

## FOURTH SUPPLEMENT DATED 13 FEBRUARY 2023

### TO CREDIT SUISSE AG REGISTRATION DOCUMENT DATED 10 JUNE 2022 AND THE PROSPECTUSES LISTED IN SCHEDULE 1

This supplement (the “**Fourth Supplement**”) dated 13 February 2023 supplements (i) for the purposes of Article 10(1) and Article 23(5) of Regulation (EU) 2017/1129, the Credit Suisse AG EU Registration Document which is dated and was approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) on 10 June 2022 (the “**EU Registration Document**”), and (ii) the Credit Suisse AG Swiss Registration Document which is dated and was approved by the Swiss Reviewing Body on 10 June 2022 (the “**Swiss Registration Document**”, and, together with the EU Registration Document, the “**Registration Document**”) in each case on the terms and for the purposes described therein. This Fourth Supplement constitutes the fourth supplement to the EU Registration Document and the Swiss Registration Document respectively. The terms used but not defined in this Fourth Supplement have the same meaning as such terms used in the Registration Document. For the avoidance of doubt, this Fourth Supplement has been approved by the CSSF only insofar as it relates to the EU Registration Document.

This Fourth Supplement is dated, and has been filed with the Swiss Reviewing Body on, 13 February 2023. For the avoidance of doubt, this Fourth Supplement has been approved by the Swiss Reviewing Body only insofar as it relates to the Swiss Registration Document.

This Fourth Supplement is supplemental to, and should be read in conjunction with, the Registration Document as supplemented by the first supplement to the Registration Document dated 9 August 2022 (the “**First Supplement**”), the second supplement to the Registration Document dated 17 November 2022 (the “**Second Supplement**”) and the third supplement to the Registration Document dated 2 December 2022 (the “**Third Supplement**”) (together, the “**Existing Supplements**”), including the documents incorporated by reference therein. To the extent that there is any inconsistency between (a) any statement in this Fourth Supplement or any statement or information incorporated by reference into the Registration Document by this Fourth Supplement and (b) any other statement or information in or incorporated by reference into the Registration Document as supplemented by the Existing Supplements and/or (c) any other statement or information in or incorporated by reference into the prospectuses listed in Schedule 1 hereto, the statements or information in (a) above will prevail.

This Fourth Supplement has been produced to (i) incorporate by reference specified portions of the Form 6-K Dated 9 February 2023 and the Second Form 6-K Dated 9 February 2023 (each as defined below), (ii) provide information about a future change to the Executive Board of CS, and (iii) update the sections headed “*About this Registration Document—1. Information Incorporated by Reference*” (pages 29 to 35), “*About this Registration Document—3. Availability of Documents*” (pages 35 to 36), “*General Information—5. Significant and Material Change*” (page 40) and “*Appendix 1 – Information for the purposes of Art. 26(4) of the Regulation (EU) 2017/1129*” (pages A-3 to A-5).

#### **Information Incorporated by Reference**

The section of the Registration Document headed “*About this Registration Document—1. Information Incorporated by Reference*” (pages 29 to 35) is hereby amended to include the following information:

Form 6-K Dated 9 February 2023

xxiv. the Form 6-K of CSG and CS filed with the SEC on 9 February 2023 (the “**Form 6-K Dated 9 February 2023**”), which contains the Credit Suisse Earnings Release 4Q22 attached as an exhibit thereto, as indicated in the cross-reference table below (page 2).

Second Form 6-K Dated 9 February 2023

xxv. the Form 6-K of CSG and CS filed with the SEC on 9 February 2023 (the “**Second Form 6-K Dated 9 February 2023**”), which contains a media release titled “Credit Suisse Group announces the acquisition of The Klein Group LLC, the appointment of Michael Klein as Chief Executive Officer of Banking and of the Americas as well as CEO designate of CS First Boston”, as indicated in the cross-reference table below (page 2).

Section Heading	Sub-Heading	PDF Page Number(s)
<b>Form 6-K Dated 9 February 2023</b>		
Form 6-K	Cover page	1
	Explanatory note	2
	Forward-looking statements	2
	Group and Bank differences	3 to 4
	Selected financial data – Bank	4 to 5
	Exhibits	6
<b>Exhibit to the Form 6-K Dated 9 February 2023 (Credit Suisse Earnings Release 4Q22)</b>		
Earnings Release 4Q22	Cover page	8
	Key metrics	9
	Credit Suisse	10 to 20
	Wealth Management	21 to 25
	Investment Bank	26 to 30
	Swiss Bank	31 to 34
	Asset Management	35 to 38
	Corporate Center	39 to 41
	Assets under management	42 to 43
	Additional financial metrics	44
	Important information	45
	Appendix	
<b>Second Form 6-K Dated 9 February 2023</b>		
Media Release	Whole document except the fourth, fifth and sixth paragraphs on page 1 and the first paragraph on page 2 of the media release and the sentence “Further information about Credit Suisse can be found at <a href="http://www.credit-suisse.com">www.credit-suisse.com</a> .”	1 to 7

The information identified in the above table is incorporated by reference into, and forms part of, the Registration Document (and any information not listed in the above table but included in the Form 6-K Dated 9 February 2023 or the Second Form 6-K Dated 9 February 2023 is not incorporated by reference into the Registration Document and either (a) is covered elsewhere in the Registration Document as supplemented by the Existing Supplements and this Fourth Supplement, or (b) is not relevant for investors).

Only the portions of the Form 6-K Dated 9 February 2023 and the Second Form 6-K Dated 9 February 2023 specified in the above table have been incorporated by reference into the Registration Document, and not, for the avoidance of doubt, any other parts of such documents or the websites referred to in this Fourth Supplement.

#### **Availability of Documents**

The section of the Registration Document headed “*About this Registration Document—3. Availability of Documents*” (pages 35 to 36) is hereby amended to include the following information:

Copies of the Form 6-K Dated 9 February 2023 and the Second Form 6-K Dated 9 February 2023 can be obtained, free of charge, on the website of CS (<https://www.credit-suisse.com/>) at:

- <https://www.credit-suisse.com/media/assets/corporate/docs/about-us/investor-relations/financial-disclosures/sec-filings/2022-q4-6k-group-bank-0902.pdf> (the Form 6-K Dated 9 February 2023).
- <https://www.credit-suisse.com/media/assets/about-us/docs/investor-relations/financial-regulatory-disclosures/regulatory-disclosures/company-registration-documents/second-form-6-k-dated-9-february-2023.pdf> (the Second Form 6-K Dated 9 February 2023).

### **Announcement of Upcoming Changes to the Executive Board**

On 9 February 2023, CSG and CS announced the planned acquisition of The Klein Group LLC and the appointment of Michael Klein as Chief Executive Officer ("CEO") of Banking and of the Americas, CEO designate of CS First Boston and member of the Executive Board (subject in each case to regulatory approvals).

### **Amendments to the section headed "General Information—5. Significant and Material Change" in the Registration Document**

The three paragraphs of the section headed "*General Information—5. Significant and Material Change—EU Registration Document*" on page 40 of the Registration Document are hereby amended and restated as follows:

Apart from the potential consequences of the matters disclosed in: (i) the section headed "*Credit Suisse—Other information—Liquidity issues in 4Q22*" in the Credit Suisse Earnings Release 4Q22, (ii) the section headed "*Credit Suisse—Other information—Outflows in assets under management in 4Q22*" in the Credit Suisse Earnings Release 4Q22, and (iii) the section headed "*Risk factors relating to CS—4. Strategy Risk—4.2 CS may not achieve some or all of the expected benefits of the strategic initiatives it has announced*" in this Registration Document (as supplemented), there has been no significant change in the financial performance of CS and its consolidated subsidiaries since 31 December 2022.

Apart from the potential consequences of the matters disclosed in: (i) the section headed "*Credit Suisse—Other information—Liquidity issues in 4Q22*" in the Credit Suisse Earnings Release 4Q22, (ii) the section headed "*Credit Suisse—Other information—Outflows in assets under management in 4Q22*" in the Credit Suisse Earnings Release 4Q22, and (iii) the section headed "*Risk factors relating to CS—4. Strategy Risk—4.2 CS may not achieve some or all of the expected benefits of the strategic initiatives it has announced*" in this Registration Document (as supplemented), there has been no significant change in the financial position of CS and its consolidated subsidiaries since 31 December 2022.

Apart from the potential consequences of the matters disclosed in: (i) the section headed "*Credit Suisse—Other information—Liquidity issues in 4Q22*" in the Credit Suisse Earnings Release 4Q22, (ii) the section headed "*Credit Suisse—Other information—Outflows in assets under management in 4Q22*" in the Credit Suisse Earnings Release 4Q22, (iii) the section headed "*Risk factors relating to CS—4. Strategy Risk—4.2 CS may not achieve some or all of the expected benefits of the strategic initiatives it has announced*" in this Registration Document (as supplemented), and (iv) the section headed "*Risk factors relating to CS—2. Archegos and SCFF-related risks—2.1 Significant negative consequences of the Archegos and supply chain finance funds matters*" and "*—7. Legal, regulatory and reputational risks—7.3 Damage to CS's reputation can significantly harm its businesses, including its competitive position and business prospects*" in this Registration Document (as supplemented) and the section headed "*Credit Suisse—Other information—Significant negative consequences of the supply chain finance funds and Archegos matters*" in the Credit Suisse Earnings Release 4Q22, there has been no material adverse change in the prospects of CS and its consolidated subsidiaries since 31 December 2021.

The paragraph in the section headed "*General Information—5. Significant and Material Change—Swiss Registration Document*" on page 40 of the Registration Document is hereby amended and restated as follows:

Except as otherwise disclosed in the Registration Document (as supplemented), including the documents incorporated therein by reference, no material changes have occurred in CS's assets

and liabilities, financial position or profits and losses since 30 September 2022.

## **Appendix 1**

The information included in Appendix 1 hereto (i) amends and restates in its entirety the section headed “*APPENDIX 1 – INFORMATION FOR THE PURPOSES OF ART. 26(4) OF THE REGULATION (EU) 2017/1129*” in the EU Registration Document, and (ii) does not form part of the Swiss Registration Document and has neither been approved nor reviewed by the Swiss Reviewing Body.

## **General**

This Fourth Supplement and the documents incorporated by reference into the Registration Document by this Fourth Supplement have been filed with the CSSF and the Swiss Reviewing Body, and copies of the Registration Document, the Existing Supplements and this Fourth Supplement and the documents incorporated by reference into the Registration Document (as supplemented by the Existing Supplements and this Fourth Supplement) will be available, free of charge, (i) in electronic form on the website of the Luxembourg Stock Exchange at [www.luxse.com](http://www.luxse.com), and on CS’s website at <https://www.credit-suisse.com/about-us/en/investor-relations/financial-regulatory-disclosures/regulatory-disclosures/company-registration-documents.html>, and (ii) in printed form during normal business hours from CS at its registered head office at Paradeplatz 8, 8001 Zurich, Switzerland.

Except for the copies of the documents incorporated by reference into the Registration Document as supplemented by the Existing Supplements and this Fourth Supplement that are available on the Luxembourg Stock Exchange website ([www.luxse.com](http://www.luxse.com)) or CS’s website, no information contained on the websites to which links have been provided is incorporated by reference in the Registration Document.

Save as disclosed in the Existing Supplements and this Fourth Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Registration Document has arisen or been noted, as the case may be, since the publication of the Registration Document.

In accordance with Article 23(2a) of Regulation (EU) 2017/1129, investors (excluding investors in Switzerland) who have already agreed to purchase or subscribe for securities pursuant to the prospectuses listed in Schedule 1 hereto before this Fourth Supplement is published have the right, exercisable within two working days after the publication of this Fourth Supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in Article 23 paragraph 1 of Regulation (EU) 2017/1129 arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first. In connection therewith, investors should contact (i) in the case of prospectuses listed in section 1, CS at its head office at Paradeplatz 8, 8001 Zurich, Switzerland; and (ii) in the case of prospectuses listed in section 2, the Distributor (as defined in the relevant prospectus) of such securities. The final date of the right of withdrawal will be 15 February 2023.

## **Responsibility Statement**

### **EU Registration Document**

CS takes responsibility for the Registration Document, as supplemented by the Existing Supplements and this Fourth Supplement. Having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document, as supplemented by the Existing Supplements and this Fourth Supplement, is, to the best knowledge of CS, in accordance with the facts and contains no omission likely to affect its import.

### **Swiss Registration Document**

CS accepts responsibility for the Registration Document, as supplemented by the Existing Supplements and this Fourth Supplement, and declares that the information contained in the Registration Document, as supplemented by the Existing Supplements and this Fourth Supplement is, to the best of its knowledge, correct and no material facts or circumstances have been omitted therefrom.

This Fourth Supplement is not for use in, and may not be delivered to or inside, the United States save where it is incorporated into or referred to in securities offering documentation issued by CS which may be delivered to or inside, the United States.

**SCHEDULE 1 – LIST OF PROSPECTUSES TO WHICH THIS  
SUPPLEMENT RELATES**

**Section 1**

<b>Name</b>	<b>Approving Authority</b>	<b>File Number</b>
Securities Note for the issuance of Yield Enhancement Products of Credit Suisse AG dated 20 June 2022 constituting a base prospectus together with the Registration Document.	BaFin SIX Prospectus Office	Prospekt ID: 42337550  Prospekt ID: ZA12-00000004M4X8
Securities Note for the issuance of Participation Products of Credit Suisse AG dated 20 June 2022 constituting a base prospectus together with the Registration Document.	BaFin SIX Prospectus Office	Prospekt ID: 42688423  Prospekt ID: ZA12-000000004MHX6
Securities Note for the issuance by Credit Suisse AG of Complex Products with a Minimum Redemption Amount dated 20 June 2022 constituting a base prospectus together with the Registration Document.	BaFin SIX Prospectus Office	Prospekt ID: 42709800  Prospekt ID: ZA12-000000004N7H3
Securities Note for the issuance of Mini-Futures of Credit Suisse AG dated 22 June 2022 constituting a base prospectus together with the Registration Document.	BaFin SIX Prospectus Office	Prospekt ID: 44205857  Prospekt ID: ZA12-000000004N829
Securities Note for the issuance of Warrants of Credit Suisse AG dated 22 June 2022 constituting a base prospectus together with the Registration Document.	BaFin SIX Prospectus Office	Prospekt ID: 44210956  Prospekt ID: ZA12-000000004N750
Securities Note for the issuance of Fixed Income Products of Credit Suisse AG dated 21 June 2022 constituting a base prospectus together with the Registration Document.	BaFin SIX Prospectus Office	Prospekt ID: 43232796  Prospekt ID: ZA12-000000004LRU7

**Section 2**

<b>Name</b>	<b>Approving Authority</b>	<b>File Number</b>
Securities Note comprising part of the Trigger Redeemable and Phoenix Securities Base Prospectus dated 7 July 2022.	CSSF	C-027444
Securities Note comprising part of the Preference Share-Linked Securities (Andrea Preference Share-Linked Securities) Base Prospectus dated 8 July 2022.	CSSF	C-027502
Securities Note comprising part of the Put and Call Securities Base Prospectus dated 13 July 2022.	CSSF	C-027531
Securities Note comprising part of the Reverse Convertible and Worst of Reverse Convertible Securities Base Prospectus dated 14 July 2022.	CSSF	C-027553
Securities Note comprising part of the Bonus and Participation Securities Base Prospectus dated 15 July 2022.	CSSF	C-027558
Securities Note comprising part of the Credit Suisse AG French Law Programme for the Issuance of Notes dated 29 July 2022.	AMF	Approval number: 22-329

## APPENDIX 1 – INFORMATION FOR THE PURPOSES OF ART. 26(4) OF THE REGULATION (EU) 2017/1129

This Appendix forms part of the EU Registration Document only. This Appendix does not form part of the Swiss Registration Document approved by the Swiss Reviewing Body under the FinSA and has neither been approved nor reviewed by the Swiss Reviewing Body.

Binding English language version:

<b>KEY INFORMATION ON THE ISSUER</b>				
<b>Who is the Issuer of the Securities?</b>				
<b>Domicile and legal form, law under which the Issuer operates and country of incorporation</b>				
Credit Suisse AG (“CS” or “Credit Suisse”) (LEI: ANGGYXNX0JLX3X63JN86) is incorporated under Swiss law as a corporation ( <i>Aktiengesellschaft</i> ) and domiciled in Zurich, Switzerland and operates under Swiss law.				
<b>Issuer’s principal activities</b>				
The principal activities of CS are the provision of financial services in the areas of private banking, investment banking and asset management.				
<b>Major shareholders, including whether it is directly or indirectly owned or controlled and by whom</b>				
CS is wholly owned by Credit Suisse Group AG.				
<b>Key managing directors</b>				
The key managing directors of the issuer are members of the issuer’s Executive Board. These are: Ulrich Kömer (Chief Executive Officer), Francesco De Ferrari, Markus Diethelm, Christine Graeff, Joanne Hannaford, Dixit Joshi, Edwin Low, Francesca McDonagh, Nita Patel and David Wildermuth.				
<b>Statutory auditors</b>				
CS’s independent auditor and statutory auditor for the fiscal years ending 31 December 2021 and 31 December 2020 was PricewaterhouseCoopers AG, Birchstrasse 160 8050 Zurich, Switzerland.				
CS’s independent auditor and statutory auditor for the fiscal year ending 31 December 2019 was KPMG AG, Räfelstrasse 28, 8045 Zurich, Switzerland.				
CS has mandated BDO AG, Fabrikstrasse 50, 8031 Zurich, as special auditor for the purposes of issuing the legally required report for capital increases in accordance with Article 652f of the Swiss Code of Obligations.				
<b>What is the key financial information regarding the Issuer?</b>				
CS derived the key financial information included in the tables below as of and for the years ended 31 December 2021, 2020 and 2019 from the Annual Report 2021, except where noted. The key financial information included in the tables below as of and for the year ended 31 December 2022 was derived from the Form 6-K Dated 9 February 2023. The consolidated financial statements were prepared in accordance with accounting principles generally accepted in the US (US GAAP) and are stated in Swiss francs (CHF).				
<b>CS consolidated statements of operations</b>				
<b>(CHF million)</b>	<b>Year ended 31 December 2022 (unaudited)</b>	<b>Year ended 31 December 2021 (audited)</b>	<b>Year ended 31 December 2020 (audited)</b>	<b>Year ended 31 December 2019 (audited)</b>
Net revenues	15,213	23,042	22,503	22,686
Of which: Net interest income	5,397	5,925	5,960	7,049
Of which: Commissions and fees	8,861	13,180	11,850	11,071
Of which: Trading revenues	(525)	2,371	3,178	1,773
Provision for credit losses	15	4,209	1,092	324
Total operating expenses	18,529	18,924	18,200	17,969
Of which: Commission expenses	1,012	1,243	1,256	1,276
Income/(loss) before taxes	(3,331)	(91)	3,211	4,393
Net income/(loss) attributable to shareholders	(7,273)	(929)	2,511	3,081
<b>CS consolidated balance sheets</b>				



CHF million)	As of 31 December 2022 (unaudited)	As of 31 December 2021 (audited)	As of 31 December 2020 (audited)
Total assets	530,039	759,214	822,831
Of which: Net loans	268,104	300,358	300,341
Of which: Brokerage receivables	13,818	16,689	35,943
Total liabilities	481,563	711,127	775,772
Of which: Customer deposits	234,554	393,841	392,039
Of which: Short-term borrowings	14,489	25,336	21,308
Of which: Long-term debt	150,661	160,695	160,279
Of which: Brokerage payables	11,442	13,062	21,655
Total equity	48,476	48,087	47,059
Of which: Total shareholders' equity	47,871	47,390	46,264
<b>Metrics (in %)</b>			
Swiss CET1 ratio	12.2	16.5	14.7
Swiss TLAC ratio	*	37.5	35.3
Swiss TLAC leverage ratio	*	11.2	12.1

\*not published as of the date hereof

#### What are the key risks that are specific to the Issuer?

The Issuer is subject to the following key risks:

1. Liquidity risk arising from potential inability to borrow or access the capital markets on suitably favourable terms (including due to adverse changes in its credit ratings) or to sell its assets. This may also arise from increased liquidity costs. CS relies significantly on its deposit base for funding, which may not continue to be a stable source of funding over time.
2. Risks arising from the suspension and ongoing liquidation of certain supply chain finance funds and the failure of a US-based hedge fund to meet its margin commitments (and CS's exit from its positions relating thereto), in respect of which a number of regulatory and other inquiries, investigations and actions have been initiated or are being considered. In addition, there are risks arising from the impact of market fluctuations and volatility on CS's investment activities (against which its hedging strategies may not prove effective). The spread of COVID-19 and resulting government controls and containment measures implemented around the world have caused severe disruption to global supply chains, labour markets and economic activity, which have contributed to rising inflationary pressure and a spike in market volatility. The withdrawal of emergency monetary policies and liquidity support measures put in place by central banks during earlier stages of the COVID-19 pandemic may negatively affect economic growth and adversely affect CS's businesses, operations and financial performance. The spread of COVID-19 is continuing to have an adverse impact on the global economy, the severity and duration of which is difficult to predict. The COVID-19 pandemic has significantly impacted, and may continue to adversely affect, CS's credit loss estimates, mark-to-market losses, trading revenues, net interest income and potential goodwill assessments, and may also adversely affect CS's ability to successfully realise its strategic objectives and goals. CS is also exposed to other unfavourable economic, monetary, political, legal, regulatory and other developments in the countries in which it operates (as well as countries in which CS does not currently conduct business), including the escalating conflict between Russia and Ukraine, as a result of which the United States, European Union, United Kingdom and other countries have imposed, and may further impose, financial and economic sanctions and export controls targeting certain Russian entities and/or individuals (such that CS may face restrictions (including any Russian countermeasures) on engaging with certain consumer and/or institutional businesses), and which could lead to regional and/or global instability, as well as adversely affect commodity and other financial markets or economic conditions. In addition, there are uncertainties regarding the discontinuation of benchmark rates. CS's significant positions in the real estate sector, and other large and concentrated positions, can also expose it to larger losses. Many of these market risk factors, including the impact of COVID-19, may increase other risks, including CS's credit risk exposures, which exist across a large variety of transactions and counterparties and in respect of which it may have inaccurate or incomplete information. These are exacerbated by adverse economic conditions and market volatility, including as a result of any defaults by large financial institutions (or any concerns relating thereto).
3. On 27 October 2022, CS announced a comprehensive new strategic direction and significant changes to its structure and organisation. CS's goals, its strategy for implementing them, and the completion of the announced measures are based on a number of key assumptions, including in relation to the future economic environment and the economic growth of certain geographic regions, the regulatory landscape, its ability to meet certain financial goals, and the confidence of clients, counterparties, employees and other stakeholders, including regulatory authorities, in this strategy and in CS's ability to implement it. If CS is unable to implement its strategy successfully in whole or in part, or should the strategic initiatives once implemented fail to produce the expected benefits, CS's financial results and its share price may be materially and adversely affected. CS's proposed goals may also increase its exposure to certain risks, including but not limited to credit risks, market risks, liquidity risks, operational risks and regulatory risks, and such risks may evolve in a way that is not under CS's control or entirely possible to predict. CS's strategy involves exiting certain businesses, and CS anticipates that revenues and income for the Investment Bank in particular will be materially reduced as a result. CS's ability to attract and retain clients, as well as its ability to hire and retain highly qualified

employees, also may be adversely affected by these changes. CS anticipates that the implementation of its strategy may result in further impairments and write-downs, including in relation to goodwill and the revaluation of its deferred tax assets, which may have a material adverse effect on its results of operations and financial condition. In addition, implementing certain measures will entail the incurrence of significant restructuring expenses, including software and real estate impairments, estimated to be on the order of CHF 2.9 billion through the end of 2024, although they could exceed this level.

4. Country, regional and political risk in the regions in which CS has clients or counterparties, which may affect their ability to perform their obligations to CS. In part because an element of CS's strategy is to increase CS's wealth management businesses in emerging market countries, it may face increased exposure to economic, financial and political disruptions in those countries, which could result in significant losses. Related fluctuations in exchange rates for currencies (particularly for the US dollar) may also adversely affect CS.
5. A wide variety of operational risks arising from inadequate or failed internal processes, people, systems or from external events, including breaches of cyber-security and other failures of information technology. CS relies heavily on financial, accounting and other data processing systems, which are varied and complex, and may face additional technology risks due to the global nature of its operations. CS is thereby exposed to risks arising from human error, negligence, employee misconduct (including errors in judgement, fraud, malice, and/or engaging in violations of applicable laws, rules, policies or procedures), accidental technology failure, cyber-attack and information or security breaches. This also exposes CS to risk from non-compliance with existing policies or regulations. Protecting against threats to CS's cyber-security and data protection systems requires significant financial and human resources. Cybersecurity risks have also significantly increased in recent years in part due to the growing number and increasingly sophisticated activities of malicious cyber actors. The ongoing global COVID-19 pandemic has increased the vulnerability and likelihood of damage to CS's information technology systems as a result of a cybersecurity incident because of the wide-scale and prolonged shift to remote working for CS's employees and the increased reliance by CS's customers on remote (digital) banking services. CS's existing risk management procedures and policies may not be fully effective in mitigating its risk exposures in all economic market environments or against all types of risk, including risks that CS fails to identify, anticipate or mitigate, in whole or in part, which may result in unexpected, material losses. In addition, inadequacies or lapses in CS's risk management procedures, policies, tools, metrics and modelling can require significant resources and time to remediate, lead to non-compliance with laws, rules and regulations and attract heightened regulatory scrutiny, exposing CS to regulatory investigations or legal proceedings and subjecting it to litigation or regulatory fines, penalties or other sanctions, or capital surcharges or add-ons, as well as reputational damage. Moreover, CS's actual results may differ materially from its estimates and valuations, which are based upon judgement and available information and rely on predictive models and processes. The same is true of CS's accounting treatment of off-balance sheet entities, including special purpose entities, which requires it to exercise significant management judgement in applying accounting standards; these standards (and their interpretation) have changed and may continue to change. In addition, physical and transition climate risks could have a financial impact on CS either directly, through its physical assets, costs and operations, or indirectly, through its financial relationships with its clients. Given the growing volume of nascent climate and sustainability-related laws, rules and regulations, increasing demand from various stakeholders for environmentally sustainable products and services and regulatory scrutiny, CS may be subject to increasing litigation, enforcement and contract liability risks in connection with climate change, environmental degradation and other environmental social and governance related issues.
6. CS's exposure to legal risks is significant and difficult to predict and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms continues to increase in many of the principal markets in which CS operates. CS's business is highly regulated, and existing, new or changed laws, rules and regulations (including in relation to sanctions) and monetary policy applicable to CS (as well as regulations and changes in enforcement practices applicable to its clients) may adversely affect its business and ability to execute its strategic plans and increase costs, as well as impact the demand from clients for CS's services. Moreover, CS's ability to attract and retain customers, clients, investors and employees, and conduct business transactions with its counterparties, could be adversely affected to the extent its reputation is damaged, which could arise from various sources, including if its procedures and controls fail (or appear to fail). In addition, Swiss resolution proceedings may affect CS's shareholders and creditors.
7. CS faces intense competition in all financial services markets, which has increased as a result of consolidation, as well as new and emerging technologies (including trends towards direct access to automated and electronic markets, robo-advising, digital assets and the move to more automated trading platforms). New technologies, such as cryptocurrency and blockchain, may disrupt the financial services industry and require CS to commit further resources to adapt its products and services. In this highly competitive environment, CS's performance is affected by its ability to recruit and retain highly skilled employees.