important role to play in mitigating the effects of the crisis on our employees and the broader community. Several measures and initiatives were successfully implemented during the year, including:

- Highly effective global crisis management framework and business continuity management enabling approximately 90% of our employees to work from home;
- Free COVID-19 antibody tests to employees;
- Extended paid family leave to employees in locations where schools remain closed;
- Support for small-medium enterprises (SME) and the Swiss economy with ~CHF 3.0 billion of COVID-19 bridging loans, on which we did not generate any profits;
- A bank-wide matching donation program that raised CHF 25 million in support of relief efforts to mitigate the hardship caused by COVID-19 and to support those affected by inequality. This included donations committed by the Executive Board of at least 20% of their annual base salary during six months in 2020, with the Chairman of the Board of Directors (Board) making a similar commitment; and
- Various well-being initiatives for employees. 92% of employees felt well-supported and informed by management's response to the COVID-19 pandemic, based on an internal pulse survey in June 2020.

The above measures were achieved without the use of governmental support, and there were no reductions in the workforce directly attributed to the COVID-19 pandemic.

As an organization, Credit Suisse welcomed Thomas Gottstein as Group CEO in February 2020. Mr. Gottstein refined our strategy during the year to focus on growth and operational synergies with several key initiatives. These included creating one global Investment Bank; integrating our Risk and Compliance functions; establishing the Sustainability, Research & Investment Solutions (SRI) function; continuing the integration of Neue Aargauer Bank (NAB) in SUB; and launching our digital banking offering CSX to position Credit Suisse as a digital leader in banking in Switzerland. As a result of these structural changes, several of the Executive Board members have taken on expanded roles, continuing the strong ethic of talent development at Credit Suisse.

### COVID-19 and impact on compensation

During the year, the Compensation Committee monitored closely the evolving regulatory guidance, proxy advisor commentary and peer compensation decisions concerning the COVID-19 pandemic. The Compensation Committee assessed the impact of the COVID-19 pandemic on our existing Group and Executive Board compensation framework and design, including pay for performance, alignment with the interests of our shareholders, and motivation and retention of talent. After careful consideration, the Compensation Committee decided not to modify any of the performance conditions or features of "in-flight" awards. With respect to the overall Group variable compensation pool, the Compensation Committee noted that the 2020 financial results reflect a substantial increase in the provision for credit losses to take into account the impact of the pandemic, contributing to a significant year-on-year decrease in reported income before taxes. With respect to Executive Board compensation, in addition to the above, the short-term incentive (STI) and long-term incentive (LTI) variable compensation awards are both determined based on financial metrics that include the full effects of significant items and major litigation provisions. Therefore, the Compensation Committee decided not to exercise any discretion (positive or negative) to modify the Group or Executive Board variable compensation outcomes.

### Underlying performance highlights in 2020

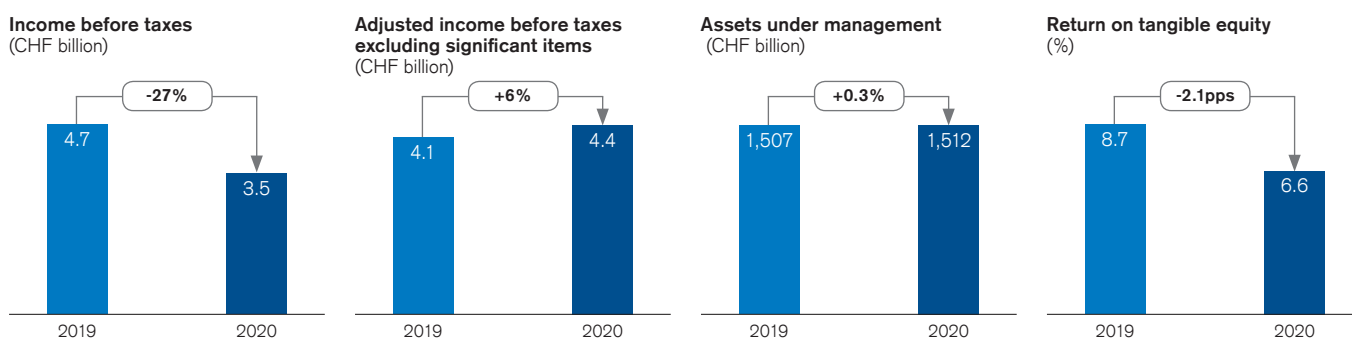
Against a backdrop of challenging market conditions, reported net revenues were stable year on year. Reflecting the uncertain economic environment triggered by the COVID-19 pandemic, the Group reported a provision for credit losses of CHF 1.1 billion, an increase of CHF 772 million year on year, resulting in reported income before taxes of CHF 3.5 billion, 27% lower than the previous year. Reported results were also negatively impacted by major litigation provisions of CHF 988 million, primarily in connection with legacy mortgage-related cases, and by restructuring expenses. Excluding these as well as real estate gains and expenses related to real estate disposals, adjusted income before taxes was 6% lower than the prior year. In assessing the Group's financial performance, the Compensation Committee adopted the same approach as in the previous year towards the treatment of significant items that did not reflect underlying performance. For example, in 2019 the gain related to the transfer of the Credit Suisse InvestLab AG

fund platform (InvestLab) to Allfunds Group and the revaluation gain related to our equity investment in SIX Swiss Exchange Group AG (SIX) were not considered part of underlying performance in determining the 2019 variable incentive compensation pool. Similarly, in 2020, the gain related to the completed transfer of InvestLab to Allfunds Group, the respective revaluation gains related to our equity investments in SIX, Pfandbriefbank and Allfunds Group, and the impairment related to the investment in York Capital Management (York) were not considered reflective of underlying Group performance. Taking all of the above into consideration, the Compensation Committee noted that the underlying performance of the Group, as measured by adjusted income before taxes excluding significant items, increased 6% compared with the prior year. It is important to note, however, that the full impact of these items was taken into account in determining the Executive Board's 2020 STI awards, which in aggregate, were 30% lower year on year.

in	2020	2019	% change
<b>Results (CHF million)</b>			
<b>Income/(loss) before taxes</b>	<b>3,467</b>	<b>4,720</b>	<b>(27)</b>
Total adjustments	1,181	248	376
<b>Adjusted income before taxes</b>	<b>4,648</b>	<b>4,968</b>	<b>(6)</b>
Significant items			
gain related to InvestLab transfer	268	327	(18)
gain on equity investment in Allfunds Group	127	0	–
gain on equity investment in SIX Group AG	158	498	(68)
gain on equity investment in Pfandbriefbank	134	0	–
impairment on York Capital Management	(414)	0	–
<b>Adjusted income before taxes excluding significant items</b>	<b>4,375</b>	<b>4,143</b>	<b>6</b>

Adjusted results are non-GAAP financial measures which exclude certain items included in our reported results. Refer to "Reconciliation of adjusted results" in II – Operating and financial review – Credit Suisse for further information.

## Group performance highlights



Return on tangible equity, a non-GAAP financial measure, is based on tangible shareholders' equity, a non-GAAP financial measure, which is calculated by deducting goodwill and other intangible assets from total shareholders' equity as presented in our balance sheet. Results excluding items included in our reported results are non-GAAP financial measures. Refer to "Reconciliation of adjusted results" in II – Operating and financial review – Credit Suisse for further information.

In terms of business performance, Wealth Management-related businesses delivered resilient performance, driven by stronger transaction-based revenues. Net new assets (NNA) in our Wealth Management businesses were CHF 19.4 billion and our assets under management (AuM) increased slightly at CHF 1.5 trillion with positive market movements and NNA offsetting significant negative foreign exchange-related effects. In global investment banking, Capital Markets & Advisory revenues increased 31% compared with the prior year, with IPO activity resulting in a number 1 ranking by volume for global IPOs. Our investment banking and capital markets business within APAC was ranked number 3 in 2020 with increased share of wallet for the fifth consecutive year, among international banks in APAC excluding Japan and China onshore. Global Trading Solutions (GTS), our internal collaboration among our four divisions delivering institutional-style solutions to our Wealth Management clients, recorded strong revenue growth, with revenues up 31% year on year.

- References to our Wealth Management-related businesses mean our Swiss Universal Bank division, our International Wealth Management division and our Asia Pacific division or their combined results.
- References to our Wealth Management businesses mean the Private Clients business within Swiss Universal Bank, the Private Banking business within International Wealth Management and the Asia Pacific division or their combined results.

→ References to Capital Markets & Advisory mean capital markets revenues and advisory and other fees within global investment banking.

After considering the underlying Group and divisional financial performance, relative performance versus peers, market position and market trends, as well as the current social and economic conditions and risk, control, compliance and conduct and ethics considerations, the Compensation Committee proposed an overall Group variable incentive compensation pool of CHF 2,949 million, which was approved by the Board. This amount is 7% lower than the prior year, and reflects a balance between lower reported results impacted by significant items and a 6% increase in adjusted income before taxes excluding significant items, as well as a response to the COVID-19 pandemic and resulting economic environment.

## Compensation outcomes for 2020

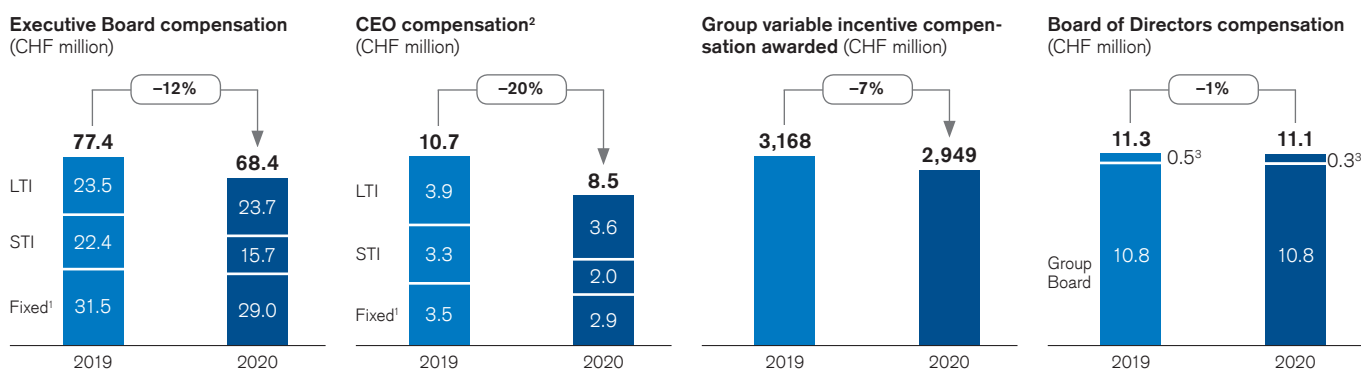
### Executive Board compensation

Total aggregate Executive Board compensation for 2020 of CHF 68.4 million, 12% lower than the prior year, is comprised of:

- CHF 29.0 million fixed compensation, a portion of which has been paid from the approved pool for fixed compensation for new and promoted Executive Board members;

- CHF 15.7 million short-term incentive (STI) award, subject to shareholder approval at the 2021 Annual General Meeting (AGM); and
  - CHF 23.7 million long-term incentive (LTI) opportunity at fair value at the time of grant.
- Refer to "Executive Board compensation" for further information.

The decrease in Executive Board compensation was mainly due to the 30% decrease in the amount of STI variable compensation awarded. The average payout on the 2020 STI awards was 48% of the maximum opportunity compared with 68% for the prior year, primarily driven by the higher provision for credit losses, increased major litigation provisions and the York impairment.



Figures above may contain rounding differences.

<sup>1</sup> Fixed compensation includes base salary, role-based allowances, dividend equivalents, pension and other benefits.

<sup>2</sup> Compensation for former Credit Suisse Group CEO Tidjane Thiam in 2019 and Mr. Gottstein in 2020.

<sup>3</sup> Compensation related to subsidiary board membership.

### Chief Executive Officer (CEO) compensation

Mr. Gottstein's total compensation granted for 2020 of CHF 8.5 million was 20% lower than the previous CEO's compensation for the prior year. This decrease was mainly driven by a lower achievement on the 2020 STI financial performance targets, and also reflects a lower overall maximum compensation opportunity compared with the previous CEO.

Including deferred compensation that settled in 2020 relating to his role prior to being appointed CEO, Mr. Gottstein's realized compensation for 2020 was CHF 4.2 million (excluding dividend equivalents, pension and other benefits), compared with CHF 6.9 million for the prior year for the previous CEO.

→ Refer to "Compensation of the CEO and highest paid Executive Board member" in Executive Board compensation for further information.

### Vesting of the 2018 LTI (2018-2020 performance cycle)

To align the interests of the Executive Board to those of long-term shareholders, more than half of the Executive Board variable incentive compensation is in the form of LTI opportunities, subject to challenging performance conditions over a three-year performance period, and further subject to share price performance until settlement of the award. For the 2018-2020 performance period, the average return on tangible equity (RoTE), the average adjusted tangible book value per share (TBVPS) and the relative total shareholder return (RTSR) resulted in achievement of 54% of the maximum opportunity after step-downs and departures. Based on the share price at the end of 2020, the estimated value of the 2018 LTI was 35% of the maximum opportunity after step-downs and departures. The final value of the awards at delivery may differ from the value at the end of 2020 due to subsequent share price movement.

→ Refer to "Executive Board compensation" for further information, including a description of RoTE and adjusted TBVPS.

### Group compensation

As discussed earlier, the Compensation Committee noted the Group's solid underlying performance, as reflected by the 6% increase in adjusted income before taxes excluding significant items, and proposed a Group variable incentive pool of CHF 2,949 million, 7% lower compared with the previous year. Differentiation continues to be a focus, with the highest-performing employees rewarded for their contribution to the Group's financial performance.

With respect to recent reports and announcements regarding the Credit Suisse Asset Management managed supply chain finance funds, the Compensation Committee is monitoring developments closely and will determine, based on investigation results, any appropriate actions to be applied, including the application of the Group's existing malus and clawback provisions on variable compensation awards. The payout and vesting of variable compensation of a number of senior employees involved in these matters, up to and including Executive Board members, has been suspended as a measure to ensure that we can reconsider the variable compensation for 2020 and are able to apply malus or clawback, if appropriate.

### Board of Directors (Board) compensation

Aggregate compensation to the Board for the Group and subsidiary boards was CHF 11.1 million, compared with the amount of CHF 12.0 million that was approved prospectively by shareholders at the 2020 AGM.

→ Refer to "Board of Directors compensation" for further information.

At the 2021 AGM, the Board will propose to shareholders the election of António Horta-Osório as the new Chairman of the Board. The current compensation structure will remain unchanged, including fee levels for the Chairman.

## Annual review of our compensation framework and shareholder engagement

As part of the annual review, the Compensation Committee assessed whether current practices remain appropriately competitive, in light of regulatory and market developments. During the year, I also met with many of our key shareholders to discuss our compensation design, and I appreciate the open discussions and feedback that we received. The Compensation Committee decided that the current compensation framework for both the Executive Board and Group employees continues to be broadly fit for purpose, with some refinements for 2021. The STI structure will be further enhanced by introducing division-specific financial metrics for the heads of the business divisions, in addition to the current RoTE, adjusted income before taxes and non-financial assessment. For the 2021 LTI, with respect to the relative total shareholder return (RTSR), we will retain the zero payout for a rank within the lowest five and maximum payout for a rank within the top five, with smoother payout levels for rankings in between to avoid large movements, positive or negative, based on small differences in TSR compared with peers. In the ever-changing operating environment, going forward the Compensation Committee will continue to assess whether the current design can be further improved to better reflect pay for performance and alignment to the shareholder experience.

## Environmental, social and governance (ESG) considerations in the compensation process

In 2020, the Group reviewed its sustainability strategy and announced its ambition to become a sustainability leader in the financial services industry. In order to have a meaningful impact, our goal is to fully integrate sustainability in the strategy for the Group. This includes striving to be a leader in our core competencies, providing bespoke advisory services to private and corporate clients, developing proprietary sustainable investment solutions, producing thematic industry research and partnering with industry groups and non-governmental organizations on sustainability topics.

The Board has recognized that in order to achieve our aspirations, sustainability must be integrated at all levels of the Group, as reflected by the following announcements in 2020:

- Establishment of SRI as a separate corporate function at the Executive Board level, elevating the importance of sustainability topics with Executive Board level representation;
- Establishment of the Sustainability Advisory Committee at the Board level, which will complement the Conduct & Financial Crime Control Committee (CFCCC) in supervising all material ESG related topics across the Group; and
- Nomination of designated sustainability leaders in each division/function across the Group.

As part of the Group's strategy, sustainability is also considered in various stages of the compensation process. For example, in determining the Group variable incentive pool, the Compensation Committee takes into account audit, compliance, disciplinary, risk and regulatory-related issues, among other considerations. In addition, one of the key drivers of bonus pool development at the divisional level is economic contribution, which factors in the level of risk taken to achieve profitability. For the Executive Board's annual STI awards, ESG factors such as compliance, risk management, conduct and ethics, talent management, diversity and inclusion, and client satisfaction, are included and individually assessed as part of the overall non-financial performance assessment, which contributes to one-third of the STI award.

→ Refer to "Environmental, Social and Governance (ESG) considerations at Credit Suisse" for further information.

## "Say-on-Pay" compensation proposals at the 2021 AGM

At the 2021 AGM, we will be seeking shareholder support for the following say-on-pay proposals:

- Maximum aggregate amount of fixed compensation for the Executive Board for the 2021 AGM to 2022 AGM period (CHF 31.0 million, unchanged from the prior period);
- Aggregate 2020 STI award to be granted to the Executive Board (CHF 15.7 million, 30% lower than the CHF 22.4 million for 2019);
- Aggregate 2021 LTI opportunity at fair value at the time of grant (CHF 25.1 million), based on a maximum opportunity of CHF 47.6 million, compared to the 2020 LTI fair value of CHF 28.6 million, based on a maximum opportunity of CHF 53.75 million); and
- Maximum aggregate amount of compensation for the Board for the 2021 AGM to 2022 AGM period of CHF 12.0 million, unchanged from the prior period.

Further information on each of these proposals is contained in the "Say-on-Pay" brochure that accompanies the AGM invitation and is also available at [credit-suisse.com/agm](https://credit-suisse.com/agm).

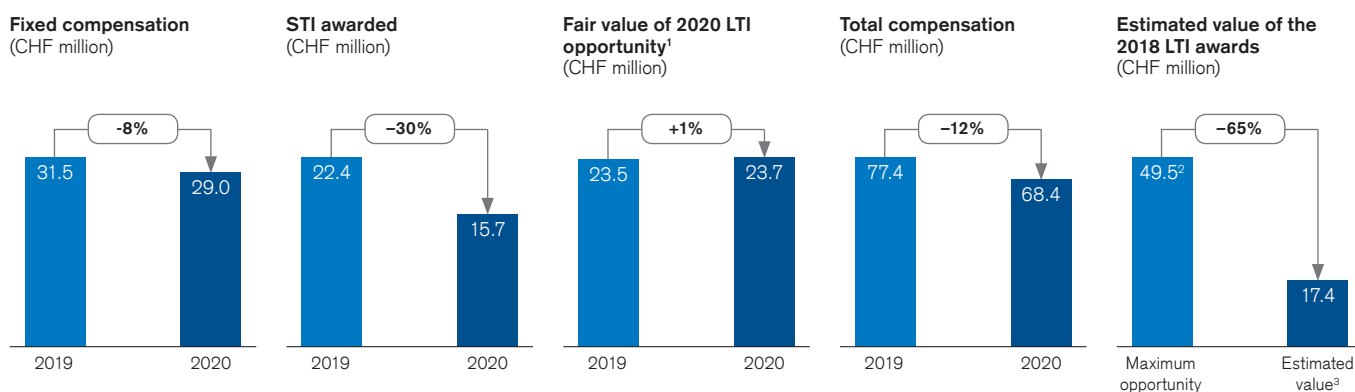
On behalf of the Compensation Committee, I would like to thank you for your support and feedback, which we will continue to seek as we review and refine our compensation practices to ensure that they remain aligned with the interests of our shareholders and fully compliant with all legal and regulatory requirements.



Kai S. Nargolwala  
Chair of the Compensation Committee  
Member of the Board  
March 2021

# Executive Board compensation

## Compensation outcomes for 2020



1 The fair value of the LTI awards as of the date of grant is determined using a probabilistic valuation method applied by Deloitte LLP.

2 Based on the maximum opportunity after Executive Board member step-downs and departures, compared with the maximum opportunity of CHF 58.5 million approved for the 2018 LTI at the 2018 AGM.

3 Estimated value based on the share price of CHF 11.40 as of December 31, 2020.

### Fixed compensation

The total fixed compensation for the Executive Board was CHF 29.0 million in 2020 compared with CHF 31.5 million in 2019, reflecting a decrease in the number of Executive Board members due to the combined Investment Bank division, as well as a lower base salary for the CEO compared with the previous CEO for the prior year.

### Annual short-term incentive (STI) awards

The 2020 STI awards were determined based on performance in 2020 measured against pre-defined financial and non-financial criteria, consistent with the prior year. The average maximum opportunity for Executive Board members (excluding the CEO) was 1.06 times base salary, compared with 1.23 times for the prior year. The aggregate STI award amount for the Executive Board of CHF 15.7 million was 30% lower than the previous year, mainly due to lower financial performance compared with the targets set for 2020. As shown in the diagram below, the payouts achieved for the financial metrics were between the threshold and target performance levels and the Compensation Committee concluded that it was not necessary to exercise any discretion (positive or negative) to modify the outcomes:

- Adjusted income before taxes of CHF 4.6 billion was 6% lower compared with the prior year, mainly due to the increased provision for credit losses and the York impairment, as well as higher revenues from significant items in the prior year;
- Return on tangible equity (RoTE) of 6.6% decreased by 2.1 percentage points compared with the prior year mainly due to the increased provision for credit losses as well as increased litigation provisions, mainly in connection with mortgage-related matters, and the York impairment.

For the non-financial performance assessment, the Compensation Committee evaluated the Executive Board's performance against four broad categories and determined that on average, they had achieved 79% of the maximum opportunity for the non-financial component, compared with 76% for 2019. Excluding the CEO, the overall non-financial score was 78% of the maximum opportunity, compared with 82% for 2019. A summary of the non-financial assessment appears further below.

The 2020 STI compensation will be submitted for shareholder approval at the 2021 AGM on a retrospective basis.

### 2020 STI awards: performance against targets

Performance criteria	Weighting	Performance levels			2020 result	Payout level (% of maximum opportunity)			
		Threshold	Target	Maximum		0%	Threshold 25%	Target 67%	Maximum 100%
Adjusted income before taxes (CHF billion)	33 $\frac{1}{3}$ %	4.2	5.5	6.6	4.6	39%			
RoTE (%)	33 $\frac{1}{3}$ %	6.5%	9.5%	11.5%	6.6%	26%			
Non-financial criteria (average)	33 $\frac{1}{3}$ %	See separate description				79%			
<b>Total</b>	<b>100%</b>					<b>48%</b>			

Adjusted results and RoTE are non-GAAP financial measures and are used in this table for the purposes of defining performance target levels for compensation. Adjusted results exclude certain items included in our reported results. Refer to "Reconciliation of adjusted results" in II – Operating and financial review – Credit Suisse for further information. RoTE is calculated as net income attributable to shareholders divided by average tangible shareholders' equity. Tangible shareholders' equity, a non-GAAP financial measure, is calculated by deducting goodwill and other intangible assets from total shareholders' equity as presented in our balance sheet.

## 2020 STI awards: non-financial performance assessment

Category	Executive Board assessment
Strategy/ Client Focus	<ul style="list-style-type: none"> <li>Various industry awards acknowledging excellence in client service, including Euromoney Awards for “Global Excellence in Leadership”, “Switzerland’s Best Bank”, “Switzerland’s Best Investment Bank”, “Asia’s Best Bank for Wealth Management”; The Banker “Bank of the Year 2020 in Switzerland”, “Investment Bank of the Year”</li> <li>Capital Markets &amp; Advisory: ranked by Dealogic as #1 Global IPOs; #1 Sponsors Leveraged Finance; Top 6 announced M&amp;A based on volumes and increased share of wallet based on fees</li> <li>Fixed Income Sales &amp; Trading: ranked #1 Structured Credit (Bloomberg) and #1 Asset Finance (Thomson Reuters)</li> <li>Successful implementation of strategic connectivity between Investment Bank and Wealth Management businesses evidenced by 31% growth in GTS revenues compared with the prior year</li> <li>Development of comprehensive ESG strategy, and recognition for the Group’s engagement, including being upgraded to an A rating by MSCI</li> <li>Executed 37 Green, Social and Sustainability Bond transactions in 2020 totaling USD 19 billion, an increase of 42% year on year</li> <li>Integration of NAB on track with unified coverage, harmonized processes and offering and successful client retention</li> <li>Established significant CSX client base with half of clients below 35 years of age</li> </ul>
Risk and Compliance	<ul style="list-style-type: none"> <li>Successfully navigated the COVID-19 pandemic during 2020, managing its impact across risk types</li> <li>Ensured consistent, tight lending standards, supporting risk-controlled lending growth with an objective to maintain rigorous credit standards, consistent with our &lt;10 bps provision for credit losses ratio through the cycle (for the periods 2010-2020)</li> <li>Simpler and scalable technology shared by Risk and Compliance, delivering solutions to deploy rapid cross-risk and cross-bank modelling and reporting</li> <li>Established new global and divisional client risk committees embedding relevant risk types and compliance disciplines for a holistic client view</li> <li>Introduced environmental objectives to be achieved by 2025, focusing on reducing total greenhouse gas emissions, procuring renewable electricity, increasing green office space and reducing paper and water consumption</li> <li>Continued investment in climate risk management, establishing a dedicated team with a mandate to set risk appetite and strategic trajectories in order to protect the Bank’s portfolio from climate-related risks. This included the appointment of a Chief Sustainability Officer and a Group Head of Reputational Risk, Sustainability and Climate Risk</li> </ul>
Conduct and Ethics	<ul style="list-style-type: none"> <li>Greater focus on leadership and culture for more accountability, transparency and openness</li> <li>The ratio of severe disciplinary cases remained stable compared with the prior year</li> </ul>
People	<ul style="list-style-type: none"> <li>Strong employee survey results across the board and generally very positive recognition for leadership / support during COVID-19</li> <li>Continued progress in addressing the gender pay gaps in the UK, with a ~2% decrease in the average hourly pay rate and bonus pay gaps as published in March 2020</li> <li>Launched anti-bias and inclusion leadership training for senior leaders, including Executive Board members</li> <li>Renewed strong commitment to Diversity &amp; Inclusion with targets for Black Talent in the UK and US and gender representation set</li> <li>Ensured key talent retention as reflected by lower top performers attrition rates, with voluntary turnover of 7.1% in 2020 compared with 9.8% in 2019</li> <li>Continued to actively focus on Diversity &amp; Inclusion measures and programs; the proportion of women in senior management positions (Managing Director, Directors and Vice Presidents) in 2020 increased to 28% from 27% in the prior year</li> </ul>
Category	CEO assessment
Strategy/ Client Focus	<ul style="list-style-type: none"> <li>Mr. Gottstein managed a smooth transition into new role at a time of severe disruption due to the COVID-19 pandemic and led the design and successful implementation of several key initiatives, including: creation of one global Investment Bank; launch of the new Sustainability, Research &amp; Investment Solutions function; integration of NAB; launch of CSX and combination of the Risk and Compliance functions</li> <li>He put forth a strategy to raise pre-tax profitability in Wealth Management-related businesses, a key part of our growth strategy</li> <li>He interacted personally with many key clients, often leading to specific business</li> <li>He enhanced our sustainability strategy through the creation of SRI, which has announced a goal to provide at least CHF 300 billion of sustainable financing to support transition strategies (e.g. renewables, Green/Blue/Transition bonds, low-carbon energy solutions and UN Sustainable Development Goals (SDG) aligned financings) over the next 10 years</li> <li>He played a key role with respect to the creation and execution of the Swiss government backed COVID-19 lending facilities, strengthening the Bank’s standing in its home market</li> </ul>
Risk and Compliance	<ul style="list-style-type: none"> <li>Mr. Gottstein strengthened the control environment through the combination of the Risk and Compliance functions</li> <li>He continued to drive the focus on climate risk management, announcing our ambition to align our activities with the Paris Agreement objective of limiting global warming to 1.5° C and committing to develop science-based targets in 2021 and 2022, including achieving net zero emissions from our operations, supply chain and financing activities by no later than 2050 (with intermediate emissions targets to be set for 2030)</li> <li>He played a key role in resolving and mitigating a number of historic and other issues, including mortgage-related litigation and the York investment impairment</li> </ul>
Conduct and Ethics	<ul style="list-style-type: none"> <li>Mr. Gottstein led the evolution of the Conduct and Ethics standards into a set of cultural values (IMPACT) and launched the Group’s purpose statement</li> <li>He actively communicated and engaged with employees on a regular basis, for example via quarterly townhalls during the year, including the first townhall dedicated to Diversity &amp; Inclusion</li> </ul>
People	<ul style="list-style-type: none"> <li>Mr. Gottstein successfully shifted operations to a mostly digital footprint in a short time period, maintaining employee engagement and morale</li> <li>He was actively involved in recruitment of key roles and talent development</li> <li>He has supported a renewed focus on Diversity &amp; Inclusion, including setting targets for Black Talent representation in the UK and the US, and fostering a more LGBT+ inclusive culture</li> </ul>

## 2018 LTI awards (2018-2020 performance period)

As disclosed in the 2017 Compensation Report, the performance of the 2018 LTI awards is based on RoTE, adjusted TBVPS and RTSR, each weighted equally and measured over a period of three years. The 2018 LTI awards had an initial aggregate maximum opportunity of CHF 58.5 million, and the number of shares granted was calculated by dividing the maximum opportunity by the Group share price at the time of grant. The share price utilized was based on the same methodology used for share-based awards granted to Group employees. Based on the performance against the financial criteria

and the RTSR over the three-year period, the number of shares earned represents, in aggregate, 54% of the maximum opportunity for the Executive Board after step-downs and departures. The impact of share price movements since the grant date is illustrated in the following diagram, with the value of the 2018 LTI award based on the share price at the end of 2020 being 35% of the maximum opportunity after step-downs and departures. The LTI award vests in three equal tranches on the third, fourth and fifth anniversaries of the grant date. The final value of the awards at delivery may differ from the value at the end of 2020 due to subsequent share price movements.

### 2018 LTI awards: performance against targets

Performance criteria	Weighting <sup>1</sup>	Performance levels			Result	Payout level (% of maximum opportunity)			
		Threshold	Target	Maximum		0%	Threshold 25%	Target 67%	Maximum 100%
Three-year average RoTE <sup>2</sup> (%)	33 $\frac{1}{3}$ %	5.0%	7.5%	11.0%	6.9%	57%			
Three-year average adjusted TBVPS <sup>3</sup> (CHF)	33 $\frac{1}{3}$ %	15.00	16.00	18.00	16.64	78%			
Relative Total Shareholder Return (RTSR) <sup>4</sup>	33 $\frac{1}{3}$ %				11 <sup>th</sup> of 19	25%			
<b>Total</b>	<b>100%</b>					<b>54%</b>			

Note: Three-year average RoTE and three-year average adjusted TBVPS are non-GAAP financial measures and are used in this table for the purposes of defining performance target levels for compensation.

1 Due to the nature of the role and inclusion of a qualitative assessment, the weighting of the Group metrics is different for the Executive Board member who is categorized as UK PRA MRT.

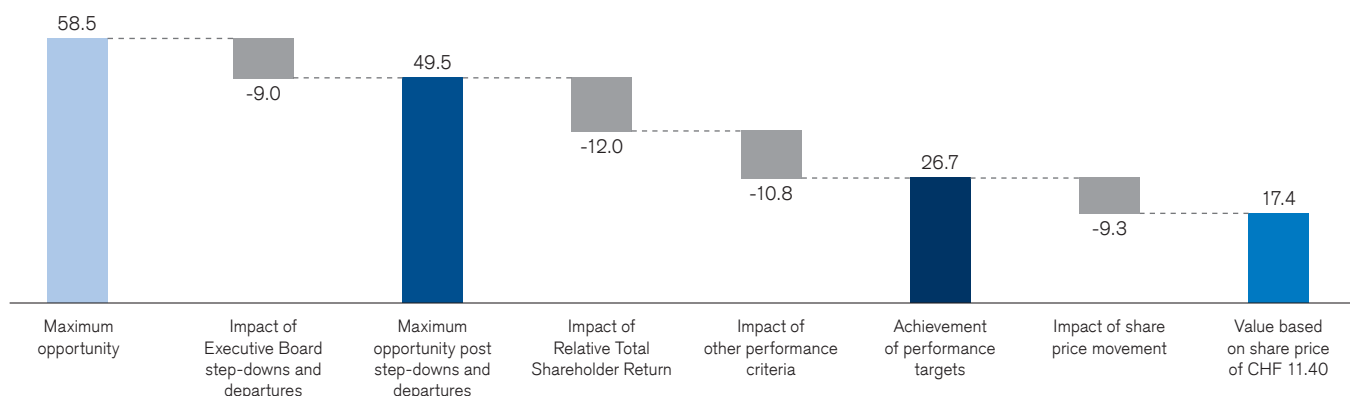
2 RoTE, a non-GAAP financial measure, is calculated as net income attributable to shareholders divided by average tangible shareholders' equity. Tangible shareholders' equity, a non-GAAP financial measure, is calculated by deducting goodwill and other intangible assets from total shareholders' equity as presented in our balance sheet.

3 Tangible book value, a non-GAAP financial measure, is equal to tangible shareholders' equity. TBVPS, a non-GAAP financial measure, is calculated by dividing tangible shareholders' equity by the total number of shares outstanding. Adjusted TBVPS, a non-GAAP financial measure, is calculated by dividing tangible shareholders' equity, excluding the impact of dividends paid, own credit movements and foreign exchange movements, by the total number of outstanding shares. The impact of foreign exchange movements references exchange rates in 2018 at the time the targets were set.

4 To provide the benchmark for comparison of performance, a group of 18 peers has been chosen by the Compensation Committee based on size, geographic scope and business mix, and consists of companies with publicly traded shares where there is positive correlation to Credit Suisse in the relationship of share price movements and how they react to external market conditions. For the purposes of the RTSR ranking, the peer group list is unchanged since 2016 when the RTSR criteria was introduced, and consists of Banco Santander, Bank of America, Barclays, BBVA, BNP Paribas, Citigroup, Deutsche Bank, Goldman Sachs, ING Group, Intesa Sanpaolo, JPMorgan Chase, Julius Bär, Morgan Stanley, Nordea Bank, NatWest Group, Société Générale, Standard Chartered and UBS.

### Estimated value of the 2018 LTI awards

2018-2020 performance cycle (in CHF million)



Note: Figures above may contain rounding differences. CHF 11.40 is the share price as of December 31, 2020. The number of shares earned based on the achievement of the performance targets over the three-year performance period will vest in three equal tranches on the third, fourth and fifth anniversaries of the grant date.



## 2020 LTI opportunities (2020-2022 performance period)

The fair value of the 2020 LTI at the time of grant was CHF 28.6 million, as determined by Deloitte LLP (Deloitte) and as approved by shareholders at the 2020 AGM. The team within Deloitte that conducts this valuation is in a department separate from the Deloitte advisor to the Compensation Committee. The initial number of shares was calculated by dividing the maximum opportunity of CHF 53.75 million by the share price at the time of grant, whereby the share price for this purpose is calculated using the same methodology used for share-based awards granted to Group employees. The amount achieved at the end of the performance cycle may differ from the fair value at grant, and therefore the actual performance will be measured and disclosed at the end of the three-year performance period. The average maximum opportunity for Executive Board members (excluding the CEO) was 1.94 times base salary, compared with 2.20 times base salary for the prior year.

→ Refer to "Compensation design" and the 2019 Annual Report for further information.

## Compensation of the Group CEO and highest paid Executive Board member

The annual performance assessment of the Group CEO and the highest paid Executive Board member, Thomas Gottstein, takes into account the same financial and non-financial criteria applied to other Executive Board members. Based on the STI performance assessment described previously and the fair value of the 2020 LTI, Mr. Gottstein's total variable incentive compensation for 2020 was CHF 5.6 million. Mr. Gottstein's total compensation for 2020 was CHF 8.5 million, compared with total compensation of CHF 10.7 million awarded to the previous CEO in 2019.

Mr. Gottstein's realized compensation for 2020 comprises:

- CHF 2.6 million base salary, of which CHF 270,000 was committed for donation to COVID-19 related relief efforts;
- CHF 1.0 million non-deferred cash component of the 2020 STI award (paid out in 2021, subject to shareholder approval at the 2021 AGM);
- Group shares with a value at delivery of CHF 0.2 million in relation to the second vested installment of the 2016 LTI and Group shares with a value at delivery of CHF 0.2 million in relation to the first vested installment of the 2017 LTI; and
- CHF 0.2 million deferred cash portion of the 2016 STI award.

In addition, Mr. Gottstein received CHF 0.1 million as compensation for dividend equivalents on vested awards and CHF 0.2 million in pension and other benefits.

## 2021 LTI opportunities (2021-2023 performance period)

The 2021 LTI opportunities will continue to be based on RoTE, adjusted TBVPS and RTSR, each weighted equally and

measured over a period of three years. The LTI opportunities will continue to vest in three equal tranches on the third, fourth and fifth anniversaries of the grant date, and the grant price will continue to be based on the same methodology used for share-based awards granted to Group employees. In relation to the RTSR component, for 2021 and prospective LTIs, there will continue to be zero payout for a ranking within the lowest five and maximum payout for a ranking within the top five, with smoother payout levels for rankings in between to avoid large movements, positive or negative, based on small differences in TSR compared with peers. After taking into consideration the Group's internal financial plan, prior-year performance, analyst expectations and the Group's publicly stated ambitions, as well as market developments, the Compensation Committee decided to set the threshold, target and maximum performance levels for the RoTE component to 6.0%, 10.0% and 12.0%, respectively. The corresponding adjusted TBVPS performance levels for the threshold, target and maximum have been set at CHF 17.90, CHF 19.30 and CHF 20.10, respectively, as shown in the table below. The fair value at grant of the 2021 LTI is 53% of the maximum opportunity, similar to the 2020 LTI fair valuation. At the 2021 AGM, shareholders will be asked to approve an aggregate 2021 LTI amount of CHF 25.1 million, based on the fair value at grant. This amount will form part of the 2021 Executive Board compensation disclosure.

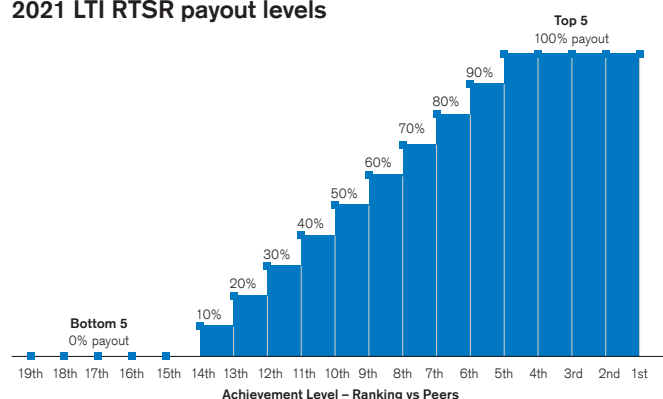
## Performance target levels for the 2021 LTI

Performance criteria	Performance targets		
	Threshold	Target	Maximum
Three-year average RoTE <sup>1</sup>	6.0%	10.0%	12.0%
Three-year average adjusted TBVPS (CHF) <sup>2</sup>	17.90	19.30	20.10

<sup>1</sup> RoTE, a non-GAAP financial measure, is calculated as net income attributable to shareholders divided by average tangible shareholders' equity. Tangible shareholders' equity, a non-GAAP financial measure, is calculated by deducting goodwill and other intangible assets from total shareholders' equity as presented in our balance sheet.

<sup>2</sup> Adjusted TBVPS is a non-GAAP financial measure. For purposes of the 2021 LTI, it is calculated by dividing tangible shareholders' equity by the total number of outstanding shares, after excluding the cumulative impact of dividends paid, own credit movements, any future corporate developments impacting equity and FX rate movements during the performance period.

## 2021 LTI RTSR payout levels



## Supplementary information

### Executive Board compensation (audited)

in	Base salaries and role-based allowances <sup>1</sup>	Dividend equivalents <sup>2</sup>	Pension and other benefits <sup>3</sup>	Total fixed compensation	STI awards (Non-deferred) <sup>4</sup>	STI awards (Deferred) <sup>5</sup>	Total STI awards	LTI awards fair value (Deferred) <sup>6</sup>	Total variable compensation	Total compensation <sup>7,8</sup>
<b>2020 (CHF million)</b>										
13 members	25.70	1.12	2.14	<b>28.96</b>	7.76	7.97	<b>15.73</b>	<b>23.74</b>	<b>39.47</b>	<b>68.43</b>
% of total compensation <sup>9</sup>				<b>42%</b>			<b>23%</b>	<b>35%</b>	<b>58%</b>	
of which CEO and highest paid:										
Thomas Gottstein	2.62	0.08	0.24	<b>2.94</b>	1.00	1.00	<b>2.00</b>	<b>3.59</b>	<b>5.59</b>	<b>8.53</b>
% of total compensation				<b>34%</b>			<b>23%</b>	<b>43%</b>	<b>66%</b>	
of which joiners and leavers during 2020 (3 individuals)										
	4.86	0.25	0.34	<b>5.45</b>	2.29	2.29	<b>4.58</b>	<b>1.87</b>	<b>6.45</b>	<b>11.90</b>
% of total compensation				<b>46%</b>			<b>38%</b>	<b>16%</b>	<b>54%</b>	
<b>2019 (CHF million)</b>										
17 members	27.03	2.06	2.46	<b>31.55</b>	11.04	11.35	<b>22.39</b>	<b>23.49</b>	<b>45.88</b>	<b>77.43</b>
% of total compensation <sup>9</sup>				<b>41%</b>			<b>29%</b>	<b>30%</b>	<b>59%</b>	
of which CEO and highest paid:										
Tidjane Thiam	3.00	0.26	0.25	<b>3.51</b>	1.63	1.63	<b>3.26</b>	<b>3.95</b>	<b>7.21</b>	<b>10.72</b>
% of total compensation				<b>33%</b>			<b>30%</b>	<b>37%</b>	<b>67%</b>	
of which joiners and leavers during 2019 (10 individuals)										
	10.57	0.67	1.08	<b>12.32</b>	3.36	3.36	<b>6.72</b>	<b>3.56</b>	<b>10.28</b>	<b>22.60</b>
% of total compensation				<b>55%</b>			<b>30%</b>	<b>15%</b>	<b>45%</b>	

For the individuals who joined the Executive Board and the individuals who left the Executive Board during 2019 and 2020, compensation relating to the period during which they were members of the Executive Board and, for leavers, during their respective notice period is included in the table above.

**1** The 2020 base salaries and role-based allowances total reflects the base salary for two Executive Board members that is already reduced by 20% of their annual base salary during six months that Executive Board members committed to COVID-19 pandemic relief efforts. For all other Executive Board members their donations to pandemic relief efforts were made post payment of salary.

**2** Dividend equivalents were paid in cash, consistent with dividends paid on actual shares.

**3** Other benefits consist of housing allowances, expense allowances and relocation allowances.

**4** STI non-deferred awards for 2020 comprised CHF 7.55 million (for 2019 CHF 10.74 million) cash, with a further CHF 0.21 million (for 2019 CHF 0.30 million) granted as blocked shares to Mr. Mathers, to comply with regulatory requirements given that he was categorized as UK PRA MRT during 2020 and 2019.

**5** STI deferred awards for 2020 comprised CHF 7.66 million (for 2019 CHF 10.89 million) in deferred cash awards as well as CHF 0.31 million (for 2019 CHF 0.46 million) granted as share awards to Mr. Mathers, to comply with regulatory requirements given that he was categorized as UK PRA MRT during 2020 and 2019.

**6** The fair value of the LTI awards as of the date of grant was determined using a probabilistic valuation method applied by Deloitte.

**7** For the total compensation awarded to the members of the Executive Board, the Group made payments of CHF 2.7 million in 2020 (for 2019 CHF 3.3 million) to cover the mandatory employer social security contributions as required under the social security laws applicable to the individual Executive Board members based on their domicile and employment status. These contributions do not form part of the Executive Board members' compensation.

**8** No guaranteed bonuses, sign-on or replacement awards were paid to Executive Board members for 2020 and 2019.

**9** Variable compensation ranged from 31% to 77% of total compensation in 2020 and from 37% to 82% in 2019.

### Former Executive Board members (audited)

For 2020, no compensation payments were made to former Executive Board members who left Credit Suisse, which was also the case for 2019. Further, no payments were made to former Executive Board members pursuant to non-compete arrangements. Certain former Executive Board members assumed other roles within Credit Suisse after stepping down from the Executive Board.

### Utilization of Executive Board compensation approved at the 2020 AGM

At the 2020 AGM, shareholders approved a maximum aggregate amount of fixed compensation to be paid to members of the Executive Board for the period from the 2020 AGM to the 2021 AGM of CHF 31.0 million. Fixed compensation includes

base salaries, role-based allowances, dividend equivalents, pension and other benefits. In line with the Swiss Ordinance Against Excessive Compensation with respect to Listed Stock Corporations (Compensation Ordinance) and as specified in the AoA, if new members join the Executive Board or members of the Executive Board are promoted during the period for which compensation has already been approved by shareholders, a further 30% of the aggregate amounts already approved may be used for the compensation of such members.

For the 2019 AGM to 2020 AGM period, an additional CHF 0.6 million was utilized, namely CHF 0.5 million for the base salary and pension and benefits of André Helfenstein, a new member of the Executive Board, and CHF 0.1 million for the base salary of Thomas Gottstein, who was promoted to CEO of the Group.

By the time of the 2021 AGM, a total of approximately CHF 27.6 million will have been paid to Executive Board members, of which CHF 26.4 million relates to the individuals who were members of the Executive Board at the time of the 2020 AGM.

At the 2020 AGM, shareholders also approved LTI compensation to be granted to members of the Executive Board for the 2020 financial year with a fair value at grant of CHF 28.6 million and a corresponding maximum opportunity of CHF 53.75 million, which was subsequently awarded to the Executive Board members. The amount of the 2020 LTI award earned by each of the Executive Board members can only be determined after the completion of the three-year performance period.

#### **Cash settlement of share awards**

The Executive Board members are permitted to elect, subject to minimum shareholding requirements, at a predefined date in advance of settlement, to receive their vested share-based awards in the form of shares, cash or 50% in the form of shares and 50% in cash, in each case based on the Group share price at the time of settlement. An election to receive cash is subject to reversal if at the time of settlement the Group share price is less than 75% of the share price at the time of election. The timing and pricing of settlement will be the same as under the previous award plan and as under the plans of the non-Executive Board population.

#### **Contract lengths, termination and change in control provisions**

All members of the Executive Board have employment contracts with the Group that are valid until terminated. The standard notice period for termination of employment by either the Group or the respective Executive Board member is six months. Executive Board members may be held to a non-compete period of up to one year and may be compensated for this period of time by mutual agreement. In the event of termination, there are no contractual provisions that allow for the payment of severance awards to Executive Board members beyond the regular compensation awarded during the notice period. Pre-defined conditions for all employees, including Executive Board members, apply for the payment of outstanding deferred compensation awards, depending on whether the termination of employment was voluntary, involuntary, by mutual agreement or as the result of a change in control. In case of a termination for cause, any deferred

compensation and outstanding awards will be forfeited. There are no other contracts, agreements or arrangements with the members of the Executive Board that provide for other types of payments or benefits in connection with termination of employment that are not generally available to other employees of the Group.

In the case of a change in control, the treatment of outstanding awards for all employees, including Executive Board members, will be determined by the Board upon recommendation of the Compensation Committee with the aim of maximizing shareholder value, subject to circumstances and prevailing market conditions. There are no provisions in the employment contracts of Executive Board members or any other pre-determined arrangements that require the payment of any type of extraordinary benefits, including special severance awards or transaction premia, in the case of a change in control.

#### **Other outstanding awards**

As of December 31, 2020, the outstanding cash-based deferred compensation awards granted to certain Executive Board members in prior years comprised of the Capital Opportunity Facility (COF), contingent capital awards (CCA), Deferred Cash Allowance Plan (DCAP) and deferred STI cash awards. The cumulative value of such cash-based awards at their grant dates was CHF 29.3 million compared with CHF 29.9 million as of December 31, 2020. These amounts also include the cash value of dividend equivalents related to unvested share awards at their respective grant dates and at December 31, 2020.

#### **Minimum shareholding requirements**

As of December 31, 2020, the CEO and all Executive Board members fulfilled the minimum shareholding requirements of 500,000 shares and 300,000 shares, respectively, as measured against the number of shares owned plus the number of unvested awards calculated on the basis of actual achievement level (for awards that have reached the end of their three-year performance period) or maximum opportunity (for awards that have not reached the end of their three-year performance period). The CEO and Executive Board members are not permitted to sell shares until they have met the minimum shareholding requirements, except as necessary to fulfill taxation obligations on the respective shares awarded.

## Executive Board holdings and values of deferred share-based awards by individual

end of	Number of owned shares <sup>1</sup>	Number of unvested awards <sup>2</sup>	Number of owned shares and unvested awards	Value (CHF) of unvested awards at grant date <sup>3</sup>	Value (CHF) of unvested awards at year end (at fair value) <sup>4</sup>
<b>2020</b>					
Thomas P. Gottstein	329,945	1,175,386	1,505,331	14,059,196	7,982,209
Romeo Cerutti	360,449	569,438	929,887	7,134,274	4,108,232
Brian Chin	568,030	1,790,864	2,358,894	21,951,346	12,474,970
André Helfenstein	74,229	671,329	745,558	7,523,347	5,899,796
Lydie Hudson	57,115	421,216	478,331	4,864,351	2,895,168
David R. Mathers	110,958	1,313,581	1,424,539	14,661,244	10,505,639
Antoinette Poschung	141,405	207,515	348,920	2,360,009	1,412,321
Helman Sitohang	365,186	1,344,933	1,710,119	16,773,304	9,612,195
James B. Walker	143,444	577,046	720,490	6,552,588	5,092,395
Lara J. Warner	–	1,089,006	1,089,006	13,461,484	7,647,962
Philipp Wehle	74,542	670,246	744,788	7,652,671	5,095,777
<b>Total</b>	<b>2,225,303</b>	<b>9,830,560</b>	<b>12,055,863</b>	<b>116,993,815</b>	<b>72,726,662</b>
<b>2019</b>					
Tidjane Thiam	66,422	1,303,823	1,370,245	19,084,599	10,833,091
Romeo Cerutti	323,165	458,513	781,678	6,750,770	3,820,259
Brian Chin	494,030	1,430,886	1,924,916	20,368,149	11,843,258
Thomas P. Gottstein	150,214	672,361	822,575	9,574,478	5,530,279
Lydie Hudson	26,175	295,386	321,561	3,739,373	2,832,024
David R. Mathers	84,360	1,029,891	1,114,251	13,509,668	9,392,954
David Miller	–	734,280	734,280	10,240,437	8,888,164
Antoinette Poschung	123,318	139,024	262,342	1,693,270	1,302,361
Helman Sitohang	264,737	1,007,352	1,272,089	14,683,925	8,198,365
James B. Walker	100,153	317,330	417,483	4,181,205	3,834,492
Lara J. Warner	–	786,568	786,568	11,361,535	6,138,554
Philipp Wehle	21,540	364,059	385,599	4,735,987	3,862,390
<b>Total</b>	<b>1,654,114</b>	<b>8,539,473</b>	<b>10,193,587</b>	<b>119,923,396</b>	<b>76,476,192</b>

<sup>1</sup> Includes shares that were initially granted as deferred compensation and have vested.

<sup>2</sup> Includes unvested shares originating from LTI opportunities calculated on the basis of maximum opportunity for awards that have not reached the end of their three-year performance period, given that the actual achievement level and associated number of unvested shares cannot be determined until the end of the performance period. For LTI awards that have reached the end of their three-year performance period, the number of unvested shares reflects the actual number of shares earned based on achievement of the performance target levels.

<sup>3</sup> Determined based on the number of unvested awards multiplied by the share price at grant.

<sup>4</sup> Includes the value of unvested LTI opportunities. For LTI awards that have reached the end of their three-year performance period, the value is based on the actual number of shares eligible to vest. For LTI opportunities that have not reached the end of their three-year performance period, this is determined based on the number of shares at fair value at the time of grant, multiplied by the share price at the end of the year.

## Executive Board outstanding deferred compensation awards

in / end		Total outstanding end of 2019	Granted in 2020 <sup>1</sup>	Paid out in 2020	Ex post explicit adjustments	Ex post implicit adjustments	<b>Total outstanding end of 2020</b>	% of which exposed to ex post explicit adjustments
<b>Executive Board (CHF million)</b>								
CCAs	Cash-based	6	1	(3)	–	0	4	100%
Deferred cash awards <sup>2</sup>	Cash-based	13	7	(1)	–	(1)	18	100%
Share awards <sup>3</sup>	Share-based	86	48	(5)	(8)	(7)	114	100%
Performance share awards	Share-based	9	3	(3)	–	(2)	7	100%
<b>Total</b>		<b>114</b>	<b>59</b>	<b>(12)</b>	<b>(8)</b>	<b>(10)</b>	<b>143</b>	<b>–</b>

<sup>1</sup> Includes awards granted to Executive Board members with respect to their previous roles prior to joining the Executive Board.

<sup>2</sup> Includes the deferred cash portion of STI awards.

<sup>3</sup> Includes the outstanding 2020, 2019 and 2018 LTI opportunities at maximum opportunity.

### Executive Board loans (audited)

The majority of loans outstanding to Executive Board members are mortgages or loans against securities. Such loans are made on the same terms available to employees under the Group's employee benefit plans. Pursuant to the AoA, each Executive Board member may be granted individual credit facilities or loans up to a maximum of CHF 20 million. As of December 31, 2020, 2019 and 2018, outstanding loans to Executive Board members amounted to CHF 13 million, CHF 32 million and CHF 33 million, respectively. The number of individuals with outstanding loans at the beginning and the end of 2020 was 5 and 4, respectively, and the highest loan outstanding was CHF 6 million to Mr. Gottstein.

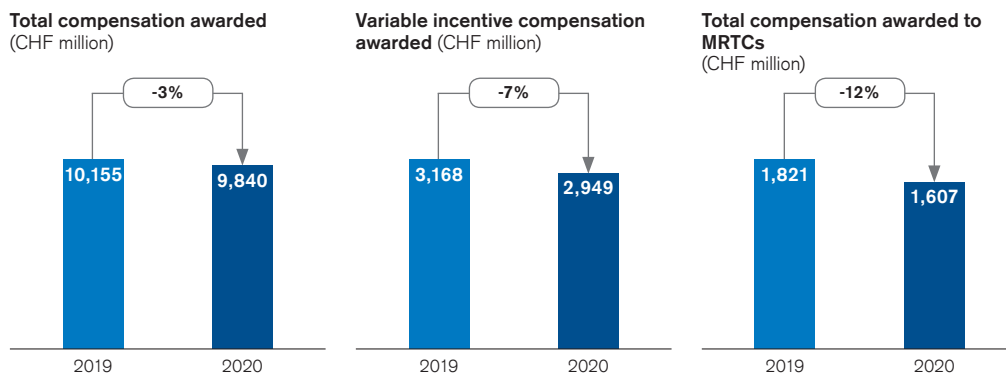
All mortgage loans to Executive Board members are granted either with variable or fixed interest rates over a certain period. Typically,

mortgages are granted for periods of up to ten years. Interest rates applied are based on refinancing costs plus a margin, and interest rates and other terms are consistent with those applicable to other employees. Loans against securities are granted at interest rates and on terms applicable to such loans granted to other employees. The same credit approval and risk assessment procedures apply to Executive Board members as for other employees. Unless otherwise noted, all loans to Executive Board members were made in the ordinary course of business and substantially on the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and in consideration of the terms which apply to all Group employees. These loans did not involve more than the normal risk of collectability or present other unfavorable features.

→ Refer to "Banking relationships with Board and Executive Board members and related party transactions" in IV – Corporate Governance – Additional information for further information.

# Group compensation

## Compensation outcomes for 2020



### Variable incentive compensation awarded

Against the backdrop of challenging market and economic conditions prompted by the COVID-19 pandemic, underlying business performance was solid, with adjusted income before taxes excluding significant items increasing 6% compared with the prior year. The Compensation Committee also considered a range of other factors such as relative performance versus peers and market position and market trends, as well as risk, control, compliance and conduct and ethics considerations. Overall, the Compensation Committee proposed a Group variable incentive pool of CHF 2,949 million, 7% lower compared with the previous year, in the context of lower reported results and to take into account the COVID-19 pandemic and resulting economic environment.

Approximately 51% of variable incentive compensation awarded is deferred and expensed in future periods, and subject to future service, performance and malus criteria and other restrictive covenants.

### Compensation awarded to Material Risk Takers and Controllers (MRTCs)

Total compensation awarded to MRTCs for 2020 was CHF 1,607 million, compared with CHF 1,821 million for 2019. Of the CHF 1,607 million total compensation awarded, 58% was in the form of variable compensation, with 75% of the variable compensation subject to malus.

## Total compensation awarded

For	2020			2019		
	Unrestricted	Deferred	Total	Unrestricted	Deferred	Total
<b>Fixed compensation (CHF million)</b>						
Salaries	5,158	120	5,278	5,241	108	5,349
Social security	653	–	653	642	–	642
Other <sup>1</sup>	836	–	836	786	–	786
<b>Total fixed compensation</b>	<b>6,647</b>	<b>120</b>	<b>6,767</b>	<b>6,669</b>	<b>108</b>	<b>6,777</b>
<b>Variable incentive compensation (CHF million)</b>						
Cash	1,417	–	1,417	1,433	–	1,433
Share awards	35	592	627	37	626	663
Performance share awards	–	493	493	–	553	553
Contingent Capital Awards	–	253	253	–	268	268
Deferred cash awards	–	159	159	–	251	251
<b>Total variable incentive compensation</b>	<b>1,452</b>	<b>1,497</b>	<b>2,949</b>	<b>1,470</b>	<b>1,698</b>	<b>3,168</b>
<b>Other variable compensation (CHF million)</b>						
Cash severance	47	–	47	98	–	98
Retention awards	0	40	40	–	40	40
Other <sup>2</sup>	16	21	37	19	53	72
<b>Total other variable compensation</b>	<b>63</b>	<b>61</b>	<b>124</b>	<b>117</b>	<b>93</b>	<b>210</b>
<b>Total compensation awarded (CHF million)</b>						
<b>Total compensation awarded</b>	<b>8,162</b>	<b>1,678</b>	<b>9,840</b>	<b>8,256</b>	<b>1,899</b>	<b>10,155</b>
of which guaranteed bonuses	10	9	19	26	34	60

Salaries include role-based allowances.

<sup>1</sup> Includes pension and other post-retirement expense of CHF 517 million and CHF 437 million in 2020 and 2019, respectively.

<sup>2</sup> Includes replacement awards to compensate employees for the equivalent fair value of deferred awards cancelled by previous employers as well as sign-on payments.

## Number of employees awarded variable incentive and other compensation

	2020			2019		
	MRTCs <sup>1</sup>	Other employees	Total	MRTCs <sup>1</sup>	Other employees	Total
<b>Number of employees awarded variable incentive compensation</b>						
<b>Variable incentive compensation</b>	<b>1,413</b>	<b>43,531</b>	<b>44,944</b>	<b>1,398</b>	<b>41,827</b>	<b>43,225</b>
of which Cash	1,254	43,469	44,723	1,211	41,232	42,443
of which Share awards	1,282	5,492	6,774	1,277	5,796	7,073
of which Performance share awards	1,297	853	2,150	1,297	823	2,120
of which Contingent Capital Awards	1,268	4,509	5,777	1,262	4,644	5,906
of which Deferred cash awards	247	412	659	245	796	1,041
<b>Number of employees awarded other variable compensation</b>						
Cash severance	10	599	609	27	764	791
Retention awards	42	104	146	17	35	52
Guaranteed bonuses	1	66	67	7	123	130
Other <sup>2</sup>	24 <sup>3</sup>	573	597	34 <sup>3</sup>	556	590

Excluding Executive Board members who were in office on December 31, 2020 or 2019, respectively.

<sup>1</sup> Excludes individuals who may have been classified as MRTCs according to regulatory requirements of jurisdictions outside of Switzerland, particularly US-based revenue producers in the Investment Bank, who were classified as Covered Employees by the US Federal Reserve.

<sup>2</sup> Includes replacement awards to compensate employees for the equivalent fair value of deferred awards cancelled by previous employers as well as sign-on payments.

<sup>3</sup> For 2020 and 2019, sign-on payments were paid to 0 and 1 MRTC, respectively.

## Compensation awarded to Material Risk Takers and Controllers

For	2020			2019		
	Unrestricted	Deferred	Total	Unrestricted	Deferred	Total
<b>Fixed compensation (CHF million)</b>						
<b>Total fixed compensation<sup>1</sup></b>	<b>598</b>	<b>74</b>	<b>672</b>	<b>640</b>	<b>57</b>	<b>697</b>
<b>Variable incentive compensation (CHF million)</b>						
Cash	193	–	193	228	–	228
Share awards	35	178	213	37	205	242
Performance share awards	–	299	299	–	357	357
Contingent Capital Awards	–	119	119	–	136	136
Deferred cash awards	–	78	78	–	90	90
<b>Total variable incentive compensation</b>	<b>228</b>	<b>674</b>	<b>902</b>	<b>265</b>	<b>788</b>	<b>1,053</b>
<b>Other variable compensation (CHF million)</b>						
Cash severance	4	–	4	9	–	9
Retention awards	0	17	17	–	37	37
Other <sup>2</sup>	3 <sup>3</sup>	9	12	2 <sup>3</sup>	23	25
<b>Total other variable compensation</b>	<b>7</b>	<b>26</b>	<b>33</b>	<b>11</b>	<b>60</b>	<b>71</b>
<b>Total compensation (CHF million)</b>						
<b>Total compensation</b>	<b>833</b>	<b>774</b>	<b>1,607</b>	<b>916</b>	<b>905</b>	<b>1,821</b>
of which guaranteed bonuses	0	0	0	1	5	6

Excluding Executive Board members who were in office on December 31, 2020 or 2019, respectively. Of the total compensation awarded to MRTCs for 2020 and 2019, 48% and 50%, respectively, was deferred. Of the total variable incentive compensation awarded to MRTCs for 2020 and 2019, 75% and 75%, respectively, was deferred.

<sup>1</sup> The number of MRTCs receiving fixed compensation for 2020 and 2019 was 1,438 and 1,444, respectively.

<sup>2</sup> Includes replacement awards to compensate employees for the equivalent fair value of deferred awards cancelled by previous employers as well as sign-on payments.

<sup>3</sup> For 2020 and 2019, sign-on payments paid to MRTCs amounted to CHF 0 million and CHF 3 million, respectively.

### Group compensation and benefits expense

Compensation and benefits expenses recognized in the current year income statement include salaries, role-based allowances, variable compensation, benefits and employer taxes on

compensation. Variable compensation expense reflects the variable cash compensation for the current year and amortization of deferred compensation awards granted in prior years.



## Group compensation and benefits expense

in	2020			2019		
	Current compensation	Deferred compensation	Total	Current compensation	Deferred compensation	Total
<b>Fixed compensation expense (CHF million)</b>						
Salaries	5,158	112 <sup>1</sup>	5,270	5,241	102 <sup>1</sup>	5,343
Social security <sup>2</sup>	653	–	653	642	–	642
Other <sup>3</sup>	836	–	836	786	–	786
<b>Total fixed compensation expense</b>	<b>6,647</b>	<b>112</b>	<b>6,759</b>	<b>6,669</b>	<b>102</b>	<b>6,771</b>
<b>Variable incentive compensation expense (CHF million)</b>						
Cash	1,417	–	1,417	1,433	–	1,433
Share awards	35	573 <sup>4,5</sup>	608	37	589 <sup>4,5</sup>	626
Performance share awards	–	448	448	–	438	438
Contingent Capital Awards	–	255	255	–	308	308
Deferred cash awards <sup>6</sup>	–	286 <sup>5</sup>	286	–	318 <sup>5</sup>	318
<b>Total variable incentive compensation expense</b>	<b>1,452</b>	<b>1,562</b>	<b>3,014</b>	<b>1,470</b>	<b>1,653</b>	<b>3,123</b>
<b>Other variable compensation expense (CHF million)</b>						
Cash severance	47	–	47	98	–	98
Retention Awards	–	43	43	–	22	22
Other <sup>7</sup>	27	–	27	22	–	22
<b>Total other variable compensation expense</b>	<b>74</b>	<b>43</b>	<b>117</b>	<b>120</b>	<b>22</b>	<b>142</b>
<b>Total compensation expense (CHF million)</b>						
<b>Total compensation expense</b>	<b>8,173</b>	<b>1,717</b>	<b>9,890</b>	<b>8,259</b>	<b>1,777</b>	<b>10,036</b>

Salaries include role-based allowances. Restructuring expenses in connection with the strategic review of the Group were disclosed separately and were not part of the total compensation expenses. In 2020, restructuring expenses included cash severance expenses of CHF 69 million relating to 793 employees.

<sup>1</sup> Includes deferred fixed cash compensation expense of CHF 112 million and CHF 102 million related to cash awards for 2020 and 2019, respectively.

<sup>2</sup> Represents the Group's portion of employees' mandatory social security.

<sup>3</sup> Includes pension and other post-retirement expense of CHF 517 million and CHF 437 million in 2020 and 2019, respectively.

<sup>4</sup> Includes CHF 6 million and CHF 10 million of compensation expense associated with replacement share awards granted in 2020 and 2019, respectively.

<sup>5</sup> In 2020, Contingent Capital share awards are included in the category share awards, and Capital Opportunity Facility awards are included in the category deferred cash awards. Prior periods have been reclassified to conform to the current presentation.

<sup>6</sup> Includes CHF 2 million and CHF 4 million of compensation expense associated with replacement cash awards granted in 2020 and 2019, respectively.

<sup>7</sup> Includes sign-on payments.

## Group estimated unrecognized compensation expense

The following table shows the estimated compensation expense that has not yet been recognized through the income statement for deferred compensation awards granted for 2020 and prior years that were outstanding as of December 31, 2020, with

comparative information for 2019. These estimates are based on the fair value of each award on the grant date, taking into account the current estimated outcome of relevant performance criteria and estimated future forfeitures. No estimate has been included for future mark-to-market adjustments.

## Group estimated unrecognized compensation expense

end of	Deferred compensation		2020	Deferred compensation		2019
	For 2020	For prior-year awards	Total	For 2019	For prior-year awards	Total
<b>Estimated unrecognized compensation expense (CHF million)</b>						
Share awards	538	449 <sup>1</sup>	987	596	477 <sup>1</sup>	1,073
Performance share awards	453	194	647	519	193	712
Contingent Capital Awards	241	151	392	257	165	422
Deferred cash awards	159	201 <sup>2</sup>	360	251	181 <sup>2</sup>	432
Retention awards	–	40	40	–	48	48
<b>Total estimated unrecognized compensation expense</b>	<b>1,391</b>	<b>1,035</b>	<b>2,426</b>	<b>1,623</b>	<b>1,064</b>	<b>2,687</b>

<sup>1</sup> Includes CHF 10 million and CHF 28 million of estimated unrecognized compensation expense associated with replacement share awards granted to new employees in 2020 and 2019, respectively, not related to prior years.

<sup>2</sup> Includes CHF 3 million and CHF 11 million of estimated unrecognized compensation expense associated with replacement cash awards granted to new employees in 2020 and 2019, respectively, not related to prior years.

### Changes to the value of outstanding deferred awards

Employees experience changes to the value of their deferred compensation awards during the vesting period due to both implicit and explicit value changes. Implicit value changes primarily reflect market-driven effects, such as changes in the Group share price, changes in the value of the CCA and foreign exchange rate movements. Explicit value changes reflect risk adjustments triggered by conditions related to negative performance in the performance-based awards, forfeiture, or the malus provisions in all deferred awards. The final value of an award will only be determined at settlement.

→ Refer to "Note 30 – Employee deferred compensation" in VI – Consolidated financial statements – Credit Suisse Group for further information.

The following table provides a comparison of the outstanding deferred compensation awards at the end of 2019 and 2020, indicating the value of changes due to ex post implicit and ex post explicit adjustments. For 2020, the change in value for the outstanding deferred compensation awards was mainly due to implicit adjustments driven primarily by changes in the Group share price, foreign exchange rate movements and changes in the value of CCA.

### Outstanding deferred compensation awards

in / end		Total outstanding end of 2019	Granted in 2020	Paid out in 2020	Ex post explicit adjustments	Ex post implicit adjustments	<b>Total outstanding end of 2020</b>	% of which exposed to ex post explicit adjustments
<b>Group (CHF million) <sup>1</sup></b>								
CCAs	Cash-based	747	269	(183)	(20)	(122)	691	100%
Deferred cash awards <sup>2</sup>	Cash-based	241	104	(123)	(5)	(24)	193	100%
Share awards <sup>2</sup>	Share-based	1,449 <sup>3</sup>	735	(402)	(74)	(280)	1,428	100%
Performance share awards	Share-based	948	540	(244)	(25)	(174)	1,045	100%
<b>Total</b>		<b>3,385</b>	<b>1,648</b>	<b>(952)</b>	<b>(124)</b>	<b>(600)</b>	<b>3,357</b>	<b>–</b>
<b>Material Risk Takers and Controllers (CHF million) <sup>4</sup></b>								
CCAs	Cash-based	330	137	(82)	(2)	(29)	354	100%
Deferred cash awards <sup>2</sup>	Cash-based	98	46	(55)	–	(9)	80	100%
Share awards <sup>2</sup>	Share-based	496 <sup>3</sup>	259	(147)	(10)	(94)	504	100%
Performance share awards	Share-based	560	338	(134)	(4)	(95)	665	100%
<b>Total</b>		<b>1,484</b>	<b>780</b>	<b>(418)</b>	<b>(16)</b>	<b>(227)</b>	<b>1,603</b>	<b>–</b>

<sup>1</sup> Includes MRTCs and Executive Board members who were in office on December 31, 2020.

<sup>2</sup> Includes retention awards.

<sup>3</sup> Contingent Capital share awards are included in the category share awards. Prior periods have been reclassified to conform to the current presentation.

<sup>4</sup> Excludes Executive Board members who were in office on December 31, 2020.

### Supplementary information

#### Impact of share-based compensation on shareholders' equity

In general, the income statement expense recognition of share-based awards on a pre-tax basis has a neutral impact

on shareholders' equity because the reduction to shareholders' equity from the expense recognition is offset by the obligation to deliver shares, which is recognized as an increase to equity by a corresponding amount. Shareholders' equity includes, as additional paid-in capital, the tax benefits associated with the expensing and subsequent settlement of share-based awards.

Since 2017, the Group has been fulfilling its share delivery obligations by purchasing shares in the market. The Group maintained this practice during 2020 and will continue covering future share delivery obligations through market purchases.

### Share-based awards outstanding

At the end of 2020, there were 218.0 million share-based awards outstanding, of which 126.3 million were share awards and 91.7 million performance share awards.

→ Refer to "Note 30 – Employee deferred compensation" in VI – Consolidated financial statements – Credit Suisse Group for further information.

### Subsequent activity

In early 2021, the Group granted approximately 44.6 million new share awards and 37.8 million new performance share awards with respect to performance in 2020. Further, the Group awarded CHF 253 million of deferred variable incentive compensation in the form of CCA pursuant to the Group's compensation policy.

In the first half of 2021, the Group plans to settle 86.8 million deferred awards from prior years, including 52.2 million share awards and 34.6 million performance share awards. The Group will continue to meet this delivery obligation through market purchases.

→ Refer to "Capital management" in III – Treasury, Risk, Balance sheet and Off-balance sheet for more information.

## Group compensation framework

The key elements of our current Group employees' compensation framework and how they applied to various employee categories are described below.

### Base salaries

All employees are paid a base salary. Salary levels are based on the skills, qualifications and relevant experience of the individual, the responsibilities required by the role and external market factors.

### Role-based allowances

Role-based allowances are a component of fixed compensation awarded to certain employees identified as Prudential Regulation Authority (PRA) Material Risk Takers (MRTs) under UK regulatory requirements or material risk takers under other EU regulatory requirements. These role-based allowances are determined based on the role and organizational responsibility of the individuals. Role-based allowances are deemed to be fixed compensation for the purposes of calculating the cap of variable incentive compensation as required by the Capital Requirements Directive IV (CRD IV) and Capital Requirements Regulation. DCAP is a form of role-based allowance that is used primarily in the Americas.

### Variable incentive compensation

For 2020, variable incentive compensation was paid in cash unless the total compensation awarded to an employee for 2020 was greater than or equal to CHF 250,000 or the local currency equivalent or USD 250,000 for employees whose total compensation is denominated in US dollars. In these cases a portion was paid in cash and the balance was deferred, vesting at a later date.

Generally, employees receive the cash portion of their variable incentive compensation at a regular payroll settlement date close to the grant date. To comply with CRD IV requirements, employees who hold material risk taker roles in respect of certain Group subsidiaries in the EU receive shares for 50% of the non-deferred portion of variable incentive compensation that would have been paid to them in cash. These shares are vested at the time of grant but remain blocked, that is, subject to transfer restrictions, for a period of time, generally 12 months.

For 2020 there was one global deferral table with deferral rates that range from 17.5% to 85%. The amount of variable incentive compensation paid in cash for 2020 was capped at CHF 2 million or the local currency equivalent (or USD 2 million for employees whose total compensation is denominated in US dollars) per employee.

## Compensation components by employee category

Employee category	Total compensation				
	Fixed compensation	Variable compensation			
		Cash	Deferred compensation <sup>1</sup>		
Base salary			Share awards	Performance share awards	Contingent Capital Awards
Managing directors and directors who are MRTCs			30%	50%	20%
Other directors			80%		20%
Other MRTCs			50%	50%	
Other employees with total compensation of CHF/USD 250,000 or higher			100%		
Employees with total compensation below CHF/USD 250,000					

<sup>1</sup> Deferred compensation is applicable to employees with total compensation of CHF/USD 250,000 or higher.

## Deferred compensation: key features

Award	Delivery <sup>1</sup>	Vesting period <sup>1</sup>	Performance conditions
Share awards	<ul style="list-style-type: none"> <li>One registered share per award</li> <li>Dividend equivalents (payable upon delivery)</li> </ul>	<ul style="list-style-type: none"> <li>3 years (ratable vesting)</li> <li>5 years (ratable vesting) for risk managers<sup>2</sup></li> <li>7 years (ratable vesting over five years, starting on the third anniversary) for senior managers<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>No additional performance conditions</li> </ul>
Performance share awards	<ul style="list-style-type: none"> <li>One registered share per award</li> <li>Dividend equivalents (payable upon delivery)</li> </ul>	<ul style="list-style-type: none"> <li>3 years (ratable vesting)</li> <li>5 years (ratable vesting) for risk managers<sup>2</sup></li> <li>7 years (ratable vesting over five years, starting on the third anniversary) for senior managers<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>Performance conditions apply to full balance of outstanding awards</li> <li>Negative adjustment applies in the event of divisional loss<sup>4</sup> by the division in which the employee worked as of December 31, 2020, or a negative return on equity (RoE) of the Group, whichever results in a larger adjustment</li> <li>For employees in the corporate functions and the Corporate Center, the negative adjustment only applies in the event of a negative RoE of the Group</li> </ul>
Contingent Capital Awards	<ul style="list-style-type: none"> <li>At settlement, contingent capital instrument or cash payment based on the fair value of the CCA</li> <li>Prior to settlement, conditional right to receive semi-annual cash payments of interest equivalents</li> <li>Timing and form of distribution upon settlement is subject to approval by the Swiss Financial Market Supervisory Authority FINMA (FINMA)</li> </ul>	<ul style="list-style-type: none"> <li>3 years (cliff vesting)</li> <li>5 years (cliff vesting) for risk managers<sup>2</sup></li> <li>7 years (cliff vesting) for senior managers<sup>3</sup></li> </ul>	<p>Prior to settlement, the principal amount would be written down to zero and forfeited if:</p> <ul style="list-style-type: none"> <li>The Group's reported CET1 ratio falls below 7%; or</li> <li>FINMA determines that cancellation of the CCA and other similar contingent capital instruments is necessary, or that the Group requires public sector capital support, in either case to prevent it from becoming insolvent or otherwise failing</li> </ul>

<sup>1</sup> Individuals in certain jurisdictions may be subject to conditions other than those outlined here in order to comply with local legal or regulatory requirements.

<sup>2</sup> Risk managers are a subset of the UK PRA MRT population, defined as individuals identified as having responsibility for managing or supervising risk-taking or significant risk functions for the Group's UK entities.

<sup>3</sup> Senior managers are a subset of the UK PRA MRT population, defined as individuals who retain the greatest influence over the strategic direction of the Group's UK business, and who also perform one or more of the PRA and UK Financial Conduct Authority's designated senior management functions and "prescribed responsibilities" for the relevant UK entities.

<sup>4</sup> Refer to "Potential downward adjustments of performance share awards".

### Potential downward adjustments of performance share awards

As described in the following table, performance share awards may be subject to negative adjustments in the event of a divisional loss. The amount of potential negative adjustment is shown in the table below.

#### Downward adjustment if division incurs a loss

Division loss before taxes (in CHF billion)	Downward adjustment on award balance (in %)
1.00	15
2.00	30
3.00	45
4.00	60
5.00	75
6.00	90
6.67	100

### Competitive benchmarking

The assessment of the economic and competitive environment is an important element of the compensation process as the Group strives for market-informed, competitive compensation levels. Internal expertise and the services of compensation consulting firms are used to benchmark compensation levels against relevant peers, taking into account geographical variations. The Compensation Committee is provided with regular reports from an independent compensation adviser on industry and market trends, including competitor performance and pay trends. The core group considered for the purposes of Group peer benchmarking are Bank of America, Barclays, Citigroup, Deutsche Bank, Goldman Sachs, JPMorgan Chase, Morgan Stanley and UBS. Specific benchmarking may include other peers, depending on the business area or geographic location, as appropriate.

For consideration of European and local practices, the Compensation Committee also references a cross-industry peer group of multinational companies headquartered in Europe selected on the basis of comparability to Credit Suisse in size, scale, global scope of operations and economic influence. In addition to the companies already listed previously and those included as part of the Executive Board LTI RTSR peer group, peers considered for Executive Board compensation include: ABN AMRO Bank, AstraZeneca, Bayer, Commerzbank, Credit Agricole, Danske Bank, GlaxoSmithKline, HSBC, Lloyds Banking Group, Merck KGaA, Natixis, Novartis, Roche, Sanofi and UniCredit.

### Focus on risk and control

Risk and control considerations are an integral part of the performance assessment and compensation processes. This ensures that the Group's approach to compensation includes a focus on risk and internal control matters and discourages excessive risk taking. Senior management from the Group's corporate functions, including Risk & Compliance, General Counsel, Human Resources, Internal Audit and Product Control, provide the Compensation Committee with comprehensive feedback on regulatory, audit, disciplinary and risk-related issues or trends across the Group, relevant to the assessment of the Group's risk and control culture. Divisions are assessed against risk and conduct measures for the year, and the consolidated findings are presented to the Compensation Committee and the CEO. Based on these assessments, the Compensation Committee may approve adjustments to the divisional pool levels as proposed by the CEO.

Aside from risk considerations, disciplinary events may also impact compensation decisions. Conduct and Ethics Boards (CEBs) review all disciplinary events and decide on disciplinary sanctions proposed by the recommendation teams, which include representatives from the control functions. CEBs have been established at the Group-wide level, as well as for each business division and the corporate functions overall. The Group CEB meets on a quarterly basis to ensure that sanctions applied are in line with the Group's risk appetite, market practice and regulatory requirements.

### Malus and clawback provisions

All deferred compensation awards granted contain malus provisions that enable the Group to reduce or cancel the awards prior to settlement if the participant engages in certain detrimental conduct. Malus provisions were enforced during the course of

2020, impacting 44 employees. All variable incentive compensation granted to UK PRA MRTs and employees regulated by the Bank of Italy are subject to clawback. Other EU-regulated employees are also subject to clawback provisions as required by applicable legal or regulatory requirements.

	Application	Scope/Criteria
<b>Malus</b>	<ul style="list-style-type: none"> <li>Reduction or cancellation of outstanding deferred awards prior to settlement</li> <li>Applies to all outstanding deferred awards granted</li> </ul>	<ul style="list-style-type: none"> <li>Impermissible disclosure or misuse of Group information, or willful engagement in conduct that is materially detrimental to an interest of the Group;</li> <li>Conduct that evidences serious misbehavior or serious error;</li> <li>Conduct that causes, could cause or could have caused the Group or any division or region to suffer a significant downturn in financial performance or regulatory capital base;</li> <li>Significant failure of risk management; or</li> <li>Conduct that is reviewed by the Group's disciplinary conduct, ethics or similar committee</li> </ul>
<b>Clawback</b>	<ul style="list-style-type: none"> <li>Claim back of deferred and non-deferred variable compensation after vesting and settlement</li> <li>For UK PRA MRTs, clawback may be applied up to seven years from grant date (or such longer period as may be required)</li> <li>The Group will apply clawback provisions to the extent permitted under local laws, as required</li> </ul>	<p>For UK PRA MRTs, clawback may be applied in certain situations, including:</p> <ul style="list-style-type: none"> <li>Conduct which resulted in significant losses to the Group;</li> <li>Failure to meet appropriate standards of fitness and propriety;</li> <li>Reasonable evidence of misconduct or misbehavior or a material or serious error;</li> <li>The Group or relevant business unit suffers a material failure of risk management;</li> <li>A regulator mandates a significant increase in regulatory capital for the Group or any division or region; or</li> <li>The individual has contributed to any regulatory sanctions imposed on the Group or division or region</li> </ul> <p>Similar clawback provisions apply for employees regulated by the Bank of Italy and other EU-regulated employees who are subject to a clawback requirement.</p>

### Covered Employees (including Material Risk Takers and Controllers)

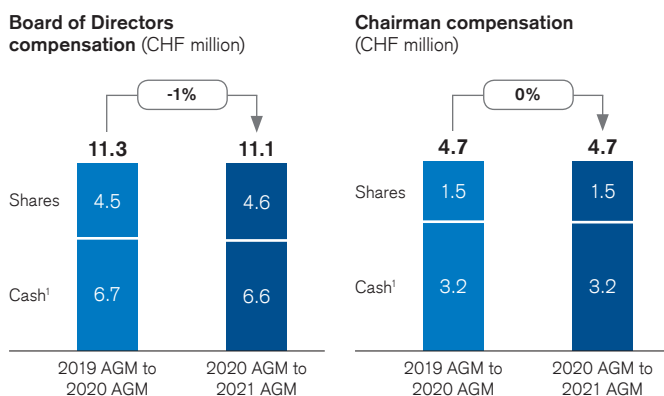
Covered employees are subject to a heightened level of scrutiny over the alignment of their compensation with performance and risk considerations.

Employee categories	Compensation process
<b>Covered Employees</b> <ul style="list-style-type: none"> <li>MRTCs</li> <li>US-based revenue producers in the Investment Bank division</li> </ul>	<b>Focus on risk assessment</b> <ul style="list-style-type: none"> <li>Covered employees and their managers are required to define role-specific risk objectives and to incorporate risk considerations in their performance evaluations and when setting variable incentive compensation</li> <li>Types of risks considered vary by role (e.g., reputational, credit, market, operational, liquidity, legal and compliance)</li> <li>Both realized and potential risk outcomes are assessed</li> </ul>
<b>MRTCs</b> <ul style="list-style-type: none"> <li>Members of the Executive Board</li> <li>Employees who report directly to a member of the Executive Board</li> <li>Employees, individually or as part of a group, with the ability to put material amounts of the Group's capital at risk</li> <li>Top 150 paid employees across the Group based on total compensation</li> <li>Any employee identified as taking or controlling material risks on behalf of the Group, as prescribed by EU/UK regulators</li> <li>Senior relationship managers in the Wealth Management-related businesses</li> <li>Other individuals whose roles have been identified as having a potential impact on the market, reputational and operational risk of the Group</li> </ul>	

# Board of Directors compensation

## Compensation outcomes for 2020

### Board of Directors and Chairman compensation



Figures above may contain rounding differences.

<sup>1</sup> Includes pension and other benefits for the period from the 2019 AGM to the 2020 AGM and from the 2020 AGM to the 2021 AGM.

For the period from the 2020 AGM to the 2021 AGM, aggregate compensation to the Board of CHF 11.1 million consisted of CHF 10.8 million related to Group Board memberships and CHF 0.3 million of fees paid to certain Board members for subsidiary board memberships. This compares with the amount of CHF 12.0 million approved prospectively by shareholders at the 2020 AGM. Total Board compensation is 1% lower than the prior period, mainly driven by a reduction in subsidiary board fees.

The Board membership and committee fee amounts for the 2020 AGM to 2021 AGM period are consistent with the prior year. There were two adjustments in the committee chair fee amounts, namely the Audit Committee chair fee was reduced to CHF 400,000 from CHF 480,000 and a chair fee for the Conduct and Financial Crime Committee of CHF 150,000 was introduced. These changes were made in order to align the fees for the chairs of the Audit and Risk Committees and to reflect that Christian Gellerstad assumed the role of chair of the Conduct and Financial Crime Control Committee as of the 2020 AGM, succeeding Urs Rohner, who previously did not receive a separate fee for chairing this committee.

→ Refer to the table "Board membership fees: 2020 AGM – 2021 AGM" in Compensation Design for further information.

For the 2021 AGM to 2022 AGM period, the Board intends to introduce a chair fee of CHF 75,000 for the Sustainability Advisory Committee. All other committee fees will remain unchanged.

### Compensation of the Chairman

The Chairman's compensation for the 2020 AGM to 2021 AGM period remained unchanged compared with the prior period, and he committed to donating 20% of his base chair fee for six months to COVID-19 pandemic relief efforts. His role is a full-time appointment, and he may also receive benefits from, and make contributions to, the Group pension fund in line with local market practice for the Group. The total compensation paid to the

Chairman reflects his full-time status and active role in shaping the Group's strategy, governing the Group's affairs, engaging and maintaining a close working relationship with the CEO and senior management, and providing supervision, counsel and support, where appropriate. The Chairman coordinates the Board's activities, works with the committee chairs to coordinate the tasks of the committees and ensures that Board members are provided with sufficient information to perform their duties. The Chairman drives the Board agenda on key topics such as the strategic development of the Group, corporate culture, succession planning and the structure and organization of the Group. He chairs the Board, the Governance and Nominations Committee and the shareholder meetings. He takes an active role in representing the Group to regulators and supervisors, key shareholders, investors and other external stakeholders. Moreover, he is a member of the boards of several Swiss and international industry associations on behalf of the Group, including the Swiss Bankers Association, the Swiss Finance Council, the Institute of International Finance and the European Banking Group.

### Compensation of the committee chairs

Committee chair fees are paid for the Audit Committee, the Compensation Committee, the Risk Committee and the Conduct and Financial Crime Control Committee. These fees are fixed in advance and are not linked to the Group's financial performance. In addition to the greater time commitment required to prepare and lead the committee work, the chair fees reflect the engagement of these four committee chairs throughout the year with regulators, shareholders, the business divisions and corporate functions and other stakeholders. Regulatory developments in the banking industry in recent years have put increasing demands on the Risk and Audit Committee Chairs, in particular, increasing the frequency of interaction with the Group's main regulators on internal control, risk, capital and other matters under the supervision of these committees. Similarly, the greater focus of shareholders and regulators on compensation has resulted in an increased number of engagements between the Compensation Committee Chair and key shareholders and shareholder proxy advisers, as well as with regulators. The Compensation Committee held 11 meetings and calls, and the Compensation Committee Chair personally attended 34 separate meetings with key shareholders and proxy advisers during 2020. The Audit Committee Chair fee takes into consideration the greater number of meetings required of the Audit Committee for the review and approval of the quarterly financial results and related filings and the Audit Committee Chair's supervisory role over the Internal Audit function. The Audit Committee held 18 meetings and calls during 2020. The Risk Committee Chair fee reflects the regular interaction required between the Risk Committee Chair and the Group chief risk officer and other senior managers in the risk management function, as well as the oversight role over the Credit Risk Review function, which reports directly to the Risk Committee Chair. The Risk Committee held 9 meetings during 2020, and in addition,

the Risk Committee Chair held numerous meetings with regulators and other stakeholders. With respect to the Conduct and Financial Crime Control Committee, the Board decided to introduce a chair fee as of the 2020 AGM, following the appointment of Christian Gellerstad as chair and to reflect the additional time commitment of chairing this committee. Urs Rohner chaired the Conduct and Financial Crime Committee during the 2019 AGM to 2020 AGM period, but did not receive a separate chair fee. The Conduct and Financial Crime Control Committee held seven meetings and calls during 2020, including one meeting of the entire committee with FINMA.

- Refer to the table "Members of the Board and Board committees" in IV – Corporate Governance – Board of Directors for further information.
- Refer to "Credit risk governance" in III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management – Risk coverage and management – Credit risk for further information on the Credit Risk Review function.

### Compensation of Board members serving on subsidiary boards

A number of Board members also serve as members on the boards of Group subsidiary companies. This practice is consistent with the Group's legal entity governance principles, which aim to foster a close alignment of the Group's governance practices and those of its significant subsidiary companies.

- Refer to the "Governance of Group subsidiaries" and "Biographies of the Board members" in IV – Corporate Governance – Board of Directors for further information.

With the exception of the Chairman, Board members may receive separate fees paid in cash for serving on subsidiary boards, in addition to their Board fees. These fees are approved by the respective subsidiary boards and are subject to ratification by

the Board. All subsidiary board fees are included in the total amount of compensation of the members of the Board proposed for approval by shareholders at the AGM. The Chairman does not receive separate fees for board memberships in other Group companies, as these memberships are considered to be included as part of the Chairman's compensation.

The Board members newly appointed to serve on subsidiary boards receive a flat subsidiary board membership fee of CHF 100,000 (or higher amounts if a Board member serves as the chair of the subsidiary board or a committee). This amount is generally less than that received by other external subsidiary board members, given that Board members are already familiar with the Group's entities and activities. Serving on a subsidiary board is nevertheless a significant additional commitment for these Board members, reflected, for example, in the number of subsidiary board meetings held throughout the year as shown in the following table.

### Number of subsidiary board meetings

	Board <sup>1</sup>	Committee <sup>2</sup>	Total
<b>Subsidiary</b>			
Credit Suisse (Schweiz) AG	13	16	<b>29</b>
Credit Suisse International (CSI) / Credit Suisse Securities (Europe) Ltd. (CSSEL)	22	13	<b>35</b>
Credit Suisse Holdings (USA), Inc. <sup>3</sup>	26	15	<b>41</b>

<sup>1</sup> Includes ad hoc meetings and calls.

<sup>2</sup> Includes meetings of the respective subsidiary board's audit and risk committees.

<sup>3</sup> Board and committee meetings held jointly with Credit Suisse (USA) Inc. and Credit Suisse Securities (USA) LLC.



## Supplementary information

### Board compensation from the 2020 AGM to the 2021 AGM (audited)

	GNC	AC	CF		Base board fee	Committee fee	Chair fee	Pension and other benefits	Total	Group		Total, including subsidiary boards <sup>3</sup>
			CCC	RC						Of which awarded in Group shares <sup>1</sup>	Subsidiary board fee <sup>2</sup>	
<b>CHF</b>												
Urs Rohner, Chairman <sup>4</sup>	C			M	3,000,000	–	1,500,000	218,665	<b>4,718,665</b>	1,500,000		<b>4,718,665</b>
Iris Bohnet			M		250,000	100,000	–		<b>350,000</b>	175,000		<b>350,000</b>
Christian Gellerstad	M		M	C	250,000	150,000	150,000		<b>550,000</b>	275,000		<b>550,000</b>
Andreas Gottschling	M	M		C	250,000	200,000	400,000		<b>850,000</b>	425,000	100,000	<b>950,000</b>
Michael Klein			M	M	250,000	200,000	–		<b>450,000</b>	225,000		<b>450,000</b>
Shan Li				M	250,000	100,000	–		<b>350,000</b>	175,000		<b>350,000</b>
Seraina Macia				M	250,000	100,000	–		<b>350,000</b>	175,000		<b>350,000</b>
Richard Meddings	M	C		M	250,000	225,000	400,000		<b>875,000</b>	437,500		<b>875,000</b>
Kai S. Nargolwala	M		C	M	250,000	125,000	300,000		<b>675,000</b>	337,500		<b>675,000</b>
Ana Paula Pessoa		M		M	250,000	225,000	–		<b>475,000</b>	237,500		<b>475,000</b>
Joaquin J. Ribeiro		M			250,000	150,000	–		<b>400,000</b>	200,000		<b>400,000</b>
Severin Schwan	M			M	250,000	150,000	–		<b>400,000</b>	200,000		<b>400,000</b>
John Tiner		M			250,000	150,000	–		<b>400,000</b>	200,000	198,000	<b>598,000</b>
<b>Total</b>					<b>6,000,000</b>	<b>1,875,000</b>	<b>2,750,000</b>	<b>218,665</b>	<b>10,843,665</b>	<b>4,562,500</b>	<b>298,000</b>	<b>11,141,665</b>

GNC = Governance and Nominations Committee; AC = Audit Committee; CC = Compensation Committee; CFCCC = Conduct and Financial Crime Control Committee; RC = Risk Committee; C = Chair; M = Member

<sup>1</sup> As of December 31, 2020, one-half of the Board member fees to be awarded in Group shares have been delivered to Board members. The applicable Group share price was CHF 8.62. The remaining shares will be delivered to Board members at or around the date of the 2021 AGM, and the share price for this second share delivery will be determined at that time. Group shares are subject to a four-year blocking period.

<sup>2</sup> Subsidiary board fees were awarded for the following subsidiary board roles: i) Mr. Gottschling serves as non-executive director, member of the risk committee and chair of the advisory remuneration committee of the UK subsidiaries Credit Suisse International and Credit Suisse Securities (Europe) Limited and receives annual fees of CHF 100,000 for these roles; ii) Mr. Tiner serves as non-executive board member of the US subsidiaries Credit Suisse Holdings (USA), Inc., Credit Suisse (USA) Inc. and Credit Suisse Securities (USA) LLC and receives annual fees of USD 225,000 for these roles; in the case of Mr. Tiner, these fees were agreed prior to the cap of CHF 100,000 being adopted for Group Board members serving on subsidiary boards.

<sup>3</sup> At the 2020 AGM, shareholders approved a maximum amount of total compensation to be awarded to Board members until the 2021 AGM of CHF 12 million. For the total compensation awarded to members of the Board, the Group will make estimated payments of CHF 0.7 million for the 2020 / 2021 Board period to cover the mandatory employer social security contributions as required under the social security laws applicable to the individual Board members based on their domicile and employment status. These contributions do not form part of the Board members' compensation.

<sup>4</sup> The Chair fee of the Chairman is set at CHF 1.5 million to be awarded as 100% Group shares. The total compensation of the Chairman includes benefits for the period from the 2020 AGM to the 2021 AGM of CHF 218,665, including pension and health insurance benefits.

## Board compensation from the 2019 AGM to the 2020 AGM (audited)

	GNC	AC	CC	CF CCC	RC	Base board fee	Committee fee	Chair fee	Pension and other benefits	Group		Total, including subsidiary boards <sup>3</sup>
										Total	Of which awarded in Group shares <sup>1</sup>	
<b>CHF</b>												
Urs Rohner, Chairman <sup>4</sup>		C		C		3,000,000		1,500,000	218,665	<b>4,718,665</b>	1,500,000	<b>4,718,665</b>
Iris Bohnet			M			250,000	100,000			<b>350,000</b>	175,000	<b>350,000</b>
Christian Gellerstad			M	M		250,000	175,000			<b>425,000</b>	212,500	<b>425,000</b>
Andreas Gottschling	M	M			C	250,000	200,000	400,000		<b>850,000</b>	425,000	100,000 <b>950,000</b>
Alexander Gut		M				250,000	150,000			<b>400,000</b>	200,000	150,000 <b>550,000</b>
Michael Klein			M		M	250,000	200,000			<b>450,000</b>	225,000	<b>450,000</b>
Shan Li					M	250,000	100,000			<b>350,000</b>	175,000	<b>350,000</b>
Seraina Macia					M	250,000	100,000			<b>350,000</b>	175,000	<b>350,000</b>
Kai S. Nargolwala	M		C	M		250,000	125,000	300,000		<b>675,000</b>	337,500	<b>675,000</b>
Ana Paula Pessoa			M	M		250,000	225,000			<b>475,000</b>	237,500	<b>475,000</b>
Joaquin J. Ribeiro		M				250,000	150,000			<b>400,000</b>	200,000	<b>400,000</b>
Severin Schwan	M				M	250,000	150,000			<b>400,000</b>	200,000	<b>400,000</b>
John Tiner	M	C		M	M	250,000	225,000	480,000		<b>955,000</b>	477,500	225,000 <b>1,180,000</b>
<b>Total</b>						<b>6,000,000</b>	<b>1,900,000</b>	<b>2,680,000</b>	<b>218,665</b>	<b>10,798,665</b>	<b>4,540,000</b>	<b>475,000</b> <b>11,273,665</b>

GNC = Governance and Nominations Committee; AC = Audit Committee; CC = Compensation Committee; RC = Risk Committee; C = Chair; M = Member

<sup>1</sup> As of December 31, 2019, one-half of the Board member fees to be awarded in Group shares have been delivered to Board members. The applicable Group share price was CHF 12.19. The remaining shares were delivered to Board members at or around the date of the 2020 AGM and the share price for this second share delivery was determined at that time. Group shares are subject to a four-year blocking period.

<sup>2</sup> Subsidiary board fees were awarded for the following subsidiary board roles: i) Mr. Gottschling served as non-executive director, member of the risk committee and chair of the advisory remuneration committee of the UK subsidiaries Credit Suisse International and Credit Suisse Securities (Europe) Limited and received annual fees of CHF 100,000 for these roles; ii) Mr. Gut served as non-executive director and audit committee chair of the Swiss subsidiary Credit Suisse (Schweiz) AG and received annual fees of CHF 100,000 and CHF 50,000 for these roles, respectively; iii) Mr. Tiner served as non-executive board member of the US subsidiaries Credit Suisse Holdings (USA), Inc., Credit Suisse (USA) Inc. and Credit Suisse Securities (USA) LLC; and in the case of Mr. Tiner, these fees were agreed prior to the cap of CHF 100,000 being adopted for Group Board members serving on subsidiary boards.

<sup>3</sup> At the 2019 AGM, shareholders approved a maximum amount of total compensation to be awarded to Board members until the 2020 AGM of CHF 12 million. For the total compensation awarded to members of the Board, the Group made payments of CHF 0.5 million for the 2019 / 2020 Board period to cover the mandatory employer social security contributions as required under the social security laws applicable to the individual Board members based on their domicile and employment status. These contributions do not form part of the Board members' compensation.

<sup>4</sup> The Chair fee of the Chairman is set at CHF 1.5 million to be awarded as 100% Group shares. The total compensation of the Chairman includes benefits for the period from the 2019 AGM to the 2020 AGM of CHF 218,665, including pension and health insurance benefits.

## Board shareholdings

The following table discloses the shareholdings of the Board members, their immediate family and companies in which they have a controlling interest. As of December 31, 2020 and 2019, there were no Board members with outstanding options.

### Board shareholdings by individual

end of	2020	2019
<b>December 31 (shares) <sup>1</sup></b>		
Urs Rohner	425,783	298,416
Iris Bohnet	96,328	74,916
Christian Gellerstad	103,991	51,716
Andreas Gottschling	104,659	51,391
Michael Klein	49,897	22,369
Shan Li	28,590	7,178
Seraina Macia	84,844	63,432
Richard Meddings <sup>2</sup>	13,774	–
Kai S. Nargolwala	366,334	324,088
Ana Paula Pessoa	53,816	24,758
Joaquin J. Ribeiro	77,724	53,253
Severin Schwan	169,976	145,505
John Tiner	335,960	278,188
<b>Total</b>	<b>1,911,676</b>	<b>1,395,210</b> <sup>3</sup>

<sup>1</sup> Includes Group shares that are subject to a blocking period of up to four years; includes shareholdings of immediate family members.

<sup>2</sup> Richard Meddings was newly elected at the 2020 AGM.

<sup>3</sup> Excludes 51,455 shares held by Alexander Gut, who did not stand for re-election to the Board as of April 30, 2020.

## Board loans

The majority of loans outstanding to members of the Board are mortgages or loans against securities. Such loans are made to Board members on the same terms available to third-party clients. Pursuant to the AoA, each member of the Board may be granted individual credit facilities or loans up to a maximum of CHF 20 million at market conditions. As of December 31, 2020, 2019 and 2018, outstanding loans to Board members amounted to CHF 9 million, CHF 9 million and CHF 6 million, respectively.

Board members with loans, including the Chairman, do not benefit from employee conditions, but are subject to conditions applied to clients with a comparable credit standing. Unless otherwise noted, all loans to Board members are made in the ordinary course of business and substantially on the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons. Such loans do not involve more than the normal risk of collectability or present other unfavorable features. In addition to the loans listed below, the Group or any of its banking subsidiaries may enter into financing and other banking agreements with companies in which current Board members have a significant influence as defined by the US Securities and Exchange Commission (SEC). Examples include holding executive and/or board level roles in these companies. Unless otherwise noted, loans extended by the Group to such companies are also made in the ordinary course of business and at prevailing market conditions. As of December 31, 2020, 2019 and 2018, there was no loan exposure to such related party companies that was not made in the ordinary course of business and at prevailing market conditions.

→ Refer to "Banking relationships with Board and Executive Board members and related party transactions" in IV – Corporate Governance – Additional information for further information.

### Board loans by individual (audited)

end of	2020	2019
<b>December 31 (CHF)</b>		
Urs Rohner	4,490,000	4,575,000
Christian Gellerstad	3,495,150	3,533,550
Seraina Macia	944,000	952,000
<b>Total</b>	<b>8,929,150</b>	<b>9,060,550</b> <sup>1</sup>

Includes loans to immediate family members and companies, in which the respective Board member has an ownership stake of 50% or higher.

<sup>1</sup> Excludes a loan of CHF 30,000 held by Alexander Gut, who did not stand for re-election to the Board as of April 30, 2020.

## Former members of the Board

One former member of the Board is eligible to receive office infrastructure and secretarial support. These services are based on existing resources and are not used on a regular basis. No additional fees, severance payments or other forms of compensation were paid to former members of the Board or related parties during 2020 and 2019.

# Compensation design

## Compensation strategy and objectives

Consistent with prior years, our key compensation objectives are to maintain compensation practices that:

- foster a **performance culture** based on merit that differentiates and rewards excellent performance;
- **attract and retain employees**, and motivate them to achieve results with integrity and fairness;
- **balance the mix of fixed and variable** compensation to appropriately reflect the value and responsibility of the role performed, and to influence appropriate behaviors and actions;
- promote **effective risk management** practices that are aligned with the Group's compliance and control cultures;
- create a culture that adheres **to high standards of conduct and behavior aligned to values**, through a system of applying both malus and rewards;
- encourage **teamwork and collaboration** across the Group;
- achieve a **balanced distribution of profitability between shareholders and employees** over the long term, subject to Group performance and market conditions; and
- take into account the long-term performance of the Group, in order to **create sustainable value for shareholders**.

## What we do

- **Pay for performance alignment** with a significant portion of Executive Board and employee compensation "at risk" and determined by the achievement of performance targets linked to Group financial results and shareholder value creation
- **Majority of variable pay in deferred share-based awards** with vesting periods of at least three years
- **Risk, compliance and conduct and ethics** considerations are factored into the compensation decision-making process
- **Minimum shareholding requirements**, with Executive Board members restricted from selling shares, or from receiving share-based awards in the form of cash, until they fulfill the requirements
- **Strong malus provisions** that enable the cancellation or reduction of unsettled awards in the event of certain detrimental conduct
- **Competitive benchmarking** against our peer groups to make informed decisions on pay levels and pay practices
- **Mitigation of equity dilution** of existing shareholders by fulfilling the Group's share delivery obligations through purchasing shares in the market
- **Shareholder engagement** throughout the year to gather feedback on compensation programs and practices and reflect it in our decision-making

## What we don't do

- **No "golden parachute" agreements** or any other pre-determined termination agreements including special severance awards for employees
- **No special severance** provisions to Executive Board members beyond the regular compensation awarded during the notice period
- **No hedging** of outstanding unvested share-based awards and **no pledging** of unvested, or vested and undistributed share-based awards
- **No multi-year guaranteed incentive awards**

## Environmental, social and governance (ESG) considerations at Credit Suisse

### Sustainability in compensation

Financial institutions have a crucial role to play in society, and Credit Suisse is committed to conducting its business in the most sustainable manner possible. As a reflection of this commitment, we have established a Sustainability Advisory Committee at the Board level and a new Sustainability, Research & Investment Solutions (SRI) function at the Executive Board level. We strengthened our commitments to Diversity & Inclusion and launched our first-ever purpose statement to infuse our values into our daily working lives.

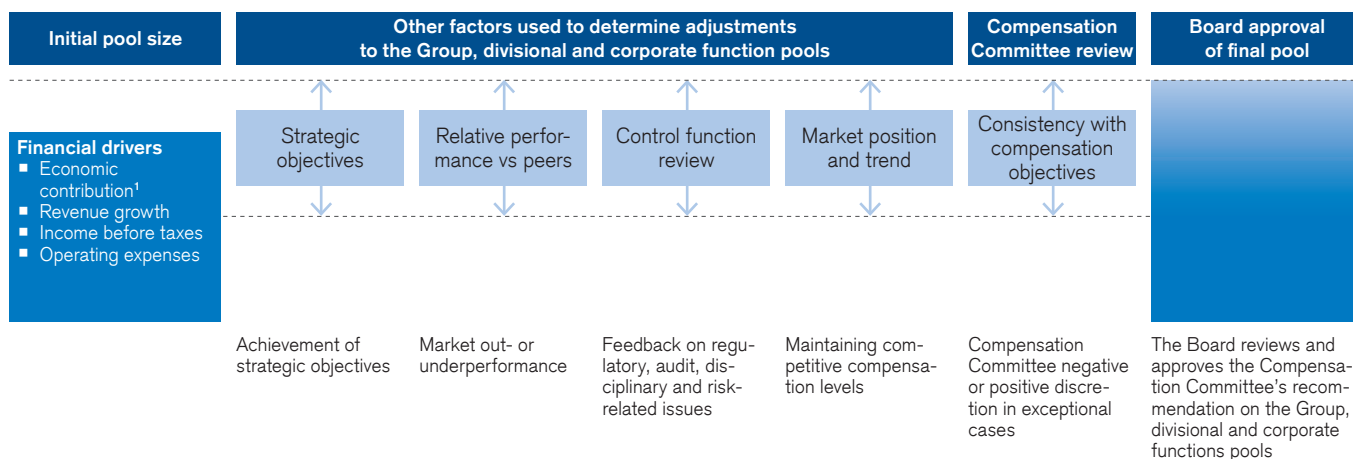
As part of this commitment, ESG aspects are considered in various stages of the compensation process:

- **Group variable incentive pool:** the Compensation Committee considers audit, disciplinary, risk and regulatory-related issues, among other factors, in order to determine appropriate adjustments to the Group, divisional and corporate functions pools. In addition, one of the key drivers of bonus pool development at the divisional level is economic contribution, which factors in the level of risk taken to achieve profitability;
- **Executive Board annual STI awards:** the non-financial component of Executive Board annual STI awards includes the consideration of ESG factors, particularly the integration of ESG into investment processes, client satisfaction, corporate responsibility, talent management, diversity and inclusion, compliance, risk management, and conduct and ethics; and
- **Equal pay policy:** Credit Suisse does not tolerate any form of discrimination, in particular discrimination based on ethnicity, nationality, gender, sexual orientation, gender identity, religion, age, marital or family status, pregnancy, disability, or any other status that is protected by local law. We recognize and value diversity and inclusion as a driver of success. Our policies and practices support a culture of fairness, where employment-related decisions, including decisions on compensation, are based on an individual's qualifications, performance and behavior, or other legitimate business considerations, such as the profitability of the Group or the division and department of the individual, and the strategic needs of the Group. Consistent with our long-term commitment to fair pay, the Compensation Committee reviews our pay practices on a regular basis to identify potential areas requiring more attention.

Our achievements in 2020	
<b>Governance and leadership</b>	<ul style="list-style-type: none"> <li>▪ Creation of our Sustainability, Research &amp; Investment Solutions function (SRI) at Executive Board level</li> <li>▪ Establishment of a new group entitled Sustainability Strategy, Advisory &amp; Finance (SSAF), to support the creation of a cohesive and dedicated bank-wide sustainability offering within SRI</li> <li>▪ Creation of a firm-wide Sustainability Leadership Committee responsible for driving the development and implementation of the sustainability strategy, and for assessing progress against the Bank's strategic sustainability objectives and commitments including the Principles for Responsible Banking (PRB)</li> <li>▪ Launched Credit Suisse purpose statement and refreshed values, all embedded in an updated Code of Conduct</li> <li>▪ Trained over 2,300 participants on our sustainability solution in 2020, including on our Credit Suisse Sustainable Investment Framework</li> <li>▪ Successfully completed globally certified Environmental Management System audit carried out by SGS (according to ISO14001)</li> </ul>
<b>Environment and sustainable business practice</b>	<ul style="list-style-type: none"> <li>▪ Played a critical role in the bridging loan solution for Swiss companies, providing approximately CHF 3 billion in loans to over 16,700 Swiss SMEs in 2020</li> <li>▪ Enabling Client Transitions – announced goal to provide at least CHF 300 billion of sustainable financing to support transition strategies over the next 10 years</li> <li>▪ Intensified ESG integration for all CS Asset Management real estate funds capturing over CHF 30 billion AuM and 14 funds</li> <li>▪ Joined global RE100 initiative, with a public commitment to source 100% renewable electricity across our entire global operations by 2025</li> <li>▪ Commitment to develop science-based targets in 2021 and 2022, including goal of net zero emissions from our operations, supply chain and financing activities no later than 2050, and alignment of our financing with the Paris Agreement objective of limiting global warming to 1.5°C</li> <li>▪ Reduced our greenhouse gas emissions by 88% from our 2010 baseline year</li> <li>▪ Improved CDP climate change score from B to A-</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>▪ Strong commitment to Diversity &amp; Inclusion, with a refreshed D&amp;I strategy, and new US and UK targets for Black Talent representation in the company</li> <li>▪ Published research on gender and LGBT+ topics, including the CS Gender 3000 report (linking gender diversity with company performance) and the LGBT 350 report (a study of 350 companies and their approach to LGBT+ equality in the workforce, and relationship with earnings and share price outperformance)</li> <li>▪ Strengthened targeted recruitment campaigns that focus on diverse groups, e.g., Credit Suisse's Real Returns program and Diversity Internship program</li> <li>▪ Credit Suisse was recognized with over 50 awards, across recruitment, virtual recruitment, employer attractiveness, employer branding and diversity and inclusion categories, from institutions such as Forbes, Universum and eFinancial Careers</li> <li>▪ Active engagement in the G20 and International Monetary Fund initiative on debt forgiveness and relief</li> <li>▪ Proactive support to all tenants that were impacted by the decision of the Federal Government to close all non-essential businesses in Switzerland, by waiving the rent of their businesses for one month without any conditions</li> </ul>
<b>Ratings and indices</b>	<ul style="list-style-type: none"> <li>▪ Ongoing inclusion in leading sustainability indices, such as Dow Jones Sustainability Index (DJSI)</li> <li>▪ Upgraded to an A rating in the MSCI ESG Rating</li> </ul>

## Determination of Group variable incentive compensation pool

The Group variable incentive compensation pool for all employees, including the CEO and the other Executive Board members, is determined on an annual basis, with accruals made throughout the year. In determining the Group, divisional and corporate function pools, the Compensation Committee aims to balance the distribution of the Group's profits between shareholders and employees. The factors taken into consideration at the Group level, as well as at the divisional and functional levels, are shown in the illustration below. The primary driver of the initial pool amounts is economic contribution, with non-financial factors taken into consideration to arrive at the final level.

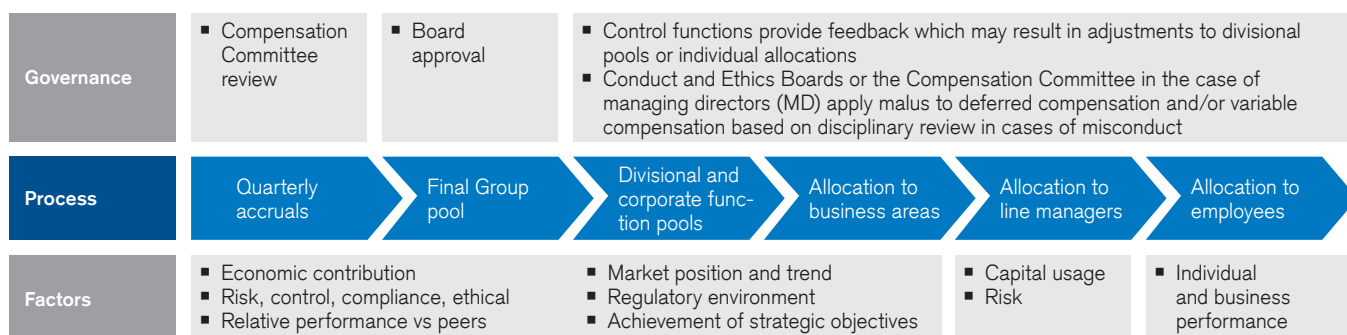


<sup>1</sup> Economic contribution is measured as income before taxes excluding variable incentive compensation expense, after deducting a capital usage charge that is calculated based on regulatory capital. Regulatory capital for compensation purposes is defined for each division as the average of 10% of divisional Basel III risk-weighted assets and 3.5% of divisional leverage exposure. This measure of economic contribution considers the profitability of the divisions and the Group and the capital utilized to achieve this profitability.

The Compensation Committee regularly reviews the accruals and related financial information and applies adjustments in exceptional circumstances to ensure that the overall size of the pools is consistent with the Group's compensation objectives.

The total amount of the variable incentive compensation pool for the corporate functions is not linked to the performance of the particular divisions that employees of the corporate functions support or oversee, but takes into account the Group-wide financial performance, non-financial factors and changes in headcount. Therefore, employees working in the corporate functions, including those performing control functions, are remunerated independently from the performance of the businesses they oversee or support. As with the business divisions, risk, control, compliance and conduct and ethics considerations and relative performance compared to peers, as well as the market and regulatory environment, are taken into account.

## Determination of variable incentive compensation pools



## Executive Board compensation framework for 2020: key elements

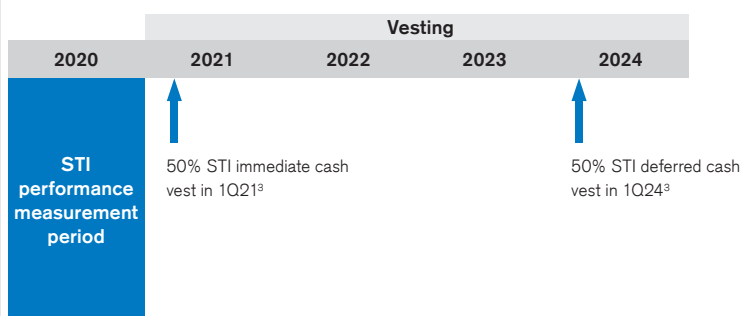
There are two main components of Executive Board compensation: fixed compensation in the form of base salary, role-based allowances and pension and benefits (~30% of total compensation); and variable compensation in the form of an annual STI award and an LTI opportunity (~70% of total compensation). The base salary and STI/LTI opportunity levels are set at different levels for each Executive Board member, depending on factors such as scope of role, experience and market benchmarking. The key features of the STI and LTI are described in the following diagrams, including the performance targets for the 2020 STI awards which are disclosed retrospectively, and those for the LTI which were disclosed prospectively in the 2019 Compensation Report. In setting the threshold, target and maximum performance levels, the Compensation Committee takes into account the Group's internal financial plan, prior-year performance, analyst expectations and any publicly stated ambitions, in order to set performance targets which are challenging and motivating for the Executive Board.

### 2020 STI awards: key features

- Rewards **achievement of annual objectives** of the Group
- Each Executive Board member has a **maximum opportunity** that takes into account role, market experience and geography:
  - Executive Board members: ranges from 0.33 to 2.50 times base salary
  - CEO: 1.50 times base salary
- The maximum STI award pool equals the sum of all individual maximum opportunities of the Executive Board members. **The award pool amount is determined based on achievement of pre-determined Group financial and non-financial metrics**
- The STI award amount for each Executive Board member is assessed by the CEO based on **individualized non-financial scorecards**. Based on this assessment, the Compensation Committee makes proposals to the Board for the approval of final STI award amounts
- Payout levels for Group financial criteria** (calculated as a linear percentage of the opportunity between levels):
 

Below threshold	Threshold	Target	Maximum
0%	25%	67%	100%

Performance criteria	Weighting	Performance targets		
		Threshold	Target	Maximum
Adjusted income before taxes <sup>1</sup> (CHF billion)	33 1/3%	4.2	5.5	6.6
RoTE <sup>2</sup> (%)	33 1/3%	6.5%	9.5%	11.5%
Non-financial criteria (average)	33 1/3%	See separate description		



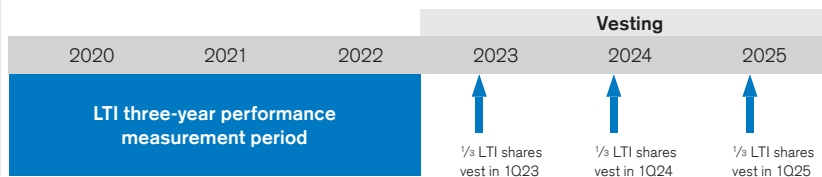
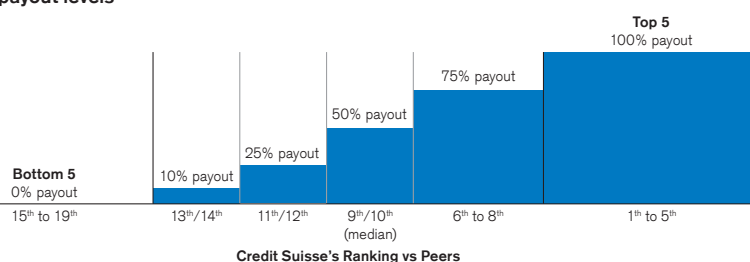
### 2020 LTI opportunities (2020-2022 performance cycle): key features

- Rewards **achievement of long-term business plan and long-term returns for shareholders**
- Each Executive Board member has a **maximum opportunity** that takes into account role, market experience and geography:
  - Executive Board members: ranges from 0.67 to 4.25 times base salary
  - CEO: 2.50 times base salary
- Payout levels for Group financial criteria** are determined by average performance over three years (calculated as a linear percentage of the opportunity between levels):
 

Below threshold	Threshold	Target	Maximum
0%	25%	67%	100%
- For the RTSR component, **zero payout for bottom five places** and limited payout below median in line with Swiss market practice
- RTSR peer group of 18 publicly-listed companies, chosen by the Compensation Committee based on size, geographic scope, business mix and positive share price correlation in terms of reaction to external market conditions. The peer group is unchanged since 2016 when the RTSR criteria was introduced, and consists of Banco Santander, Bank of America, Barclays, BBVA, BNP Paribas, Citigroup, Deutsche Bank, Goldman Sachs, ING Group, Intesa Sanpaolo, JPMorgan Chase, Julius Bär, Morgan Stanley, Norddea Bank, NatWest Group, Société Générale, Standard Chartered and UBS

Performance criteria	Weighting	Performance targets		
		Threshold	Target	Maximum
Three-year average RoTE <sup>2</sup>	33 1/3%	7.0%	10.5%	13.0%
Three-year average adjusted TBVPS (CHF) <sup>4</sup>	33 1/3%	18.10	19.60	20.90
Relative Total Shareholder Return (RTSR)	33 1/3%	See "RTSR payout levels"		

#### RTSR payout levels



Note: Individuals in certain jurisdictions may be subject to conditions other than those outlined above in order to comply with local legal or regulatory requirements.

<sup>1</sup> Adjusted results are non-GAAP financial measures, which exclude certain items included in our reported results.

<sup>2</sup> RoTE, a non-GAAP financial measure, is calculated as net income attributable to shareholders divided by average tangible shareholders' equity. Tangible shareholders' equity, a non-GAAP financial measure, is calculated by deducting goodwill and other intangible assets from total shareholders' equity as presented in our balance sheet.

<sup>3</sup> For UK PRA MRTs (Material Risk Takers), to comply with regulatory requirements, delivery comprises 20% immediate cash payment, 20% immediate Credit Suisse Group AG registered shares, subject to a blocking period of 12 months, and 30% deferred cash and 30% deferred shares, vesting in five equal tranches on the third to seventh anniversaries of the grant date.

<sup>4</sup> Tangible book value, a non-GAAP financial measure, is equal to tangible shareholders' equity. TBVPS, a non-GAAP financial measure, is calculated by dividing tangible shareholders' equity by total number of shares outstanding. Adjusted TBVPS, a non-GAAP financial measure, is calculated by dividing tangible shareholders' equity, excluding the impact of dividends paid, own credit movements and foreign exchange movements, by the total number of outstanding shares. The impact of foreign exchange movements references exchange rates at the time the targets were set.

→ Refer to "Executive Board compensation" for further information.

## Group employees compensation framework for 2020: key elements

The compensation structure for employees not on the Executive Board consists of fixed compensation in the form of base salary, role-based allowances and pension and benefits, and variable compensation in the form of cash, share awards, performance share awards and contingent capital awards, as shown in the diagram below.

Features		Vesting (year)					Design
		2020	2021	2022	2023	2024	
Fixed	Base Salary						<ul style="list-style-type: none"> <li>Based on skills, qualifications, relevant experience, responsibilities and external market factors</li> <li>Role-based allowances apply to certain MRTCs</li> </ul>
	Pension and Benefits						<ul style="list-style-type: none"> <li>Pension and benefits consistent with local market practice</li> </ul>
Variable	Cash Award						<ul style="list-style-type: none"> <li>Employees with total compensation below CHF/USD 250,000 receive their full amount of variable compensation in the form of an immediate cash award</li> </ul>
	Share Awards			1/3	1/3	1/3	For total compensation of CHF/USD 250,000 or higher: <ul style="list-style-type: none"> <li>Deferred share awards with no additional performance conditions</li> <li>Managing Directors (MD) and MRTCs receive deferred share awards with performance conditions as part of their deferred compensation</li> <li>MD and Directors receive loss-absorbing contingent capital awards</li> </ul>
	Performance Share Awards			1/3	1/3	1/3	
	CCA						

Note: Individuals in certain jurisdictions may be subject to conditions other than those outlined above in order to comply with local legal or regulatory requirements.

→ Refer to "Group compensation" for further information.

## Board of Directors compensation framework for 2020: key elements

The Board compensation framework for 2020 continues to be based on a fixed fee structure for the period from one AGM to the next with pre-defined fees for Board membership, committee membership and chairing a committee. In line with industry practice, Board fees are not linked to the financial performance of the Group. Fees for specific Board leadership roles are reviewed periodically and adjusted as required. Base Board fees have not changed for over 10 years.

### Board membership fees: 2020 AGM – 2021 AGM (in CHF)

Role	Board	Governance and Nominations Committee (GNC)	Audit Committee (AC)	Compensation Committee (CC)	Conduct and Financial Crime Control Committee (CFCC)	Risk Committee (RC)	Form of payment	Timing of payment
Base fee/Committee fee (excluding the Chairman)	250,000	50,000	150,000	100,000	75,000	100,000	50% cash; 50% Group shares blocked and non-transferable for four years	Two equal installments in arrears
Committee Chair fee <sup>1</sup>		– <sup>2</sup>	400,000	300,000	150,000	400,000	Group shares blocked and non-transferable for four years	One installment at end of current board period
Chairman's base fee	3,000,000						Cash	12 monthly payments
Chairman's Chair fee	1,500,000						Group shares blocked and nontransferable for four years	One installment at end of current board period

Note: The Vice-Chair and Lead Independent Director does not receive additional compensation for these roles.

<sup>1</sup> Committee chairs do not receive committee fees in addition to their chair fees.

<sup>2</sup> The Chairman does not receive any additional fees for chairing the GNC.

→ Refer to "Board of Directors compensation" for further information.



# Compensation governance

## The Compensation Committee

The Compensation Committee is the supervisory and governing body for compensation policies, practices and plans. In designing and setting compensation, the Compensation Committee aims to make decisions in the best interests of the Group and to align the interests of the Group's employees to those of shareholders. The Compensation Committee reviews proposals regarding Group, Executive Board and Board compensation, and makes recommendations to the Board for approval. Total Executive Board compensation and Board compensation are also subject to shareholder approval pursuant to the Compensation Ordinance and the AoA.

The Compensation Committee consists of at least three members of the Board, all of whom must be independent. The members during the 2020 AGM to 2021 AGM term were Kai S. Nargolwala (Chair), Iris Bohnet, Christian Gellerstad and Michael Klein. The Board has applied the independence criteria of the SIX Swiss Exchange Directive on Information relating to Corporate Governance, the FINMA, the Swiss Code of Best Practice for

Corporate Governance, and the listing standards of the New York Stock Exchange (NYSE) and the Nasdaq Stock Market (Nasdaq), in determining that all of these individuals are independent.

→ Refer to "Independence" in IV – Corporate Governance – Board of Directors for more information on how the Group determines the independence of its Board members.

## Compensation Committee activities

The Chairman and the CEO may attend the Compensation Committee meetings, and the Compensation Committee Chair determines the attendance of other Board members, Executive Board members, senior management, compensation advisers and external legal counsel, as appropriate. The Chairman, CEO, Executive Board members and senior management do not participate in discussions which relate to their own compensation outcomes.

In addition to the 34 investor and proxy adviser meetings held by the Compensation Committee Chair, during 2020, the Compensation Committee held 11 internal meetings and calls, with an overall attendance rate of 100%. The Compensation Committee's focus areas in 2020 are summarized in the following table:

### Compensation Committee activities in 2020

	Jan	Feb	Mar	Apr	Jun	Jul	Aug	Oct	Dec
<b>Compensation governance, design and disclosure</b>									
Review of compensation policy and charter updates					■		■		■
Review of Compensation Report			■	■				■	
Review and refinement of Executive Board compensation design	■		■		■		■	■	■
Review of Group compensation structure and award plans		■	■	■	■		■	■	■
Compensation Committee self-assessment and focus areas		■							
<b>Risk and regulatory</b>									
Review of input from control functions	■	■					■	■	
Review of any disciplinary events/potential application of malus	■	■		■	■			■	■
Review of regulatory developments				■	■		■		
<b>Annual compensation review</b>									
Accruals and full year forecast of variable incentive compensation pools	■	■		■		■		■	■
Performance assessment and overall Group pool recommendation	■	■							■
CEO and Executive Board performance objectives and target setting		■	■			■		■	
CEO and Executive Board performance assessment and awards	■	■	■	■	■		■		■
Review of Board fees				■					■
<b>External</b>									
Review of shareholder engagement and feedback				■	■			■	■
Review of market trends				■	■		■	■	■
Review of benchmarking data				■				■	■

## Advisers to the Compensation Committee

The Compensation Committee is authorized to retain external advisers to provide support as it carries out its responsibilities. Deloitte LLP (Deloitte) has been retained to assist the Compensation Committee in ensuring that the Group's compensation programs remain competitive, responsive to regulatory developments and in line with the compensation policy. Deloitte has appointed a senior consultant to advise the Compensation Committee. Apart from assisting the Compensation Committee, this senior consultant does not provide any other services to the Group. The Compensation Committee also obtained external legal advice during 2020 on various matters relating to compensation policy and design. Prior to appointment, the Compensation Committee conducted an independence assessment of its advisers pursuant to the rules of the SEC and the listing standards of the NYSE and the Nasdaq.

## Other aspects of compensation governance

### Compensation policy

The compensation policy applies to all employees and compensation plans of the Group. It contains a detailed description of the Group's compensation principles and objectives as well as the compensation programs. It also sets out the standards and processes relating to the development, management, implementation and governance of compensation. The compensation policy is available at [credit-suisse.com/compensationpolicy](https://www.credit-suisse.com/compensationpolicy).

## Approval authority

The approval authorities for setting the compensation policy and compensation for different groups of employees are defined in the Group's Organizational Guidelines and Regulations and the Compensation Committee charter available at [credit-suisse.com/governance](https://www.credit-suisse.com/governance).

Action	Compensation Committee	Board
Establish or change the Group's compensation policy	R	A
Establish or change compensation plans	R	A
Set variable incentive compensation pools for the Group and the divisions	R	A
Determine Executive Board compensation, including for the CEO	R	A <sup>1</sup>
Determine Board compensation, including for the Chairman	R	A <sup>1</sup>
Determine compensation for the Head of Internal Audit	A <sup>2</sup>	n/a
Determine compensation for MRTCs and other selected members of management	A	n/a

R = recommendation; A = approval

<sup>1</sup> Subject to shareholder approval requirement pursuant to the Compensation Ordinance and the AoA.

<sup>2</sup> In consultation with the Audit Committee Chair.

## Risk and control considerations

During its annual review of the Group's performance, the Compensation Committee considers input from the Risk Committee Chair with respect to risk considerations, and the Audit Committee Chair with respect to internal control considerations as well as the CFCCC Chair with respect to matters concerning financial crime compliance. The Compensation Committee also considers input from various corporate functions including Risk & Compliance, General Counsel, Human Resources, Internal Audit and Product Control, regarding control and compliance issues and any breaches of relevant rules and regulations or the Group's Code of Conduct.

To meet regulatory guidelines regarding employees engaged in risk-taking activities, the Compensation Committee reviews and approves the compensation for employees identified as MRTCs. The Risk Committee is involved in the review process for the compensation of MRTCs.

→ Refer to "Focus on risk and control" in Group compensation for further information.



# Report of the statutory auditor

To the General Meeting of Shareholders of Credit Suisse Group AG, Zurich

We have audited the accompanying compensation report of Credit Suisse Group AG for the year ended December 31, 2020. The audit was limited to the information disclosed according to articles 14-16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (the "Ordinance") contained in the sections marked as "(audited)" on pages 242 to 259 of the compensation report.

## Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

## Auditor's responsibility

Our responsibility is to express an opinion on the accompanying compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of compensation, as well as assessing the overall presentation of the compensation report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Opinion

In our opinion, the compensation report of Credit Suisse Group AG for the year ended December 31, 2020 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Matthew Falconer  
Audit expert  
Auditor in charge

Beresford Caloia  
Audit expert

Zurich, Switzerland  
March 18, 2021

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