Credit Suisse Group Funding (Guernsey) Limited

Annual Report and Audited Financial Statements for the Year ended 31 December 2021

CREDIT SUISSE GROUP FUNDING (GUERNSEY) LIMITED

Credit Suisse Group Funding (Guernsey) Limited (the "Company") is a wholly owned subsidiary of Credit Suisse Group AG, Zurich. The Company provides funding to the Credit Suisse Group, mainly through the issue of senior unsecured notes. Credit Suisse Group AG, Zurich (the "Guarantor") provides a guarantee for these issuances. These senior unsecured notes qualify for any Swiss resolution power with respect to the Guarantor that results in the write-down and cancellation and/or conversion into equity of the Guarantor, including by means of an amendment or modification to the conditions of the notes or any such ordering of restructuring protective measures. This is in line with the total loss-absorbing capacity ("TLAC") standard issued by the Financial Stability Board, which would facilitate the bail-in resolution strategy of the Guarantor under Swiss regulations.

Board of Directors:

Roger Rimann (resigned on 31 March 2022)

Volker Bätz

Paul Annegarn (resigned on 3 February 2022)

James Parker (appointed on 26 July 2021)

Gary Luxton

Independent auditor:

PricewaterhouseCoopers CI LLP
PO Box 321
Royal Bank Place
1 Glategny Esplanade
St. Peter Port
Guernsey
GY1 4ND

Registered office:

Helvetia Court
Les Echelons
South Esplanade
St. Peter Port
Guernsey
GY1 3WF

Company Registration Number: 58814

DIRECTORS' REPORT

The Directors submit their annual report and the audited financial statements of Credit Suisse Group Funding (Guernsey) Limited (the "Company") for the year ended 31 December 2021.

Profile

The Company was incorporated on 04 August 2014 and is domiciled in Guernsey.

The principal activities of the Company are borrowing of funds by issuing senior unsecured notes guaranteed by Credit Suisse Group AG. The notes currently in issue are listed either on the Luxembourg Stock Exchange or the SIX Swiss Exchange. The funds raised are lent to other entities in the Credit Suisse Group.

International Financial Reporting Standards

The Company has prepared these financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and applicable law.

The audited financial statements were authorised for issue by the Directors of the Company on 01 April 2022.

Results

The Company's net profit for the year was US$ 239k (2020: profit US$ 1,206k).

Dividends

The Directors do not recommend any dividend payment for the year (2020: US$ Nil).

Going concern

The financial statements have been prepared on a going concern basis. In considering going concern, the Directors have reviewed the capital, liquidity and financial position of the Company including future capital, liquidity and financial plans. With the recent market developments caused by COVID-19, the Directors reassessed these components and have concluded the going concern basis is still appropriate. The reassessment was completed with reference to the terms and conditions of the notes issued by the Company externally and back to back arrangements on the notes received internally from a CS Group company. It also considered that the debt is guaranteed by Credit Suisse Group AG. This provides confirmation that the Credit Suisse Group AG will provide sufficient funding to the Company to ensure that it maintains a sound financial situation and is in a position to meet its debt obligations for the foreseeable future.

The Directors have also considered that all notes issued by the Company will mature / settle by the end of calendar year 2022. It is not expected that the Company will issue new notes and as such, the principal activities of the Company will cease at the settlement of the final note. The future of the company has not yet been determined, the Directors (in conjunction with the Credit Suisse Group) have not made any decisions with regards to the potential liquidation of the company.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore, have prepared the financial statements on a going concern basis.

As of 31 December 2021, the Company reported a total equity of US$ 7,022k (2020: US$ 6,783k).

The Company will continue to provide financing to Credit Suisse Group companies until the maturity of the existing notes. The Company expects a stable fee income from its activities. The obligations of the notes issued by the Company are guaranteed by Credit Suisse Group AG.

During the year, the Company made no share issues (2020: US$ Nil), also refer Note 15.

Risk management

Credit Suisse Group AG, of which the Company is a part, manages its risks under global policies. Further information regarding the policies applied by the Company are set out in Note 19.

Directors

Disclosure of information to the auditor:

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors of the Company are stated on page 1.

None of the Directors who held office at the end of the financial year were beneficially interested, at any time during the year, in the shares of the Company. The Company does not offer share options to Directors.

Auditor

The auditor is PricewaterhouseCoopers CI LLP ('PwC'), who is eligible for re-appointment.

Subsequent events

There are no material subsequent events that require disclosure in, or adjustment to, the financial statements as at the date of this report.

By Order of the Board

James Parker

James Parker
Member of the Board of Directors
01 April 2022

G L Luxton

Gary Luxton
Member of the Board of Directors

Helvetia Court
Les Echelons
South Esplanade
St. Peter Port
Guernsey
GY1 3WF

Statement of Directors' Responsibilities

Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Guernsey law and regulations.

The Companies (Guernsey) Law, 2008 ("Company Law") requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Company Law.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time of the financial position of the Company and to enable them to ensure that the financial statements comply with The Company Law. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the website(s) where these Annual Report and Audited Financial Statements are presented, is the responsibility of the Directors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website(s). Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Credit Suisse Group Funding (Guernsey) Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Credit Suisse Group Funding (Guernsey) Limited (the "company") as 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

What we have audited

The company's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and with SEC Independence Rules. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview

Audit scope

- We audited the financial statements of the company only.
- The scope of our audit included – the activities of the company itself, the primary objective of which is to issue senior unsecured notes (as an issuing vehicle) on the Luxembourg Stock Exchange or the SIX Swiss Exchange with the aim of raising capital on behalf of Credit Suisse Group AG ("CSG"), the parent company.
- The company is based in Guernsey however significant elements of the operational activities and financial records are outsourced by the directors' to the parent's franchise office in Pune, India.

Key audit matters

- Valuation of financial instruments designated at fair value through profit or loss
- Guarantee issued by Credit Suisse Group AG

Materiality

- Overall materiality: USD 56 million (2020: USD 86 million) based on 1% of total assets.
- Performance materiality: USD 42 million.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Valuation of financial instruments designated at fair value through profit or loss The company holds financial instruments which are carried at fair value including: - Financial liabilities in the form of senior unsecured Euro Medium Term Notes (the "Notes") issued by the company. These are listed on either the Luxembourg Stock Exchange or the SIX Swiss Exchange; and - Financial assets in the form of unsecured notes issued by other Credit Suisse Group companies. These are structured in such a manner so as to ensure that the valuation and exposure of these assets mirror the Notes. Due to the magnitude and subjectivity in the valuation of these financial instruments which are valued using valuation models, there is a heightened risk of material misstatement and hence this is considered a significant risk for the purposes of the audit. And as such considered a key audit matter. Details of these financial instruments are disclosed in notes 2, 3, 6, 10, 13, 17 and 19 to the financial statements.	We built an understanding of the company's control environment, including the specific controls in place at CSG used in the monitoring and valuation of the company's financial instruments. Controls are assessed at the CSG level as the parent company is the guarantor of the Notes, primary counterparty to all financial instruments held by the company and the party to whom the directors have outsourced significant operational and financial record keeping activities of the company. We adopted a substantive audit approach and performed the following procedures: For the Notes issued by the company, we confirmed that the Notes are still in issue and listed on either the Luxembourg Stock Exchange or the SIX Swiss Exchange. Obtained and used the quoted prices of the Notes to recalculate their fair value: and For the financial assets: - Obtained the valuation models prepared by the Credit Suisse Group Product Control team to value the financial assets; - Verified the key inputs used in the valuation models to direct confirmation of the financial assets from Credit Suisse AG, London Branch; - Where unobservable inputs were used in the valuation models; we understood the process by which these inputs are determined, ensured these processes are in line with the CSG policy for such instruments and performed sensitivity analysis around the impact of these inputs on the valuation of the instruments. These were agreed for reasonableness within an acceptable range defined in connection with the specifics of each valuation tested; - Evaluated any significant adjustments made to the valuation models by management; - Recalculated the valuation models using CSG's inputs and model formulae; and - Using market data, we have independently developed our own point estimate for each of the financial instruments and compared these to the company's own valuations. There were no

	significant differences between the two estimates. We have no matters that require communication to those charged with governance in respect of the procedures set out above.
Guarantee issued by Credit Suisse Group AG As disclosed in notes 13 and 15 to the financial statements, the Notes issued by the company externally match the back to back arrangements of the unsecured notes issued by other Credit Suisse Group companies. CSG has issued a guarantee under which it guarantees the prompt payment, when due, of all obligations and liabilities of the company. This guarantee is key to the operations of the company in achieving its primary objective, which is to issue notes (as an issuing vehicle) on the Luxembourg Stock Exchange or the SIX Swiss Exchange with the ultimate aim of raising capital on behalf of the Credit Suisse Group. The guarantee does not require significant judgement or represent significant estimation uncertainty and therefore we classify this as a 'normal' risk for audit purposes. However, the lapse of such guarantee or the ability of CSG to meet such a guarantee, (impacted, as an example, by the effects of the COVID-19 pandemic or the Russia/Ukraine conflict on trade and economic activity across the world), could be fundamental to the ongoing ability of the company in fulfilling its primary objective or the requirements set out in the prospectuses related to the Notes issued on the Luxembourg Stock Exchange and SIX Swiss Exchange, and therefore we consider the guarantee to be an area of focus in our audit and accordingly, a key audit matter.	We read the contractual terms of the Notes issued by the company and the unsecured notes issued by other Credit Suisse Group companies and discussed these with management representatives. We have read the contractual arrangements relating to the guarantee between the company and CSG. We obtained the publicly available, audited Annual Report of Credit Suisse Group AG for the year ended 31 December 2021 ("CSG Annual Report"). We have reviewed the CSG Annual Report and noted that the guarantee provided to the company is disclosed therein. We have reviewed the disclosures within the CSG Annual Report relating to the global effects of the likes of the COVID-19 pandemic and the Russia/Ukraine conflict. Through review of the CSG Annual Report, we have observed that CSG has sufficient net assets, liquidity and cover over its regulatory capital requirement to be able to meet its obligations under the guarantee as at 31 December 2021. We also confirmed the publicly available credit rating of CSG to identify if there were other factors that may indicate CSG in being able to meet its obligations under the guarantee as at 31 December 2021. We have no matters that require communications to those charged with governance in respect of the procedures set out above.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which the company operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	USD 56 million
How we determined it	1% of total assets
Rationale for the materiality benchmark	We believe that total assets is the most appropriate benchmark against which to assess materiality based on the company's activities and its structured low profitability levels. It is also a consistent measure used for similar wholly owned entities used solely for the structuring of

	financing activities of Banking groups.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 50%) of overall materiality, amounting to USD 42 million (2020: USD 43 million) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above USD 2.8 million, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The directors are responsible for the other information. The other information comprises all the information included in the Annual Report and Audited Financial Statements (the "Annual Report") but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards, the requirements of Guernsey law and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

Independent auditor's report to the members of Credit Suisse Group Funding (Guernsey) Limited (continued)

appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this report

This independent auditor's report, including the opinions, has been prepared for and only for the members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on other legal and regulatory requirements

Company Law exception reporting

Under The Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Adrian Peacegood
For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands
4 April 2022

CREDIT SUISSE GROUP FUNDING (GUERNSEY) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 US$ '000	2020 US$ '000
Interest income	5	158,584	598,625
Interest expense	5	(158,584)	(598,625)
Net interest income		**—**	**—**
Net gains/(losses) from financial assets/liabilities at fair value through profit or loss	6	—	—
Commission income	7	6,421	19,245
Other revenues	8	456	1,342
Total non-interest revenues		**6,877**	**20,587**
Net operating income		**6,877**	**20,587**
Other expenses	9	(217)	(136)
Guarantee fees	7	(6,421)	(19,245)
Total operating expenses		**(6,638)**	**(19,381)**
Profit before tax		**239**	**1,206**
Income tax expense	4	—	—
Net profit		**239**	**1,206**
Other comprehensive income/ (loss), net of tax		—	—
Total comprehensive profit for the year		**239**	**1,206**

All profits for 2021 and 2020 are from continuing operations.

The notes on pages 14 to 37 form an integral part of the financial statements.

CREDIT SUISSE GROUP FUNDING (GUERNSEY) LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 US$ '000	2020 US$ '000
Assets			
Non-current assets			
Non-trading financial assets mandatorily at fair value through profit or loss	10	–	6,004,479
Total non-current assets		**–**	**6,004,479**
Current assets			
Non-trading financial assets mandatorily at fair value through profit or loss	10	5,624,766	2,521,277
Cash and cash equivalents	11	7,045	6,803
Other assets	12	59,851	77,729
Total current assets		**5,691,662**	**2,605,809**
Total assets		**5,691,662**	**8,610,288**
Liabilities			
Non-current liabilities			
Financial liabilities designated at fair value through profit or loss	13	–	6,004,479
Total non-current liabilities		**–**	**6,004,479**
Current liabilities			
Financial liabilities designated at fair value through profit or loss	13	5,624,766	2,521,277
Other liabilities	14	59,874	77,749
Total current liabilities		**5,684,640**	**2,599,026**
Total liabilities		**5,684,640**	**8,603,505**
Shareholders' equity			
Share capital	15	52	52
Retained earnings		6,970	6,731
Total shareholders' equity		**7,022**	**6,783**
Total liabilities and shareholders' equity		**5,691,662**	**8,610,288**

The notes on pages 14 to 37 form an integral part of the financial statements.

Approved by the Board of Directors on 01 April 2022 and signed on its behalf by:

James Parker

James Parker
Member of the Board of Directors

G L Luxton

Gary Luxton
Member of the Board of Directors

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Attributable to equity shareholders		
	Share Capital US$ '000	**Retained Earnings US$ '000**	**Total Equity US$ '000**
Balance as at 1 January 2021	52	6,731	6,783
Net profit for the year	–	239	239
Balance as at 31 December 2021	**52**	**6,970**	**7,022**

	Attributable to equity shareholders		
	Share Capital US$ '000	**Retained Earnings US$ '000**	**Total Equity US$ '000**
Balance at 1 January 2020	52	5,525	5,577
Net profit for the year	–	1,206	1,206
Balance at 31 December 2020	**52**	**6,731**	**6,783**

The notes on pages 14 to 37 form an integral part of the financial statements.

CREDIT SUISSE GROUP FUNDING (GUERNSEY) LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 US$ '000	2020 US$ '000
Cash flow from operating activities			
Profit before tax		**239**	**1,206**
Adjustments for:			
Interest income	5	(158,584)	(598,625)
Interest expense	5	158,584	598,625
Foreign exchange gain		(2)	(2)
Operating profit before working capital changes		**237**	**1,204**
Changes in assets and liabilities:			
Decrease in Non-trading financial assets mandatorily at fair value through profit or loss		2,900,990	14,989,956
Decrease in financial liabilities designated at fair value through profit or loss		(2,900,990)	(14,989,956)
Cash generated from operating activities		**237**	**1,204**
Interest income received		176,462	692,061
Interest expense paid		(176,459)	(692,064)
Net cash flow generated from operating activities		**240**	**1,201**
Net increase in cash and cash equivalents		240	1,201
Cash and cash equivalents at the beginning of the year		6,803	5,600
Effect of exchange rate changes on cash and cash equivalents		2	2
Cash and cash equivalents at the end of the year		**7,045**	**6,803**

Cash and cash equivalents at end of year comprises:

		US$ '000	US$ '000
Cash at bank	11	7,045	6,803
		7,045	**6,803**

The notes on pages 14 to 37 form an integral part of these financial statements.

1. General Information

Credit Suisse Group Funding (Guernsey) Limited ("the Company") is a company domiciled in Guernsey. The Company's registered address is Helvetia Court, Les Echelons, South Esplanade, St. Peter Port, Guernsey, GY1 3WF.

2. Significant accounting policies

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and are in compliance with The Companies (Guernsey) Law, 2008.

b) Basis of preparation

The financial statements are presented in United States Dollars (US$) rounded to the nearest thousand. They are prepared on the historical cost basis except for financial instruments designated at fair value through profit or loss which are stated at their fair values.

As of 31 December 2021, the Company reported a total equity of US$ 7,022k (2020: US$ 6,783k).

The financial statements have been prepared on a going concern basis. In considering going concern, the Directors have reviewed the capital, liquidity and financial position of the Company including future capital, liquidity and financial plans. With the recent market developments caused by COVID-19, the Directors reassessed these components and have concluded the going concern basis is still appropriate. The reassessment was completed with reference to the terms and conditions of the notes issued by the Company externally and back to back arrangements on the notes received internally from a CS Group company. It also considered that the debt is guaranteed by Credit Suisse Group AG. This provides confirmation that the Credit Suisse Group will provide sufficient funding to the Company to ensure that it maintains a sound financial situation and is in a position to meet its debt obligations for the foreseeable future.

The Directors have also considered that all notes issued by the Company will mature / settle by the end of calendar year 2022. It is not expected that the Company will issue new notes and as such, the principal activities of the Company will cease at the settlement of the final note. The future of the company has not yet been determined, the Directors (in conjunction with the Credit Suisse Group) have not made any decisions with regards to the potential liquidation of the company.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore, have prepared the financial statements on a going concern basis.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Critical accounting estimates and judgements applied to these financial statements are set out in Note 3 Critical accounting estimates and judgements in applying accounting policies.

2. Significant accounting policies (continued)

b) Basis of preparation (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision has a significant effect on both current and future periods. Management believes that the estimates and assumptions used in the preparation of the financial statements are reasonable and consistently applied.

Standards and interpretations effective in current period

The Company has adopted the following amendments in the current year:

- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2:** In August 2020, IASB issued 'Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) in order to address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). The amendments are effective for annual years beginning on or after 1 January 2021. Earlier application is permitted. The amendments will not have a material impact to the Company's financial position, results of operation or cash flows.

The accounting policies have been applied consistently by the Company.

c) Interest income and expense

Interest income and expense are recognised on an accrual basis using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

d) Commission income and guarantee expense

The Company pays a fee to Credit Suisse Group AG and receives a fee from Credit Suisse Group companies for the guarantee on the senior unsecured notes issued and subordinated unsecured notes purchased respectively. This fee is recognised as per contractual terms on an accrual basis.

e) Other revenues

The Company receives a fee from Credit Suisse Group companies for the administration of the subordinated unsecured notes purchased. This fee is recognised as per contractual terms.

f) Income tax

Income tax on the profit for the year is US$ NIL owing to the 0% tax rate in the jurisdiction with effect from 1 January 2008. Further, information relating to income tax on the profit for the year is included in note 4.

g) Foreign currency

The Company's functional currency is United States Dollars (US$). Transactions denominated in currencies other than the functional currency of the Company are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to US$ at the foreign exchange rate ruling at that date. Foreign exchange differences arising from translation are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Non-monetary assets and liabilities denominated in foreign currencies at the reporting date are not revalued for movements in foreign exchange rates.

2. Significant accounting policies (continued)

h) Financial assets and liabilities

Financial assets and liabilities are recognised when the Company first becomes a party to the contractual rights and obligations in the contract. Subsequent measurement depends on the initial classification of the financial asset or financial liability.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Group transfers substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

The Company's financial assets are classified on the basis of two criteria: 1) the business model which refers to how the Company manages a financial asset in order to generate cash flows and 2) the contractual cash flow characteristics of the financial asset.

The business model assessments are performed by considering the way in which the financial assets are managed to achieve a particular business objective as determined by management. The assessment is made at the level at which the group of financial assets are managed. These assessments are based on reasonable expectations. All relevant and objective evidence is considered while performing the business model assessments, for example:

- How the performance of the financial assets are evaluated and reported to key management personnel.
- The risks that affect the performance of the financial assets and how those risks are managed.
- How managers of the business are compensated.

The 'Hold to Collect' business model is a model with the objective to hold a financial asset to collect contractual cash flows. Sales are incidental to the objective of this model. The 'Hold to Collect and Sell' business model is a model with the objective to both hold financial assets to collect contractual cash flows and to sell financial assets. This model has a greater frequency of sales than a 'Hold to Collect' business model. The Company does not have any financial assets which are under the 'Hold to Collect and Sell' business model.

The financial assets which are not classified under the 'Hold to Collect' business model are measured at fair value. These include financial assets that meet the trading criteria; those that are managed on a fair value basis or designated at fair value as well as equity instruments where an irrevocable election is made on initial recognition to present changes in fair value in other comprehensive income (OCI). Refer to sections below for further details.

For the 'Hold to Collect' business model, the contractual cash flows of the financial assets are assessed to determine if they consist of solely payments of principal and interest. For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company will consider the contractual terms of the instrument. This will include assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

These criteria determine how a financial asset is subsequently measured.

Amortised Cost

Financial assets which have contractual cash flows which consist solely of payments of principal and interest and are held in a 'Hold to Collect' business model are subsequently measured at amortised cost and are subject to impairment. (Refer note i).

2. Significant accounting policies (continued)

h) Financial assets and liabilities (continued)

Non-trading financial assets mandatorily at fair value through profit or loss

Financial assets which are managed on a fair value basis are classified as 'Non-trading financial assets mandatorily at fair value through profit or loss' and measured at fair value through profit or loss. Related realised and unrealised gains and losses are included in 'Net gains/(losses) from financial assets/liabilities at fair value through profit or loss'. A financial asset is considered to be managed on a fair value basis if at least two of these three conditions are fulfilled:

- the performance of these assets is evaluated and reported to the management by using the fair value of the financial assets.
- the managers of the business are compensated on the fair value of the assets (for example their bonuses are linked to how well the assets they are managing perform)
- the risks that affect the performance of the financial assets are managed on a fair value basis. Primary focus is on fair value information and using that information to assess the performance of the assets and to make decisions about that asset.

Financial liabilities designated as held at fair value through profit or loss

Financial liabilities are designated as held at fair value through profit or loss if the instruments contain one or more embedded derivatives, or when doing so results in more relevant information, because either:

(i) it eliminates or significantly reduces an inconsistency in measurement or recognition (refer to the criteria mentioned in the above paragraph for financial assets); or
(ii) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the entity's key management personnel.

For all instruments designated at fair value through profit or loss, the business maintains a documented strategy explaining why the election was made. In the case of criteria (ii) the business maintains a documented strategy that states that these instruments are risk managed on a fair value basis and that management relies upon the fair value of these instruments in evaluating the performance of the business.

Financial liabilities designated at fair value through profit and loss must present all changes in the fair value in the 'Net gains/(losses) from financial assets/liabilities at fair value through profit or loss' except for changes in the own credit risk of the liability is recorded in OCI. Upon extinguishment of a financial liability any amount of own credit remaining in OCI relating to the extinguished debt remains in equity but is reclassified to retained earnings.

i) Impairment of financial assets, loan commitments and financial guarantees

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its instruments carried at amortised cost, certain loan commitments and financial guarantee contracts including: Cash, interest-bearing deposits, loans and advances, reverse repurchase agreements, brokerage receivables. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For financial instruments that include both a loan (i.e. financial asset) and an undrawn commitment (i.e. loan commitment) component, the ECL on the loan commitment is recognised together with the loss allowance for the financial asset. To the extent that the combined expected credit losses exceed the gross carrying amount of the financial asset, the ECL recognised as a provision.

At origination or acquisition, all financial assets are deemed to be Stage 1 and have a 12 month ECL except for loans that are purchased or originated credit-impaired. When credit risk has increased significantly since initial recognition of the financial instrument, the impairment measurement is changed from 12-month expected credit losses (Stage 1) to lifetime expected credit losses (Stage 2).

2. Significant accounting policies (continued)

i) Impairment of financial assets, loan commitments and financial guarantees (continued)

The assessment of a significant increase in credit risk since initial recognition is based on different quantitative and qualitative factors that are relevant to the particular financial instrument in scope. If the financial assets are credit-impaired they are then moved to Stage 3. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;
b) a breach of contract, such as a default or past due event;
c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
e) the disappearance of an active market for that financial asset because of financial difficulties; or
f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired.

Measurement of ECLs

ECLs are a probability-weighted estimate of potential credit losses and application of measurement is as follows:

- Financial assets that are not credit-impaired at the reporting date (Stage 1 or Stage 2), apply the present value of all cash shortfalls – i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive. The Company applies a PD/LGD approach under which term structures of point-in-time probability of defaults ("PDs"), point-in-time loss given defaults ("LGDs") and exposure at defaults ("EADs") are estimated;
- Financial assets that are credit-impaired at the reporting date (Stage 3), apply the difference between the gross carrying amount and the present value of estimated future cash flows.
- Undrawn loan commitments apply the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive; and
- Financial guarantee contracts apply the present value of the expected payments to reimburse the holder less any amounts that the Company expects to recover.
- The Company applies the simplified approach to providing for expected credit losses which permits the use of the lifetime expected loss provision for all fee receivables. To measure the expected credit losses, the Company will apply a provision matrix in the form of aging analysis, including relevant forward looking information. The fee receivables do not contain a significant financing component.

Definition of default

The definition of default is aligned with the regulatory definition of default which is based on 90 days past due and unlikely to pay on material obligation.

In assessing whether a borrower is in default, the Company considers indicators that are:
- Qualitative: e.g. breaches of covenants;
- Quantitative: e.g. overdue status and non-payment of another obligation of the same issuer to the Company; and
- Based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

2. Significant accounting policies (continued)

i) Impairment of financial assets, loan commitments and financial guarantees (continued)

Forward looking information

The estimation and application of forward-looking information requires significant judgment. The Company's estimation of expected credit losses is based on a discounted probability-weighted estimate that considers three future macroeconomic scenarios to capture the point of non-linearity of losses: a base scenario, an upside scenario, and a downside scenario. The base case represents a most-likely outcome and is aligned with information used by the Company for other purposes, such as strategic planning and budgeting. Currently, the other scenarios represent more optimistic and more pessimistic outcomes with the downside scenario being more severe than the upside scenario.

Scenarios are probability-weighted according to the Company's best estimate of their relative likelihood based on historical frequency and current trends and conditions and macroeconomic factors such as interest rates, gross domestic product and unemployment rates. Probability weights are reviewed and updated (if required) on a quarterly basis.

Significant increases in credit risk ("SICR")

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions.

The Company has established a framework that incorporates both quantitative and qualitative information to determine whether the credit risk on a particular financial instrument has increased significantly since initial recognition. The framework aligns with the Company's internal credit risk management process. The criteria for determining whether credit risk has increased significantly varies by portfolio.

The assessment of significant increases in credit risk is generally based on two indicators:

- changes in probability-weighted forward-looking lifetime PD, using the same macroeconomic scenarios as the calculation of expected credit losses for newly originated financial instruments (forward book); or changes in credit rating for financial instruments originated prior to the effective date of IFRS 9 (back book), and
- credit watch list as specific qualitative information.

The rebuttable presumption of more than 30 days past due has not been used because financial instruments are considered credit-impaired and therefore transferred into Stage 3 earlier than 30 days past due, unless credit risk management determines the default to be operational in nature and it is rectified in a short period of time (normally within a week).

The Company monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month ECL and lifetime ECL measurements.

A financial instrument is transferred from Stage 2 to Stage 1, if it no longer meets the stage transition criteria. The stage transition criteria implicitly reflect a probation period, either by the idiosyncratic nature of PDs or by the credit watch list process.

2. Significant accounting policies (continued)

i) Impairment of financial assets, loan commitments and financial guarantees (continued)

A financial instrument is transferred from Stage 3 to Stage 2 or 1 after a probation period in line with the Company's credit risk management practices. If the financial instrument has not met the criteria to be considered credit-impaired for a minimum number of months, it will be returned to either Stage 2 or Stage 1 depending on the characteristics of the financial instrument.

The low credit risk exemption has not been used in the context of determining significant increases in credit risk.

Reverse repurchase agreements and securities borrowing transactions are not impacted by the SICR process due to the risk management practices adopted, including regular margin calls. If margin calls are not satisfied, positions will be closed out immediately with any shortfall generally classified as a Stage 3 position.

Expected life

The maximum period to consider when measuring expected credit losses is the maximum contractual period (including borrower-only extension options) over which the Company is exposed to credit risk and not a longer period, even if that longer period is consistent with business practice.

Grouping financial assets measured on a collective basis

For Stage 1 and Stage 2 ECLs, financial assets are grouped based on shared credit risk characteristics, e.g. product type and geographic location. However, for each financial asset within the grouping an ECL is calculated based on the PD/LGD approach. Financial assets are grouped as follows:

- Financial institutions
- Corporates
- Fallback (assets not included in any of the above categories)

For all Stage 3 assets, regardless of the class of financial assets, the Company calculates ECL on an individual basis.

Write-off of loans

When it is considered certain that there is no reasonable prospect of recovery and all collateral has been realised or transferred to the Company, the loan and any associated allowance is written off. If the amount of loss on write-off is greater than the accumulated loss allowance, the differences result in an additional impairment loss. The additional impairment loss is first recognised as an addition to the allowance that is then applied against the gross carrying amount. Any repossessed collateral is initially measured at fair value. The subsequent measurement depends on the nature of the collateral.

j) Net loans

Loans are measured at amortised cost or mandatorily at fair value through profit or loss depending on the business model and the solely payment of principal and interest application.

When calculating the effective interest on non-credit impaired loans measured at amortised cost, the Company estimates cash flows considering all contractual terms of the financial instruments including premiums, discounts, fees and transactions costs but not expected credit losses. However, for purchased or originated credit impaired loans, the initial lifetime expected credit losses are included in the estimated cash flows when computing the effective interest method.

2. Significant accounting policies (continued)

k) Cash and cash equivalents

For the purpose of preparation and presentation of the Statement of Cash Flows, cash and cash equivalents comprise the components of cash and due from banks that are short term, highly liquid instruments with original maturities of three months or less which are subject to an insignificant risk of changes in their fair value and that are held or utilised for the purpose of cash management.

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies

In order to prepare the financial statements in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and applicable law, management is required to make critical judgements. Management also makes certain accounting estimates to ascertain the value of assets and liabilities and determine the impact to the Statement of Profit or Loss and Other Comprehensive Income. Judgements and estimates are based upon the information available at the time, and actual results may differ materially. The following critical judgements and estimates are sources of uncertainty and as a result have the risk of having a material effect on the amounts recognised in the financial statements. However, the spread of COVID-19 has resulted in significant uncertainty. In light of this uncertainty, the Company applies appropriate judgement in complying with the IFRS 13 requirements for measuring fair value, specifically when the volume or level of activity for an asset or a liability has significantly decreased and when identifying transactions that are not orderly.

In the course of preparing the financial statements, no judgements have been made in the process of applying the accounting policies. However, a number of judgements involving estimations have been made that have had a significant effect on the amounts recognised in the financial statements.

Estimates: Fair value

A portion of the Company's financial instruments (Non-trading financial assets mandatorily at fair value and financial liabilities designated at fair value) are carried at fair value in the Statement of Financial Position. Related changes in the fair value are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Deterioration of financial markets could significantly impact the fair value of these financial instruments and the results of operations.

For more details regarding the valuation models and techniques used for each of these instruments please refer to Note 17 - Fair value of financial instruments.

Control processes are applied to ensure that the fair value of the financial instruments reported in the Company's financial statements, including those derived from pricing models, are appropriate and determined on a reasonable basis. For further information related to the Company's control and governance processes on the fair value of financial instruments please refer Note 17 - Fair value of financial instruments.

4. Taxation

Guernsey has a "Zero-10" tax regime for the taxation of Guernsey resident companies. The company standard rate of tax is 0%. The Company is resident in Guernsey for tax purposes. All sources of income in the Company arise from transactions which are taxed at the company standard rate of 0%.

5. Net interest income

	2021	2020
	US$ '000	**US$ '000**
Long term and short term loans	158,584	598,625
Interest income	**158,584**	**598,625**
Long term and short term debt	(158,584)	(598,625)
Interest expense	**(158,584)**	**(598,625)**
Net interest income	**–**	**–**
of which		
Interest income from instruments at fair value through profit and loss	158,584	598,625
Interest expense from instruments at fair value through profit and loss	(158,584)	(598,625)

6. Net gain/(losses) from financial assets/liabilities at fair value through profit or loss

	2021	2020
	US$ '000	**US$ '000**
Mark to market on non-trading financial assets mandatorily at fair value through profit or loss	(158,981)	243,221
- of which related to long term and short term loan	*(158,981)*	*243,221*
Mark to market on financial liabilities designated at fair value through profit or loss	158,981	(243,221)
- of which related to long term and short term debt	*158,981*	*(243,221)*
Net gain/(losses) from financial assets/liabilities at fair value through profit or loss	**–**	**–**

The following table details net (loss)/gain from non trading financial assets mandatorily measured at fair value through profit or loss.

	2021	2020
	US$ '000	**US$ '000**
Long term and short term loans	(158,981)	243,221
Total net (loss)/ gain from non trading financial assets mandatorily measured at fair value through profit or loss	**(158,981)**	**243,221**

The following table details net gain/(loss) from financial liabilities designated at fair value through profit or loss.

	2021	2020
	US$ '000	**US$ '000**
Long term and short term debt	158,981	(243,221)
Total net gain/(loss) from financial liabilities designated at fair value through profit or loss	**158,981**	**(243,221)**

7. Commission income and guarantee fees

	2021	2020
Fee income and expense from financial instruments	**US$ '000**	**US$ '000**
Other services	6,421	19,245
Total income	**6,421**	**19,245**
Other services	(6,421)	(19,245)
Total expense	**(6,421)**	**(19,245)**
Net fee income	**—**	**—**

8. Other revenues

	2021	2020
	US$ '000	**US$ '000**
Administration fees	454	1,340
Foreign exchange gain	2	2
Total other revenues	**456**	**1,342**

9. Other expenses

	2021	2020
	US$ '000	**US$ '000**
Administrative fees	(186)	(109)
Audit fees	(26)	(21)
Other expenses	(5)	(6)
Total other expenses	**(217)**	**(136)**

10. Non-trading financial assets mandatorily at Fair Value through Profit or Loss

	2021	2020
	US$ '000	**US$ '000**
Non-trading financial assets mandatorily at fair value through profit or loss	5,624,766	8,525,756
Total non-trading financial assets mandatorily at fair value through profit or loss	**5,624,766**	**8,525,756**
Current portion of Non-trading financial assets mandatorily at fair value through profit or loss	5,624,766	2,521,277
Non-Current portion of Non-trading financial assets mandatorily at fair value through profit or loss	—	6,004,479
Total non-trading financial assets mandatorily at fair value through profit or loss	**5,624,766**	**8,525,756**

Financial assets mandatorily at fair value through profit or loss represents unsecured notes issued by Credit Suisse Group Companies.

10. Non-trading financial assets mandatorily at Fair Value through Profit or Loss (continued)

Effective November 3, 2020, Credit Suisse Group AG and Credit Suisse Group Funding (Guernsey) Limited exercised the voluntary issuer substitution clause included in the terms of senior unsecured notes issued by Credit Suisse Group Funding (Guernsey) Limited with a maturity date post December 31, 2022. As a result of the substitution, Credit Suisse Group AG succeeded to, and was substituted for, and became bound by every obligation of, Credit Suisse Group Funding (Guernsey) Limited as principal obligor under these notes, which qualify as total loss-absorbing capacity (TLAC) debt instruments. In addition, the related subordinated internal TLAC notes issued by Credit Suisse AG and held by Credit Suisse Group Funding (Guernsey) Limited have been transferred to Credit Suisse Group AG. In 2020, this resulted in an decrease in financial investments and long-term interest-bearing liabilities in the amount of US$ 11.26 billion and the contingent liabilities entered into on behalf of subsidiaries have been reduced accordingly. The issuer substitution had no impact on net profit/ (loss) of Credit Suisse Group Funding (Guernsey) Limited.

Currency	Notional value	Date of Issue	Maturity Date	Rate of Interest	2021	2020
					US$ '000	US$ '000
EUR	2,250,000	14 April 2015	14 April 2022	1.25 %	2,556,904	2,820,401
GBP	600,000	27 May 2015	27 May 2022	3.00 %	817,948	847,885
USD	2,000,000	15 September 2015	15 September 2022	3.80 %	2,043,792	2,110,336
EUR	180,000	6 November 2015	20 December 2022	3 month EURIBOR+ 1.53%	206,122	225,857
USD	1,000,000	18 April 2016	16 April 2021	3 month LIBOR+ 2.29%	—	1,006,830
USD	1,500,000	18 April 2016	16 April 2021	3.450 %	—	1,514,447
Total non-trading financial assets mandatorily at fair value through profit or loss					**5,624,766**	**8,525,756**

11 Cash and cash equivalents

	2021	2020
	US$ '000	US$ '000
Cash at bank	7,045	6,803
Total cash and cash equivalents	**7,045**	**6,803**

Cash at bank relates to nostro accounts held with Credit Suisse AG, Guernsey Branch.

12. Other assets

	2021	2020
	US$ '000	US$ '000
Interest receivable	59,851	77,729
Total other assets	**59,851**	**77,729**

13. Financial liabilities designated at fair value through profit or loss

	2021	2020
	US$ '000	US$ '000
Financial liabilities designated at fair value through profit or loss	5,624,766	8,525,756
Total financial liabilities designated at fair value through profit or loss	**5,624,766**	**8,525,756**
Current portion of Financial liabilities designated at fair value through profit or loss	5,624,766	2,521,277
Non-Current portion of Financial liabilities designated at fair value through profit or loss	—	6,004,479
Total financial liabilities designated at fair value through profit or loss	**5,624,766**	**8,525,756**

Financial liabilities designated at fair value through profit or loss represents senior unsecured notes issued by the Company to various third parties. Credit Suisse Group AG, Zurich ("Guarantor") provides a guarantee for these issuances. These senior unsecured notes quallify for any Swiss resolution power with respect to the Guarantor that results in the write-down and cancellation and/or conversion into equity of the Guarantor, including by means of an amendment or modification to the conditions of the notes or any such ordering of restructuring protective measures. This is in line with the total loss-absorbing capacity ("TLAC") standard issued by the Financial Stability Board, which would facilitate the bail-in resolution strategy of the Guarantor under Swiss regulations.

Currency	Notional value	Date of Issue	Maturity Date	Rate of Interest	2021	2020
					US$ '000	US$ '000
EUR	2,250,000	14 April 2015	14 April 2022	1.25 %	2,556,904	2,820,401
GBP	600,000	27 May 2015	27 May 2022	3.00 %	817,948	847,885
USD	2,000,000	15 September 2015	15 September 2022	3.80 %	2,043,792	2,110,336
EUR	180,000	6 November 2015	20 December 2022	3 month EURIBOR+ 1.53%	206,122	225,857
USD	1,000,000	18 April 2016	16 April 2021	3 month LIBOR+ 2.29%	—	1,006,830
USD	1,500,000	18 April 2016	16 April 2021	3.45 %	—	1,514,447
Total financial liabilities designated at fair value through profit or loss					**5,624,766**	**8,525,756**

14. Other liabilities

	2021	2020
	US$ '000	US$ '000
Interest payable	59,850	77,725
Audit fees payable	24	24
Total other liabilities	**59,874**	**77,749**

15. Share capital

	2021	2020
	US$ '000	US$ '000
Authorised, Issued, Subscribed, Allotted, called up and fully paid:		
50,000 ordinary shares of USD 1.0395 each	52	52

15. Share capital (continued)

Capital Management

It is the policy of the Board of the Company to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and comprehensive income / loss. Also, the Company has received a guarantee from Credit Suisse Group AG, Zurich to accept ultimate responsibility for the senior unsecured notes issued by the Company.

The Company is not subject to externally imposed capital requirements.

The holders of ordinary shares carry voting rights and the right to receive dividends, as and when declared by the Board of Directors.

16. Related party transactions

The Company is wholly owned by Credit Suisse Group AG, incorporated in Switzerland.

The Company is involved in significant financing and other transactions, and has significant related party balances, with subsidiaries and affiliates of Credit Suisse Group AG.

a) Related party revenues and expenses

2021

	Parent	Fellow Group Companies	Total
	US$ '000	US$ '000	US$ '000
Interest income on financial assets mandatorily at fair value through profit or loss	–	158,584	158,584
Commission income	–	6,421	6,421
Other revenues		456	456
Guarantee fees	(6,421)	–	(6,421)
Administrative fees	–	(186)	(186)
Other expenses	–	(5)	(5)
Net revenues and expenses	**(6,421)**	**165,270**	**158,849**

2020

	Parent	Fellow Group Companies	Total
	US$ '000	US$ '000	US$ '000
Interest income on financial assets designated at fair value through profit or loss	–	598,625	598,625
Commission income	–	19,245	19,245
Other revenues		1,342	1,342
Guarantee fees	(19,245)	–	(19,245)
Administrative fees	–	(109)	(109)
Other expenses	–	(6)	(6)
Net revenues and expenses	**(19,245)**	**619,097**	**599,852**

16. Related party transactions (continued)

b) Related party assets

31 December 2021

	Parent	Fellow Group Companies	Total
	US$ '000	US$ '000	US$ '000
Assets			
Non-trading financial assets mandatorily at fair value through profit or loss	–	5,624,766	5,624,766
Interest receivable	–	59,851	59,851
Cash and cash equivalents	–	7,045	7,045
Total related party assets	**–**	**5,691,662**	**5,691,662**

31 December 2020

	Parent	Fellow Group Companies	Total
	US$ '000	US$ '000	US$ '000
Assets			
Non-trading financial assets mandatorily at fair value through profit or loss	–	8,525,756	8,525,756
Interest receivable	–	77,729	77,729
Cash and cash equivalents	–	6,803	6,803
Total related party assets	**–**	**8,610,288**	**8,610,288**

c) Loans and advances to Directors and Key Management Personnel

There were no loans or advances made to Directors or Key Management Personnel during the year (2020: US$ Nil).

d) Related party guarantees and commitments

The Company is a beneficiary to guarantees given by Credit Suisse Group AG for which the Company pays a guarantee fee and correspondingly the Company has given guarantees to one of the Credit Suisse Group Companies for which Company receives guarantee fees.

17. Fair value of financial instruments

Fair value measurement (including fair value hierarchy)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date. A portion of the Company's financial instruments (derivative instruments and financial assets and liabilities designated at fair value) are carried at fair value in the Statement of Financial Position. Related changes in the fair value are recognized in the Statement of Profit or Loss and Other Comprehensive Income. Deterioration of financial markets could significantly impact the fair value of these financial instruments and the results of operations.

17. Fair value of financial instruments (continued)

Fair value measurement (including fair value hierarchy) (continued)

The fair value of these financial instruments is based on valuation techniques using primarily observable inputs. The fair value of financial assets and liabilities is impacted by factors such as contractual cash flows and observable inputs like the benchmark interest rates and foreign exchange rates. Unobservable inputs used are credit spreads which is a part of the risk-adjusted discount factors. Valuation adjustments are an integral part of the valuation process when market prices are not indicative of the credit quality of a counterparty, and are applied to debt instruments. The impact of changes in a counterparty's credit spreads (known as credit valuation adjustments or CVA) is considered when measuring the fair value of assets and the impact of changes in the Company's own credit spreads (known as debit valuation adjustments or DVA) is considered when measuring the fair value of its liabilities. The adjustments also take into account contractual factors designed to reduce the Company's credit exposure to a counterparty.

Control processes are applied to ensure that the fair value of the financial instruments reported in the financial statements, including those derived from pricing models, are appropriate and determined on a reasonable basis.

Qualitative disclosures of valuation techniques

The Company has implemented and maintains a valuation control framework, which is supported by policies and procedures that define the principles for controlling the valuation of the Company's financial instruments. Product Control and Risk Management create, review and approve significant valuation policies and procedures. The framework includes price verification and unobservable inputs review as well as pricing model validation and review.

Short-term financial instruments

Certain short-term financial instruments are not carried at fair value on the Statement of Financial Position, but a fair value has been disclosed in the table "Financial assets and liabilities by categories" below. These instruments include: cash and due from banks and other receivables and payables arising in the ordinary course of business. For these financial instruments, the carrying value approximates the fair value due to the relatively short period of time between their origination and expected realization, as well as the minimal credit risk inherent in these instruments.

Fair value hierarchy

The financial instruments carried at fair value were categorized under the three levels of the IFRS fair value hierarchy as follows:

Level 1 - Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). These inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available in the circumstances, which include the Company's own data. The Company's own data used to develop unobservable inputs is adjusted if information indicates that market participants would use different assumptions.

17. Fair value of financial instruments (continued)

Fair value hierarchy (continued)

The following table sets outs the carrying amounts and fair value of the Company's financial instruments.

The disclosure of the Company's financial instruments below include the following sections:

- Analysis of financial instruments by categories;
- Fair value of assets and liabilities measured at fair value on a recurring basis;
- Fair value of financial instruments not recognised at fair value.

The following table details the fair value of financial instruments for which it is practicable to estimate that value, whether or not this is reported in the Company's financial statements.

2021	**Mandatorily at FVTPL**	**Amortised cost**	**Total carrying amount**
Financial assets (US$ '000)			
Cash and due from banks	—	7,045	7,045
Non-trading financial assets mandatorily at fair value through profit or loss	5,624,766	—	5,624,766
Other financial assets	—	59,851	59,851
Total financial assets	**5,624,766**	**66,896**	**5,691,662**

	Designated as at FVTPL	**Amortised cost**	**Total carrying amount**
Financial liabilities (US$ '000)			
Financial liabilities designated at fair value through profit or loss	5,624,766	—	5,624,766
Other financial liabilities	—	59,874	59,874
Total financial liabilities	**5,624,766**	**59,874**	**5,684,640**

2020	**Mandatorily at FVTPL**	**Amortised cost**	**Total carrying amount**
Financial assets (US$ '000)			
Cash and due from banks	—	6,803	6,803
Non-trading financial assets mandatorily at fair value through profit or loss	8,525,756	—	8,525,756
Other financial assets	—	77,729	77,729
Total financial assets	**8,525,756**	**84,532**	**8,610,288**

17. Fair value of financial instruments (continued)

Fair value hierarchy (continued)

Financial liabilities (US$ '000)	Designated as at FVTPL	Amortised cost	Total carrying amount
Financial liabilities designated at fair value through profit or loss	8,525,756	–	**8,525,756**
Other financial liabilities	–	77,749	**77,749**
Total financial liabilities	**8,525,756**	**77,749**	**8,603,505**

Fair value of assets and liabilities measured at fair value on a recurring basis

2021

	Level 1	Level 2	Level 3	Total Fair Value
	US$ '000	US$ '000	US$ '000	US$ '000
Assets				
Financial instruments	–	5,624,766	–	**5,624,766**
Total Assets at fair value	**–**	**5,624,766**	**–**	**5,624,766**
Liabilities				
Financial instruments	–	5,624,766	–	**5,624,766**
Total Liabilities at fair value	**–**	**5,624,766**	**–**	**5,624,766**

2020

	Level 1	Level 2	Level 3	Total Fair Value
	US$ '000	US$ '000	US$ '000	US$ '000
Assets				
Financial instruments	–	8,525,756	–	**8,525,756**
Total Assets at fair value	**–**	**8,525,756**	**–**	**8,525,756**
Liabilities				
Financial instruments	–	8,525,756	–	**8,525,756**
Total Liabilities at fair value	**–**	**8,525,756**	**–**	**8,525,756**

17. Fair value of financial instruments (continued)

Fair value of financial instruments not recognised at fair value by level of fair value hierarchy

2021

	Level 1	Level 2	Level 3	Total Fair Value
Financial assets	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**
Cash and cash equivalents	7,045	—	—	**7,045**
Interest receivable	—	59,851	—	**59,851**
Total financial assets at fair value	**7,045**	**59,851**	**—**	**66,896**
Financial liabilities				
Interest and other payables	—	59,874	—	**59,874**
Total financial liabilities at fair value	**—**	**59,874**	**—**	**59,874**

2020

	Level 1	Level 2	Level 3	Total Fair Value
Financial assets	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**
Cash and cash equivalents	6,803	—	—	**6,803**
Interest receivable	—	77,729	—	**77,729**
Total financial assets at fair value	**6,803**	**77,729**	**—**	**84,532**
Financial liabilities				
Interest and other payables	—	77,749	—	**77,749**
Total financial liabilities at fair value	**—**	**77,749**	**—**	**77,749**

18. Segment analysis

The Directors have concluded, based on an assessment of the performance of the Company in order to determine the allocation of resources, that "capital raising" is the only operating segment for the Company. This is currently disclosed through the production of the Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income.

The Directors have also concluded that the Company has products in the nature of financial instruments only.

The following table shows the Company's net profit or loss by region:

	2021	2020
	US$'000	**US$'000**
Profit before tax		
Switzerland	(6,427)	(19,251)
Great Britain	6,454	862,412
Guernsey	(186)	(109)
Various	398	(841,846)
Profit before tax	**239**	**1,206**

The interest income, other income and expenses is received/paid from/to group companies. The interest expenses and other expenses are paid to third parties in various regions. The Company has no non-current assets other than financial instruments.

19. Company's risk profile

Financial instruments risk position

Credit Suisse Group Funding (Guernsey) Limited is a special purpose vehicle and a wholly owned subsidiary of Credit Suisse Group AG. The purpose of the Company is to be part of a larger structure, which enables Credit Suisse Group AG to raise third party funding and make loans to Credit Suisse group companies.

The Company's activities expose it to a variety of financial risks.

- Market risk (including foreign exchange risk and interest rate risk)
- Credit risk
- Operational risk
- Liquidity risk
- Concentration risk

The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Credit Suisse Group AG, of which Credit Suisse Group Funding (Guernsey) Limited is a part, manages its risks under global policies. The Credit Suisse Group AG risk management process is designed to ensure that there are sufficient controls to measure, monitor and control risks in accordance with Credit Suisse Group AG's control framework and in consideration of industry best practices. The primary responsibility for risk management lies with Credit Suisse Group AG's senior business line managers. They are held accountable for all risks associated with their businesses, including market risk, liquidity risk, and operational risk.

a) Market risk

Overview

Market risk is the risk of loss arising from adverse changes in interest rates, foreign currency exchange rates, equity prices, commodity prices and other relevant market parameters, such as market volatilities. Credit Suisse Group AG defines its market risk as potential changes in fair value of financial instruments in response to market movements.

i) Interest rate risk

The Company has interest bearing financial assets and liabilities in the form of receivables from group companies and senior unsecured notes issued to investors. Interest rate receivables from group companies are carried on the same terms as the interest rate payables. Hence, the Company does not carry any significant interest rate risks. Accordingly, sensitivity analysis has not been performed.

The Company holds no other significant interest-bearing assets or liabilities and the remaining expenses and operating cash flows are independent of changes in interest rates.

19. Company's risk profile (continued)

a) Market risk (continued)

ii) Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk as some of the Company's assets and liabilities are denominated in currencies other than the functional currency of the Company which is US$.

The net currency exposure on non US$ denominated assets and liabilities of the Company is outlined below.

2021

Monetary assets	**EUR'000**	**GBP'000**	**CHF'000**
Non-trading financial assets mandatorily at fair value through profit or loss	(2,444,344)	(605,617)	–
Interest receivable	(20,245)	(10,800)	–
Total monetary assets	**(2,464,589)**	**(616,417)**	**–**
Monetary liabilities			
Financial liabilities designated at fair value through profit or loss	(2,444,344)	(605,617)	–
Interest and other payables	(20,245)	(10,783)	–
Total monetary liabilities	**(2,464,589)**	**(616,400)**	**–**
Net exposure	**–**	**(17)**	**–**

2020

Monetary assets	**EUR'000**	**GBP'000**	**CHF'000**
Non-trading financial assets mandatorily at fair value through profit or loss	2,478,305	621,098	–
Cash and cash equivalents	20	2	20
Interest receivable	20,188	10,800	–
Total monetary assets	**2,498,513**	**631,900**	**20**
Monetary liabilities			
Financial liabilities designated at fair value through profit or loss	2,478,305	621,098	–
Interest and other payables	20,188	10,823	–
Total monetary liabilities	**2,498,493**	**631,921**	**–**
Net exposure	**20**	**(21)**	**20**

b) Credit risk

Credit risk is the possibility of loss incurred as a result of a borrower or counterparty failing to meet its financial obligations or as a result of deterioration in the credit quality of the borrower or counterparty. Credit risk exists within lending products, commitments and letters of credit, and results from counterparty exposure arising from derivative, foreign exchange and other transactions and may be on or off-balance sheet.

19. Company's risk profile (continued)

b) Credit risk (continued)

Distribution of monetary assets not past due:

Cash and due from banks	**12-month ECL (Stage 1)**	**Lifetime ECL not credit-impaired (Stage 2)**	**Lifetime ECL credit-impaired (Stage 3)**	**Purchased credit-impaired**	**Total**
2021	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**
A+ to A-	7,045	–	–	–	7,045
Gross Carrying amount	**7,045**	**–**	**–**	**–**	**7,045**
Loss allowance	–	–	–	–	–
Net Carrying amount	**7,045**	**–**	**–**	**–**	**7,045**

Cash and due from banks	**12-month ECL (Stage 1)**	**Lifetime ECL not credit-impaired (Stage 2)**	**Lifetime ECL credit-impaired (Stage 3)**	**Purchased credit-impaired**	**Total**
2020	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**	**US$ '000**
A+ to A-	6,803	–	–	–	6,803
Gross Carrying amount	**6,803**	**–**	**–**	**–**	**6,803**
Loss allowance	–	–	–	–	–
Net Carrying amount	**6,803**	**–**	**–**	**–**	**6,803**

The Company's credit exposure is limited to subordinated unsecured notes, interest thereon and bank balances with group companies. All of these are neither past due nor impaired.

c) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Credit Suisse Group AG's primary aim is the early identification, recording, assessment, monitoring, prevention and mitigation of operational risks, as well as timely and meaningful management reporting.

Operational risk is inherent in most aspects of the Credit Suisse Group AG's activities and comprises a large number of disparate risks. While market and credit risk are often chosen for the prospect of gain, operational risk is normally accepted as a necessary consequence of doing business. In comparison to market or credit risk, the sources of operational risk are difficult to identify comprehensively and the amount of risk is also inherently difficult to measure. Credit Suisse Group AG, therefore, manages operational risk differently from market and credit risk. Credit Suisse Group AG believes that effective management of operational risks requires a common firm-wide framework with ownership residing with the management responsible for the relevant business process.

d) Liquidity risk

Liquidity risk is the risk that a company is unable to fund assets and meet obligations as they fall due under both normal and stressed market conditions. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Credit Suisse Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

19. Company's risk profile (continued)

d) Liquidity risk (continued)

The following table sets out details on the remaining contractual maturity for financial liabilities.

2021:

Remaining contractual maturities of financial liabilities	Carrying amount	Gross nominal outflow	On demand	1-3 months	3-12 months	1-5 years	Over 5 years	Total
	US$ '000	US$ '000	US$'000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000
Non-derivative liabilities								
Financial liabilities designated at fair value through profit or loss	5,624,766	5,557,475			5,557,475		–	**5,557,475**
Other liabilities	59,874	135,127 *	24	38,690	96,413	–	–	**135,127**
Total	**5,684,640**	**5,692,602**	**24**	**38,690**	**5,653,888**	**–**	**–**	**5,692,602**

*Includes interest payable, the risk for which is mitigated by the interest receivable from Credit Suisse group entities.

2020:

Remaining contractual maturities of financial liabilities	Carrying amount	Gross nominal outflow	On demand	1-3 months	3-12 months	1-5 years	Over 5 years	Total
	US$ '000	US$ '000	US$'000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000
Non-derivative liabilities								
Financial liabilities designated at fair value through profit or loss	8,525,756	8,307,592			2,500,000	5,807,592	–	**8,307,592**
Other liabilities	77,749	313,376 *	24	45,092	130,903	137,357	–	**313,376**
Total	**8,603,505**	**8,620,968**	**24**	**45,092**	**2,630,903**	**5,944,949**	**–**	**8,620,968**

*Includes interest payable, the risk for which is mitigated by the interest receivable from Credit Suisse group entities.

e) Concentration risk

Concentration of risk arise when a number of counterparties are engaged in similar business activities, are located in the same geographic region or when there are similar economic features that would cause their ability to meet contractual obligations to be similarly impacted by changes in economic conditions.

The Company is engaged in raising capital market funding for Credit Suisse group entities. The proceeds from the capital market issuances by the Company are lent to other Credit Suisse group entities on similar terms as the issuances. Each capital market issuance of the Company is fully guaranteed by Credit Suisse Group AG. The management has assessed that on-lending of the proceeds to other Credit Suisse group companies results in a concentration of risk towards Credit Suisse, being the only counterparty, while there is no material geographical or currency risk perceived.

20. Employees' remuneration

The Company had no employees during the year.

The Company receives a range of administrative services from related companies within the Credit Suisse Group. The Company has borne the cost of these services.

21. Subsequent events

There are no material subsequent events that require disclosure in, or adjustment to, the Financial Statements as at the date of this report.

MANAGEMENT REPORT

The directors submit their report and the audited financial statements of the company for the year ended 31 December 2021.

General
Credit Suisse Group Funding (Guernsey) Limited ("the Company") is a Guernsey company incorporated on 04 August 2014. The Company is a direct wholly owned subsidiary of Credit Suisse Group AG, a company incorporated with limited liability under the laws of Switzerland.

Activities
Credit Suisse Group Funding (Guernsey) Limited is a special purpose vehicle and a direct subsidiary of Credit Suisse Group AG. The principal activities of the Company are the borrowing of funds by issuing senior unsecured notes guaranteed by Credit Suisse Group AG. The funds raised are lent to other entities in the Credit Suisse group.

Results
As of 31 December 2021 the Company reported total equity of USD 7,022k.

Financial Risks
The Credit Suisse Group AG, of which Credit Suisse Group Funding (Guernsey) Limited is a part, manages its risks under global policies. The Credit Suisse Group AG risk management process is designed to ensure that there are sufficient controls to measure, monitor and control risks in accordance with Credit Suisse Group AG's control framework and in consideration of industry best practices. The primary responsibility for risk management lies with Credit Suisse Group AG's senior business line managers. They are held accountable for all risks associated with their businesses, including market risk, liquidity risk, and operational risk

Directors
The current directors of the company are stated on page 1 of the Financial Statements.

Auditors
PricewaterhouseCoopers CI LLP are the current auditors of the Company.

Future Outlook
Credit Suisse Group Funding (Guernsey) Limited has participated in a number of capital raising transactions. The last of the notes issued by the Company will mature / settle by the end of calendar year 2022. The future of the Company has not yet been determined.

Post Balance Sheet Events
There are no subsequent events which impact the financial position of the Company as at 31 December 2021.

CREDIT SUISSE GROUP FUNDING (GUERNSEY) LIMITED

STATEMENTS BY THE RESPONSIBLE PERSONS

The undersigned:

Messrs G Luxton and J Parker on behalf of the board of Directors of Credit Suisse Group Funding (Guernsey) Ltd, a private company with limited liability, incorporated under the laws of Guernsey (hereinafter referred to as the ("the Company"), hereby confirm that to the best of their knowledge, the financial statements for the period ended 31 December 2021 have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company.

Furthermore, the undersigned declare that the Management Report includes a fair review of the development and performance of the business and the Company's position together with a description of the principal risks and uncertainties that it faces.

1 April 2022

G L Luxton

G Luxton
Member of the Board of Directors

James Parker

J Parker
Member of the Board of Directors