

Buyback of own shares – change of purpose

Credit Suisse Group AG

On 29 October 2020, Credit Suisse Group AG, Paradeplatz 8, 8001 Zurich, Switzerland ("CSG"), announced that the Board of Directors of CSG approved a buyback of its own shares of up to CHF 1.5 billion. CSG intended to cancel the repurchased shares by way of a capital reduction.

The buyback offer on the second trading line of SIX Swiss Exchange was published on 8 January 2021 and was suspended in the first quarter of 2021. Under the share buyback program, CSG repurchased a total of 25,087,000 shares for a total of CHF 305,193,092.

Change of purpose

Other than originally announced, CSG's Board of Directors has decided not to cancel the 25,087,000 shares repurchased under the share buyback program by way of a capital reduction. Instead, it is planned to use these shares exclusively for servicing employee participation plans.

Shareholders holding more than 3 % of the voting rights of CSG

According to the disclosure notices received, the following shareholders hold more than 3 % of the voting rights of CSG:

	Publication date	Number of CSG shares (million)	Approximate shareholding ¹	Purchase rights ²
BlackRock, Inc.	26 January 2022	109.01	4.11 %	0.95 % ³
Dodge & Cox	19 September 2020 ⁴	122.22	4.99 %	-
Harris Associates L.P.	9 November 2013 ⁵	81.5	5.17 %	-
Olayan Group	12 December 2018	125.97	4.93 %	0.07 % ⁶
Qatar Holding LLC	17 November 2021	133.22	50.3 %	-
Silchester International Investors LLP	7 December 2018	77.38	3.03 %	-

¹ The approximate shareholding percentages were calculated in relation to the share capital at the time of the relevant disclosure notification. They therefore do not reflect changes in such percentages that would result from changes in the number of outstanding shares, following the date of the disclosure notification.

² The purchase rights are calculated by deducting total of all equity securities or equity related securities from total of all purchase positions; differences due to rounding may occur.

³ Total purchase positions disclosed was 5.06 %.

⁴ This position includes the reportable position of Dodge & Cox International Stock Fund (3.09 % shares), as published by SIX on 5 February 2019.

⁵ This position includes the reportable position of Harris Associates Investment Trust (4.97 % shares), as published by SIX on 1 August 2018.

⁶ 0.07 % purchase rights relate to put options and perpetual tier 1 contingent convertible capital notes.

Taxes and duties

Despite the change in purpose, the repurchase of own shares by CSG under the Share Repurchase Program will continue to be treated as repurchase for a capital reduction and as a partial liquidation for purposes of both Swiss federal withholding tax and Swiss federal income tax. In summary, the Swiss tax consequences are as follows:

1. Swiss withholding tax

CSG must deduct Swiss withholding tax of 35 % on such amount of the repurchase price of the shares less their nominal value ("liquidation proceeds"), which it does not book under reserves from capital contributions that have been confirmed by the Swiss Federal Tax Administration ("confirmed capital contribution reserves"), and it must book at least half of the liquidation proceeds under confirmed reserves from capital contributions (50:50 rule).

CSG therefore booked half of the liquidation proceeds under confirmed reserves from capital contributions and half under other reserves. The Swiss withholding tax of 35 % on the liquidation proceeds booked under other reserves has been deducted from the repurchase price and paid by CSG to the Swiss Federal Tax Administration. The liquidation proceeds booked under confirmed reserves from capital contributions are not subject to withholding tax.

A person resident in Switzerland may claim a full refund of the Swiss withholding tax if it was the beneficial owner of the repurchase price at the time the shares were repurchased, it has properly declared or accounted for the income from the repurchase and there is no tax avoidance. Persons resident outside of Switzerland may be entitled to a partial refund of the Swiss withholding tax in accordance with bilateral treaties for the avoidance of double taxation with Switzerland.

2. Swiss federal income tax

a) Shares held as private assets:

Repurchase price paid for shares repurchased under the Share Repurchase Program is taxable income to the extent that repurchase price is attributable to other reserves and not to the nominal value of the shares and confirmed reserves from capital contributions, consequently to the extent of half of the liquidation proceeds.

b) Shares held as business assets:

Repurchase price paid for shares repurchased under the Share Repurchase Program is taxable profit or taxable income to the extent the repurchase price exceeds the book value or the income tax value of the shares at the time of the repurchase.

The Swiss cantonal and communal income tax consequences are generally the same.

Shareholders resident outside Switzerland are taxed in accordance with the tax laws applicable to them in the country in which they reside for tax purposes.

3. Swiss securities turnover tax

To the extent that Swiss securities turnover taxes are incurred as a result of the change in purpose for share repurchases under the Share Repurchase Program, these will be fully borne by CSG.

Applicable law / jurisdiction

Swiss law / Zurich is the exclusive place of jurisdiction.

This notice does not constitute a prospectus as defined in the Swiss Financial Services Act.

This offer is not made in the United States of America or to U.S. persons and may be accepted only by Non-U.S. persons and outside the United States. Offering materials with respect to this offer must not be distributed in or sent to the United States and must not be used for the purpose of solicitation of an offer to purchase or sell any securities in the United States.

Credit Suisse Group AG	Securities No.	ISIN	Ticker symbol
Registered shares of CHF 0.04 par value each	1 213 853	CH0012138530	CSGN
Registered shares of CHF 0.04 par value each (share repurchase, second trading line)	45 422 569	CH0454225696	CSGNE

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