

Amendment to Program Information

Credit Suisse International

AMENDMENT TO PROGRAM INFORMATION

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Maximum Outstanding Issuance Amount:	Unlimited

This amendment is filed to update the information included in the Program Information dated 25 April 2023. This constitutes an integral part of the Program Information dated 25 April 2023 and shall be read together with it.



Credit Suisse International

Unlisted Securities Programme (Unlimited Program Size)

This Supplement (the "**Supplement**") is supplemental to, and should be read in conjunction with, (i) the Listing Supplement dated 26 April 2018 (the "**Listing Supplement**") in respect of the unlisted securities programme (the "**Programme**") established by Credit Suisse International ("**CSi**" or the "**Issuer**") on 17 June 2011 for the issuance of notes (the "**Notes**") of CSi and Credit Suisse AG ("**CS**"), (ii) any other documents incorporated by reference therein and (iii) in relation to any particular Notes, the Pricing Supplement relating to those Notes. Capitalised terms used in this Supplement but not defined herein shall have the meanings ascribed to them in the Listing Supplement.

RISK FACTORS

The section in the Listing Supplement entitled "Risks associated with the creditworthiness of the Issuer" shall be replaced with the information below.

Risks associated with the creditworthiness of the Issuer

(a) General risks

The Notes are general unsecured obligations of the Issuer. Securityholders are exposed to the credit risk of the Issuer. The Notes will be adversely affected in the event of (i) a default, (ii) a reduced credit rating of the Issuer, (iii) increased credit spreads charged by the market for taking credit risk on the Issuer or (iv) a deterioration in the solvency of the Issuer.

If the Issuer either fails or is otherwise unable to meet its payment obligations, you may lose up to the entire value of your investment. The Notes are not deposits and are not protected under any deposit insurance or protection scheme.

(b) Risks relating to the Issuer

The Issuer faces a variety of risks that are substantial and inherent in its businesses, including liquidity risk, credit risk, market risk, country risk, non-financial risk, legal (including regulatory) risk, conduct risk, reputational risk and technology risk. These are described in more detail below.

The Issuer has direct access to funding sources of Credit Suisse AG and its consolidated subsidiaries (hereinafter "**CS AG Group**", "**CS**" or the "**Bank**" refer to Credit Suisse AG and its consolidated subsidiaries). The CS AG Group will ensure that the Issuer maintains a sound financial position and is able to meet its debt obligations for the foreseeable future. As a result, risks affecting the CS AG Group will also apply to the Issuer. The risk factors affecting the CS AG Group are set out on pages 40 to 56 of the 2022 CS Annual Report, which are incorporated by reference into the registration document of the Issuer dated 5 July 2023 (the "**CSi Registration Document**"). References in such risk factors to "CSG and its consolidated subsidiaries", "Credit Suisse" or the "Group" are also relevant to CS and its consolidated subsidiaries (including the Issuer). As such, references to "CSG and its consolidated subsidiaries", "Credit Suisse" and the "Group" in such risk factors should also be read as references to CS and its consolidated subsidiaries (including the Issuer), to the extent relevant following Credit Suisse Group AG ("**CSG**") was merged into UBS Group AG (the Issuer's indirect parent company, which is a holding company incorporated under Swiss law as a corporation (*Aktiengesellschaft*)) ("**UBS**") on 12 June 2023 (the "**Merger**") (taking account of the fact that, upon the consummation of the Merger, CSG ceased to exist).

As noted above, CSG ceased to exist upon consummation of the Merger. In the following risk factors, references to the "Group" refer, prior to the consummation of the Merger, to CSG and its consolidated subsidiaries (including the Issuer) and, after the consummation of the Merger, to the CS AG Group (including the Issuer).

(i) Liquidity risk

Overview

Liquidity risk is the risk that the Issuer will not be able to meet both expected and unexpected, current and future cash flow and collateral needs without affecting either daily operations or the financial condition of the firm. In this context, liquidity risk implies funding liquidity risk, not market liquidity risk.

For further information on liquidity risk management, refer to "ii) Liquidity Risk" in "40 – Financial Risk Management – Risks Detail" in the notes to the consolidated financial statements in the 2022 CSi Annual Report (as defined the CSi Registration Document, the same hereinafter).

The Issuer's liquidity could be impaired if it were unable to access the capital markets, sell its assets or if its liquidity costs increased

The Issuer's ability to borrow on a secured or unsecured basis and the cost of doing so can be affected by increases in interest rates or credit spreads, the availability of credit, regulatory requirements relating to liquidity, or the market perceptions of risk relating to the Issuer, certain of its counterparties or the banking sector as a whole, including its perceived or actual creditworthiness. An inability to obtain financing in the unsecured long-term or short-term debt capital markets, or to access the secured lending markets, could have a substantial adverse effect on the Issuer's liquidity. In challenging credit markets, the Issuer's funding costs may increase or it may be unable to raise funds to support or expand its businesses, adversely affecting its results of operations.

For further information, refer to "Operating Environment" in "Strategic Report – Credit Suisse International at a glance" in the 2022 CSi Annual Report. For further information relating to the first quarter of 2023, refer to "Credit Suisse – Other information – Credit Suisse and UBS to merge" and "Credit Suisse – Other information – Liquidity issues in 1Q23" in the CS AG Earnings Release 1Q23.

If the Issuer is unable to raise needed funds in the capital markets (including through offerings of equity, regulatory capital securities and other debt), it may need to liquidate unencumbered assets to meet its liabilities. In a time of reduced liquidity, the Issuer may be unable to sell some of its assets, or it may need to sell assets at depressed prices, which, in either case, could adversely affect its results of operations and financial condition.

Significant negative consequences of liquidity issues and outflows in assets under management in the fourth quarter of 2022

During the fourth quarter of 2022, the Group began experiencing significantly higher withdrawals of cash deposits, non-renewal of maturing time deposits and net asset outflows at levels that substantially exceeded the rates incurred in the third quarter of 2022. These outflows stabilised to much lower levels but had not yet reversed as of the end of the fourth quarter of 2022. These outflows led the Group to partially utilise liquidity buffers at the Group and legal entity level, and the Group fell below certain legal entity-level regulatory requirements.

These circumstances have exacerbated and may continue to exacerbate the risks described above in this section. In addition, this reduction in assets under management is expected to lead to reduced net interest income and recurring commissions and fees for the Group, which in turn could affect the Issuer's ability to achieve its capital position objectives. A failure to reverse these outflows and to restore the Group's assets under management and deposits could have a material adverse effect on the Issuer's results of operations and financial condition.

For further information, refer to "Liquidity issues in the fourth quarter of 2022" and "Outflows in assets under management in the fourth quarter of 2022" in "II – Operating and financial review – Credit Suisse – Other information" in the 2022 CS Annual Report. For further information relating to the first quarter of 2023, refer to "Credit Suisse – Other information – Liquidity issues in 1Q23" in the CS AG Earnings Release 1Q23.

During the first quarter of 2023, the financial stability of Credit Suisse AG, and CSG, reached a critical point which triggered UBS to enter into an agreement to merge with CSG. During this period CSG was reliant on funding from the Swiss government and the Swiss National Bank. CSG and CS AG concluded they were operating as a going concern, but that this assessment was dependent on the successful closing of the merger which has now been consummated.

For further information, refer to "Going Concern" in "Notes to the Financial Statements for the year ended 31 December 2022 – Note 2 Significant Accounting Policies" in the 2022 CSi Annual Report.

(ii) **Archegos and SCFF-related risks**

Significant negative consequences of the supply chain finance funds and US based hedge fund matters

As previously reported, the Group incurred a net charge of CHF 4.8 billion in 2021 in respect of the US-based hedge fund matter described on page 400 (PDF page 408) of the 2022 CS Annual Report ("**Archegos**"). The Group also previously reported that it is reasonably possible that it will incur a loss in respect of the Supply Chain Finance Funds ("**SCFF**") matter, though it is not yet possible to estimate the full extent of any loss. However, the ultimate cost of resolving the SCFF matter may be material to the Group's operating results.

A number of regulatory and other inquiries, investigations, enforcement and other actions have been initiated or are being considered in respect of each of these matters. In addition, Credit Suisse AG has been required by FINMA to take certain capital and related actions, as well as certain remedial measures. Furthermore, the Group is subject to various litigation claims and criminal complaints in respect of these matters and it may become subject to additional litigation, disputes or other actions.

On 29 July 2021, the Group published the report based on the independent external investigation into Archegos, which found, among other things, a failure to effectively manage risk in the Investment Bank's prime services business by both the first and second lines of defence as well as a lack of risk escalation. On 10 February 2022, the Group announced that the separate report related to the SCFF matter had been completed and that the findings had been made available to the Board of Directors of CSG (the "**CSG Board**") and the report was shared with FINMA.

The combined effect of these two matters, including the material loss incurred in respect of Archegos, may have other material adverse consequences for the Group, including negative effects on its business and operating results from actions that the Group has taken and may be required or decide to take in the future in response to these matters. In addition, the CSG Board conducted a review of the Group's business strategy and risk appetite. There can be no assurance that these or other measures instituted to manage related risks will be effective in all instances.

There can be no assurance that any additional losses, damages, costs and expenses, as well as any further regulatory and other investigations and actions or any further downgrade of CS's credit ratings, will not be material to CS, including from any impact on its business, financial condition, results of operations, prospects, liquidity, capital position or reputation. For example, the Issuer has suffered and may continue to suffer reputational harm and reductions in certain areas of its business, such as outflows of assets, attributable, at least in part, to these matters. The ongoing effect of these matters, and this harm and these reductions, can continue to affect its business overall, including the Issuer's ability to attract and retain customers, clients, investors and employees and to conduct business transactions with the Issuer's counterparties. The Issuer's employee attrition has been higher over the last year, undoubtedly owing at least in part to these matters. While steps the Group has taken in response to the Archegos and SCFF matters are designed to reduce the Group's risks, some of these changes will constrain certain areas of its business, thereby impacting negatively its results of operations. These challenges are taking place in the context of worsening macroeconomic and market conditions, potentially amplifying some of the negative consequences noted above.

For further information on Archegos matters, refer to the 2022 CS Annual Report.

(iii) **Credit risk**

Credit risk is the risk of a loss arising 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.

For further information on credit risk management and risk mitigation, refer to "iv) Credit Risk" in "Note 40 – Financial Risk Management – Risks Detail" in the notes to the consolidated financial statements in the 2022 CSi Annual Report.

The Issuer may suffer significant losses from its credit exposures

The Issuer's businesses are subject to the fundamental risk that borrowers and other counterparties will be unable to perform their obligations. The Issuer's credit exposures exist across a wide range of transactions that it engages in with a large number of clients and counterparties, including lending relationships, commitments and letters of credit, as well as derivative, currency exchange and other transactions. The Issuer's exposure to credit risk can be exacerbated by adverse economic or market trends, as well as increased volatility in relevant markets or instruments. For example, adverse economic effects arising from rising inflation and recession risk, disruptions to economic activity, global supply chain issues and labour shortages, will likely continue to negatively impact the creditworthiness of certain counterparties and result in increased credit losses for the Issuer's businesses.

In addition, disruptions in the liquidity or transparency of the financial markets may result in the Issuer's inability to sell, syndicate or realise the value of its positions, thereby leading to increased concentrations. Any inability to reduce these positions may not only increase the market and credit risks associated with such positions, but also increase the level of risk-weighted assets ("**RWA**") on the Issuer's balance sheet, thereby increasing its capital requirements, all of which could adversely affect its businesses.

The Issuer's regular review of the creditworthiness of clients and counterparties for credit losses does not depend on the accounting treatment of the asset or commitment. Changes in creditworthiness of loans and loan commitments that are fair valued are reflected in trading revenues.

The Group's accounting standards generally require management to estimate lifetime current expected credit losses ("**CECL**") on the Group's credit exposure held at amortised cost, which may result in volatility in earnings and capital levels. The determination by the Group's management of the provision for credit losses and the related estimation and application of forward-looking information requires quantitative analysis and significant expert judgment. The Group's estimation of expected credit losses is based on a discounted probability-weighted estimate that considers macroeconomic scenarios. The scenarios are probability-weighted according to the Group's best estimate of their relative likelihood based on historical frequency, an assessment of the current business and credit cycles as well as the macroeconomic factor trends. Expected credit losses are not solely derived from macroeconomic factor projections. Model overlays based on expert judgment are also applied, considering historical loss experience and industry and counterparty reviews. Such overlays are designed to address circumstances where in management's judgment the CECL model outputs are overly sensitive to historical averages. Overlays may also be used to capture judgment on the economic uncertainty from global or regional developments with severe impacts on economies. The Group can suffer unexpected losses if the models and assumptions that are used to estimate its allowance for credit losses are not sufficient to address its credit losses.

Moreover, Management's determination of the provision for loan losses is subject to significant judgement and Management may not accurately assess or mitigate all areas of exposure. The Issuer's banking businesses may need to increase their provisions for loan losses or may record losses in excess of the previously

determined provisions if their original estimates of loss prove inadequate, which could have a material adverse effect on the Issuer's results of operations.

For further information, refer to "i) Impairment of financial assets, loan commitments and financial guarantees" in "Notes to the Financial Statements for the year ended 31 December 2022 – Note 2 Significant Accounting Policies" in the 2022 CSi Annual Report.

Under certain circumstances, the Issuer may assume long-term credit risk, extend credit against illiquid collateral and price derivative instruments aggressively based on the credit risks that it takes. As a result of these risks, the Issuer's capital and liquidity requirements may continue to increase.

Defaults by one or more large financial institutions could adversely affect financial markets generally and the Issuer specifically

Concerns, rumours about or an actual default by one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships between institutions. This risk is typically referred to as systemic risk. Concerns about defaults by and failures of many financial institutions could lead to material losses or defaults by financial institutions and financial intermediaries with which the Issuer interacts on a daily basis, such as clearing agencies, clearing houses, banks, securities firms and exchanges. The Issuer's credit risk exposure will also materially increase if the collateral it holds cannot be realised or can only be liquidated at prices insufficient to cover the full amount of the exposure.

(iv) **Market risk**

Market risk is the risk of a loss arising from fair-valued financial instruments in response to adverse changes in interest rates, credit spreads, foreign currency exchange rates, equity and commodity prices and other relevant market parameters, such as volatilities and correlations.

For further information on market risk management, refer to "i) Market Risk" in "Note 40 – Financial Risk Management – Risks Detail" in the notes to the consolidated financial statements in the 2022 CSi Annual Report.

The Issuer may incur significant losses on its trading and investment activities due to market fluctuations and volatility

Although the Issuer continues to strive to reduce its balance sheet and has made significant progress in implementing its strategy over the past few years, the Issuer also continues to maintain large trading and investment positions and hedges in the debt, currency and equity markets, and in private equity, hedge funds, real estate and other assets. These positions could be adversely affected by volatility in financial and other markets, that is, the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. To the extent that the Issuer owns assets, or has net long positions, in any of those markets, a downturn in those markets could result in losses from a decline in the value of its net long positions. Conversely, to the extent that the Issuer has sold assets that it does not own, or has net short positions, in any of those markets, an upturn in those markets could expose the Issuer to potentially significant losses as it attempts to cover its net short positions by acquiring assets in a rising market. Market fluctuations, downturns and volatility can adversely affect the fair value of the Issuer's positions and its results of operations. Adverse market or economic conditions or trends have caused, and in the future may cause, a significant decline in the Issuer's net revenues and profitability.

The Issuer's hedging strategies may not prevent losses

If any of the variety of instruments and strategies the Issuer uses to hedge its exposure to various types of risk in its businesses are not effective, the Issuer may incur losses. The Issuer may be unable to purchase hedges or be only partially hedged, or its hedging strategies may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk.

The Issuer takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows

Foreign currency exchange rates are impacted by macro factors such as changes in interest rates, results or anticipated results of elections, political stability and economic growth, as well as changes in stock markets, the actions of central banks and the supply and demand of the currencies in question. If the Issuer fails to hedge or otherwise manage its exposure to fluctuations in foreign currency exchange rates effectively, this may have an impact on the Issuer's financial condition and results of operations, which could, in turn, lead to a decrease in the value of its securities.

For further information on currency risk management, refer to "iii) Currency Risk" in "Note 40 – Financial Risk Management – Risks Detail" in the notes to the consolidated financial statements in the 2022 CSi Annual Report.

Market risk may increase the other risks faced by the Issuer

If the Issuer were to incur substantial trading losses, for example, its need for liquidity could rise sharply while its access to liquidity could be impaired. Moreover, in conjunction with another market downturn, the Issuer's customers and counterparties could also incur substantial losses of their own, thereby weakening their financial condition and increasing the Issuer's credit and counterparty risk exposure to them.

Uncertainties regarding the discontinuation of benchmark rates may adversely affect the Issuer's business, financial condition and results of operations and may require adjustments to its agreements with clients and other market participants, as well as to its systems and processes

In July 2017, the UK Financial Conduct Authority (the "FCA"), which regulates the London Inter-Bank Offered Rate ("LIBOR"), announced that it will no longer compel banks to submit rates for the calculation of the LIBOR benchmark after year-end 2021. Other Inter-Bank Offered Rates ("IBORs") may also be permanently discontinued or cease to be representative. As of 1 January 2022, all Swiss Franc ("CHF"), Euro ("EUR"), Pound Sterling ("GBP") and Japanese Yen ("JPY") LIBOR settings and the one-week and two-month USD LIBOR settings are no longer available on a representative basis. The remaining USD LIBOR settings will permanently cease to be provided by any administrator or will no longer be representative immediately after 30 June 2023. The FCA has also proposed to continue requiring the publication of synthetic USD LIBOR until 30 September 2024, potentially providing more time to remediate legacy contracts, although such proposal is yet to be confirmed. However, there is no certainty that the extended period of time to transition to alternative reference rates ("ARRs") is sufficient given how widely USD LIBOR is referenced.

A number of initiatives have been developed to support the transition, such as the publication by the International Swaps and Derivatives Association, Inc. ("ISDA") of Supplement number 70 to the 2006 ISDA Definitions (the "IBOR Supplement") and the accompanying IBOR Protocol (the "IBOR Protocol"). Although these measures may help facilitate the derivatives markets' transition away from IBORs, the Group's clients and other market participants may not adhere to the IBOR Protocol or may not be otherwise willing to apply the provisions of the IBOR Supplement to relevant documentation. Furthermore, no similar multilateral mechanism exists to amend legacy loans or bonds, many of which must instead be amended individually, which may require the consent of multiple lenders or bondholders. As a consequence, there can be no assurance that market participants, including the Issuer, will be

able to successfully modify all outstanding IBOR referencing contracts or otherwise be sufficiently prepared for the uncertainties resulting from cessation, potentially leading to disputes. Legislation has been proposed or enacted in a number of jurisdictions to address affected contracts without robust fallback provisions. For example, the United States has enacted the Adjustable Interest Rate (LIBOR) Act of 2021 (the "**LIBOR Act**") providing for the replacement of USD LIBOR-based benchmarks in certain agreements by operation of law. However, the scope of this legislation is limited. In addition, it is uncertain whether, when and how other jurisdictions will enact similar legislation. Furthermore, the terms and scope of existing and future legislative solutions may be inconsistent and potentially overlapping.

The Group's legacy non-USD LIBOR portfolio has been successfully transitioned to alternative reference rates without reliance on synthetic LIBOR. With respect to USD LIBOR settings, the Secured Overnight Financing Rate ("**SOFR**"), the alternative reference rate recommended by the Alternative Reference Rates Committee ("**ARRC**"), has already gained a significant foothold in the markets. With regulatory pressure to move new trading activity away from LIBOR, except in certain limited circumstances, SOFR has become the dominant market rate even ahead of the official cessation date for USD LIBOR.

The Group has a significant level of liabilities and assets linked to USD LIBOR, and whilst most of the legacy portfolio has a reduced level of transition risk due to the presence of robust fallback provisions, certain risks associated with the transition may still exist, including financial, legal, tax, operational and conduct risks. The majority of the portfolio is made up of derivative contracts and where most counterparts have already adhered to the ISDA 2020 IBOR Fallbacks Protocol or to the June 2022 Benchmark Module to the ISDA 2021 Fallbacks Protocol, which reduces contractual uncertainty around the discontinuation of USD LIBOR.

The discontinuation of IBORs or future changes in the administration of benchmarks could result in adverse consequences to the return on, value of and market for securities, credit instruments and other instruments whose returns or contractual mechanics are linked to any such benchmark, including those issued and traded by the Issuer. For example, ARR-linked products may not provide a term structure and may calculate interest payments differently than benchmark-linked products, which could lead to greater uncertainty with respect to corresponding payment obligations. The transition to ARRs also raises concerns of liquidity risk, which may arise due to slow acceptance, take-up and development of liquidity in products that use ARRs, leading to market dislocation or fragmentation. It is also possible that such products will perform differently to IBOR products during times of economic stress, adverse or volatile market conditions and across the credit and economic cycle, which may impact the value, return on and profitability of the Issuer's ARR-based assets. The transition to ARRs also requires a change in contractual terms of existing products currently linked to IBORs.

Further, the replacement of IBORs with an ARR in existing securities and other contracts, or in internal discounting models, could negatively impact the value of and return on such existing securities, credit instruments and other contracts and result in mispricing and additional legal, financial, tax, operational, market, compliance, reputational, competitive or other risks to the Issuer, its clients and other market participants. For example, the Issuer may face a risk of litigation, disputes or other actions from clients, counterparties, customers, investors or others regarding the interpretation or enforcement of related contractual provisions or if it fails to appropriately communicate the effect that the transition to ARRs will have on existing and future products. Further, litigation, disputes or other action may occur as a result of the interpretation or application of legislation, in particular, if there is an overlap between legislation introduced in different jurisdictions. In addition, the transition to ARRs requires changes to the Issuer's documentation, methodologies, processes, controls, systems and operations, which has resulted and may continue to result in increased effort and cost. There may also be related risks that arise in connection with the transition. For example, the Issuer's hedging

strategy may be negatively impacted or market risk may increase in the event of different ARR's applying to its assets compared to its liabilities. In particular, the Issuer's swaps and similar instruments that reference an IBOR and that are used to manage long-term interest rate risk related to its credit instruments could adopt different ARR's than the related credit instruments, resulting in potential basis risk and potentially making hedging its credit instruments more costly or less effective.

For further information, refer to "vii) Non-financial risk – Replacement of interbank offered rates ('IBOR')" in "Note 40 – Financial Risk Management – Risks Detail" in the notes to the consolidated financial statements in the 2022 CSi Annual Report.

Country risk

Country risk is the risk of a substantial, systemic loss of value in the financial assets of a country or group of countries, which may be caused by dislocations in the credit, equity and/or currency markets.

For further information on market risk management, refer to "v) Country Risk" in "Note 40 – Financial Risk Management – Risks Detail" in the notes to the consolidated financial statements in the 2022 CSi Annual Report.

CSi's businesses and organisation are subject to the risk of loss from adverse market conditions and unfavourable economic, monetary, political, legal, regulatory and other developments in the countries in which it operates

As part of a global financial services company, the Issuer's businesses could be materially adversely affected by unfavourable global and local economic and market conditions, including the risk of global recession, as well as geopolitical events and other developments in Europe, the United States of America (the "US"), Asia and elsewhere around the world (even in countries in which it does not currently conduct business). For example, the protraction or escalation of the conflict related to Russia's invasion of Ukraine could lead to additional regional and/or global instability, as well as adversely affect commodity and other financial markets or economic conditions. The United States ("US"), the European Union ("EU"), the United Kingdom ("UK"), Switzerland and other countries have imposed, and may further impose, financial and economic sanctions and export controls targeting certain Russian entities, individuals, and/or sectors, and the Issuer may face additional restrictions on engaging with consumers and/or institutional businesses due to any current or impending sanctions and laws (including any Russian countermeasures), which could adversely affect its business. The Issuer's financial condition and results of operations could be materially adversely affected if these conditions do not improve, or if they stagnate or worsen. Further, various countries in which the Issuer operates or invests have experienced severe economic disruptions particular to that country or region, including extreme currency fluctuations, increased energy costs, high inflation, or low or negative economic growth, among other negative conditions, which could have an adverse effect on the Issuer's operations and investments. Global equity markets continued their downward trend in 2022, and volatility increased. The economic environment may experience further volatility, increased inflation or other negative economic impacts.

In Europe, political uncertainty, including in relation to the UK's withdrawal from the EU, remains elevated and could cause disruptions in market conditions in Europe and around the world and could further have an adverse impact on financial institutions (including the Issuer). The economic and political impact of the UK leaving the EU, including on investments and market confidence in the UK and the remainder of the EU, may adversely affect the Issuer's future results of operations and financial condition.

Global, macroeconomic developments may impact the Issuer's operations and businesses, such as inflation concerns, recession risk, energy supply disruptions, Russia's invasion of Ukraine, developments in the Chinese economy and both

transitional and physical climate-related risks. For further information on macro-economic risks, refer to "Principal risks and uncertainties – Key risk developments" in the 2022 CSi Annual Report.

In addition to the macroeconomic factors discussed above, other political, social and environmental developments beyond the Issuer's control, including terrorist attacks, cyber-attacks, military conflicts, diplomatic tensions, including any escalation of tensions between China and Taiwan, economic or political sanctions, disease pandemics, political or civil unrest and widespread demonstrations, climate change, natural disasters, or infrastructure issues, such as transportation or power failures, could have a material adverse effect on economic and market conditions, market volatility and financial activity, with a potential related effect on its businesses and results. In addition, as wage pressures, rising inflation, the escalating conflict between Russia and Ukraine, rise, compliance with legal or regulatory obligations in one jurisdiction may be seen as supporting the law or policy objectives of that jurisdiction over another jurisdiction, creating additional risks for CS's business.

The Issuer may face significant losses in emerging markets

An element of the Group's strategy is to increase its wealth management businesses in emerging market countries. The Group's implementation of this strategy will increase the Issuer's existing exposure to economic instability in those countries. The Issuer monitors these risks and seeks diversity in the sectors in which it invests. The Issuer's efforts at limiting emerging market risk, however, may not always succeed. In addition, various emerging market countries have experienced and may continue to experience severe economic, financial and political disruptions or slower economic growth than in previous years, including significant devaluations of their currencies, defaults or threatened defaults on sovereign debt and capital and currency exchange controls. In addition, sanctions have been imposed on certain individuals and companies in these markets that prohibit or restrict dealings with them and certain related entities or activities and further sanctions are possible. The possible effects of any such disruptions may include an adverse impact on the Issuer's businesses and increased volatility in financial markets generally.

For further information on country risk management, refer to "v) Country Risk" in "Note 40 – Financial Risk Management – Risks Detail" in the notes to the consolidated financial statements in the 2022 CSi Annual Report.

Non-Financial risk

Non-financial risk is the risk of a loss resulting from inadequate or failed internal processes, people and systems or from external events.

For further information, refer to "vii) Non-financial risk" in "Note 40 – Financial Risk Management – Risks Detail" in the notes to the consolidated financial statements in the 2022 CSi Annual Report.

The Issuer's risk management procedures and policies may not be fully effective in mitigating its risk exposures in all market environments or against all types of risk, which can result in unexpected, material losses in the future

The Issuer seeks to monitor and control its risk exposure through a broad and diversified set of risk management policies and procedures as well as hedging strategies, including the use of models in analysing and monitoring the various risks it assumes in conducting its activities. These risk management strategies, techniques, models, procedures and policies, however, may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risk, including risks that we fail to identify, anticipate or mitigate, in whole or in part, which may result in unexpected, material losses.

Some of the Issuer's quantitative tools and metrics for managing risk, including value-at-risk and economic risk capital, are based upon its use of observed historical market behaviour. Its risk management tools and metrics may fail to predict important risk exposures. In addition, its quantitative modelling does not take all risks into account and makes numerous assumptions and judgments regarding the overall environment, and therefore cannot anticipate every market development or event or the specifics and timing of such outcomes. As a result, risk exposures could arise from factors it did not anticipate or correctly evaluate in the Issuer's statistical models. This could limit the Issuer's ability to manage its risks, and in these and other cases, it can also be difficult to reduce risk positions due to the activity of other market participants or widespread market dislocations. As a result, losses may be significantly greater than what the historical measures may indicate.

In addition, inadequacies or lapses in risk management procedures and policies can expose the Issuer to unexpected losses, and its financial condition or results of operations could be materially and adversely affected. For example, in respect of the Archegos matter, the independent report found, among other things, a failure to effectively manage risk in the Investment Bank's prime services business by both the first and second lines of defence as well as a lack of risk escalation. Such inadequacies or lapses can require significant resources and time to remediate, lead to noncompliance with laws, rules and regulations, attract heightened regulatory scrutiny, expose us to regulatory investigations or legal proceedings and subject us to litigation or regulatory fines, penalties or other sanctions, or capital surcharges or add-ons. In addition, such inadequacies or lapses can expose the Issuer to reputational damage. If existing or potential customers, clients or counterparties believe its risk management is inadequate, they could take their business elsewhere or seek to limit their transactions with the Issuer, which could have a material adverse effect on its results of operation and financial condition.

For further information on value-at-risk, refer to "Measurement of traded market risk" in "Note 40 – Financial Risk Management – Risks Detail – i) Market Risk" in the notes to the consolidated financial statements in the 2022 CSi Annual Report.

The Issuer's actual results may differ from its estimates and valuations

The Issuer makes estimates and valuations that affect its reported results, including determining the fair value of certain assets and liabilities, establishing provisions for contingencies and losses for loans, litigation and regulatory proceedings, accounting for goodwill and intangible asset impairments, evaluating its ability to realise deferred tax assets, valuing equity-based compensation awards, modelling its risk exposure and calculating expenses and liabilities associated with its pension plans. These estimates are based on judgement and available information, and its actual results may differ materially from these estimates.

For further information on these estimates and valuations, refer to "Note 3 – Critical Accounting Estimates and Judgements in Applying Accounting Policies" in the notes to the consolidated financial statements in the 2022 CSi Annual Report.

The Issuer's estimates and valuations rely on models and processes to predict economic conditions and market or other events that might affect the ability of counterparties to perform their obligations to the Issuer or impact the value of assets. To the extent the Issuer's models and processes become less predictive due to unforeseen market conditions, illiquidity or volatility, the Issuer's ability to make accurate estimates and valuations could be adversely affected.

The Issuer's accounting treatment of off-balance sheet entities may change

The Issuer enters into transactions with special purpose entities ("SPEs") in its normal course of business, and certain SPEs with which it transacts and conducts business are not consolidated and their assets and liabilities are off-balance sheet. The Issuer may have to exercise significant management judgement in applying relevant accounting consolidation standards, either initially or after the occurrence

of certain events that may require the Issuer to reassess whether consolidation is required. If the Issuer is required to consolidate an SPE, its assets and liabilities would be recorded on the Issuer's consolidated balance sheets and the Issuer would recognise related gains and losses in its consolidated statements of operations, and this could have an adverse impact on the Issuer's results of operations and capital and leverage ratios.

For further information on the extent of the Issuer's transactions with and commitments to SPEs, refer to "Note 36 – Interests in Other Entities" in the notes to the consolidated financial statements in the 2022 CSi Annual Report.

The Issuer is exposed to Environmental, Social and Governance ("ESG") risks, including climate change, which could adversely affect its business operations, reputation, clients and customers, as well as the creditworthiness of its counterparties

The Issuer operates in many regions, countries and communities around the world where its businesses, and the activities of its clients, could be impacted by climate change and broader ESG-related issues. These issues pose both short- and long-term risks to the Issuer and its clients. Climate change could expose the Issuer to financial risk either through its physical (e.g., climate or weather-related events) or transition (e.g., changes in climate policy or in the regulation of financial institutions with respect to climate change risks) effects. Transition risks could be further accelerated by the increasingly frequent occurrence of changes in the physical climate, such as hurricanes, floods, wildfires and extreme temperatures.

Physical and transition climate risks could have a financial impact on the Issuer either directly, through its physical assets, costs and operations, or indirectly, through its financial relationships with its clients. These risks are varied and include, but are not limited to, the risk of declines in values and/or liquidity of assets, including in connection with the Issuer's real estate investments, credit risk associated with loans and other credit exposures to its clients, business risk, including loss of revenues associated with reducing exposure to traditional business with clients that do not have a credible transition plan, decrease in assets under management if such clients decide to move assets away and increased defaults and reallocation of capital as a result of changes in global policies, and regulatory risk, including ongoing legislative and regulatory uncertainties and changes regarding climate risk management and best practices. Additionally, the risk of reduced availability of insurance, operational risk related to the Issuer-owned buildings and infrastructure, the risk of significant or prolonged interruptions to business operations, as well as the need to make changes in response to those consequences are further examples of climate-related risks.

The Issuer continues to undertake efforts to address climate change and build a climate-resilient business model, with its climate efforts being centred around its ambition to reach net zero emissions by 2050 in line with a 1.5°C trajectory across its financing activities as well as its own operations and supply chain. The Group also committed to developing interim science-based 2030 goals for key sectors and to defining the corresponding transition strategies that are required to enable achievement of these goals. The Issuer will align its strategy to support the Group in meeting these targets.

In order to reach these ambitions and goals or any other related aspirations the Group may set from time to time, the Issuer will need to incorporate climate considerations into its business strategy, products and services, as well as its financial and non-financial risk management processes, and hire and train employees with the skills and qualifications to help the Group achieve its ambitions and goals, and it may incur significant cost and effort in doing so. At the same time, data relating to ESG, including climate change, may be limited in availability and variable in quality and consistency, and methodologies and capabilities for modelling and analysing climate-related risks remain in the development stages,

which may limit the Issuer's ability to perform robust climate-related risk and other sustainability risk analyses and realise its ambitions and goals.

Further, national and international standards, industry and scientific knowledge and practices, regulatory requirements and market expectations regarding ESG initiatives are under continuous development, may rapidly change and are subject to different interpretations. Although the Group has adopted its ESG strategy based upon what it believes are current criteria, there can be no assurance that such standards, knowledge, practices, regulatory requirements and market expectations will not be interpreted differently than the Group's interpretation when setting its related goals and ambitions, or requires the Group to adjust its goals and ambitions or change in a manner that substantially increases the cost or effort for the Issuer to achieve such goals and ambitions, or that the Group's goals and ambitions may prove to be considerably more difficult or even impossible to achieve. This may be exacerbated if the Group chooses or is required to accelerate its goals and ambitions or change its approach based on national or international regulatory developments, stakeholder expectations or business trends, including as they may change over time.

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, the Issuer and other financial institutions may be subject to increasing litigation, enforcement and contract liability risks in connection with climate change, environmental degradation and other ESG-related issues. For example, the issue of climate risk at financial institutions has received sharpened focus from regulators and other governmental authorities, as evidenced by proposed rules related to disclosure and management of climate-related risks put forth by various regulatory bodies, including in the US, the EU, Switzerland and Asia Pacific. In addition, the public holds diverse and often conflicting views on ESG-related issues, and, the Issuer's reputation and client relationships may be damaged by its, or its clients', involvement in certain business activities associated with climate change and other ESG-related issues or as a result of negative public sentiment, regulatory scrutiny or reduced investor and stakeholder confidence due to its response to climate change and its climate change strategy.

Beyond climate impacts, the Issuer may also be impacted by human rights risks, including discrimination, particularly with respect to its employees and its clients, as well as modern slavery in its supply chains and those of the Issuer's clients. The Issuer's employees, business and reputation may be negatively impacted by a failure to adequately manage these risks, which failure may result in challenges related to hiring and retention of employees. Moreover, any existing global tensions with respect to human rights, such as between the US and China, may be exacerbated for the Issuer, given its global reach and presence in various markets around the world.

If the Issuer fails to appropriately measure and manage the various risks it faces as a result of climate change, and other ESG-related issues, fails or is perceived by stakeholders to have failed to prioritise the "correct" ESG-related goals fails to achieve the goals and ambitions it or the Group has set (or can only do so at a significant expense to its business), or fails to adapt its strategy and business model to the changing regulatory requirements and market expectations, the Issuer's reputation, business, results of operations and financial condition could be materially adversely affected including, with respect to climate-related risks, given the unpredictability of the timing, nature and severity of climate change impacts.

For further information on these estimates and valuations, refer to "Climate Change" in "Strategic Report – Risk Management" in the 2022 CSi Annual Report.

Legal (including Regulatory) risk

The Issuer's exposure to legal liability is significant

The Issuer faces significant legal risks in its businesses, and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms may continue to increase in many of the principal markets in which the Issuer operates.

The Group, including the Issuer, is subject to a number of material legal proceedings, regulatory actions and investigations, and an adverse result in one or more of these proceedings could have a material adverse effect on the Group's operating results for any particular period, depending, in part, on its results for such period.

For further information relating to these and other legal and regulatory proceedings, refer to "8 – Legal and Arbitration Proceedings" in the CSi Registration Document and "Note 35 — Contingent Liabilities, Guarantees and Commitments" in notes to the consolidated financial statements in the 2022 CSi Annual Report.

It is inherently difficult to predict the outcome of many of the legal, regulatory and other adversarial proceedings involving the Group's businesses, particularly difficult to predict in those cases in which the matters are brought on behalf of various classes of claimants, seek damages of unspecified or indeterminate amounts or involve novel legal claims. Management is required to establish, increase or release reserves for losses that are probable and reasonably estimable in connection with these matters, all of which requires the application of significant judgement and discretion.

For further information, refer to "Note 3 – Critical accounting estimates and judgements in applying accounting policies" and "Note 2 – Significant accounting policies" in the notes to the consolidated financial statements in the 2022 CSi Annual Report.

If the Issuer fails to manage its legal risk effectively, this may have an impact on the Issuer's financial condition and results of operations, which could in turn lead to a decrease in the value of its securities

Legal risks include, among other things, the risk of litigation (for example, as a result of mis-selling claims); disputes (for example, over the terms of legacy trades); the inadequacy of transaction documentation (for example, ambiguous terms); unenforceability (for example, of security arrangements); uncertainty with respect to applicable laws and regulations (including change in laws or regulations); and employee disputes. Some of these risks result in claims which the Issuer defends, settles or results in actual litigation that, in each case, the Group may incur legal expenses to defend.

If a transaction which the Issuer has entered into is determined to be unenforceable against a counterparty, there is an increased risk that other counterparties which have entered into similar transactions will seek to have those transactions set aside. This may also lead to regulatory scrutiny of such transactions, all of which could lead to significant costs for the Issuer, even where the outcome is determined in its favour.

For further information relating to legal and regulatory proceedings, refer to "Note 35 — Contingent Liabilities, Guarantees and Commitments" in notes to the consolidated financial statements in the 2022 CSi Annual Report.

The Issuer's business is highly regulated, and existing, new or changed laws, rules and regulations may adversely affect the Issuer's business and ability to execute its strategic plans

As a participant in the financial services industry, the Issuer is subject to extensive laws, rules and regulations by governments, governmental agencies, supervisory authorities and self-regulatory organisations around the world. It has in the past

faced, and expects to continue to face, increasingly extensive and complex laws, rules, regulations and regulatory scrutiny and possible enforcement actions, including an evolving and complex set of sanctions regimes. In recent years, costs related to compliance with these requirements and the penalties and fines sought and imposed on the financial services industry by regulatory authorities have increased significantly. It expects such increased regulation and enforcement to continue to increase costs, including, but not limited to, costs related to compliance, systems and operations, and to negatively affect the Issuer's ability to conduct certain types of business. These increased costs and negative impacts on the Issuer's business could adversely affect its profitability and competitive position. These laws, rules and regulations often serve to limit activities, including through the application of increased or enhanced capital, leverage and liquidity requirements, the implementation of additional capital surcharges for risks related to operational, litigation, regulatory and similar matters, customer protection and market conduct regulations, anti-money laundering, anti-corruption and anti-bribery laws, rules and regulations, compliance with evolving ESG standards and requirements and direct or indirect restrictions on the businesses in which the Issuer may operate or invest. Such limitations can have a negative effect on the Issuer's business and its ability to implement strategic initiatives. To the extent that disinvestment is required from certain businesses, losses could be incurred, as the Issuer may be forced to sell such businesses at a discount, which in certain instances could be substantial, as a result of both the constrained timing of such sales and the possibility that other financial institutions are liquidating similar investments at the same time. If this happens, this may have an impact on the Issuer's financial condition and results of operations, which could in turn lead to a decrease in the value of its securities.

For further information on legal and regulatory risk management, refer to "vi) Legal (including Regulatory) Risk" in "40 – Financial Risk Management – Risks Detail" in the notes to the consolidated financial statements in the 2022 CSi Annual Report.

The Issuer is subject to economic sanctions laws and regulatory requirements of various countries. These laws and regulatory requirements generally prohibit or restrict transactions involving certain countries/territories and parties. The Issuer's costs of monitoring and complying with frequent, complex and potentially conflicting changes to applicable economic sanctions laws and regulatory requirements have increased and there is an increased risk that it may not identify and stop prohibited or sanctionable activities before they occur or that it may otherwise fail to comply with economic sanctions laws and regulatory requirements. Any conduct targeted by or in violation of a sanctions programme could subject CS to significant civil and potentially criminal penalties or other adverse consequences.

For further information on economic sanctions laws and regulatory requirements, refer to "Operating Environment – Significant Events – Russia's invasion of Ukraine" in "Strategic Report – Credit Suisse International at a glance" in the 2022 CSi Annual Report.

The Group expects the financial services industry and its members, including the Issuer, to continue to be affected by the significant uncertainty over the scope and content of regulatory reform in 2023 and beyond, in particular, uncertainty in relation to the future US regulatory agenda, which includes a variety of proposals to change existing regulations or the approach to regulation of the financial industry as well as potential new tax policy and potential changes in regulation following the UK's withdrawal from the EU and the results of European national elections. In addition, the Issuer faces regulatory and legislative uncertainty in the US and other jurisdictions with respect to climate change and other ESG-related issues, including with respect to any new or changing disclosure requirements, and with respect to data protection and security, including various new and changing regulations addressing the collection, storing, sharing, use, disclosure, disposal and protection of certain types of data, as well as cybersecurity. Changes in laws, rules or regulations, or in their interpretation or enforcement, or the implementation of new laws, rules or regulations, may adversely affect the Issuer's results of operations,

including in ways that may require it to modify its internal policies and practices and incur substantial compliance-related costs and expenses that are likely to increase over time.

If the Issuer were to become subject to the use of "resolution" measures by a resolution authority (or pre-resolution measures), investors could lose some or all of their investment in certain securities (such as unsecured notes, warrants and certificates) issued by the Issuer

Under the Banking Act 2009 (the "UK Banking Act"), the Bank of England (or, in certain circumstances, HM Treasury) has substantial powers to implement resolution measures with respect to a UK financial institution (such as the Issuer) if (i) the Prudential Regulation Authority ("**PRA**") considers that the relevant institution is failing or is likely to fail and (ii) the Bank of England considers that the other conditions have been satisfied, including that action is necessary in the public interest.

These resolution powers include powers to:

- direct the sale of the relevant institution or the whole or part of its business and assets to a third party purchaser;
- transfer all or part of the business of the relevant institution to a "bridge bank";
- transfer the impaired or problem assets of the relevant institution to an asset management vehicle to allow them to be managed over time; and
- exercise the "bail-in" tool (as discussed below), which could result in a write down or cancellation of the amount owed by the relevant institution or conversion of the relevant liability owed to equity.

The above tools may be used in any combination. Alternatively, as a last resort, HM Treasury is given powers, subject to meeting certain further public interest conditions, to take the relevant institution into temporary public ownership (i.e. nationalisation).

The UK Banking Act also allows the Bank of England to take certain "pre-resolution" measures, which may include mandatory write-down of regulatory capital or conversion of regulatory capital to equity prior to the implementing of any resolution measures which may have a similar effect to the use of the "bail in" tool (as described below). Such "pre-resolution" measures also apply to "relevant internal liabilities", which include certain liabilities owed by, or capital instruments issued by, the relevant institution that are held, directly or indirectly, by a resolution entity in the same resolution group. There are provisions within the UK Banking Act included to ensure that any steps taken under the special resolution regime (i) satisfy certain continuity obligations; and (ii) are effective. For example, the Bank of England may (i) modify contractual arrangements (such as the terms and conditions of securities issued by the relevant institution) in certain circumstances and (ii) suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers. In addition, HM Treasury may disapply or modify laws in the UK (with possible retrospective effect) to enable the recovery and resolution powers under the UK Banking Act to be used effectively.

Further, notwithstanding that the Issuer is an unlimited company and, as a result, upon its liquidation its creditors have a right of recourse against the Issuer's shareholders, holders of securities issued by The Issuer may not be able to benefit from such recourse if the Issuer becomes subject to the exercise of any resolution power or pre-resolution power or if such power is exercised in a manner which prevents its liquidation (or otherwise changes the nature of the insolvency procedure to which the Issuer may ultimately become subject).

In addition to the other powers described above, the Bank of England may exercise the "bail-in" tool in relation to a failing UK financial institution. The "bail-in" tool includes the powers to:

- write down, including to zero (i.e. cancel), a liability or modify its terms for the purposes of reducing or deferring the liabilities of the relevant institution; and/or
- convert a liability from one form or class to another (e.g. from debt to equity).

The exercise of the "bail-in" tool or similar pre-resolution powers (as described above) could result in (i) the cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, any securities issued by the Issuer, and/or (ii) the conversion of all or a portion of the principal amount of, interest on, or any other amounts payable on, such securities into shares or other securities or other obligations of the Issuer or another person, and/or (iii) the amendment of the maturity of such securities or the amount of interest or any other amount payable on such securities or the date on which such interest or other amount becomes payable, including by means of a variation to the terms of the securities, in each case, to give effect to the exercise by the Bank of England of such powers.

The exercise of any resolution power, including the "bail-in" tool (or any pre-resolution powers in relation to regulatory capital or relevant internal liabilities), in respect of the Issuer and any securities issued by it or any suggestion of any such exercise could materially adversely affect the rights of the holders of such securities, the value of their investment in such securities and/or the ability of the Issuer to satisfy its obligations under such securities, and could lead to the holders of such securities losing some or all of their investment in such securities. In addition, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the holders of such securities in the resolution, and there can be no assurance that holders of such securities would recover such compensation promptly.

Holders of securities issued by the Issuer may not be able to anticipate the exercise of the "bail-in" tool, any resolution power or any pre-resolution measure to reduce or convert regulatory capital or relevant internal liabilities. The resolution powers are intended to be exercised pre-emptively, i.e. prior to the point at which insolvency proceedings with respect to the relevant institution would be initiated, subject to certain conditions.

It is uncertain how the Bank of England would assess such conditions in different pre-insolvency scenarios affecting the relevant institution. The Bank of England is also not required to provide any advanced notice to holders of securities of the relevant institution of its decision to exercise any resolution power. Therefore, holders of the securities issued by the Issuer may not be able to anticipate a potential exercise of any such powers nor the potential effect of any such exercise on the Issuer and any such securities.

Prospective investors should assume that the UK government would not provide extraordinary public financial support, or if it did, only as a last resort after the bail-in tool or other resolution tools have been utilised.

Holders of securities issued by the Issuer may have very limited rights to challenge the exercise of the "bail-in" tool, any resolution power or any pre-resolution measure

If the Issuer were to be taken into a resolution regime or subjected to pre-resolution measures, holders of securities issued by the Issuer would have very limited rights to challenge the exercise of powers by the Bank of England, even where such powers have resulted in the write down or conversion of such securities to equity.

Additionally, such holders may have only very limited rights to have that decision judicially reviewed. Further, the Bank of England would be expected to exercise such powers without the consent of the holders of the affected securities.

(v) **Conduct risk**

The Issuer defines conduct risk as the risk that improper behaviour or judgement by its employees results in negative financial, non-financial, or reputational impact to its clients, employees, or the bank, or negatively impacts the integrity of the financial markets, including competition.

For further information on conduct risk management, refer to "vii) Non-financial risk – Conduct Risk" in "Note 40 – Financial Risk Management – Risks Detail" in the notes to the consolidated financial statements in the 2022 CSi Annual Report.

The Issuer may suffer losses arising from conduct issues

Some conduct risks are inherent in the Issuer's business and could negatively impact clients, employees, the market or competition. These inherent risks can arise from a variety of causes including failed processes, product design, business set-up, execution of organisational change, or as unintended consequences of business decisions. All staff across the bank are responsible for identifying operational or control incidents as they occur, including conduct risks. Controls exist to mitigate conduct risks and to prevent them from occurring.

The Issuer may suffer losses due to employee misconduct. The Issuer's businesses are exposed to risk from potential noncompliance with policies or regulations, employee misconduct or negligence or fraud, which could result in civil, regulatory or criminal investigations, litigation and charges, regulatory sanctions and serious reputational or financial harm. In recent years, a number of multinational financial institutions have suffered material losses due to, for example, the actions of traders executing unauthorised trades or other employee misconduct. It is not always possible to deter or fully prevent employee misconduct and the precautions the Issuer takes to prevent and detect this activity have not always been, and may not always be, fully effective.

(vi) **Reputational risk**

Reputational risk is the risk that an action, transaction, investment or event results in damages to the Issuer's reputation as perceived by clients, shareholders, the media and the public.

For further information on reputational risk management, refer to "viii) Reputational Risk" in "Note 40 – Financial Risk Management – Risks Detail" in the notes to the consolidated financial statements in the 2022 CSi Annual Report.

Failure to manage the risks it faces may cause damage to the Issuer's reputation, which is a key asset, and the Issuer's competitive position and business prospects could be harmed if its reputation is damaged

The Group suffered reputational harm as a result of the Archegos and SCFF matters and may suffer further reputational harm in the future as a result of these matters and other events. The Group also suffered reputational harm as a result of the significant negative outflows of deposits and assets under management in the fourth quarter of 2022. The Issuer's ability to attract and retain customers, clients, investors and employees, and conduct business transactions with its counterparties, can be adversely affected to the extent its reputation is damaged.

The Issuer acknowledges that as a large global financial institution, with a wide range of businesses and stakeholders, it may be subject to general criticism or negative perception from time to time which may negatively impact its reputation. The Issuer also acknowledges that it will knowingly engage in specific activities where opinions may vary depending on the perspective and standpoint of each party, and which may

lead to negative perception from some stakeholders. More specifically, reputational risk may arise from a variety of sources, including, but not limited to, the nature or purpose of a proposed transaction, action or client relationship, the identity or nature of a potential client, the regulatory or political climate in which the business will be transacted or significant public attention surrounding the transaction itself, and if the Issuer's comprehensive procedures and controls fail, or appear to fail, to prevent employee misconduct, negligence and fraud, to address conflicts of interest and breach of fiduciary obligations, to produce materially accurate and complete financial and other information, to identify credit, liquidity, operational and market risks inherent in its business or to prevent adverse legal or regulatory actions or investigations. Additionally, the Issuer's reputation can be harmed by actual or alleged compliance failures, information or security breaches, personal data breaches, cyber incidents, technology failures, challenges to the suitability or reasonableness of its particular trading or investment recommendations or strategies and the activities of its customers, clients, counterparties and third parties. Actions by the financial services industry generally or by certain members or individuals in the industry also can adversely affect the Issuer's reputation. In addition, its reputation may be negatively impacted by its ESG practices and disclosures, including those related to climate change and any actual or perceived overstatement of the ESG-related benefits of the Issuer's products and services, and how it addresses ESG concerns in its business activities, or by its clients' involvement in certain business activities associated with climate change. Adverse publicity or negative information in the media, posted on social media, or otherwise, whether or not factually correct, can also have a material adverse impact its business prospects or financial results, which risk can be magnified by the speed and pervasiveness with which information is disseminated through those channels.

A reputation for financial strength and integrity is critical to the Issuer's performance in the highly competitive environment arising from globalisation and convergence in the financial services industry, and its failure to address, or the appearance of its failing to address, these and other issues gives rise to reputational risk that can harm its business, results of operations and financial condition. Failure to appropriately address any of these issues can also give rise to additional regulatory restrictions and legal risks, which may further lead to reputational harm.

Technology risk

Technology risk is the risk of failure or malfunction of storage, server or other technology assets impacting business operability and access to information, and leading to harm or loss.

For further information on technology risk management, refer to "vii) Non-financial risk – Technology Risk" in "Note 40 – Financial Risk Management – Risks Detail" in the notes to the consolidated financial statements in the 2022 CSi Annual Report.

The Issuer's business may be disrupted by technology-related failures such as service outages or information security incidents

Technology risk is inherent not only in the Group's IT assets, but also in the people and processes that interact with them including through dependency on third-party suppliers and the worldwide telecommunications infrastructure. The Group seeks to ensure that the data used to support key business processes and reporting is secure, complete, accurate, available, timely and meets appropriate quality and integrity standards. The Group requires its critical IT systems to be identified, secure, resilient and available and support its ongoing operations, decision making, communications and reporting. The Group's systems must also have the capability, capacity, scalability and adaptability to meet current and future business objectives, the needs of its customers and regulatory and legal expectations. Failure to meet these standards and requirements may result in adverse events that could subject the Group to reputational damage, fines, litigation, regulatory sanctions, financial losses or loss of market share.

The Issuer is exposed to cyber and other information technology risks

Cyber risk, which is part of technology risk, is the risk that the Issuer will be compromised as a result of cyber-attacks, security breaches, unauthorised access, loss or destruction of data, unavailability of service, computer viruses or other events that could have an adverse security or resilience impact. The Group recognises that cyber risk represents a rapidly evolving external risk landscape. The financial industry continues to face cyber threats from a variety of actors who are driven by monetary, political and other motivations.

Information security, data confidentiality and integrity are of critical importance to the Issuer's businesses, and there has been recent regulatory scrutiny on the ability of companies to safeguard the non-public or personal information of individuals in accordance with data protection regulation, including (amongst others) the European General Data Protection Regulation. Governmental authorities, employees, individual customers or business partners may initiate proceedings against the Issuer as a result of security breaches affecting the confidentiality or integrity of non-public or personal information, as well as the failure, or perceived failure, to comply with data protection regulations. The adequate monitoring of operational risks and adherence to data protection regulations have also come under increased regulatory scrutiny. Any failure of the Issuer to adequately ensure the security of data and to address the increased technology-related risks could also lead to regulatory sanctions or investigations and a loss of trust in its systems, which may adversely affect its reputation, business and operations.

Threats to the Issuer's cybersecurity and data protection systems require the Issuer to dedicate significant financial and human resources to protect the confidentiality, integrity and availability of its systems and information. Despite the wide range of security measures, it is not always possible to anticipate the evolving threat landscape and mitigate all risks to its systems and information. These threats may derive from human error, misconduct (including errors in judgment, fraud or malice and/or engaging in violations of applicable laws, rules, policies or procedures), or may result from accidental technological failure. There may also be attempts to fraudulently induce employees, clients, third parties or other users of the Issuer's systems to disclose sensitive information in order to gain access to its data or that of its clients. Additionally, because the Issuer shares information with third party vendors and service providers to conduct its business, the Issuer could also be affected by risks to the systems and information of such third parties particularly where such third party fails to implement adequate data-security practices, to comply with the Issuer's information-sharing terms and policies or otherwise suffers a network or other security breach. In addition, hardware, software or applications the Issuer procures from third parties may contain security vulnerabilities, defects in design or manufacture or other problems that could unexpectedly compromise information security. For example, the increasing trend of remote working may require the Issuer's employees to use third party technology, which may not provide the same level of information security as the Issuer's own information systems.

Additionally, risks relating to cyber attacks on the Issuer's vendors and other third parties have continued to increase due to more frequent and severe supply chain attacks impacting software and information technology service providers, which may be further exacerbated in light of the ongoing conflict related to Russia's invasion of Ukraine. Security breaches may involve substantial remediation costs, affect the Issuer's ability to carry out its businesses or impair the trust of its clients or potential clients, any of which could have a material adverse effect on CS's business and financial results. In addition, the Issuer may introduce new products or services or change processes, resulting in new operational risks that it may not fully appreciate or identify. Any such event could subject the Issuer to litigation or cause it to suffer a financial loss, a disruption of its businesses, liability to its clients, regulatory intervention or reputational damage. The Group could also be required to expend significant additional resources to investigate and remediate vulnerabilities or other exposures.

Cybersecurity risks have also significantly increased in recent years in part due to the growing number and increasingly sophisticated activities of malicious cyber actors, including organised crime groups, state-sponsored actors, terrorist organisations, extremist parties and hackers. Although the Issuer has developed reasonable systems and processes designed to protect the non-public and/or personal information of its clients and other third parties from data loss or other security breaches or incidents, the Issuer's security measures have not always fully protected against such matters in the past. The Issuer and other financial institutions have suffered and may continue to suffer cyber-attacks, ransomware attacks, information or security breaches, personal data breaches, losses or misappropriations and other forms of attacks, incidents and failures including those involving disgruntled employees, activists and other third parties, such as those engaged in corporate espionage.

CS expects to continue to be the target of such attacks in the future, and it may experience other forms of cybersecurity or data protection incidents or failures in the future including with respect to damages from computer viruses, worms, and other malicious software programmes or other attacks, covert introduction of malware to computers and networks, unauthorised access, including impersonation of unauthorised users, efforts to discover and exploit any security vulnerabilities or security weaknesses, and other similar disruptions. Emerging technologies, including the increasing use of automation, artificial intelligence ("AI") and robotics, as well as the broad utilisation of third-party financial data aggregators, could further increase the Issuer's cybersecurity risk and exposure.

In the event of a cyber-attack, information or security breach, personal data breach or technology failure, the Issuer may experience operational issues, the infiltration of payment systems or the unauthorised release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information relating to the Group, its clients, vendors, service providers, counterparties or other third parties.

Given the Issuer's global footprint and the high volume of transactions it processes, the large number of clients, partners and counterparties with which it does business, the Issuer and its clients' growing use of digital, mobile, cloud- and internet-based services and platforms, and the increasing frequency, sophistication and evolving nature of cyber-attacks, a cyber-attack, information or security breach or technology failure may occur, whether on CS's systems or that of a third party, without detection for an extended period of time. In addition, the Issuer expects that any investigation of a cyber-attack, information or security breach or technology failure will be inherently unpredictable and it may take time before any investigation is complete. During such time, the Issuer may not know the extent of the harm or how best to remediate it and certain errors or actions may be repeated or compounded before they are discovered and rectified. These factors may inhibit the Issuer's ability to provide timely, accurate and complete information about the event to its clients, employees, regulators, other stakeholders and may further increase the costs and consequences of a cyber-attack, information or security breach or technology failure.

If any of the Issuer's systems, or the systems of third parties on which it relies, do not operate properly or are compromised as a result of cyber-attacks, information or security breaches, technology failures, unauthorised access, loss or destruction of data, unavailability of service, computer viruses or other events that could have an adverse security impact, the Issuer could be subject to litigation or suffer financial loss not covered by insurance, a disruption of its businesses, liability to its clients, damage to relationships with its vendors, regulatory intervention or reputational damage. Any such event could also require the Issuer to expend significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures. The Issuer may also be required to expend resources to comply with new and increasingly expansive regulatory requirements related to cybersecurity.

Risks relating to the Notes

This section sets out the principal risks the Issuer believes to be inherent in investing in the Notes.

The Issuer believes that the risk factors specific to the Notes described below are material for the purpose of taking an informed investment decision associated with the Notes, but these are not the only risks that the Issuer faces or that may arise under the Notes. There will be other risks that the Issuer does not currently consider to be material, or risks that the Issuer is currently not aware of, or risks that arise due to circumstances specific to the investor.

This section also includes the risks specific to the Notes which are classified as Reverse Convertible Notes and Index Notes and Index Basket Notes, and shall not be listed on the TOKYO PRO-BOND Market.

More than one investment risk may have simultaneous effect with regard to the value of the Notes and the effect of any single investment risk may not be predictable. In addition, more than one investment risk may have a compounding effect and no assurance can be given as to the effect that any combination of investment risks may have on the value of Notes.

For a description of the risk factors relating to the Issuer, investors should refer to the CSi Registration Document for the Issuer, where the specific risks associated with the Issuer are set out.

An investment in Notes entails certain risks, which vary depending on the specific type and structure of the relevant Security and the relevant Underlying Asset(s) which the Security is linked to. Such risks can be divided into the following categories 1 to 6 (each a **Risk Category**):

1. Risks associated with Notes in case of insolvency of the Issuer and in connection with resolution measures in respect of the Issuer (**Risk Category 1**);
2. Risks in connection with the payment profile of the Notes (**Risk Category 2**);
3. Risks in connection with termination and adjustment rights of the Issuer and/or the Calculation Agent (**Risk Category 3**);
4. Risks related to certain types of Notes and certain product features (Risk Category 4);
5. Risks in connection with the Underlying Assets or reference rates (Risk Category 5); and
6. Risks in connection with the purchase, holding and selling of Notes (**Risk Category 6**),

which are set out in the following sections 1. to 6.

The Risk Categories 3 to 5 described in sections 3. to 5. below are divided into sub-categories (each a **Sub-Category**):

- for the Sub-Categories of Risk Category 3 see section (a) to (h) in section 3. below;
- for the Sub-Categories of Risk Category 4 see section (a) to (k) in section 4. below;
- for the Sub-Categories of Risk Category 5 see section (a) to (l) in section 5. below;

1. Risks associated with Notes in case of insolvency of the Issuer and in connection with resolution measures in respect of the Issuer (Risk Category 1)

The risks set out under in the below sub-sections (a) and (b) of this Risk Category 1 are the risks in case of insolvency of the Issuer and in connection with resolution measures in respect of the Issuer.

(a) Risk in case of an insolvency of the Issuer

The Notes issued by the Issuer, as the case may be, are direct, unconditional, unsecured and unsubordinated obligations of the Issuer. If the Issuer were to become insolvent,

claims of investors in the Notes will rank equally in right of payment with all other unsecured and unsubordinated obligations of the Issuer, except such obligations given priority by law.

An investment in Notes will also not be covered by any compensation or insurance scheme (such as a bank deposit protection scheme) of any government agency of the United Kingdom or any other jurisdiction and the Notes do not have the benefit of any government guarantee. The Notes are the obligations of the Issuer only and holders of Notes must look solely to the Issuer for the performance of the Issuer's obligations under such Notes.

In the event of the insolvency of the Issuer, an investor in Notes may therefore lose all or some of its investment therein irrespective of any favourable development of the other value determining factors, such as the performance of the Underlying Asset(s).

(b) **Risks in connection with the exercise of "resolution" measures or the "bail-in" tool or other pre-resolution powers by the UK resolution authority**

The UK Banking Act 2009 provides for a "resolution regime" granting substantial powers to the UK resolution authority to implement resolution measures (including, but not limited to, directing the sale of the relevant institution or transfer of the relevant institution's business to a "bridge bank") with respect to a UK financial institution (such as the Issuer) where the Prudential Regulatory Authority considers that the relevant institution is failing or is likely to fail and the Bank of England considers that other conditions to implementing resolution measures have been satisfied, including that action is necessary having regard to the public interest. If the Issuer were to become subject to the use of "resolution" measures by a resolution authority (or pre-resolution measures) you could lose some or all of your investment in the Notes. In addition, the UK resolution authority also has the power to exercise the "bail-in" tool (or pre-resolution powers to write down or convert regulatory capital) in relation to Notes issued by the Issuer which would result in the write down and/or conversion to equity of such Notes.

2. Risks in connection with the payment profile of the Notes (Risk Category 2)

In this Risk Category 2 the risks that apply to the payout profile of Notes that may be issued under the Programme are described.

Potential loss of some or all of the investment

Purchasers of Notes which are "capital at risk" investments may lose some or all of their money depending on the performance of the relevant Underlying Asset(s) and the terms of such Notes. The Notes will be "capital at risk" investments unless the Final Redemption Amount payable at maturity or a scheduled early redemption (or, in respect of Instalment Notes, the aggregate of the Instalment Amounts payable over the Instalment Dates, together with the Final Redemption Amount, if any) (as applicable) of the relevant Notes is at least equal to the purchase price paid by investors for such Notes.

Even where the Final Redemption Amount (or, in respect of Instalment Notes, the aggregate of the Instalment Amounts payable over the Instalment Dates, together with the Final Redemption Amount, if any) (as applicable) is at least equal to the purchase price paid by investors for such Notes, the Notes are still "capital at risk" investments if:

- (i) if the terms of the Notes provide for an automatic early redemption event to be applicable, such automatic early redemption event occurs and the amount payable is less than the purchase price; or;
- (ii) if the terms of the Notes provide that the Issuer's call option or holder's put option, as the case may be, is applicable, such call option or put option, as the case may be, is exercised and the Optional Redemption Amount is less than such purchase price.

Where Notes are "capital at risk" investments, investors are exposed to a return that is linked to the performance of the relevant Underlying Asset(s) (as specified in the relevant Pricing Supplement). In the case of an unfavourable development of the value of the Underlying Asset(s), the amount payable on redemption of the Notes may be less than the amount originally invested and investors may lose the value of some or all of their investment.

In any event, if the amount payable (or entitlement deliverable) on redemption, exercise or expiry of the Notes is less than the purchase price paid by investors for such Notes, investors may lose some or all of their investment.

Further, as explained at the start of this section, even if the Notes are not "capital at risk" and do provide for scheduled repayment in full of the issue price or the purchase price of the Notes, an investor could still lose some or all of his or her investment if:

- the investor sells the Notes prior to maturity in the secondary market but for an amount that is less than the issue price or the purchase price of the Notes;
- the Notes are redeemed early under their terms and conditions at the discretion of the Issuer and the Early Redemption Amount is less than the initial issue price or purchase price (see risk factor 3(a) (*Risks in connection with redemption of the Notes at the Early Redemption Amount*) below); or
- the Notes are subject to certain adjustments made by the Issuer in accordance with the terms and conditions of the Notes that may result in any amount payable (or deliverable) under the Notes (whether at maturity or otherwise) being reduced to, or being valued at, an amount that is less than the original investment.

3. Risks in connection with termination and adjustment rights of the Issuer and/or the Calculation Agent (Risk Category 3)

In this Risk Category 3 the specific risks in connection with termination and adjustment rights of the Issuer and/or the Calculation Agent under the Pricing Supplement are set out. This risk category is divided into Sub-Categories.

(a) Risks in connection with redemption of the Notes at the Early Redemption Amount

In certain circumstances, the Issuer may redeem the Notes (other than due to an automatic early redemption event or exercise of a call option) at an amount equal to the Early Redemption Amount. Such amount may be less than the issue price or the purchase price and investors may therefore lose some or all of their investment and may not be able to reinvest the proceeds in another investment offering a comparable return.

The Notes may be redeemed prior to their scheduled maturity in certain circumstances (other than due to an automatic early redemption event or the exercise of a call option) - for example, (i) if the Issuer determines that its obligations under the Notes or its hedging arrangements, have become unlawful or illegal, or, (ii) following an event of default, or (iii) where the Notes are linked to one or more Underlying Asset(s), following certain events having occurred in relation to any Underlying Asset(s) (where the relevant Pricing Supplement specifies that the terms of the Notes do not provide for the amount payable at maturity to be subject to a minimum amount or for Instalment Amounts to be payable). In such case, the Notes may be redeemed early prior to their scheduled maturity for an amount equal to the Early Redemption Amount, and, no other amounts shall be payable in respect of the Notes on account of interest or otherwise following such determination by the Issuer. Please refer to the section headed "*Overview of the Potential for Discretionary Determinations by the Issuer*" for more information.

The Early Redemption Amount payable on unscheduled redemption of the Notes depends on the elections specified in the relevant Pricing Supplement.

In certain circumstances, it is likely that the Early Redemption Amount will be less than the initial investment, and therefore investors may lose some or all of their investment. Investors may be unable to reinvest the proceeds in an investment having a comparable return. Potential investors should consider such reinvestment risk in light of other investments available at that time.

In certain circumstances, (i) the Early Redemption Amount may be significantly less than what an investor would have received in the absence of such event resulting in the unscheduled redemption of the Notes and (ii) holders will not be able to participate in any potential upside performance of the Underlying Asset(s) after the occurrence of such event and will not receive any further interest or other payments under the Notes.

Please refer to the section headed "*Overview of the Potential for Discretionary Determinations by the Issuer*" for more information.

(b) **Risks in connection with discretionary rights of the Calculation Agent and related termination rights of the Issuer**

Event or an extraordinary event, the Issuer or Calculation Agent has broad discretion to make certain modifications to the terms and conditions of the Notes to account for such event, including but not limited to adjusting the calculation of the relevant level or price of the Underlying Asset(s) or the reference rate(s), as applicable, or any amount payable or other benefit to be received under the relevant Notes. This may include substituting another underlying asset(s) or reference rate(s) for the affected Underlying Asset(s) or reference rate(s), or in the case of a relevant settlement disruption, paying a cash amount in lieu of delivering the relevant Underlying Asset(s). Any such adjustment shall be made without the consent of the Securityholders.

In making any adjustment to the terms and conditions of the Notes, the Issuer will (whether or not already expressed to be the case in the Conditions) act in good faith and in a commercially reasonable manner, and (where there is a corresponding applicable regulatory obligation) shall take into account whether fair treatment is achieved by any such adjustment in accordance with its applicable regulatory obligations. Please refer to the section headed "*Overview of the Potential for Discretionary Determinations by the Issuer*" for more information.

(c) **The Issuer of Notes may be substituted without the consent of Securityholders**

The Issuer of Notes may be substituted without the consent of Securityholders in favour of any affiliate of the Issuer or another company with which it consolidates, into which it merges or to which it sells or transfers all or substantially all of its property, subject to certain conditions being fulfilled. Such substitution of the Issuer may have a material adverse effect on the value of the Notes.

(d) **Jurisdictional Event**

The amount payable in respect of Notes which are linked to an Underlying Asset to which "Jurisdictional Event" is specified to be applicable may be reduced if the value of the proceeds of the Issuer's (or its affiliates') hedging arrangements in relation to such Underlying Asset are reduced as a result of various matters (each described as a "**Jurisdictional Event**") relating to risks connected with the relevant country or countries specified in the terms and conditions of the Notes (including, but not limited to, risks associated with fraud and/or corruption, political risk, legal uncertainty, imposition of foreign exchange controls and changes in laws or regulations). Please refer to the section headed "*Overview of the Potential for Discretionary Determinations by the Issuer*" for more information.

(e) **Occurrence of Additional Disruption Events**

Additional Disruption Events in respect of an Underlying Asset may include events which result in the Issuer incurring material costs for performing its obligations under the Notes

due to a change in applicable law, regulation or the inability or a materially increased cost of the Issuer and/or its affiliates to maintain or enter into hedging arrangements in respect of such Underlying Asset and the Notes or, in some cases, trading disruption or licensing issues or certain tax events occur in relation to the Underlying Asset. Subject to the terms and conditions for the Notes which determines the types of Additional Disruption Events which are applicable, upon determining that an Additional Disruption Event has occurred, the Issuer has discretion to make certain determinations to account for such event including to (i) make adjustments to the terms of the Notes (without the consent of the Securityholders), or (ii) cause an early redemption of the Notes prior to their scheduled maturity by payment of an Early Redemption Amount instead of the Final Redemption Amount, any of such determinations may have an adverse effect on the value of and return on the Notes. Following a determination by the Issuer in accordance with (ii) no other amounts shall be payable in respect of the Notes on account of interest or otherwise.

In making any such adjustments or determinations, the Issuer in such capacity will (whether or not already expressed to be the case in the Conditions) act in good faith and in a commercially reasonable manner, and (where there is a corresponding applicable regulatory obligation) shall take into account whether fair treatment is achieved by any such adjustments or determinations in accordance with its applicable regulatory obligations.

Please refer to the section headed "Overview of the Potential for Discretionary Determinations by the Issuer" for more information.

(f) **Optional redemption by the Issuer**

Any call option of the Issuer in respect of the Notes may negatively impact their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed. The investor will not be able to participate in the performance of the Underlying Asset(s) following the effective date of the Issuer call option.

(g) **Correction of published prices or levels**

In the event that the relevant published prices or levels of an Underlying Asset are subsequently corrected and such correction is published by the entity or sponsor responsible for publishing such prices or levels, subject to such correction and publication occurring prior to a specified cut-off date in respect of the relevant Notes, such corrected prices or levels may be taken into account by the Issuer in any determination in relation to the Notes and/or the Issuer may make adjustments to the terms of the Notes, subject to the provisions of the relevant terms and conditions for the Notes. Where such corrected prices or levels are lower than the original levels or prices, this may have an adverse effect on the value of and return on the Notes.

(h) **Non-Underlying Asset Days or disruption events may adversely affect the value of and return on the Notes**

If a scheduled date on which the price or level of an Underlying Asset is observed or determined falls on a day which is not a relevant scheduled trading day or business day for such Underlying Asset or any other day which is subject to adjustment in accordance with the relevant terms of the relevant Underlying Asset, then the relevant date may be postponed.

Further, if the Issuer determines that a disruption event in relation to an Underlying Asset has occurred which affects the observation or determination of the price or level of such Underlying Asset on any relevant day, then the relevant date may be postponed or the Issuer may determine the price or level of such Underlying Asset using one or more

alternative provisions, or may ultimately determine the price or level of such Underlying Asset in its discretion or (ii) the Issuer may treat this as an Additional Disruption Event, as to which see section 3(e) (*Occurrence of Additional Disruption Events*) above.

Any such postponement and/or alternative determination of the price or level of an Underlying Asset may adversely affect the value of and return on the Notes. In the event that one or more scheduled dates on which the price or level of an Underlying Asset is observed or determined are postponed, the scheduled Maturity Date or other relevant payment date may also be postponed.

4. Risks related to certain types of Notes and certain product features (Risk Category 4)

In this Risk Category 4 the risks in connection with certain types of Notes and certain product features are described. This risk category is divided into Sub-Categories.

Investors should note that Notes issued under the Programme may be one of the types of Notes set out below and/or may include one or more of the features described below, as set out in each case in the applicable Pricing Supplement. Investors should therefore carefully review the Pricing Supplement of the Notes that they are intending to invest into in order to identify whether any of the risks described below apply to such Notes.

(a) Risks associated with physical delivery of Underlying Asset(s)

In this Sub-Category the risks of Notes with physical delivery of Underlying Asset(s) are set out.

(i) *Risk in connection with fluctuations in the price of the relevant Underlying Asset or the relevant ETF share*

In certain circumstances the Notes may be redeemed at their maturity by delivering the relevant Underlying Asset or the relevant ETF share tracking the relevant Underlying Asset, to the Securityholders and the Securityholders will receive such Underlying Asset or ETF share, as the case may be, rather than a monetary amount upon maturity. Securityholders will therefore be exposed to the risks associated with the issuer of such Underlying Asset or ETF share, as the case may be, and the risks associated with such Underlying Asset or ETF share, as the case may be.

The value of the relevant Underlying Asset or the relevant ETF share, as the case may be, to be delivered, together with any fractional cash amount, to a Securityholder may be less than the purchase amount paid by such Securityholder for the Notes and the principal amount (if any) of the relevant Notes. In the worst case, the relevant Underlying Asset or the relevant ETF share, as the case may be, to be delivered may be worthless. Also, prospective investors should consider that any fluctuations in the price of the relevant Underlying Asset or the relevant ETF share, as the case may be, to be delivered between the end of the term of the Notes and the actual delivery date will be borne by the Securityholders. This means that a Securityholder's actual loss or gain and final return on the Notes can only be determined after delivery of the relevant Underlying Asset or the relevant ETF share, as the case may be, to such Securityholder.

In order to receive the relevant Share Amount in respect of a Security, a Securityholder must deliver to a Paying Agent a duly completed Delivery Notice

on or before the Presentation Date, otherwise the Issuer shall not be obliged to make delivery of the Share Amount.

- (ii) *Further risks in connection with the Underlying Asset(s) to be delivered under the Notes*

If a Security is redeemed by delivering the relevant Underlying Asset (or the relevant ETF share (if applicable)), any investor therein will be exposed to the risks (including risks of insolvency and risks of fluctuations in value of the relevant Underlying Asset or relevant foreign exchange rate(s)) relating to the Underlying Asset. Any of these risks may result in a reduction in value of the delivered Underlying Assets.

- (iii) *Risks in connection with the taxation of the Underlying Asset(s) to be delivered*

The Securityholder is also required to pay all taxes and expenses in connection with the delivery of the Underlying Asset. Further, Securityholders may be subject to certain documentary or stamp taxes in relation to the delivery and/or transfer of the relevant Underlying Asset or the relevant ETF shares, as the case may be which would not be, payable in the event of cash settlement.

(b) **Specific risks associated with Notes linked to a basket of Underlying Assets**

In this Sub-Category the specific risks associated with Notes linked to a basket of Underlying Assets are set out. All of these risks may adversely affect the performance of a basket of Underlying Assets that the Notes are linked to and in turn may adversely affect the value of and return on such Notes.

- (i) *The negative performance of a single basket constituent may outweigh a positive performance of one or more other basket constituents:* Even in the case of a positive performance by one or more of the basket constituents, the performance of the basket as a whole may be negative if the performance of one or more of the other basket constituents is negative to a greater extent, depending on the terms and conditions of the relevant Notes.
- (ii) *A small basket, or an unequally weighted basket, will generally leave the basket more vulnerable to changes in the value of any particular basket constituent:* The performance of a basket that includes a fewer number of basket constituents will generally be more affected by changes in the value of any particular basket constituent than a basket that includes a greater number of basket constituents and a basket which has unequally weighted constituents will generally be more affected by changes in the value of the more heavily weighted basket constituents than a basket which includes equally weighted basket constituents.
- (iii) *A change in composition of a basket may have an adverse effect on basket performance:* Where the terms and conditions of the Notes grant the Issuer the right, in certain circumstances, to adjust the composition of the basket, investors should be aware that any replacement basket constituent may perform differently from the original basket constituent, which may have an adverse effect on the performance of the basket and therefore the performance of the Notes.
- (iv) *Risks resulting from the correlation of multiple Underlying Assets:* In the case of Notes linked to multiple Underlying Assets, the level of correlation among the Underlying Assets indicates their interdependence with respect to their performance, and such level of correlation may have a significant impact on the value of the Notes. A risk that materialises in respect of one particular Underlying Asset also has an impact on the other Underlying Assets due to their correlation. For example, if all of the Underlying Assets that a Security is linked to originate from the same sector and the same country, a high level of correlation may generally be assumed, which could mean that, in the case of events affecting such sector or country, the value of all Underlying Assets may move in the same

direction at substantially the same time and/or experience a substantially similar level of volatility. In such case, such coordinated movement and/or volatility may have a more substantial impact on the value of the Notes linked thereto than if such Notes were linked to multiple Underlying Assets with a low level of correlation. Alternatively, if there is a low level of correlation among the Underlying Assets, any change in the performance of one of the Underlying Assets may have a more substantial impact on the value of the Notes linked thereto than if such Notes were linked to multiple Underlying Assets with a high level of correlation. Consequently investors in Notes that are linked to multiple Underlying Assets with a high degree of correlation may be exposed to greater risks of loss in case adverse events or developments occur with regard to one or more of the Underlying Assets than in case of Notes that are linked to multiple Underlying Assets with a low degree of correlation. However, an investor in Notes should be aware that (i) past levels of correlation among the Underlying Assets may not be determinative of future levels of correlation, (ii) the values of Underlying Assets with a high/low degree of correlation may nevertheless move in opposite directions/the same direction and/or experience different/the same levels of volatility.

(c) **"Worst-of"**

Where the Notes are linked to a basket of Underlying Assets and the terms of the Notes provide that the Final Redemption Amount or other amount payable (as applicable) in respect of such Notes depends on the performance of the worst performing Underlying Asset in the basket, Securityholders will be exposed to the performance of each Underlying Asset and, in particular, to the Underlying Asset which has the worst performance.

This means that, irrespective of how the other Underlying Assets perform, if the Underlying Asset having the worst performance fails to meet the specified threshold or barrier, Securityholders could lose some or all of their initial investment.

(d) **Risks of Notes with barrier feature(s)**

In the case of Notes with a barrier feature, amounts payable in respect of the Notes will be conditional on the value or performance of the relevant Underlying Asset(s), as determined in accordance with the applicable conditions, being (i) greater than, (ii) greater than or equal to, (iii) less than or (iv) less than or equal to, as specified in the applicable Pricing Supplement, a specified barrier value. If such condition is not satisfied, then (a) (in the case of a coupon payment) no payment may be due, or (b) the relevant amount payable may be determined by reference to the performance of the relevant Underlying Asset(s) and may be less than the amount originally invested and lower than the amount an investor would have received had no such event occurred.

(e) **Redemption following an automatic early redemption event**

Where the terms of the Notes provide for an automatic early redemption event, investors in such Notes should be aware that the timing of redemption of such Notes is uncertain since the occurrence of an automatic early redemption event will be dependent upon the performance of the Underlying Asset(s). In the case of an unfavourable development of the value of the Underlying Asset(s), the redemption of such Notes may not occur until the scheduled maturity and the amount payable on redemption will be determined based on the unfavourable performance of the Underlying Asset(s) and may be less than the amount originally invested and lower than the amount an investor would have received had an automatic early redemption event occurred.

Upon early redemption of the Notes as the result of an automatic early redemption event, investors will not participate in the performance of the Underlying Asset(s) after the date of such early redemption. Investors in such Notes may incur additional transaction costs as a consequence of reinvesting proceeds received upon any early redemption and the conditions for such reinvestment may be less favourable than the relevant investor's initial

investment in the Notes. In addition, if an automatic early redemption event occurs, no amounts payable under the Notes that would otherwise have been due after the automatic early redemption date will be paid.

(f) **A "Participation" factor of over 100 per cent. means that you may participate disproportionately in the performance of the Underlying Asset(s)**

Where the terms and conditions of the Notes provide that the redemption amount or other amount payable (as applicable) in respect of such Notes is based upon the performance of the Underlying Asset(s) and is multiplied by a "Participation" factor which is over 100 per cent., the Securityholder may participate disproportionately in any positive performance and/or may have a disproportionate exposure to any negative performance of the Underlying Asset(s). Due to this leverage effect, such Notes will represent a very speculative and risky form of investment since any loss in the value of the Underlying Asset(s) carries the risk of a correspondingly higher loss.

(g) **A "Participation" factor of less than 100 per cent. means that you will not participate in the full positive performance of the Underlying Asset(s)**

Where the terms and conditions of the Notes provide that the redemption amount or other amount payable (as applicable) in respect of such Notes is based upon the performance of the Underlying Asset(s) and is multiplied by a "Participation" factor which is less than 100 per cent., the Securityholder will not participate fully in the positive performance of the Underlying Asset(s). In such case, the return on the Notes will be lower than any positive performance of the Underlying Asset(s), and may be significantly less than if the Securityholder had purchased the Underlying Asset(s) directly.

(h) **The effect of averaging**

If so provided in the applicable terms and conditions of the Notes, the amount payable (or deliverable) on the Notes (whether at maturity or otherwise) will be based on the average of the applicable levels, prices, rates or other applicable values of the Underlying Asset(s) on each of the specified averaging dates, and not the simple performance of the Underlying Asset(s) over the term of the Notes. For example, if the applicable level, price, rate or other applicable value of the particular Underlying Asset(s) dramatically surged on the last of five averaging dates, the amount payable on the Notes may be significantly less than it would have been had the amount payable been linked only to the applicable level, price, rate or other applicable value of the particular Underlying Asset(s) on that last averaging date.

(i) **Cap**

Where the terms of the Notes provide that the amount payable or deliverable is subject to a cap, your ability to participate in any change in the value of the Underlying Asset(s) (or any change in floating interest rates) will be limited, no matter how much the level, price or other value of the Underlying Asset(s) (or floating interest rates) rises above the cap level over the term of the Notes. Accordingly, the value of or return on the Notes may be significantly less than if Securityholders had purchased the Underlying Asset(s) (or invested in instruments which pay an uncapped floating rate of interest) directly.

(j) **Interest rate risks**

In this Sub-Category the risks of Notes that provide for interest payments based on a fixed rate or a floating rate are set out. The risk of Notes that provide for fixed rate interest payments ("**Fixed Rate Notes**{ XE "Fixed Rate Notes" }") is set out first in the following sub-section (i) and that of Notes that provide for floating rate interest payments ("**Floating Rate Notes**{ XE "Floating Rate Notes" }") is set out first in the following sub-section (ii).

(i) *Fixed Rate Notes*

Where Notes bear interest at a fixed rate, subsequent changes in market interest rates may adversely affect the value of the Notes.

(ii) *Floating Rate Notes*

Where interest on Notes is subject to floating rates of interest that will change subject to changes in market conditions, such changes could adversely affect the interest amount(s) received on the Notes. As the interest income on Notes which bear interest at a floating rate will vary, it is not possible to determine a fixed yield on such Notes at the time of investment and to compare the return on investment of such Notes with investments bearing interest at a fixed rate. Further, if the floating rate becomes negative, the resulting rate of interest on the Notes may be less than any positive margin specified to be applicable to the floating rate, or may be zero (or such other minimum rate of interest), as specified in the relevant Pricing Supplement.

(k) **There are particular risks in relation to Notes denominated in or referencing CNY**

Chinese Renminbi, the lawful currency of the People's Republic of China ("**CNY**{ XE "CNY" }") is not freely convertible at present. The government of the People's Republic of China continues to regulate conversion between CNY and foreign currencies despite the significant reduction over the years by such government of its control over routine foreign exchange transactions conducted through current accounts. The People's Bank of China ("**PBOC**{ XE "PBOC" }") has established a clearing and settlement system pursuant to the Settlement Agreement on the Clearing of CNY Business between PBOC and Bank of China (Hong Kong) Limited. However, the current size of CNY and CNY denominated financial assets in Hong Kong is limited, and its growth is subject to many constraints imposed by the laws and regulations of the People's Republic of China on foreign exchange.

No assurance can be given that access to CNY funds for the purposes of making payments under the Notes or generally will remain available or will not become restricted. The value of CNY against foreign currencies fluctuates and is affected by changes in the People's Republic of China and international political and economic conditions and by many other factors. As a result, foreign exchange fluctuations between a purchaser's home currency and CNY may affect purchasers who intend to convert gains or losses from the sale or redemption of the Notes into their home currency.

Holders of beneficial interests in Notes denominated in CNY may be required to provide certifications and other information (including CNY account information) in order to receive payments in CNY in accordance with the CNY clearing and settlement system for participating banks in Hong Kong. Payments in CNY may only be made to investors by transfer to a bank account denominated in CNY and maintained in accordance with applicable laws and regulations in Hong Kong (including the prevailing requirements and procedures applicable to Notes denominated in CNY cleared through the Central Moneymarkets Unit operated by the Hong Kong Monetary Authority ("**CMU**")). There is no assurance that new PRC regulations will not be promulgated or any settlement agreement on the clearing of CNY business between PBOC and certain Chinese banks will not be terminated or amended in the future which will have the effect of restricting availability of CNY.

Developments and the perception of risks in other countries, especially emerging market countries, may adversely affect the exchange rate of CNY into other currencies and therefore the value of Notes denominated in or referencing CNY.

5. Risks in connection with the Underlying Assets or reference rates (Risk Category 5)

In this Risk Category 5 the specific risks in connection with (i) the Underlying Asset(s) that the Notes may be linked to and (ii) the reference rate(s) by reference to which amounts

payable under the Notes may be determined are described. This risk category is divided into Sub-Categories.

(a) **Risks associated with Shares**

In this Sub-Category the specific risks of Shares that Notes may be linked to under the Programme are set out.

(i) *Factors affecting the performance of Shares may adversely affect the value of Notes*

The performance of a Share is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors as well as company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. Any of these factors affecting the performance of Shares may in turn adversely affect the market value of and return on the Notes that are linked to such Shares.

(ii) *Actions by the issuer of a Share may adversely affect the Notes*

The issuer of a Share will have no involvement in the offer and sale of the Notes and will have no obligation to any Securityholder. The issuer of a Share may take any actions in respect of such Share without regard to the interests of the Securityholders, and any of these actions could adversely affect the market value of and return on the Notes.

(iii) *Determinations made by the Issuer in respect of Potential Adjustment Events and Extraordinary Events may have an adverse effect on the value of the Notes*

The adjustment events referred to in section 3(a) (Risks in connection with redemption of the Notes at the Early Redemption Amount) include, in respect of Shares, Potential Adjustment Events and Extraordinary Events. Potential Adjustment Events include (A) a sub-division, consolidation or re-classification of Shares, (B) an extraordinary dividend, (C) a call of Shares that are not fully paid-up, (D) a repurchase by the Share issuer, or an affiliate thereof, of the Shares, (E) a separation of rights from Shares, or (F) any event having a dilutive or concentrative effect on the value of Shares. Extraordinary Events include (1) a delisting or suspension of Shares on an exchange or of futures or options contracts relating to such Shares on a related exchange, (2) an insolvency or bankruptcy of the issuer of the Shares, (3) a merger event entailing the consolidation of Shares with those of another entity, (4) a nationalisation of the issuer of the Shares or transfer of Shares to a governmental entity, or (5) a tender offer or takeover offer that results in transfer of Shares to another entity.

Upon determining that a Potential Adjustment Event or an Extraordinary Event has occurred in relation to a Share or Share issuer, the Issuer has discretion to make certain determinations to account for such event including to (aa) make adjustments to the terms of the Notes (without the consent of Securityholders), and/or (bb) (in the case of an Extraordinary Event) (x) if the terms of the Notes do not provide for the amount payable at maturity to be subject to a minimum amount or for Instalment Amounts to be payable, cause an early redemption of the Notes, or (y) otherwise, redeem the Notes at the scheduled maturity by payment of the Early Redemption Amount instead of the Final Redemption Amount. Any of such determinations may have an adverse effect on the value of and return on the Notes. Following a determination by the Issuer in accordance with (bb)(x) or (bb)(y), no other amounts shall be payable in respect of the Notes on account of interest or otherwise, provided that, in respect of Instalment Notes, notwithstanding the occurrence of such an event, each Instalment Amount scheduled to be paid (but unpaid) on an Instalment Date falling on or after the Early Redemption Date shall continue to be paid on such Instalment Date.

(iv) *Loss of return of dividends in respect of most Notes linked to Shares*

Unless the terms and conditions of the Notes specify otherwise, holders of such Notes in respect of which an Underlying Asset is a Share will not participate in dividends or other distributions paid on such Share. Therefore, the return on such Notes will not reflect the return a Securityholder would have realised had it actually owned such Shares and received the dividends in respect of them.

(b) **Risks associated with equity indices**

In this Sub-Category the specific risks of equity indices that Notes may be linked to are set out.

(i) *Factors affecting the performance of Indices may adversely affect the value of and return on the Notes*

Indices are comprised of a synthetic portfolio of shares or other assets, and as such, the performance of an Index is dependent upon the macroeconomic factors relating to the shares or other components that comprise such Index, which may include interest and price levels on the capital markets, currency developments, political factors and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. Any of the factors affecting the performance of Indices may in turn adversely affect the market value of and return on Notes that are linked to Indices.

(ii) *Returns on Notes will not be the same as a direct investment in futures or options on the Index or in the underlying components of the Index*

An investment in the Notes linked to Indices is not the same as a direct investment in futures or option contracts on any or all of the relevant Indices nor any or all of the components included in each Index. In particular, investors will not benefit directly from any positive movements in any Index nor will investors benefit from any profits made as a direct result of an investment in such Index. Accordingly, changes in the performance of any Index may not result in comparable changes in the market value of or return on the Notes linked to such Index.

The rules of an Index might stipulate that dividends distributed on its components do not lead to a rise in the Index Level, for example, if it is a "price" index. As a result, holders of Notes linked to such Index would lose the benefit of any dividends paid by the components of the Index and such Notes would not perform as well as a position where such holder had invested directly in such components or where they invested in a "total return" version of the Index. Even if the rules of the relevant underlying Index provide that distributed dividends or other distributions of the components are reinvested in the Index and therefore result in raising its level, in some circumstances the dividends or other distributions may not be fully reinvested in such Index. Consequently, investors in Notes that are linked to an Index that is a price index should note that dividends paid by the components of the Index will not raise the level of the Index. Similarly, investors in Notes that are linked to an Index that is a total return index should note that under certain circumstances not all of the dividends paid by a component of the Index might be reinvested and therefore such dividends will not fully contribute to a rise in the level of the Index.

(iii) *Occurrence of Index Cancellation*

If the Issuer determines that an Index Cancellation has occurred in respect of an Index, if "Issuer Adjustment" is specified as applicable, the Issuer shall calculate the Final Redemption Amount and/or any relevant Interim Payment by using the level of the relevant Index using only those securities that comprised such Index immediately prior to such Index Cancellation Event (other than those securities that have since ceased to be listed on the relevant Exchange) or alternatively, if the Issuer determines that the modification is solely of a mathematical nature it may in its discretion alternatively use the published level of the Index and make such consequential changes to the method of calculating the Final Redemption Amount and/or the relevant Interim Payment, as the case may be, as it may determine to be appropriate to preserve the economic equivalent effect of the Notes or if "Redemption and Payment" is specified as applicable, redeem the Security at the fair market value of such Security.

(iv) *Occurrence of Index Adjustment Events*

Upon determining that an Index Adjustment Event (if defined in the Pricing Supplement) has occurred in relation to an Index if "Issuer Adjustment" is specified as applicable, the Issuer shall calculate the Final Redemption Amount and/or any relevant Interim Payment by using the level of the relevant Index using only those securities that comprised such Index immediately prior to such Index Adjustment Event (other than those securities that have since ceased to be listed on the relevant Exchange) or alternatively, if the Issuer determines that the modification is solely of a mathematical nature it may in its discretion alternatively use the published level of the Index and make such consequential changes to the method of calculating the Final Redemption Amount and/or the relevant Interim Payment, as the case may be, as it may determine to be appropriate to preserve the economic equivalent effect of the Notes or if "Redemption and Payment" is specified as applicable, redeem the Security at the fair market value of such Security.

(v) *Decrement Indices*

Where an underlying asset is a "decrement" index, a pre-determined amount (a "**Synthetic Dividend**") is periodically deducted from the level of such index. The amount of such Synthetic Dividend may be expressed as a percentage of the prevailing index level or as a fixed number of index points.

A decrement index (after deduction of the pre-determined Synthetic Dividend) will underperform the corresponding total return index (ie where realised dividends have been reinvested and without any deduction of Synthetic Dividend).

A decrement index (after deduction of the pre-determined Synthetic Dividend) may perform differently in comparison to the corresponding price return index (ie where the realised dividends are not reinvested, and without any deduction of Synthetic Dividend). If the Synthetic Dividend is larger than the relevant realised level of dividends, the decrement index will underperform the corresponding price return index. If the Synthetic Dividend is smaller than the relevant realised level of dividends, the decrement index will outperform an otherwise equivalent price return index.

Specific risks for decrement in index points

In respect of decrement indices where the synthetic dividend is expressed as a number of index points, the Synthetic Dividend yield (defined as the ratio of the fixed index point decrement to the relevant decrement index level) will increase in a negative market scenario as this is a fixed amount and not a percentage of the index level. As such, a decrement index is likely to underperform a

corresponding price return index when the index is decreasing and such underperformance will accelerate as the level of the decrement index decreases.

Further, since the amount of decrement expressed in index points will not vary with the level of the decrement index, such index level may become negative. This could adversely affect the value of and return on the Notes.

(c) Risks associated with commodities and commodity indices

In this Sub-Category the specific risks of commodities and commodity indices that Notes may be linked to under the Programme are set out.

(i) *Factors affecting the performance of commodities and commodity indices may adversely affect the value of Notes*

Trading in commodities may be extremely volatile. Commodity prices are affected by a variety of factors that are unpredictable including, for example, changes in supply and demand relationships, weather patterns and extreme weather conditions, governmental programmes and policies, national and international political, military, terrorist and economic events, fiscal, monetary and exchange control programmes and changes in interest and exchange rates. Commodities markets may be subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, the participation of entities who are neither end-users or producers and government regulation and intervention. The current or "spot" prices of physical commodities may also affect, in a volatile and inconsistent manner, the prices of futures contracts in respect of a commodity.

Certain emerging market countries – such as China – have become very significant users of certain commodities. Therefore, economic developments in such jurisdictions may have a disproportionate impact on demand for such commodities.

Certain commodities may be produced in a limited number of countries and may be controlled by a small number of producers. Therefore, developments in relation to such countries or producers could have a disproportionate impact on the prices of such commodities.

In summary, commodity prices may be more volatile than other asset classes and investments in commodities may be riskier than other investments. Any of the circumstances described in this section could adversely affect prices of the relevant commodity, and therefore sharply reduce the market value of and return on any Notes linked to such commodity.

(ii) *Suspension or disruptions of market trading in commodities and related futures contracts may adversely affect the value of and return on the Notes*

The commodity markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets and government regulation and intervention. In addition, U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in contract prices which may occur during a single business day. These limits are generally referred to as "daily price fluctuation limits" and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a "limit price". Once the limit price has been reached in a particular contract, trading in the contract will follow the regulations set forth by the trading facility on which the contract is listed. Limit prices may have the effect of precluding trading in a particular commodity contract, which could adversely affect the value of a commodity or a commodity index and, therefore, the value of and return on any Notes linked to such commodity or commodity index.

(iii) *Legal and regulatory changes*

Commodities are subject to legal and regulatory regimes that may change in ways that could affect the ability of the Issuer and/or any of its affiliates to hedge the Issuer's obligations under the Notes. Such legal and regulatory changes could lead to the early redemption of the Notes or to the adjustment of the terms and conditions of the Notes. Commodities are subject to legal and regulatory regimes in the United States and, in some cases, in other countries that may change in ways that could adversely affect the value of the Notes.

The Dodd-Frank Act includes numerous provisions relating to the regulation of the futures and OTC derivative markets. The Dodd-Frank Act requires regulators, including the Commodity Futures Trading Commission (the "**CFTC**"), to adopt regulations in order to implement many of the requirements of the legislation. While the CFTC has adopted many of the final regulations and has proposed certain others, the ultimate nature and scope of all potentially relevant regulations cannot yet be determined. Under the Dodd-Frank Act, the CFTC has re-proposed a rule to impose limits on the size of positions that can be held by market participants in futures and OTC derivatives on physical commodities, after the prior version of such rule was struck down by a U.S. Federal court. While the comment period for such rule has expired, it is unclear when such rule will actually take effect, or if there will be any further changes to the version as re-proposed. In addition, the CFTC has made certain changes to the regulations that may subject certain transactions utilising swaps to regulation as "commodity pools", unless an exemption from registration is available. There is only limited interpretive guidance as to the precise meaning, scope and effect of many such regulations. Further, the U.S. Congress is considering further legislation, generally intended to "scale back" the scope of certain Dodd-Frank regulations. It is not possible to predict the ultimate scope of such legislation, whether or not it ultimately becomes a law and the date(s) from which its provisions will apply.

In 2017, U.S. Regulators (including Federal Reserve) issued final rules designed to improve the resolvability of U.S. headquartered G-SIBs and the U.S. operations of non-U.S. G-SIBs. The Federal Reserve's rule applies to the U.S. subsidiaries, branches and agencies of the Group ("**CS Covered Entities**"). In addition, the rule requires CS Covered Entities to modify their Qualified Financial Contracts ("**QFCs**") to obtain agreement of counterparties that (a) their QFCs are subject to the stays on early termination rights under the Orderly Liquidation Authority and the Federal Deposit Insurance Act, which is similar to requirements introduced in other jurisdictions to which we are already subject, and (b) certain affiliate-linked default rights would be limited or overridden if an affiliate of the G-SIB entered proceedings under the U.S. Bankruptcy Code or other insolvency or resolution regimes. A QFC is broadly defined to cover a wide variety of financial transactions, including without limitation swaps and other derivatives, repos and reverse repos, securities lending and borrowing transactions, contracts for the purchase and/or sale of securities, CDOs or mortgage loans, commodities contracts, forward contracts, certain spot transactions, guarantees or credit support enhancements related to the foregoing. The rule also requires that CS Covered Entities ensure that all future QFCs comply with the rules, or to cease transacting with the entire counterparty corporate family group. Covered QFCs must be conformed to the rules' requirements starting 1 January 2019, with full compliance by 1 January 2020. ISDA has developed the 2018 U.S. Resolution Stay Protocol (the "**U.S. Resolution Stay Protocol**") to facilitate compliance with the final rules. In order to permit the continued ability of the Issuer to transact with CS Covered Entities, it is expected that the Issuer will adhere to the U.S. Resolution Stay Protocol, which will amend QFCs entered into between CS Covered Entities and the Issuer. The U.S. Resolution Stay Protocol overrides certain cross-default rights and certain other rights related to the entry of a CS Covered Entity or certain of its affiliates into certain resolution proceedings, subject to certain conditions. U.S. Regulators have indicated that adherence to the U.S. Resolution Stay Protocol is an acceptable means to satisfy the rule's requirements. Adhering to the U.S. Resolution Stay Protocol may limit the right of

the Issuer on behalf of the Securityholders to exercise its rights under any QFC against a swap counterparty that is a CS Covered Entity.

While the full impact of such regulations is not yet known, these regulatory changes are likely to restrict the ability of market participants to participate in the commodity, future and swap markets and markets for other OTC derivatives on physical commodities to the extent and at the levels that they have in the past. These factors may have the effect of reducing liquidity and increasing costs in these markets as well as affecting the structure of the markets in other ways. In addition, these legislative and regulatory changes are likely to further increase the level of regulation of markets and market participants, and therefore the costs of participating in the commodities, futures and OTC derivative markets. Amongst other things, these changes require many OTC derivative transactions to be executed on regulated exchanges or trading platforms and cleared through regulated clearing houses. Swap dealers are required to be registered with the CFTC and, in certain cases, the SEC, and are subject to various regulatory requirements, including capital and margin requirements. In addition, the CFTC and certain other U.S. regulatory authorities have adopted rules with respect to the posting and collecting of initial and variation margin, which will apply to many derivative transactions that are not cleared on a regulated exchange or trading platform. In general, the required margin levels for such uncleared derivatives is higher than would apply if such transaction were centrally cleared. While such rules are being phased in over time, they are already applicable in respect of derivative exposures in excess of specified amounts. The various legislative and regulatory changes, and the resulting increased costs and regulatory oversight requirements, could result in market participants being required to, or deciding to, limit their trading activities, which could cause reductions in market liquidity and increases in market volatility. These consequences could adversely affect the prices of commodities, which could in turn adversely affect the return on and value of the Notes. The adoption of any changes in law, which may include (but not be limited to) position limit regulations and other measures which may interfere with the ability of the Issuer (or any of its affiliates) to hedge its obligations under the Notes, may result in the occurrence of a "Change in Law" or a "Hedging Disruption", each of which is an Additional Disruption Event in respect of commodity-linked securities and commodity index-linked securities (see risk factor in section 3(e) above (*Occurrence of Additional Disruption Events*)).

MiFID II and the Markets in Financial Instruments Regulation ("**EU MiFIR**") and the latter as part of English law by virtue of the EUWA impose a number of key changes aimed at reducing systemic risk, combating disorderly trading and reducing speculative activity in commodity derivatives markets through the imposition of new position limits and management powers by trading venues and national regulators and the grant of additional intervention powers to ESMA. These applied from 3 January 2018 and could have an adverse effect on the prices of commodities and the return on and value of the Notes.

The European Market Infrastructure Regulation (Regulation (EU) No 648/2012) ("**EU EMIR**") and the latter as part of English law by virtue of the EUWA ("**UK EMIR**") require mandatory clearing of certain OTC derivative contracts, reporting of derivatives and risk mitigation techniques (including margin requirements) for uncleared OTC derivative contracts. EU EMIR and UK EMIR will likely impact a number of market participants and may increase the cost of transacting certain derivatives. As and when implementing measures in relation to this regulation are adopted or if other regulations or implementing measures in relation to these regulations are adopted in the future, they could have an adverse impact on the price of a commodity or the level of a commodity index, and the value of and return on the Notes.

- (iv) *Future prices of commodities within a commodity index that are different relative to their current prices may result in a reduced amount payable or deliverable upon redemption or exercise*

Commodity contracts have a predetermined expiration date – a date on which trading of the commodity contract ceases. Holding a commodity contract until expiration will result in delivery of the underlying physical commodity or the requirement to make or receive a cash settlement. Alternatively, "rolling" the commodity contracts means that the commodity contracts that are nearing expiration (the "near-dated" commodity contracts) are sold before they expire and commodity contracts that have an expiration date further in the future (the "longer-dated" commodity contracts) are purchased. Investments in commodities apply "rolling" of the component commodity contracts in order to maintain an ongoing exposure to such commodities.

If the market for a commodity contract is in "backwardation", then the price of the longer-dated commodity contract is lower than in the near-dated commodity contract. The rolling therefore from the near-dated commodity contract to the longer-dated commodity contract creates a "roll yield", the amount of which will depend on the amount by which the unwind price of the former exceeds the spot price of the latter at the time of rolling. Conversely, if the market for a commodity contract is in "contango", then the price of the longer-dated contract is higher than the near-dated commodity contract. This could result in negative "roll yields".

As a result of rollover gains/costs that have to be taken into account within the calculation of such indices and under certain market conditions, such indices may outperform or underperform the underlying commodities contained in such indices. Furthermore, the prices of the underlying commodities may be referenced by the price of the current futures contract or active front contract and rolled into the following futures contract before expiry.

The value of Notes linked to a commodity index is, therefore, sensitive to fluctuations in the expected futures prices of the relevant commodities contracts comprising such commodity index. A commodity index may outperform or underperform its underlying commodities. In a "contango" market, this could result in negative "roll yields" which, in turn, could reduce the level of such commodity index and, therefore, have an adverse effect on the value of and return on the Notes.

- (v) *Commodity indices may include contracts that are not traded on regulated futures exchanges*

Commodity indices are typically based solely on futures contracts traded on regulated futures exchanges. However, a commodity index may include over-the-counter contracts (such as swaps and forward contracts) traded on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation. As a result, trading in such contracts, and the manner in which prices and volumes are reported by the relevant trading facilities, may not be subject to the provisions of, and the protections afforded by, for example, the U.S. Commodity Exchange Act of 1936, or other applicable statutes and related regulations that govern trading on regulated U.S. futures exchanges, or similar statutes and regulations that govern trading on regulated UK futures exchanges. In addition, many electronic trading facilities have only recently initiated trading and do not have significant trading histories. As a result, the trading of contracts on such facilities, and the inclusion of such contracts in a commodity index, may be subject to certain risks not presented by, for example, U.S. or UK exchange-traded futures contracts, including risks related to the liquidity and price histories of the relevant contracts.

- (vi) *A change in the composition or discontinuance of a commodity index could adversely affect the market value of and return on the Notes*

The sponsor of a commodity index can add, delete or substitute the underlying components of such commodity index or make other methodological changes that could change the level of one or more underlying components. The changing of

underlying components of any commodity Index may affect the level of such commodity index as a newly added underlying component may perform significantly worse or better than the underlying component it replaces, which in turn may adversely affect the value of and return on the Notes. The sponsor of a commodity index may also alter, discontinue or suspend calculation or dissemination of such commodity index. The sponsor of a commodity index will have no involvement in the offer and sale of the Notes and will have no obligation to any investor in such Notes. The sponsor of a commodity index may take any actions in respect of such commodity index without regard to the interests of investors in the Notes, and any of these actions could adversely affect the value of and return on the Notes.

- (vii) *Continuation of calculation of commodity Index Level upon the occurrence of a disruption event in relation to a underlying component*

If a disruption event occurs with respect to any underlying component included in a commodity Index, the adjustment provisions included in the terms and conditions of the Notes will apply, including the determination by the Issuer of the value of the relevant disrupted underlying component and, in turn, the value of such commodity index on the date specified in such Notes. However, regardless of the disruption event, the sponsor of the commodity index may continue to calculate and publish the level of such commodity index. In such circumstances, investors in the Notes should be aware that the value of the commodity index determined by the Issuer upon the occurrence of a disruption event may not reflect the value of the commodity index as calculated and published by the sponsor of such commodity index for the relevant valuation date, nor would the Issuer be willing to settle, unwind or otherwise use any such published value while a disruption event is continuing with respect to any underlying component included in a commodity index. Any of these actions could have an adverse effect on the value of and return on the Notes.

(d) Risks associated with ETFs

In this Sub-Category the specific risks of ETFs that Notes may be linked to under the Programme are set out.

- (i) *Factors affecting the performance of ETFs may adversely affect the value of Notes*

The performance of ETFs is dependent upon the performance of a portfolio of assets which they track. As a result, the performance of an ETF is dependent upon macroeconomic factors affecting the performance of such assets, such as interest and price levels on the capital markets, currency developments, political factors as well as company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. Any of these factors affecting the performance of the assets within such portfolio may in turn adversely affect the market value of and return on the Notes that are linked to such ETFs.

- (ii) *Where the Underlying Asset is an ETF, there is a risk that an ETF will not accurately track its underlying asset(s) or index*

Where the Notes are linked to an ETF and the investment objective of such ETF is to track the performance of one or more underlying assets or an index, the investors of such Notes are exposed to the performance of such ETF rather than the underlying asset(s) or index such ETF tracks. For certain reasons, including to comply with certain tax and regulatory constraints, an ETF may not be able to accurately track the underlying asset(s) or the constituent securities of the underlying index, which could give rise to a difference between the performance of the underlying asset(s) or index and such ETF. Accordingly, investors who purchase Notes that are linked to an ETF may receive a lower return than if such

investors had invested directly in the asset(s) or the components of the index underlying such ETF.

- (iii) *Action by fund adviser, fund administrator or sponsor of an ETF may adversely affect the Notes*

The fund adviser, fund administrator or sponsor of an ETF will have no involvement in the offer and sale of the Notes and will have no obligation to any investor in such Notes. The fund adviser, fund administrator or sponsor of an ETF may take any actions in respect of such ETF without regard to the interests of the Securityholders, and any of these actions could adversely affect the market value of and return on the Notes.

- (iv) *An ETF may involve varying levels of risk depending on the tracking strategy and/or technique employed by the fund adviser or the fund administrator*

The fund adviser or the fund administrator of an ETF may use certain tracking strategies or techniques to track the performance of the underlying asset(s) or index, such as full replication (i.e. direct investment in all components included in the underlying share), synthetic replication (such as a swap) or other techniques such as sampling.

An ETF may involve varying levels of risk depending on the tracking strategy and/or techniques employed by the fund adviser or the fund administrator. For example, an ETF using full replication or synthetic replication techniques may be exposed to an unlimited risk of the negative performance of the underlying asset(s) or index. In addition, such ETF may not be able to acquire all components of the underlying asset(s) or index or sell them at reasonable prices. This may affect the ETF's ability to replicate the underlying asset(s) or index and may have a negative impact on the performance of the ETF. ETFs which use swaps for synthetic replication of the underlying asset(s) or index may be exposed to the risk of default of their swap counterparties. An ETF which uses sampling techniques may create portfolios of assets which may comprise only some of the components of the underlying asset(s) or index. Therefore the risk profile of such ETF may not be consistent with the risk profile of the underlying asset(s) or index. The risks that exist at the level of the ETF in respect of the ETF's underlyings and/or swap counterparties may have a negative impact on the performance of the ETF and may therefore also have a negative impact on the amount(s) payable to Securityholders under the Notes.

- (v) *Determinations made by the Issuer in respect of Potential Adjustment Events and Extraordinary Events may have an adverse effect on the value of and return on the Notes*

The adjustment events referred to in section 3(a) above (*Risks in connection with redemption of the Notes at the Early Redemption Amount*) include, in respect of ETF shares, Potential Adjustment Events and Extraordinary Events. Potential Adjustment Events include (A) a sub-division, consolidation or re-classification of ETF shares, (B) an extraordinary dividend, (C) a repurchase by the ETF of the ETF shares, (D) any event having a dilutive or concentrative effect on the value of the ETF shares, or (E) the amendment or supplement to the terms of the deposit agreement in respect of ETF shares which are depositary receipts. Extraordinary Events include (1) a delisting of ETF shares on an exchange, (2) a merger event entailing the consolidation of ETF shares with those of another entity, (3) a nationalisation of the ETF or transfer of ETF shares to a governmental entity, or (4) a tender offer or takeover offer that results in transfer of ETF shares to another entity.

Upon determining that a Potential Adjustment Event or an Extraordinary Event has occurred in relation to an underlying ETF share or ETF, the Issuer has the discretion to make certain determinations to account for such event including to

(aa) make adjustments to the terms of the Notes (without the consent of Securityholders), and/or (bb) (in the case of an Extraordinary Event) (x) if the terms of the Notes do not provide for the amount payable at maturity to be subject to a minimum amount or for Instalment Amounts to be payable, cause an early redemption of the Notes, or (y) otherwise, redeem the Notes at the scheduled maturity by payment of the Early Redemption Amount instead of the Final Redemption Amount. Any of such determinations may have an adverse effect on the value of and return on the Notes. Following a determination by the Issuer in accordance with (bb)(x) or (bb)(y), no other amounts shall be payable in respect of the Notes on account of interest or otherwise, provided that, in respect of Instalment Notes, notwithstanding the occurrence of such an event, each Instalment Amount scheduled to be paid (but unpaid) on an Instalment Date falling on or after the Early Redemption Date shall continue to be paid on such Instalment Date.

- (e) Risks associated with reference rates by reference to which any amount payable under the Notes is determined

In this Sub-Category the specific risks of reference rates by reference to which any amount payable under the Notes is determined are set out.

- (i) *Factors affecting reference rates*

Reference rates are mainly dependent upon the factors of the supply and demand for credit in the money market, i.e., the rates of interest paid on investments, determined by the interaction of supply of and demand for funds in the money market. The supply and demand in the money market on the other hand is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments and political factors, or upon other factors, depending on the specific type of reference rate. Factors that are affecting the performance of the reference rate (s) may adversely affect the market value of, and return (if any) on, the Notes linked thereto.

- (ii) *Risks in connection with the determination of reference rates*

The amount(s) payable under the Notes may be determined by reference to one or more reference rates, such as the floating rate option used to determine the Rate of Interest in respect of Floating Rate Notes, the rate of premium for Notes in respect of which a premium is payable, or any other interest rate, index, benchmark or price source by reference to which any amount payable under the Notes is determined. A reference rate (i) may be materially modified, (ii) may be permanently or indefinitely discontinued or may cease to exist or cease to be representative of the underlying market it is intended to measure, or (iii) may not be used in certain ways by an EU supervised entity and/or UK supervised entity, as the case may be, if its administrator does not obtain authorisation or registration (subject to applicable transitional provisions) (see subsection (i) below (Risks in connection with regulation and reform of "Benchmarks")).

- (f) **Exposure to risk that redemption amounts do not reflect direct investment in the Underlying Assets**

The Final Redemption Amount payable (or Share Amount deliverable) on Notes that reference Underlying Assets may not reflect the return a Securityholder would realise if it actually owned the relevant Underlying Assets and received distributions paid in respect of those Underlying Assets because the price of the Underlying Assets or underlying shares on any specified valuation dates may not take into consideration the value of such distributions. Accordingly, a Securityholder of Notes that reference Underlying Assets or

underlying shares may receive a lower payment upon redemption of such Notes than such Securityholder would have received if it had invested directly in the Underlying Assets.

(g) **A change in the composition or discontinuance of an index could have a negative impact on the value of the Notes**

Where Notes reference an Underlying Asset which is an index, the sponsor of the relevant index can add, delete or substitute the components of such index or make other methodological changes that could change the level of one or more components. The changing of the components of an index may affect the level of such index as a newly added component may perform significantly worse or better than the component it replaces, which in turn may adversely affect the value of and return on the Notes. The sponsor of an index may also alter, discontinue or suspend calculation or dissemination of such index. The sponsor of an index will have no involvement in the offer and sale of the Notes and will have no obligation to any investor in such Notes. The sponsor of an index may take any actions in respect of such index without regard to the interests of the investor in the Notes, and any of these actions could have an adverse effect on the value of and return on the Notes.

(h) **Exposure to emerging markets**

An Underlying Asset may include an exposure to emerging markets. Emerging market countries possess one or more of the following characteristics: a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development state or a weak economy. Emerging markets investments usually result in higher risks such as event risk, political risk, economic risk, credit risk, currency rate risk, market risk, regulatory/legal risk and trade settlement, processing and clearing risks as further described below. Investors should note that the risk of occurrence and the severity of the consequences of such risks may be greater than they would otherwise be in relation to more developed countries.

- (i) **Event Risk:** On occasion, a country or region will suffer an unforeseen catastrophic event (for example, a natural disaster) which causes disturbances in its financial markets, including rapid movements in its currency, that will affect the value of securities in, or which relate to, that country. Furthermore, the performance of an Underlying Asset can be affected by global events, including events (political, economic or otherwise) occurring in a country other than that in which such Underlying Asset is issued or traded.
- (ii) **Political Risk:** Many emerging market countries are undergoing, or have undergone in recent years, significant political change which has affected government policy, including the regulation of industry, trade, financial markets and foreign and domestic investment. The relative inexperience with such policies and instability of these political systems leave them more vulnerable to economic hardship, public unrest or popular dissatisfaction with reform, political or diplomatic developments, social, ethnic, or religious instability or changes in government policies. Such circumstances, in turn, could lead to a reversal of some or all political reforms, a backlash against foreign investment, and possibly even a movement away from a market-oriented economy. For Securityholders, the results may include confiscatory taxation, exchange controls, compulsory re-acquisition, nationalisation or expropriation of foreign-owned assets without adequate compensation or the restructuring of particular industry sectors in a way that could adversely affect investments in those sectors. Any perceived, actual or expected disruptions or changes in government policies of a country, by elections or otherwise, can have a major impact on the performance of an Underlying Asset linked to such emerging market countries.
- (iii) **Economic Risk:** The economies of emerging market countries are by their nature in early or intermediate stages of economic development, and are therefore more vulnerable to rising interest rates and inflation. In fact, in many emerging market countries, high interest and inflation rates are the norm. Rates of economic

growth, corporate profits, domestic and international flows of funds, external and sovereign debt, dependence on international trades and sensitivity to world commodity prices play key roles in economic development, yet vary greatly from one emerging market country to another. Businesses and governments in these emerging market countries may have a limited history of operating under market conditions. Accordingly, when compared to more developed countries, businesses and governments of emerging market countries are relatively inexperienced in dealing with market conditions and have a limited capital base from which to borrow funds and develop their operations and economies. In addition, the lack of an economically feasible tax regime in certain countries poses the risk of sudden imposition of arbitrary or excessive taxes, which could adversely affect foreign Securityholders. Furthermore, many emerging market countries lack a strong infrastructure and banks and other financial institutions may not be well-developed or well-regulated. All of the above factors, as well as others, can affect the proper functioning of the economy and have a corresponding adverse effect on the performance of an Underlying Asset linked to one or more emerging market countries.

- (iv) **Credit Risk:** Emerging market sovereign and corporate debt tends to be riskier than sovereign and corporate debt in established markets. Issuers and obligors of debt in these emerging market countries are more likely to be unable to make timely coupon or principal payments, thereby causing the underlying debt or loan to go into default. The sovereign debt of some countries is currently in technical default and there are no guarantees that such debt will eventually be restructured allowing for a more liquid market in that debt. The measure of a company's or government's ability to repay its debt affects not only the market for that particular debt, but also the market for all securities related to that company or country. Additionally, evaluating credit risk for foreign bonds involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult. Many debt securities are simply unrated and may already be in default or considered distressed. There is often less publicly available business and financial information about foreign issuers in emerging market countries than those in developed countries. Furthermore, foreign companies are often not subject to uniform accounting, auditing and financial reporting standards. Also, some emerging market countries may have accounting standards that bear little or no resemblance to, or may not even be reconcilable with, generally accepted accounting principles.
- (v) **Currency Risk:** An Underlying Asset may be denominated in a currency other than U.S. dollars, euro or pounds sterling. The weakening of a country's currency relative to the U.S. dollar or other benchmark currencies will negatively affect the value (in U.S. dollar or such other benchmark currency) of an instrument denominated in that currency. Currency valuations are linked to a host of economic, social and political factors and can fluctuate greatly, even during intra-day trading. It is important to note that some countries have foreign exchange controls which may include the suspension of the ability to exchange or transfer currency, or the devaluation of the currency. Hedging can increase or decrease the exposure to any one currency, but may not eliminate completely exposure to changing currency values.
- (vi) **Market Risk:** The emerging equity and debt markets of many emerging market countries, like their economies, are in the early stages of development. These financial markets generally lack the level of transparency, liquidity, efficiency and regulation found in more developed markets. It is important, therefore, to be familiar with secondary market trading in emerging markets securities and the terminology and conventions applicable to transactions in these markets. Price volatility in many of these markets can be extreme. Price discrepancies can be common as can market dislocation. Additionally, as news about a country becomes available, the financial markets may react with dramatic upswings and/or downswings in prices during a very short period of time. These emerging market countries also might not have regulations governing manipulation and

insider trading or other provisions designed to "level the playing field" with respect to the availability of information and the use or misuse thereof in such markets. It may be difficult to employ certain risk management practices for emerging markets securities, such as forward currency exchange contracts, stock options, currency options, stock and stock index options, futures contracts and options on futures contracts.

- (vii) **Regulatory/Legal Risk:** In emerging market countries there is generally less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers and issuers than in more developed countries. Whatever supervision is in place may be subject to manipulation or control. Many emerging market countries have mature legal systems which are comparable to those of more developed countries, whilst others do not. The process of regulatory and legal reform may not proceed at the same pace as market developments, which could result in confusion and uncertainty and, ultimately, increased investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain areas, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary application or interpretation and may be changed with retroactive effect. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. Judges and courts in many countries are generally inexperienced in the areas of business and corporate law. Companies are exposed to the risk that legislatures will revise established law solely in response to economic or political pressure or popular discontent. There is no guarantee that a foreign Securityholder would obtain a satisfactory remedy in local courts in case of a breach of local laws or regulations or a dispute over ownership of assets. A Securityholder may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in foreign courts.
- (viii) **Trade Settlement, Processing and Clearing:** Many emerging market countries have different clearance and settlement procedures from those in more developed countries. For many emerging markets securities, there is no central clearing mechanism for settling trades and no central depository or custodian for the safekeeping of securities. Custodians can include domestic and foreign custodian banks and depositories, among others. The registration, record-keeping and transfer of Notes may be carried out manually, which may cause delays in the recording of ownership. Where applicable, the Issuer will settle trades in emerging markets securities in accordance with the currency market practice developed for such transactions by the Emerging Markets Traders Association. Otherwise, the transaction may be settled in accordance with the practice and procedure (to the extent applicable) of the relevant market. There are times when settlement dates are extended, and during the interim the market price of any Underlying Assets and in turn the value of the Notes, may change. Moreover, certain markets have experienced times when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. Because of the lack of standardised settlement procedures, settlement risk is more prominent than in more mature markets. In addition, Securityholders may be subject to operational risks in the event that Securityholders do not have in place appropriate internal systems and controls to monitor the various risks, funding and other requirements to which Securityholders may be subject by virtue of their activities with respect to emerging market securities.

(i) **Risks in connection with regulation and reform of "Benchmarks"**

A number of major interest rates, other rates, indices and other published values or benchmarks are the subject of recent or forthcoming national and international regulatory reforms. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any

such consequence could have a material adverse effect on the value of and return on Notes linked to any such value or benchmark.

The Benchmark Regulation

The EU Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**") is a key element of the ongoing regulatory reform in the EU and has applied, subject to certain transitional provisions, since 1 January 2018. For the purposes of this risk factor, references to the Benchmark Regulation will include where applicable Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmark Regulation**") which has applied in the UK since January 2021. The UK Benchmark Regulation among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

In addition to so-called "critical benchmarks" such as the London Interbank Offered Rate ("**LIBOR**") in certain remaining settings of USD and the Euro Interbank Offered Rate ("**EURIBOR**"), other interest rates, foreign exchange rates, and indices, including equity, commodity and "proprietary" indices or strategies, will in most cases be within scope of the Benchmark Regulation as "benchmarks" where they are used to determine the amount payable under, or the value of, certain financial instruments (including Notes listed on an EU or UK regulated market or EU or UK multilateral trading facility ("**MTF**")), and in a number of other circumstances.

The Benchmark Regulation applies to the contribution of input data to a benchmark, the administration of a benchmark, and the use of a benchmark in the EU or the UK, as applicable. Amongst other things, the Benchmark Regulation requires EU or UK benchmark administrators to be authorised or registered as such and to comply with extensive requirements relating to benchmark administration. It also prohibits certain uses by EU or UK supervised entities of (i) benchmarks provided by EU or UK administrators which are not authorised or registered in accordance with the Benchmark Regulation and (ii) benchmarks provided by non-EU or non-UK administrators where (A) the administrator's regulatory regime has not been determined to be "equivalent" to that of the EU, (B) the administrator has not been recognised in accordance with the Benchmark Regulation, and (C) the benchmark has not been endorsed in accordance with the Benchmark Regulation.

ESMA maintains a public register of benchmark administrators and third country benchmarks pursuant to the Benchmarks Regulation (the "**ESMA Register**"). Benchmark administrators which were authorised, registered or recognised by the UK Financial Conduct Authority ("**FCA**") prior to 31 December 2020 were removed from the ESMA Register on 1 January 2021. From 1 January 2021 onwards, the FCA has maintained a separate public register of benchmark administrators and non-UK benchmarks pursuant to the UK Benchmark Regulation (the "**UK Register**"). The UK Register retains UK benchmark administrators which were authorised, registered or recognised by the FCA prior to 31 December 2020.

The Benchmark Regulation, if applicable, could have a material impact on Notes linked to a benchmark.

Reform and replacement of Interbank Offered Rates

On 5 March 2021, IBA, the authorised and regulated administrator of LIBOR, announced its intention to cease the publication of all 35 LIBOR settings on 31 December 2021, or for certain USD LIBOR settings, on 30 June 2023 (the "**IBA Announcement**"). The IBA notified the Financial Conduct Authority ("**FCA**") of its intention and on the same date, the FCA published an announcement on the future cessation and loss of representativeness of the 35 LIBOR settings (the "**FCA Announcement**"). The FCA Announcement states

that all 35 LIBOR maturities and currencies will either cease to be published by any administrator or will no longer be representative as follows:

- (i) all 7 euro LIBOR ("**EUR LIBOR**") settings, all 7 Swiss franc LIBOR ("**CHF LIBOR**") settings, the Spot Next, 1-week, 2-month and 12-month Japanese yen LIBOR ("**JPY LIBOR**") settings, the overnight, 1-week, 2-month and 12-month GBP LIBOR settings, and the 1-week and 2-month USD LIBOR settings will cease to be published immediately after 31 December 2021;
- (ii) the overnight and 12-month USD LIBOR settings will cease to be published immediately after 30 June 2023;
- (iii) the 1-month, 3-month and 6-month JPY LIBOR settings and the 1-month, 3-month and 6-month GBP LIBOR settings will no longer be representative immediately after 31 December 2021; and
- (iv) the 1-month, 3-month and 6-month USD LIBOR settings will no longer be representative immediately after 30 June 2023.

The FCA has the power under UK legislation to designate a critical benchmark (or specified tenors/currencies of such benchmark) as an A.23A benchmark under the UK Benchmark Regulation in summary where it is not representative of the market or economic reality it is intended to measure or the representativeness of the benchmark is at risk and the representativeness of the benchmark cannot or should not be maintained or restored. In this case the FCA is permitted to require the methodology of an Article 23A benchmark to be amended and that the benchmark continues to be calculated on that amended basis.

As of 1 January 2022, the 1-month, 3-month and 6-month GBP and JPY settings ("**Synthetic LIBOR**") were designated by the FCA as A.23A benchmarks. As of that date, any new use (within the meaning given to such term in the UK Benchmark Regulation) of Synthetic LIBOR by any supervised entity in scope of the UK Benchmark Regulation is prohibited. Legacy use (within the meaning given to such term in the UK Benchmark Regulation) of Synthetic LIBOR by supervised entities in scope of the UK Benchmark Regulation is however generally permitted until further notice, except in cleared derivatives transactions.

Such Synthetic LIBOR is calculated on a forward-looking term basis plus a fixed spread but, there is no guarantee that over time any such rate will be similar to the original LIBOR rate. In addition, there is no guarantee as to how long any Synthetic LIBOR rate will be available. Synthetic JPY LIBOR is expected to cease at until the end of 2022. The FCA is expected to seek views via a public consultation in the near future on retiring 1 and 6 month synthetic GBP LIBOR at the end of 2022, and on when to retire 3 month synthetic GBP LIBOR. No decision has been made on the introduction of synthetic LIBOR for those USD LIBOR settings continuing until June 2023 but "new use" (within the meaning given to such term in the UK Benchmark Regulation) of these USD LIBOR settings by UK supervised entities in in-scope instruments has been prohibited from 1 January 2022, subject to limited exceptions.

Differences in methodologies

While Floating Rate Notes may be issued referring to SONIA for GBP, SOFR for USD, €STR for Euro or SARON for CHF or TONA for JPY, each of these Risk Free Rates is "backward-looking", meaning that interest payments are calculated shortly before the relevant Interest Payment Date. Therefore, investors will have significantly less notice of the amounts due to be paid for an Interest Period where the relevant interest rate is determined by reference to a Risk Free Rate and it may be difficult for investors in Notes that reference such rates to reliably estimate the amount of interest that will be payable on such Notes. Forward-looking Risk Free Rates are not generally available as of the date of Listing Supplement and this Supplement to Listing Supplement and there is no certainty

that a forward-looking Risk Free Rate will be available in respect of any currency or any particular product in the future.

Whilst IBORs are forward-looking term rates that embed bank credit risk, the Risk Free Rates identified as of the data of Listing Supplement and this Supplement to Listing Supplement are overnight rates and are intended to be nearly risk-free. However Risk Free Rates are comparatively new and less historical data is available than for IBORs. Notes linked to such rates may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. As such, investors should be aware that SONIA, SOFR, €STR, SARON and TONA may behave materially differently from IBORs as interest reference rates for Notes issued under the Programme and could provide a worse return over time than an IBOR. Moreover, any hypothetical or historical performance data and trends that may exist in respect of Risk Free Rates are not indicative of, and have no bearing on, the potential performance of Risk Free Rates and therefore Securityholders should not rely on any such data or trends as an indicator of future performance. Daily changes in Risk Free Rates have, on occasion, been more volatile than daily changes in comparable benchmark or market rates. As a result, the return on and value of securities linked to Risk Free Rates may fluctuate more than floating rate securities that are linked to less volatile rates. The future performance of any Risk Free Rate is impossible to predict, and therefore no future performance of any Risk Free Rate should be inferred from any hypothetical or historical data or trends.

(j) Risks in connection with the development of Risk Free Rates

Investors should also be aware that the market continues to develop in relation to the Risk Free Rates as reference rates in the capital markets. Market terms for securities linked to SONIA, SOFR, €STR, SARON, TONA and/or any other Risk Free Rate, such as the spread over the relevant rate reflected in interest rate provisions, may evolve over time, and trading prices of the Notes linked to SONIA, SOFR, €STR, SARON, TONA and/or any other Risk Free Rate may be lower than those of later-issued securities linked to the same rate as a result. The market or a significant part thereof (including the Issuer) may adopt an application of the Risk Free Rates that differs significantly from that set out in the terms and conditions for the Notes (including in relation to fallbacks in the event that such Risk Free Rates are discontinued or fundamentally altered).

(k) Risks in connection with "Shift" and "Lag" methodologies

Where the Rate of Interest for Floating Rate Notes is Compounded Daily SONIA, Compounded Daily SOFR, Compounded Daily €STR or Compounded Daily TONA, the Observation Method will be specified as "Shift" or "Lag" as applicable. "Shift" and "Lag" have emerged as conventions for daily compounding of rates in arrears. The conventions differ in the period that each method uses when weighting each business day's overnight rate for the relevant Risk Free Rate. The "Shift" approach weights the relevant Risk Free Rate according to the relevant number of days that apply in a separate observation period which 'shadows' the Interest Period e.g. the observation period might start and end five business days preceding the relevant start and end of the Interest Period. The "Lag" approach weights the relevant Risk Free Rate according to the number of days that apply in the relevant Interest Period. Investors should be aware that divergence between the "Shift" and "Lag" methodologies could lead to a difference in the interest being determined even where the relevant Risk Free Rate is the same for the Floating Rate Notes and may not be what the investors expected.

(l) Risks in connection with adoption or application of Risk Free Rates

In addition, the manner of adoption or application of the Risk Free Rates in the Eurobond markets may differ materially compared with the application and adoption of the Risk Free Rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes referencing

SONIA, SOFR, €STR, SARON or TONA. Investors should consider these matters when making their investment decision with respect to any such Notes.

(m) **The Issuer has no control over the determination, calculation or publication of SONIA, SOFR, €STR, SARON or TONA**

The Issuer has no control over the determination, calculation or publication of SONIA, SOFR, €STR, SARON or TONA. There can be no guarantee that such rates will not be discontinued, suspended or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes linked to the relevant rate. In particular, the administrators of SONIA, SOFR, €STR, SARON or TONA may make methodological or other changes that could change the value of these Risk Free Rates, including changes related to the method by which such Risk Free Rates are calculated, eligibility criteria applicable to the transactions used to calculate such rates, or timing related to the publication of such rates. An administrator has no obligation to consider the interests of Securityholders when calculating, adjusting, converting, revising or discontinuing any such RFR. If the manner in which SONIA, SOFR, €STR, SARON or TONA is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

6. Risks in connection with the purchase, holding and selling of Notes (Risk Category 6)

In this Risk Category 6 the risks in connection with the purchase, holding and selling of Notes are set out.

(a) **Risks related to fluctuation in the market value of the Notes**

The market value of the Notes will be affected by many factors beyond the control of the Issuer, including, but not limited to, the following:

- (i) the creditworthiness of the Issuer (whether actual or perceived), including actual or anticipated downgrades in its credit rating. The creditworthiness of the Issuer is generally also expected to be reflected in the credit spread on debt securities issued by it, i.e. the margin payable by the Issuer to an investor as a premium for the assumed credit risk. Factors influencing the credit spread of the Issuer include, among other things, the creditworthiness and rating of the Issuer, probability of default of the Issuer, estimated recovery rate in liquidation and remaining term of the relevant Security. The liquidity situation, the general level of interest rates, overall economic, national and international political and financial regulatory developments, and the currency in which the relevant Security is denominated may also have a negative effect on the credit spread of the Issuer;
- (ii) the remaining time to maturity of the Notes;
- (iii) interest rates and yield rates in the relevant market(s);
- (iv) the volatility (i.e., the frequency and size of changes in the value) of the Underlying Asset(s) (if any);
- (v) the value of the Underlying Asset(s) to which the Notes are linked (if any). The price, performance or investment return of the Underlying Asset(s) may be subject to sudden and large unpredictable changes over time and this degree of change is known as "volatility". The volatility of an Underlying Asset may be affected by national and international economic, financial, regulatory, political, military, judicial or other events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of and return on the Notes.

- (vi) if the Notes are linked to a Share, the dividend rate on such Share or if the Notes are linked to an Index comprised of shares, the dividend rate on the components underlying such Index;
- (vii) if the Notes are linked to a Share or an ETF share, the occurrence of certain corporate events in relation to such Share or ETF share, as the case may be;
- (viii) if the Notes are linked to a commodity or a commodity index, supply and demand trends and market prices at any time for such Commodity or the futures contracts on such commodity (or, in respect of a commodity index, the commodity(ies) or the futures contracts on the commodity(ies) underlying such commodity index);
- (ix) national and international economic, financial, regulatory, political, military, judicial and other events that affect the value of the Underlying Asset(s) or the relevant market(s) generally; and
- (x) the exchange rate(s) between the currency in which the Notes are denominated and the currency in which the Underlying Asset(s) is denominated and the volatility of such exchange rate(s).

(b) Risks in connection with the secondary market in general

A secondary market for the Notes may not develop and if one does develop, it may not provide the holders of the Notes with liquidity or may not continue for the life of the Notes. A decrease in the liquidity of the Notes may cause, in turn, an increase in the volatility associated with the price of such Notes. Illiquidity may have a severe adverse effect on the market value of the Notes.

The Issuer may, but is not obliged to, purchase the Notes at any time at any price in the open market or by tender or private treaty and may hold, resell or cancel them. The market for the Notes may be limited. The only way in which a Securityholder can realise value from a Security prior to its maturity or expiry is to sell it at its then market price in the market which may be less than the amount initially invested. The price in the market for a Security may be less than its Issue Price even though the value of the Underlying Asset(s) may not have changed since the Issue Date. Further, the price at which a Securityholder sells its Notes in the market may reflect a commission or a dealer discount, which would further reduce the proceeds such Securityholder would receive for its Notes. If a Securityholder sells its Notes prior to the Maturity Date, it may suffer a substantial loss.

Any secondary market price quoted by the Issuer may be affected by several factors including, without limitation, prevailing market conditions, credit spreads and the remaining time to maturity of the Notes. The Notes are also subject to selling restrictions and/or transfer restrictions that may limit a Securityholder's ability to resell or transfer its Notes. Accordingly, the purchase of Notes is suitable only for investors who can bear the risks associated with a lack of liquidity in the Notes and the financial and other risks associated with an investment in the Notes. Any investor in the Notes must be prepared to hold such Notes for an indefinite period of time or until redemption or expiry of the Notes.

(c) Risks Relating to use of Proceeds

The Pricing Supplement relating to any issuance of specific Notes may provide that it will be the Issuer's intention to allocate or reallocate (or cause Credit Suisse Group AG or any of its affiliates to allocate or reallocate) the proceeds from such Notes to the financing and/or refinancing of certain businesses and projects in accordance with the framework agreements relating to green financing (as may be entered into and/or amended from time to time). The Issuer, Credit Suisse Group AG or any of its affiliates (as the case may be), based on its project evaluation and selection process, will exercise its judgment and sole discretion in determining the businesses and projects that will be financed by the proceeds of any such Notes. Such businesses and projects from time to time may not meet the Issuer's or Credit Suisse Group AG's or any of its affiliates' (as the case may be)

sustainable development goals or relevant framework agreements relating to green financing, as the case may be. Pending the allocation or reallocation, as the case may be, of the net proceeds of such Notes, the Issuer, Credit Suisse Group AG or any of its affiliates, will invest the balance of the net proceeds, at its own discretion, in cash and/or cash equivalent investments.

Businesses or projects which are the subject of, or related to, the relevant framework agreements may not meet investor expectations or any binding or non-binding legal or other standards or taxonomy regarding environmental impact. Such standards might include any present or future applicable law or regulations or under an investor's own by-laws or other governing rules, policies or investment mandates, in particular with regard to any direct or indirect environmental impact. Potential investors of such Notes should have regard to the descriptions of the relevant projects and eligibility criteria (if any) in the applicable Pricing Supplement and determine for itself the relevance of such information and whether all relevant standards for the investor will be met. The purchase of such Notes should be based upon such investigation as investors deem necessary.

Furthermore, the Issuer has no contractual obligation to allocate (or cause allocation of) the proceeds of any such Notes to finance particular businesses and projects or (unless otherwise stated in the Pricing Supplement) to provide reports or obtain any opinion or certification of a third party on, for example, the updated amount of proceeds allocated to particular businesses or projects or the environmental impacts of such financings. Even if any reports are provided or any opinion or certification obtained, these may not satisfy an investor's own by-laws or other governing rules, policies or investment mandates and such reports, opinions and/or certifications may be subject to amendment. Prospective investors must determine for themselves the relevance of any such report, opinion or certification and/or the provider of any report, opinion or certification for the purpose of any investment in such Notes. The providers of such report, opinions and certifications may not be subject to any specific regulatory or other regime or oversight.

Failure by the Issuer or any other relevant entity to so allocate (or cause allocation of) the net proceed or provide reports, or the failure of the external assurance provider (if any) to opine on the report's conformity with the Issuer's or Credit Suisse Group AG's or any of its affiliates' (as the case may be) sustainable development goals or the relevant framework agreement relating to green financing, as the case may be, will not trigger any special termination rights.

There is currently no clear definition (legal, regulatory or otherwise) of, or market consensus as to what constitutes, a "green" or an equivalently-labelled project or asset or as to what precise attributes are required for a particular project or asset to be defined as "green" or such other equivalent label. Prospective investors should note a clear definition or consensus may not develop over time or if market consensus is developed, that any prevailing market consensus may significantly change.

Any of the above factors (and any events that negatively affect the value of any other securities of the Issuer that are intended to finance "green" or equivalently-labelled projects or assets) could have a material adverse effect on the value of such Notes

(d) **Risks in connection with a listing of Notes**

Notes may be listed on an exchange or trading venue and Notes which are listed on an exchange or trading venue may also be delisted during their term. Because other dealers or market participants are not likely to make a secondary market for listed or non-listed Notes, the price at which a holder of Notes may be able to trade listed or non-listed Notes is likely to depend on the bid and offer prices, if any, at which the Issuer or the Calculation

Agent is willing to trade such Notes. Therefore, investors may not be able to sell their Notes easily or at prices reasonably acceptable to them.

(e) **Risks of Notes with an Issue Price above the market value of the Notes on the issue date/ payment date**

The Issue Price in respect of any Notes specified in the relevant Pricing Supplement may be more than the market value of such Notes as at the Issue Date, and more than the price, if any, at which the Dealer, Credit Suisse Bank (Europe), S.A. (either on its own or as an intermediary between the Dealer and any distributor specified as such in the relevant Pricing Supplement)("CSEB") or any other person is willing to purchase such Notes in secondary market transactions.

In particular, the Issue Price in respect of any Notes and the terms of such Notes may take into account, where permitted by law, fees, commissions or other amounts relating to the issue, distribution and sale of such Notes, or the provision of introductory services. Such fees, commissions or other amounts may be paid directly to the relevant distributor or, if the Notes are sold to the relevant distributor at a discount, may be retained by the relevant distributor out of the Issue Price paid by investors.

In addition, the Issue Price in respect of the Notes and the terms of such Notes may also take into account (i) the expenses incurred by the Issuer in creating, documenting and marketing the Notes (including its internal funding costs), and (ii) amounts relating to the hedging of the Issuer's obligations under such Notes.

(f) **Risks in connection with conflicts of interest between the Issuer and holders of Notes and the entities involved in the offer or listing of the Notes**

In making calculations and determinations with regard to the Notes, there may be a difference of interest between the Securityholders and the Issuer and its affiliated entities. Save where otherwise provided in the terms and conditions, the Issuer is required to act in good faith and in a commercially reasonable manner but does not have any obligation of agency or trust for any investors and has no fiduciary obligation towards them. In particular, the Issuer and its affiliated entities may have interests in other capacities (such as other business relationships and activities). Prospective investors should be aware that any determination made by the Issuer may have a negative impact on the value of and return on the Notes.

Each of the Issuer, the Dealer, CSEB or any of their respective affiliates may have existing or future business relationships with each other (including, but not limited to, lending, depository, derivative counterparty, risk management, advisory and banking relationships), and when acting in such other capacities the Issuer, the Dealer, CSEB or any of their respective affiliates may pursue actions and take steps that it deems necessary or appropriate to protect its interests arising therefrom without regard to the consequences for any particular Securityholder.

Potential conflicts of interest may arise in connection with the Notes, as any distributors or other entities involved in the offer and/or the listing of the Notes as indicated in the applicable Pricing Supplement, will act pursuant to a mandate granted by the Issuer and can receive commissions and/or fees on the basis of the services performed in relation to such offer and/or listing.

(g) **Hedging and dealing activities in relation to the Notes and Underlying Asset(s)**

In the ordinary course of its business the Issuer and/or any of its affiliates may effect transactions in Underlying Assets for its own account or for the account of its customers and may enter into one or more hedging transactions with respect to the Notes or related derivatives. Such hedging or market-making activities or proprietary or other trading activities by the Issuer and/or any of its affiliates, may affect the market price, liquidity,

value of or return on the Notes and could be adverse to the interest of the relevant Securityholders.

For example, the Issuer (itself or through an affiliate) may hedge the Issuer's obligations under the Notes by purchasing futures and/or other instruments linked to the Underlying Asset(s) or (if an Index) the stocks or other components underlying the Underlying Asset(s). The Issuer (or affiliate) may adjust its hedge by, among other things, purchasing or selling any of the foregoing, and perhaps other instruments linked to the Underlying Asset(s) or (if applicable) the components, at any time and from time to time, and may unwind the hedge by selling any of the foregoing on or before the maturity date for the securities. The Issuer (or affiliate) may also enter into, adjust and unwind hedging transactions relating to other Notes whose returns are linked to changes in the level, price, rate or other applicable value of the Underlying Asset(s) or (if applicable) the components. Any of these hedging activities may adversely affect the level, price, rate or other applicable value of the Underlying Asset(s) — directly or (if applicable) indirectly by affecting the level, price, rate or other applicable value of underlying components — and therefore the value of and return on the Notes. It is possible that the Issuer (or affiliate) could receive substantial returns with respect to such hedging activities while the value of and return on the Notes may decline.

Moreover, the Issuer (or affiliate) may also engage in trading in one or more of the Underlying Asset(s) or (if applicable) the components or instruments whose returns are linked to the Underlying Asset(s) or (if applicable) the components, for its proprietary accounts, for other accounts under its management or to facilitate transactions, including block transactions, on behalf of customers. Any of these activities of the Issuer (or affiliate) could adversely affect the level, price, rate or other applicable value of the Underlying Asset(s) — directly or (if applicable) indirectly by affecting the level, price, rate or other applicable value of the components — and therefore, the value of and return on the Notes. The Issuer (or affiliate) may issue or underwrite, other securities or financial or derivative instruments with returns linked to changes in the level, price, rate or other applicable value of the Underlying Asset(s) or (if applicable) one or more of the components, as applicable. By introducing competing products into the marketplace in this manner, the Issuer (or affiliate) could adversely affect the value of and return on the Notes.

(h) Risk of cancellation of issue of Notes

The Issuer may decide to cancel the issue of Notes for reasons beyond its control, such as extraordinary events, substantial change of the political, financial, economic, legal, monetary or market conditions at national or international level and/or adverse events regarding the financial or commercial position of the Issuer and/or the other relevant events that in the determination of the Issuer may be prejudicial to the issue of the Notes. In such case, where an investor has already paid or delivered subscription monies for the relevant Notes, the investor will be entitled to reimbursement of such amounts, but will not receive any interest that may have accrued in the period between their payment or delivery of subscription monies and the reimbursement of the amount paid for such Notes and such investor may have lost other opportunities to invest on a more favourable basis than is subsequently possible.

(i) Exchange rate risks in connection with the Notes

Investors may be exposed to currency risks because (i) an Underlying Asset may be denominated or priced in currencies other than the currency in which the Notes are denominated, or (ii) the Notes and/or such Underlying Asset may be denominated in currencies other than the currency of the country in which the investor is resident. In case of an unfavourable development of those currencies the value of the Notes to the investor may therefore decrease.

(j) Risk in connection with taxes or other charges that are levied in respect of the Notes

The yields that investors in Notes issued under the Programme may receive may be subject to taxes or other charges. These taxes or other charges will have to be borne by the investors. The Issuer will not pay any additional amounts to the investors in respect of such taxes or charges, so that any taxes levied or other charges may reduce the yields of investors under the Notes. Investors should note that the applicable legal provisions regarding the application of taxes or other charges in respect of yields under the Notes may change to the disadvantage of investors.

(k) **Risk in connection with the withholding under Section 871(m) of the U.S. Internal Revenue Code of 1986 (the "Code")**

Section 871(m) of the Code imposes a 30% withholding tax on amounts attributable to U.S. source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met. If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. For purposes of withholding under the U.S. Foreign Account Tax Compliance Act, securities subject to the withholding rule described above are subject to a different grandfathering rule than other securities. If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should refer to the section "Taxation – Withholding on Dividend Equivalents under Section 871(m)" and "Taxation - Reporting and Withholding under Foreign Account Tax Compliance Act (FATCA)".

(l) **Risk in connection with transaction costs/charges**

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase or sale price of such Notes. These incidental costs may significantly reduce or eliminate any profit from holding such Notes.

In addition to such costs directly related to the purchase of securities (direct costs), potential investors in Notes must also take into account any follow-up costs (such as custody fees). These costs may also significantly reduce or eliminate any profit from holding such Notes.

In addition, certain levels of the Underlying Asset(s) used for the calculation of amounts payable in respect of the Notes may be adjusted for transaction costs and/or adjustment fees, which costs and fees will reduce the redemption amount to be received by the investor.

(m) **Inflation risk**

The real yield on an investment in Notes is reduced by inflation. Consequently, the higher the rate of inflation, the lower the real yield on a Security will be. If the inflation rate is equal to or higher than the yield under a Security, the real yield a holder of such Security will achieve will be zero or even negative.

CREDIT SUISSE INTERNATIONAL

The section in the Listing Supplement entitled "CREDIT SUISSE INTERNATIONAL" shall be updated by the information below in its entirety.

Notes issued under the Program Information including its amendments will be issued by Credit Suisse International. The CSi Registration Document contains information relating to the business affairs and financial condition of the Issuer.

Credit Suisse International

The Issuer, a bank domiciled in England established under English law, was incorporated in England and Wales under the Companies Act 1985, on 9 May 1990, with registered no. 2500199. The Issuer was re-registered as an unlimited company under the name "Credit Suisse Financial Products" on 6 July 1990, and was renamed "Credit Suisse First Boston International" on 27 March 2000 and "Credit Suisse International" on 16 January 2006.

The Issuer is an indirect wholly-owned subsidiary of UBS Group AG, which is a holding company incorporated under Swiss law as a corporation (Aktiengesellschaft). The Issuer's registered head office is in London and is located at One Cabot Square, London E14 4QJ and its telephone number is +44 (0)20 7888 8888. The Issuer's legal entity identifier (LEI) is E58DKGMJYYYYJLN8C3868.

The Issuer is authorised by the PRA and regulated by the FCA and the PRA.

The Issuer is an unlimited liability company and, as such, its shareholders have a joint, several and unlimited obligation to meet any insufficiency in the assets of the Issuer in the event of its liquidation. The joint, several and unlimited liability of the shareholders of the Issuer to meet any insufficiency in the assets of the Issuer will only apply upon liquidation of the Issuer. Therefore, prior to any liquidation of the Issuer, the creditors may only have the benefit of recourse to the assets of the Issuer and not to those of its shareholders.

The Issuer commenced business on 16 July 1990. Its principal business is banking, including the trading of derivative products linked to interest rates, foreign exchange, equities, commodities and credit. The primary objective of the Issuer is to provide comprehensive treasury and risk management derivative product services. The Issuer has established a significant presence in global derivative markets through offering a full range of derivative products and continues to develop new products in response to the needs of its customers and changes in underlying markets. The business is managed as a part of the Global Markets and Investment Banking and Capital Markets Divisions of Credit Suisse AG. For more information on Credit Suisse International's principal markets and activities, see sub-sections "Business Model", on page 3 (page 5 of the PDF file), and "Purpose, strategy and clients", on pages 3 to 4 (pages 5 to 6 of the PDF file) of the 2022 CSi Annual Report.

The liquidity and capital requirements of the Issuer are managed as an integral part of the wider Credit Suisse framework. This includes the local regulatory liquidity and capital requirements in the UK. The Issuer has direct access to funding sources of the CS AG Group. The CS AG Group will ensure that the Issuer maintains a sound financial position and is able to meet its debt obligations for the foreseeable future. For further information on the Issuer's expected financing of its business activities, please see "Capital Resources" and "Liquidity" under the heading "Performance" on pages 7 to 8 (pages 9 and 10 of the PDF file), respectively, of the 2022 CSi Annual Report, and the first paragraph under the heading "Information incorporated by reference" on page 20 of the CSi Registration Document.

The Issuer was formerly an indirect wholly owned subsidiary of CSG. On 19 March 2023, it was announced that CSG and UBS had entered into a merger agreement following the intervention of the Swiss Federal Department of Finance, the Swiss National Bank ("SNB") and FINMA, pursuant to which UBS and CSG agreed to merge, with UBS being the absorbing company that would continue to operate, and CSG being the absorbed company that would cease to exist (the "Merger"). The SNB granted Credit Suisse access to significant credit facilities to provide substantial liquidity support to Credit Suisse. For further information, see the Form 6-K Dated 20 March 2023 and the section headed "Credit Suisse – Other information – Credit Suisse and UBS to merge" in the CS Earnings Release 1Q23.

On 5 June 2023, it was announced that CSG and UBS expected the Merger to be consummated as early as 12 June 2023. Upon consummation of the Merger, CSG's shares and American Depositary Shares would be delisted from the SIX Swiss Exchange and New York Stock Exchange, respectively. On 12 June 2023, CSG and UBS confirmed that the Merger was consummated. As a result, CSG was dissolved and its assets, liabilities and contracts were transferred to, and absorbed and taken over by, UBS by operation of Swiss law (Universalsukzession), and CS became a wholly-owned direct subsidiary of UBS.

For information on Credit Suisse AG's expected financing of its business activities, please see "III – Treasury, Risk, Balance sheet and Off-balance sheet – Liquidity and funding management" and "III – Treasury, Risk, Balance sheet and Off-balance sheet – Capital management" on pages 108 to 131 of the 2022 CS Annual Report (pages 124 to 149 of the PDF file). In addition, for the Bank, please see "Note 25 – Long-term debt" in "VIII – Consolidated financial statements – Credit Suisse (Bank) – Notes to the consolidated financial statements" on page 460 (page 486 of the PDF file) and "Note 37 – Capital adequacy" in "VIII – Consolidated financial statements – Credit Suisse (Bank) – Notes to the consolidated financial statements" on pages 501 and 502 (pages 527 and 528 of the PDF file) of the 2022 CS Annual Report.

Ratings

The credit ratings of the Issuer referred to in the CSi Registration Document have been issued by S&P Global Ratings Europe Limited ("**S&P**"), Fitch Ratings Limited ("**Fitch**") and Moody's Investors Service Ltd. ("**Moody's**").

The Issuer has a long-term issuer credit rating of "A" from S&P, a long-term issuer default rating of "A+" from Fitch and an issuer credit rating of "A3" from Moody's.

Explanation of ratings as of the date of the CSi Registration Document

"A" by S&P: An obligor rated "A" has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. (source: www.standardandpoors.com)

"A+" by Fitch: "A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. The modifier "+" indicates relative differences of probability of default or recovery for issues. (source: www.fitchratings.com)

"A3" by Moody's: Obligations rated "A" by Moody's are judged to be upper-medium grade and are subject to low credit risk. The modifier "3" indicates that the obligation ranks in the lower end of that generic rating category. (source: www.moodys.com)

S&P is established in the European Economic Area ("**EEA**") and registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). Fitch and Moody's are established in the UK and registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of UK

domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK CRA Regulation**").

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances. Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency providing the rating changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable. The ratings issued by Fitch are endorsed by Fitch Ratings Ireland Limited ("**Fitch Ireland**"). The ratings issued by Moody's are endorsed by Moody's Deutschland GmbH ("**Moody's Deutschland**"). Fitch Ireland and Moody's Deutschland are established in the EEA and registered under the CRA Regulation. As such, each of Moody's Deutschland and Fitch Ireland is included in the list of credit rating agencies published by ESMA on its website (at www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.

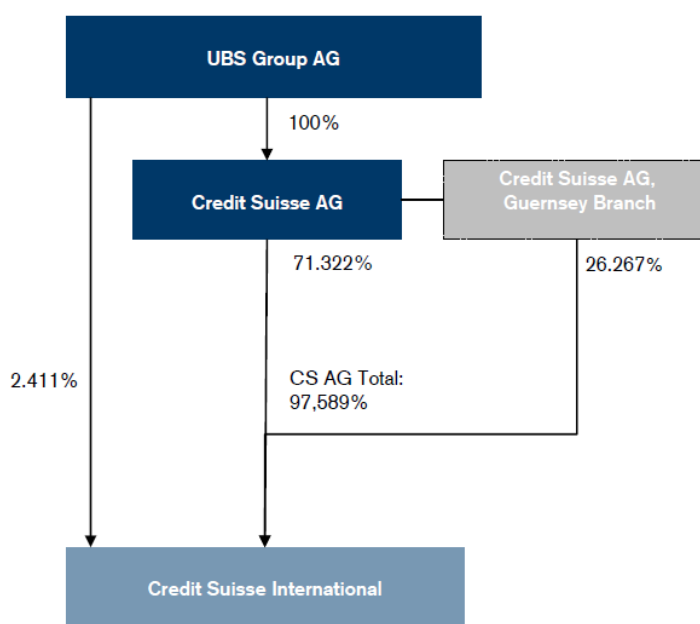
The ratings issued by S&P are endorsed by S&P Global Ratings UK Limited ("**S&P UK**"). S&P UK is established in the UK and is registered in accordance with the UK CRA Regulation. As such, the ratings issued by S&P may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation.

Organisational Structure

The subsidiaries of the Issuer which are consolidated in the financial statements contained in the 2022 CSi Annual Report are listed under sub-section "Composition of the CSi Group" on pages 102 to 104 (pages 104 to 106 of the PDF file) of the 2022 CSi Annual Report. The Issuer is an indirect wholly owned subsidiary of UBS Group AG. For information on the Issuer's relationship to Credit Suisse Group AG prior to the consummation of the Merger, see page 3 (page 5 of the PDF file) of the 2022 CSi Annual Report.

Major Shareholders

- i. The shareholders of the Issuer are:
- ii. UBS Group AG, whose head office is at Bahnhofstrasse 45, 8001 Zurich, Switzerland, which holds 2.411% of the voting share capital in Credit Suisse International and is the ultimate parent of the consolidated Credit Suisse Group which includes Credit Suisse AG;
- iii. Credit Suisse AG, a Swiss bank and a leading global bank acting through its registered head office at Paradeplatz 8, 8001 Zürich, Switzerland (Zurich Stammhaus) which provides its clients with private banking, investment banking and asset management services worldwide and which directly and indirectly owns 71.322% of the voting share capital in Credit Suisse International; and
- iv. Credit Suisse AG, Guernsey Branch, whose place of business is at Helvetia Court, Les Echelons, South Esplanade, St Peter Port GY1 3ZQ, Guernsey was established as a Branch of Credit Suisse AG on 1 April 1986 and whose principal activities are deposit taking, bond issuing and lending the funds received within the Credit Suisse Group and which directly and indirectly owns 26.267% of the voting share capital in Credit Suisse International.



There is trading of shares in the Issuer between these shareholders and therefore the respective shareholdings will change from time to time, although the Issuer will remain an indirect wholly owned subsidiary of UBS.

Change

Apart from the potential consequences and outcomes of the matters disclosed on pages 3 to 8 within the section headed "Credit Suisse" in the CS Earnings Release 1Q23, there has been no significant change in the financial performance of the Issuer and its consolidated subsidiaries since 31 March 2023.

Apart from the potential consequences and outcomes of the matters disclosed on pages 3 to 8 within the section headed "Credit Suisse" in the CS Earnings Release 1Q23, there has been no

significant change in the financial position of the Issuer and its consolidated subsidiaries since 31 March 2023.

Apart from the potential consequences and outcomes of the matters disclosed on pages 3 to 8 within the section headed "Credit Suisse" in the CS Earnings Release 1Q23, there has been no material adverse change in the prospects of the Issuer and its consolidated subsidiaries since 31 December 2022.

Names and Addresses of Directors and Executives

The business address of the members of the Board of Directors is One Cabot Square, London E14 4QJ.

As of the date of the CSi Registration Document, the current members of the Board of Directors, their role within the Issuer and their principal activities outside the Issuer, if any, are as follows:

Board Member	External Activities
John Devine (Non-Executive Chair)	<ul style="list-style-type: none"> ○ Independent member and Chair of the Board of Directors, Chair of the Nominations Committee and Conflicts Committee, Member of the Audit Committee, Risk Committee and Advisory Remuneration Committee of the Issuer and Credit Suisse Securities (Europe) Limited. ○ Mr. Devine is also <ul style="list-style-type: none"> ▪ Non-Executive Director, Chair of Risk Committee, Member of Audit Committee, Remuneration Committee and Nominations Committee of ABRDN PLC; and ▪ Non-Executive Director, Chair of Audit Committee, Member of Risk Committee and Nominations Committee of Citco Custody (UK) Ltd and Citco Custody Holding Ltd Malta.
Debra Jane Davies (Independent Non-Executive)	<ul style="list-style-type: none"> ○ Independent member of the Board of Directors, Chair of the Advisory Remuneration Committee, Member of the Audit Committee, Risk Committee, Nominations Committee and Conflicts Committee of the Issuer and Credit Suisse Securities (Europe) Limited. ○ Ms. Davies is also: <ul style="list-style-type: none"> ▪ Senior Independent Director, Member of the Board of Directors, Chair of Remunerations Committee, and Member of the Risk Committee and Audit Committee of AXA UK plc; and ○ Non-Executive Director of AXA Insurance UK plc and AXA PPP Healthcare Limited
Doris Honold (Independent Non-Executive)	<ul style="list-style-type: none"> ○ Independent member of the Board of Directors, Chair of the Risk Committee, Member of the Audit Committee, Advisory Remuneration Committee, Nominations Committee and Conflicts Committee of the

	<p>Issuer and Credit Suisse Securities (Europe) Limited.</p> <ul style="list-style-type: none"> ○ Non-Executive Director of Move Digital AG (Credit Suisse AG affiliate). ○ Ms. Honold is also: <ul style="list-style-type: none"> ▪ Non-Executive Director of SEFE Securing Energy for Europe GmbH; ▪ Non-Executive Director of Regional Voluntary Carbon Market Company, Saudi Arabia; ▪ Non-Executive Director of Encompass Corporation Group Holdings Limited; ▪ Non-Executive Director and Chair of Audit and Risk Committee of AION NV/SA; ▪ Non-Executive Director of Move Digital AG; ▪ Member of the Advisory Board of Viridios Capital (Bahamas) Ltd; ▪ Board Member of The Integrity Council for the Voluntary Carbon Market; and ○ Trustee of the Climate Bonds Initiative.
<p>David Andrew Thompson Todd (Independent Non-Executive)</p>	<ul style="list-style-type: none"> ○ Independent member of the Board of Directors, Chair of the Audit Committee, Member of the Risk Committee, Advisory Remuneration Committee, Nominations Committee and Conflicts Committee of the Issuer and Credit Suisse Securities (Europe) Limited. ○ Mr. Todd is also: <ul style="list-style-type: none"> ▪ Non-Executive Director and Chair of the Audit Committee of Assured Guaranty UK Limited.
<p>Michael Ebert (Non-Executive)</p>	<ul style="list-style-type: none"> ○ Member of the Board of Directors of the Issuer, Credit Suisse Securities (Europe) Limited, Credit Suisse Holdings (USA) Inc and Member of the Board of Managers of Credit Suisse Securities (USA) LLC. <ul style="list-style-type: none"> ▪ Mr. Ebert is also Head of the Investment Bank.
<p>Jeremy David Bruce Anderson (Independent Non-Executive)</p>	<ul style="list-style-type: none"> ○ Independent member of the Board of Directors, Member of the Audit Committee, Risk Committee, Advisory Remuneration Committee and Nominations Committee of the Issuer. ○ Senior Independent Director, Member of the Group Executive Board, Chair of the Audit Committee and Member of Governance and Nominating Committee of UBS Group AG and UBS AG. ○ Mr. Anderson is also: <ul style="list-style-type: none"> ▪ Senior Independent Director, Member of the Board of Directors, Chair of the Risk Committee, Member of Audit Committee and Nomination & Governance Committee of Prudential plc.;

	<ul style="list-style-type: none"> ▪ Trustee of the UK's Productivity Leadership Group; ▪ Trustee of Kingham Hill Trust; and <ul style="list-style-type: none"> ○ Trustee of St. Helen's Bishopsgate.
Jonathan Peter Andrew Magee (Independent Non-Executive)	<ul style="list-style-type: none"> ○ Independent Member of the Board of Directors, Member of the Audit Committee, Risk Committee, Advisory Remuneration Committee, Nominations Committee, Conflicts Committee and Disclosure Committee of the Issuer. ○ Supervisory Board Member and Chair of the Risk Committee of UBS Europe SE.
Jason Barron (Non-Executive)	<ul style="list-style-type: none"> ○ Member of the Board of Directors of the Issuer. <ul style="list-style-type: none"> ▪ Group Managing Director and Co-Head of Global Markets at UBS Investment Bank.
Beatriz Martin Jimenez (Non-Executive)	<ul style="list-style-type: none"> • Member of the Board of Directors of the Issuer. • Member of the Group Executive Board of UBS Group AG and UBS AG. ○ Managing Director, UBS Chief Executive for the UK, Head Non-Core and Legacy and President UBS EMEA.
Caroline Stewart (Non-Executive)	<ul style="list-style-type: none"> • Member of the Board of Directors of the Issuer. ○ Group Managing Director and Investment Bank and UK CFO at UBS.
Christopher Horne (CEO)	<ul style="list-style-type: none"> • Managing Director in Credit Suisse and Chair of the Disclosure Committee of the Issuer. • Mr. Horne is also CEO of the Issuer and Credit Suisse Securities (Europe) Ltd. ○ Member of the Board of Directors of the Issuer, Credit Suisse Securities (Europe) Limited, Credit Suisse Investment Holdings (UK) and Credit Suisse Investments (UK), Branch Manager and Chair of the Management Committee of Credit Suisse AG, London Branch.
Edward Jenkins (Chief Risk Officer)	<ul style="list-style-type: none"> • Managing Director in the CRO division and Chief Risk Officer for EMEA entities. • Member of the Board of Directors and Member of the Disclosure Committee of the Issuer. ○ Member of the Board of Directors of Credit Suisse Securities (Europe) Limited and Member of the Management Committee of Credit Suisse AG, London Branch.
Caroline Mary Waddington (CFO)	<ul style="list-style-type: none"> • Managing Director in the CFO division of the Issuer. • Ms. Waddington is also CFO for Credit Suisse EMEA entities, including the Issuer and Chair of the UK Pension Committee. • Member of the Board of Directors and Member of the Disclosure Committee of the Issuer. • Member of the Board of Directors of Credit Suisse Securities (Europe) Limited, Credit

	<p>Suisse Investment Holdings (UK) and Credit Suisse Investments (UK) and Member of the Management Committee of Credit Suisse AG, London Branch.</p> <ul style="list-style-type: none"> • Ms. Waddington is a member of the Board of Directors of: <ul style="list-style-type: none"> ○ Trustee of St Giles Trust.
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Pages 26 and 27 (PDF pages 28 and 29) of the 2022 CSi Annual Report provide further information on the Issuer's Board of Directors.

Directors' Conflicts of Interest

There are no potential conflicts of interest of the members of the Board of Directors between their duties to the Issuer and their private interests and/or other duties. Potential conflicts of interest of members of the Board of Directors due to roles held with UBS Group AG and/or Credit Suisse AG are managed by a Board Conflicts Committee and Conflicts Management Framework.

Legal and Arbitration Proceedings

During the period of 12 months ending on the date of the CSi Registration Document, there have been no governmental, legal or arbitration proceedings which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer, and the Issuer is not aware of any such proceedings being either pending or threatened, except as disclosed (i) under the heading "Contingent Liabilities, Guarantees and Commitments" in Note 35 to the consolidated financial statements of the Issuer on pages 99 to 101 (pages 101 to 103 of the PDF file) of the 2022 CSi Annual Report, (ii) under the heading "Litigation" in Note 40 to the consolidated financial statements of CSG on pages 389 to 400 (pages 411 to 422 of the PDF file) of the 2022 CS Annual Report, and (iii) under the subsection headed "Customer Account Matters", below.

Provision for litigation is disclosed in Note 26 to the consolidated financial statements on pages 78 and 79 (pages 80 to 81 of the PDF file) of the 2022 CSi Annual Report.

Customer Account Matters

As further described on page 396 (page 418 of the PDF file) of the 2022 CS Annual Report, Credit Suisse filed a criminal complaint with the Geneva Prosecutor's Office against a former relationship manager in Switzerland who several clients claimed had exceeded his investment authority in the management of their portfolios, resulting in excessive concentrations of certain exposures and investment losses, upon which complaint the prosecutor initiated a criminal investigation. On 9 February 2018, the former relationship manager was sentenced to five years in prison by the Geneva criminal court for fraud, forgery and criminal mismanagement. Civil lawsuits were initiated between 7 August 2017 and 25 August 2017 in the High Court of Singapore and the Supreme Court of Bermuda against Credit Suisse and/or certain affiliates, based on the findings established in the criminal proceedings against the former relationship manager.

In Bermuda, in the civil lawsuit brought against a Credit Suisse affiliate, the Supreme Court of Bermuda issued a first instance judgment on 29 March 2022, finding for the plaintiff, and issued an order on 6 May 2022, awarding damages of USD 607.35 million to the plaintiff. On 9 May 2022, Credit Suisse Life (Bermuda) Ltd. appealed the decision to the Bermuda Court of Appeal. On 25 July 2022, the Supreme Court of Bermuda granted a stay of execution of its judgment pending appeal on the condition that damages awarded were paid into an escrow account within 42 days, which condition was satisfied.

In the civil lawsuit brought against Credit Suisse Trust Limited in Singapore, on 26 May 2023, the Singapore International Commercial Court issued a first instance judgment finding for the plaintiffs and directing the parties' experts to agree by 30 June 2023 on the amount of the damages award according to the calculation method and parameters adopted by the court. The plaintiffs' experts initially calculated damages to be USD 926 million, using a start date for such calculation of 31 December 2007. The court determined that the start date for the calculation of damages shall be 30 March 2008, and on the basis of those parameters, Credit Suisse expects the damages amount to be significantly lower than USD 926 million. The amount will be determined by agreement between the parties' experts, or failing that, will be determined by the court. Further, the court determined that (i) damages shall be reduced by compensation already paid to the plaintiffs and (ii) there shall be no double recovery between this award and the award in the Bermuda proceedings against Credit Suisse Life (Bermuda) Ltd. An estimate of such amounts is not possible at the date of the CSi Registration Document as the proceedings are ongoing. No sanctions, other than damages, were sought by the plaintiffs and, as a result, non-monetary sanctions, such as an injunction or restraining order, were not imposed. Credit Suisse Trust Limited intends to appeal the judgment.

Statutory Auditors

The Issuer's auditor is PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH. PricewaterhouseCoopers LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

The shareholders of CSG and CS re-elected PwC AG as CSG's and CS's statutory auditor for the fiscal year ending 31 December 2022 at their annual general meetings on 4 April 2023. The Board and shareholders of the Issuer have re-appointed PwC as the statutory auditor for the Issuer, effective for the fiscal year ending 31 December 2022.

For further information, refer to "Directors' Report – Independent Auditors" in the 2022 CSi Annual Report and "IV – Corporate Governance – Audit – External Audit" in the 2022 CS Annual Report.

Additional information; Documents on Display

As more fully described in Article 5.1 of the Issuer's Articles of Association, the objects and purpose of the Issuer are to carry on the business of a company performing any service or function in relation to any financial instrument or product. For the term of the CSi Registration Document, the current Articles of Association of the Issuer may be inspected in physical or electronic format at One Cabot Square, London E14 4QJ. This document is also available on the Credit Suisse website at <https://www.credit-suisse.com/media/assets/investment-banking/docs/financial-regulatory/international/csi-articles-of-association.pdf>.

For information on the Issuer's share capital, see "Share Capital and Share Premium" (Note 29 to the consolidated financial statements) on page 80 (page 82 of the PDF file) of the 2022 CSi Annual Report.

Responsibility Statements

The Issuer takes responsibility for the CSi Registration Document. To the best knowledge of the Issuer, the information contained in the CSi Registration Document is in accordance with the facts and the Registration Document makes no omission likely to affect its import.

The information contained in the CSi Registration Document relating to the shareholders of the Issuer on page 30 and the information incorporated by reference at points 3, 4, 5, 6, 7, 8, 9 and 10 under the section entitled "Information Incorporated by Reference" on page 20, was provided to the Issuer by its shareholders. It is confirmed that such information has been accurately reproduced, and as far as the Issuer is aware and is able to ascertain from information published by the shareholders, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Key Information on the Issuer

Who is the Issuer of the Notes?		
Domicile and legal form, law under which the Issuer operates and country of incorporation		
The Issuer is incorporated under English law as an unlimited liability company domiciled in England and Wales and which operates under English law. Its Legal Entity Identifier (LEI) is E58DKGMJYYYYJLN8C3868.		
Issuer's principal activities		
The principal activities of the Issuer are banking, including the trading of derivative products linked to interest rates, foreign exchange, equities, commodities and credit.		
Major shareholders, including whether it is directly or indirectly owned or controlled and by whom		
The Issuer is an indirect wholly owned subsidiary of UBS Group AG.		
Key managing directors		
Board of Directors (as of the date of the CSi Registration Document):		
John Devine	Jeremy Anderson	Christopher Horne
Debra Davies	Jonathan Magee	Edward Jenkins
Doris Honold	Jason Barron	Caroline Waddington
David Todd	Beatriz Martin Jimenez	
Michael Ebert	Caroline Stewart	
Statutory auditors		
PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH.		
What is the key financial information regarding the Issuer?		
The Issuer derived the key financial information included in the tables below as of and for the years ended 31 December 2021 and 31 December 2022 from the 2022 CSi Annual Report.		
CSi consolidated statement of income		
(USD million)	Year ended 31 December 2022 (audited)	Year ended 31 December 2021 (audited)
Net interest expense	(42)	(63)
Commission and fee income	425	428
Allowance for credit losses	158	(4,530)
Net gains from financial assets/liabilities at fair value through profit or loss	1,603	1,761
Net revenues	2,328	(2,151)
Net profit / (loss) attributable to Credit Suisse International shareholders	(685)	(5,343)
CSi consolidated statement of financial position		
(USD million)	Year ended 31 December 2022 (audited)	Year ended 31 December 2021 (audited)
Total assets	183,246	244,515
Borrowings	6,025	1,470

Debt in issuance	18,309	40,224
Loans and Advances	2,973	2,968
Due to Banks	266	218
Total shareholders' equity	17,904	17,629

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 or to sell its assets. This may also arise from increased liquidity costs and utilisation of liquidity buffers. The CS AG Group has also experienced, and may continue to experience, deposit outflows at levels that substantially exceed rates typically incurred, significant withdrawals of cash deposits, non-renewal of maturing time deposits and net outflows in assets under management. The Issuer has suffered reputational harm as a result of the significant negative outflows of deposits and assets under management.
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 the Issuer'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, the Issuer may suffer significant losses from its credit exposures, which exist across a wide range of transactions and counterparties and may be exacerbated by adverse market conditions, increased volatility in certain markets or instruments or disruption in the liquidity or transparency of financial markets. Disruptions in the liquidity or transparency of the financial markets may result in the Issuer's inability to sell, syndicate or realise the value of its positions, thereby leading to increased concentrations. Any inability to reduce these positions may not only increase the market and credit risks associated with such positions, but also increase the level of risk-weighted assets on the Issuer's balance sheet, thereby increasing its capital requirements, all of which could adversely affect its businesses. Default or concerns of default by one or more large financial institutions could negatively impact the Issuer's business and the financial market generally, and the Issuer's credit risk exposure will increase if the collateral it holds cannot be realised at prices sufficient to cover the full amount of the exposure.
3. Market fluctuations, volatility relating to the Issuer's trading and investment activities (against which its hedging strategies may not prove effective), uncertainties regarding the discontinuation of benchmark rates and adverse economic conditions may impact the Issuer's financial condition and results of operations. The Issuer's financial position and cash flows are exposed to foreign currency exchange fluctuations, and this and other market risks could exacerbate other risks to which the Issuer is exposed. The Issuer is also exposed to other risks from adverse market conditions and unfavourable economic, monetary, political, geopolitical, legal, regulatory and other developments in the countries in which it operates (as well as countries in which the Issuer does not currently conduct business), including the risk of global recession, energy supply disruptions, developments in the Chinese economy or protraction or escalation of the conflict related to Russia invasion of 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, individuals and/or sectors (such that the Issuer 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.
4. A wide variety of operational risks arising from inadequate or failed internal processes and systems or from external events, including data breaches, cybersecurity and other failures

of information technology (whether by the Issuer or a third party with which the Issuer shares information). The Issuer's existing risk management procedures and policies may not always be effective, particularly in highly volatile markets, and may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risk, including risks that the Issuer fails to identify, anticipate or mitigate, in whole or in part, which may result in unexpected, material losses. Moreover, the Issuer's actual results may differ materially from its estimates and valuations, which are based on judgement and available information and rely on predictive models and processes. The same is true of the Issuer'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, the Issuer's business may be disrupted by technology-related failures such as service outages or information security incidents, and the Issuer could be compromised by cyber incidents. Cybersecurity risks have also significantly increased in recent years in part due to the growing number and increasingly sophisticated activities of malicious cyber actors. In addition, physical and transition climate risks could have a financial impact on the Issuer 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, the Issuer and other financial institutions may be subject to increasing litigation, enforcement and contract liability risks in connection with climate change, environmental degradation and other ESG-related issues.

5. The Issuer'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 the Issuer operates. The Issuer's business is highly regulated, and existing, new or changed laws, rules and regulations (including an evolving and complex set of sanctions regimes) may continue to increase costs (including costs related to compliance, systems and operations) and may continue to negatively affect the Issuer's ability to conduct certain types of business which could adversely affect the Issuer's profitability and competitive position. If the Issuer fails to manage these risks effectively, this could lead to a decrease in the value of its securities. Regulations applicable to the Issuer (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. In addition, the applicable resolution and bail-in legislation (including the Banking Act 2009) may affect the Issuer's security holders, who would have very limited rights to challenge the exercise of the bail-in tool, any resolution power or any pre-resolution measure.
6. The Issuer is exposed to the risk that improper behaviour or judgement, misconduct, or non-compliance with policies or regulations by the Issuer's employees results in negative financial, non-financial or reputational impacts on its clients, employees, the Issuer and the financial markets. In addition, the Issuer's position in the highly competitive financial services industry could be harmed by damage to its reputation arising from the factors mentioned above or failures of the Issuer's procedures and controls.