

ELEVENTH SUPPLEMENT DATED 7 APRIL 2021

TO CREDIT SUISSE AG REGISTRATION DOCUMENT DATED 7 APRIL 2020 AND THE PROSPECTUSES LISTED IN SCHEDULE 1

This supplement (the “**Eleventh Supplement**”) dated 7 April 2021 supplements the Registration Document dated 7 April 2020 and approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) on 7 April 2020 (the “**Registration Document**”), and the prospectuses listed in Schedule 1 hereto, and constitutes the eleventh supplement to the Registration Document for the purposes of Article 10(1) and Article 23(5) of Regulation (EU) 2017/1129. This Eleventh Supplement should be read in conjunction with the Registration Document, the first supplement to the Registration Document dated 17 April 2020 (the “**First Supplement**”), the second supplement to the Registration Document dated 8 May 2020 (the “**Second Supplement**”), the third supplement to the Registration Document dated 5 August 2020 (the “**Third Supplement**”), the fourth supplement to the Registration Document dated 15 October 2020 (the “**Fourth Supplement**”), the fifth supplement to the Registration Document dated 4 November 2020 (the “**Fifth Supplement**”), the sixth supplement to the Registration Document dated 7 December 2020 (the “**Sixth Supplement**”), the seventh supplement to the Registration Document dated 22 December 2020 (the “**Seventh Supplement**”), the eighth supplement to the Registration Document dated 18 January 2021 (the “**Eighth Supplement**”), the ninth supplement to the Registration Document dated 26 February 2021 (the “**Ninth Supplement**”), and the tenth supplement to the Registration Document dated 1 April 2021 (the “**Tenth Supplement**”) (collectively, the “**Existing Supplements**”), including the documents incorporated by reference therein. The terms used in this Eleventh Supplement have the same meaning as the terms used in the Registration Document.

This Eleventh Supplement has been produced to (i) incorporate by reference the Form 6-K Dated 6 April 2021 (as defined below) and (ii) update the section titled “5. Change” (page 25) and “6. Names and Addresses of Directors and Executives” (pages 26 to 45) in the Registration Document.

This Eleventh Supplement has been submitted for approval to the Financial Conduct Authority under Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

Document incorporated by reference

This Eleventh Supplement incorporates by reference the following document:

- the Form 6-K of Credit Suisse Group AG (“CSG”) and Credit Suisse AG (“CS”) filed with the United States Securities and Exchange Commission (the “SEC”) on 6 April 2021 (the “Form 6-K Dated 6 April 2021”), which contains (1) an update to the CSG 2020 Compensation Report, (2) a media release titled “Board of Directors announces adjusted proposals for the 2021 Annual General Meeting of Shareholders as well as an update to the 2020 Compensation Report and changes to the Executive Board of Credit Suisse Group”, and (3) a media release titled “Trading Update”, as indicated in the cross-reference table below.

For ease of reference, the relevant information from the Form 6-K Dated 6 April 2021 can be found on the following pages of the PDF file in which the document is contained:

Section Number	Section Heading	Sub-heading	Page(s) of the PDF file
Form 6-K Dated 6 April 2021			
	Form 6-K cover sheet	Whole document	1 to 4

Exhibit 99.1	"Update to the 2020 Compensation Report dated April 6, 2021"	Whole document	5 to 7
Exhibit 99.2	"Media Release dated April 6, 2021 regarding Board of Directors announcements"	Whole document	8 to 12
Exhibit 99.3	"Media Release dated April 6, 2021 regarding trading update"	Whole document	13 to 16

The information identified in the above table is incorporated by reference into, and forms part of, the Registration Document (and any information not listed in the above table but included in the document referred to in the above table is not incorporated by reference and either (a) is covered elsewhere in the Registration Document; or (b) is not relevant for investors).

A copy of the document incorporated by reference specified above can be inspected online at:

<https://www.credit-suisse.com/media/assets/about-us/docs/investor-relations/financial-regulatory-disclosures/regulatory-disclosures/company-registration-documents/form-6-k-dated-6-april-2021.pdf> (the Form 6-K Dated 6 April 2021)

Only the specified portions of the Form 6-K Dated 6 April 2021 have been incorporated by reference into the Registration Document, and not, for the avoidance of doubt, any other parts of the websites referred to in the Registration Document, including this Eleventh Supplement.

Profit Estimate

The Form 6-K Dated 6 April 2021 contains a profit estimate relating to Credit Suisse's expectation of reporting a pre-tax loss in the first quarter of 2021. This profit estimate has been compiled and prepared on a basis which is both comparable with historical financial information and consistent with the Issuer's accounting policies.

Changes to Executive Board

As more fully described in the Form 6-K Dated 6 April 2021:

- Brian Chin, CEO of the Investment Bank, is stepping down from his role on the Executive Board and leaving Credit Suisse, effective 30 April 2021.
- Lara Warner, Chief Risk and Compliance Officer, stepped down from her role on the Executive Board and left Credit Suisse, effective 6 April 2021.
- Christian Meissner is appointed CEO of the Investment Bank and member of the Executive Board, as of 1 May 2021.
- Joachim Oechslin is appointed ad interim Chief Risk Officer and member of the Executive Board on an ad-interim basis, effective 6 April 2021.

Effective 6 April 2021, the composition of the Executive Board of CS* is as follows:

Name:

Thomas Gottstein
Philipp Wehle
Helman Sitohang
Brian Chin+

Ulrich Körner

David Mathers
James Walker

Title:

Chief Executive Officer
CEO International Wealth Management
CEO Asia Pacific
CEO Investment Bank
CEO Asset Management
Chief Financial Officer
Chief Operating Officer

Romeo Cerutti
Antoinette Poschung
Lydie Hudson
Joachim Oechslin

General Counsel
Global Head of Human Resources
CEO Sustainability, Research & Investment Solutions
Chief Risk Officer (ad interim)

+ Brian Chin is stepping down from his role on the Executive Board and leaving Credit Suisse, effective 30 April 2021. Christian Meissner is appointed CEO of the Investment Bank and member of the Executive Board, as of 1 May 2021.

*André Helfenstein, CEO Swiss Universal Bank, is a member of the Executive Board of CSG but not CS. The Executive Board of CS is otherwise identical to that of Credit Suisse Group AG.

There are no conflicts of interest between the private interests or other duties of the members of the Executive Board listed above and their respective duties to CS.

Professional background of Joachim Oechslin:

**2014–
present**

Credit Suisse

Chief Risk Officer ad interim (2021–present)
Senior Advisor (2019–2021) and Chief of Staff to the CEO of Credit Suisse Group (2020–2021)
Chief Risk Officer (2014–2019)

Member of the board of Credit Suisse Holdings (USA), Inc. / Credit Suisse (USA), Inc. / Credit Suisse Securities (USA) LLC (US subsidiaries) (2016–2019)

2007–2013 Munich Re Group

Chief Risk Officer

2007

AXA Group

Deputy Chief Risk Officer

2001–2006 Winterthur Insurance Company

Member of the executive board (2006)
Chief Risk Officer (2003–2006)
Head of risk management (2001–2003)

1998–2001 McKinsey & Company

Consultant

Education

1998

Licentiate/Master of Science in Mathematics, Swiss Federal Institute of Technology (ETH), Zurich

1994

Engineering degree, Higher Technical Institute (HTL), Winterthur

Other activities and functions

Swiss Re, board member

Professional background of Christian Meissner:

Mr. Meissner has served as Credit Suisse's Co-Head of IWM Investment Banking Advisory and Vice Chairman of Investment Banking since October 2020. Before this appointment, he held various senior positions at leading investment banks, including serving as Head of Global Corporate & Investment Banking at Bank of America Merrill Lynch. Prior to that, he was at Lehman Brothers from 2004-2008, where he served as Co-Head of EMEA Investment Banking and subsequently was Co-Chief Executive Officer EMEA.

In addition, Thomas Grotzer is appointed ad interim Global Head of Compliance, effective 6 April 2021. Mr. Grotzer has served as General Counsel and Member of the Executive Board of Credit Suisse (Schweiz) AG since 2016. Previously he held various leadership positions in Credit Suisse's General Counsel function, including General Counsel Switzerland and Private Banking & Wealth Management. Before joining Credit Suisse, he was UBS's General Counsel for APAC Wealth Management, based in Hong Kong.

For the purposes of Art. 23(5) of the Regulation (EU) 2017/1129, this Eleventh Supplement forms a constituent part of, and supplements and amends, the prospectuses listed in Schedule 1 hereto.

For the avoidance of doubt, the information included in Appendix 1 hereto amends and restates in its entirety the section headed "APPENDIX 1 – INFORMATION FOR THE PURPOSES OF ART. 26(4) OF THE REGULATION (EU) 2017/1129" in the Registration Document.

This Eleventh Supplement has been filed with the CSSF, and copies of this Eleventh Supplement and the Existing Supplements, and the documents incorporated by reference into each of the Registration Document, this Eleventh Supplement and the Existing Supplements will be available on the website of the Luxembourg Stock Exchange at www.bourse.lu and on the Issuer's website at:

<https://www.credit-suisse.com/about-us/en/investor-relations/financial-regulatory-disclosures/regulatory-disclosures/company-registration-documents.html>.

Except for the copies of the documents incorporated by reference into each of the Registration Document, this Eleventh Supplement and the Existing Supplements available on the Luxembourg Stock Exchange website (www.bourse.lu), no information contained on the websites to which links have been provided is incorporated by reference in the Registration Document.

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

In accordance with Article 23(2a) of Regulation (EU) 2017/1129, investors who have already agreed to purchase or subscribe for securities pursuant to the prospectuses listed in Schedule 1 hereto before this Eleventh Supplement is published have the right, exercisable within three working days after the publication of this Eleventh Supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in Article 23 paragraph 1 of Regulation (EU) 2017/1129 arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first. In connection therewith, investors should contact (i) in the case of prospectuses listed in section 1, the Issuer at its head office at Paradeplatz 8, 8001 Zurich, Switzerland; and (ii) in the case of prospectuses listed in section 2, the Distributor (as defined in the relevant prospectus) of such securities. The final date of the right of withdrawal will be 12 April 2021.

5. Change

The first three paragraphs of the section headed "5. Change" beginning on page 25 of the Registration Document, as supplemented to the date of this Eleventh Supplement, are hereby amended and restated as follows:

Apart from (1) the uncertainty relating to the impact of the ongoing global COVID-19 pandemic disclosed in the Registration Document, including in (i) “*Risk Factors—2. Market and Credit Risks—2.1 The ongoing global COVID-19 pandemic has adversely affected, and may continue to adversely affect, our business, operations and financial performance*”, and (ii) the sections of the Form 20-F Dated 18 March 2021 headed “*II—Operating and financial review—Operating environment*” on pages 60 to 62 (pages 78 to 80 of the PDF file), “*II—Operating and financial review—Credit Suisse—COVID-19 pandemic and related regulatory measures*” on pages 68 to 69 (pages 86 to 87 of the PDF file) and “*III—Treasury, Risk, Balance sheet and Off-balance sheet—Risk management—Key risk developments*” on pages 139 to 141 (pages 157 to 159 of the PDF file), and (2) as described in the media release titled “Trading Update” attached as Exhibit 99.3 to the Form 6-K Dated 6 April 2021, Credit Suisse’s expectation, subject to detailed finalization and review, of reporting a pre-tax loss for the first quarter of 2021 of approximately CHF 900 million, which includes a charge of CHF 4.4 billion in respect of the failure by a US-based hedge fund to meet its margin commitments, there has been no significant change in the financial position of CS and its consolidated subsidiaries since 31 December 2020.

Apart from (1) the uncertainty relating to the impact of the ongoing global COVID-19 pandemic disclosed in the Registration Document, including in (i) “*Risk Factors—2. Market and Credit Risks—2.1 The ongoing global COVID-19 pandemic has adversely affected, and may continue to adversely affect, our business, operations and financial performance*”, and (ii) the sections of the Form 20-F Dated 18 March 2021 headed “*II—Operating and financial review—Operating environment*” on pages 60 to 62 (pages 78 to 80 of the PDF file), “*II—Operating and financial review—Credit Suisse—COVID-19 pandemic and related regulatory measures*” on pages 68 to 69 (pages 86 to 87 of the PDF file) and “*III—Treasury, Risk, Balance sheet and Off-balance sheet—Risk management—Key risk developments*” on pages 139 to 141 (pages 157 to 159 of the PDF file), and (2) as described in the media release titled “Trading Update” attached as Exhibit 99.3 to the Form 6-K Dated 6 April 2021, Credit Suisse’s expectation, subject to detailed finalization and review, of reporting a pre-tax loss for the first quarter of 2021 of approximately CHF 900 million, which includes a charge of CHF 4.4 billion in respect of the failure by a US-based hedge fund to meet its margin commitments, there has been no significant change in the financial performance of CS and its consolidated subsidiaries since 31 December 2020.

Apart from (1) the uncertainty relating to the impact of the ongoing global COVID-19 pandemic disclosed in the Registration Document, including in (i) “*Risk Factors—2. Market and Credit Risks—2.1 The ongoing global COVID-19 pandemic has adversely affected, and may continue to adversely affect, our business, operations and financial performance*”, and (ii) the sections of the Form 20-F Dated 18 March 2021 headed “*II—Operating and financial review—Operating environment*” on pages 60 to 62 (pages 78 to 80 of the PDF file), “*II—Operating and financial review—Credit Suisse—COVID-19 pandemic and related regulatory measures*” on pages 68 to 69 (pages 86 to 87 of the PDF file) and “*III—Treasury, Risk, Balance sheet and Off-balance sheet—Risk management—Key risk developments*” on pages 139 to 141 (pages 157 to 159 of the PDF file), (2) as more fully described in the Annual Report 2020, the reasonable possibility that Credit Suisse will incur a loss in respect of matters related to certain supply chain finance funds managed by Credit Suisse Asset Management with assets originated and structured by Greensill Capital, and (3) as described in the media release titled “Trading Update” attached as Exhibit 99.3 to the Form 6-K Dated 6 April 2021, Credit Suisse’s expectation, subject to detailed finalization and review, of reporting a pre-tax loss for the first quarter of 2021 of approximately CHF 900 million, which includes a charge of CHF 4.4 billion in respect of the failure by a US-based hedge fund to meet its margin commitments, there has been no material adverse change in the prospects of CS and its consolidated subsidiaries since 31 December 2020.

To the extent that there is any inconsistency between (a) any statement in this Eleventh Supplement or any statement or information incorporated by reference into this Eleventh Supplement and (b) any statement or information in or incorporated by reference into the Registration Document as supplemented by the Existing Supplements, the statements or information in (a) above will prevail.

CS takes responsibility for the Registration Document, as supplemented by this Eleventh Supplement and the Existing Supplements. Having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document, as supplemented by this Eleventh Supplement and the Existing Supplements, is, to the best knowledge of CS, in accordance with the facts and contains no omission likely to affect its import. This Eleventh Supplement is not for use in, and may not be delivered to or inside, the United States.

SCHEDULE 1 – LIST OF PROSPECTUSES TO WHICH THIS SUPPLEMENT RELATES

Section 1

1. Securities Note for the issuance of Yield Enhancement Products of Credit Suisse AG dated 19 June 2020 constituting a base prospectus together with the Registration Document.
2. Securities Note for the issuance of Participation Products of Credit Suisse AG dated 19 June 2020 constituting a base prospectus together with the Registration Document.
3. Securities Note for the issuance by Credit Suisse AG of Complex Products with a Minimum Redemption Amount dated 19 June 2020 constituting a base prospectus together with the Registration Document.
4. Securities Note for the issuance of Mini-Futures of Credit Suisse AG dated 22 June 2020 constituting a base prospectus together with the Registration Document.
5. Securities Note for the issuance of Warrants of Credit Suisse AG dated 22 June 2020 constituting a base prospectus together with the Registration Document.
6. Securities Note for the issuance of Fixed Income Products of Credit Suisse AG dated 22 June 2020 constituting a base prospectus together with the Registration Document.

Section 2

1. Securities Note comprising part of the Trigger Redeemable and Phoenix Securities Base Prospectus dated 10 July 2020.
2. Securities Note comprising part of the Preference Share-Linked Securities (Andrea Preference Share-Linked Securities) Base Prospectus dated 10 July 2020.
3. Securities Note comprising part of the Put and Call Securities Base Prospectus dated 15 July 2020.
4. Securities Note comprising part of the Reverse Convertible and Worst of Reverse Convertible Securities Base Prospectus dated 16 July 2020.
5. Securities Note comprising part of the Bonus and Participation Securities Base Prospectus dated 17 July 2020.
6. Securities Note comprising part of the French Law Programme for the Issuance of Notes Base Prospectus dated 10 August 2020.

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

Binding English language version:

KEY INFORMATION ON THE ISSUER			
Who is the Issuer of the Securities?			
Domicile and legal form, law under which the Issuer operates and country of incorporation			
Credit Suisse AG (“CS”) (ANGGYXNX0JLX3X63JN86) is incorporated under Swiss law as a corporation (Aktiengesellschaft) and domiciled in Zurich, Switzerland and operates under Swiss law.			
Issuer's principal activities			
The principal activities of CS are the provision of financial services in the areas of private banking, investment banking and asset management.			
Major shareholders, including whether it is directly or indirectly owned or controlled and by whom			
CS is wholly owned by Credit Suisse Group AG.			
Key managing directors			
The key managing directors of the issuer are members of the issuer’s Executive Board. These are: Thomas Gottstein, Chief Executive Officer, Romeo Cerutti, Brian Chin, Lydie Hudson, Ulrich Körner, Joachim Oechsli, David R. Mathers, Antoinette Poschung, Helman Sitohang, James B. Walker and Philipp Wehle.			
Statutory auditors			
CS’s independent auditor and statutory auditor for the fiscal year ending 31 December 2020 was PricewaterhouseCoopers AG, Birchstrasse 160 CH-8050 Zurich, Switzerland.			
CS’s independent auditor and statutory auditor for the fiscal years ending 31 December 2019 and 31 December 2018 was KPMG AG, Râffelstrasse 28, 8045 Zurich, Switzerland.			
CS has mandated BDO AG, Fabrikstrasse 50, 8031 Zurich, as special auditor for the purposes of issuing the legally required report for capital increases in accordance with Article 652f of the Swiss Code of Obligations.			
What is the key financial information regarding the Issuer?			
CS derived the key financial information included in the tables below as of and for the years ended 31 December 2020, 2019 and 2018 from the Annual Report 2020, except where noted.			
The consolidated financial statements were prepared in accordance with accounting principles generally accepted in the US (US GAAP) and are stated in Swiss francs (CHF).			
CS consolidated statements of operations			
(CHF million)	Year ended 31 December 2020 (audited)	Year ended 31 December 2019 (audited)	Year ended 31 December 2018 (audited)
<i>Net revenues</i>	22,503	22,686	20,820
<i>Of which: Net interest income</i>	5,960	7,049	7,125
<i>Of which: Commissions and fees</i>	11,850	11,071	11,742
<i>Of which: Trading revenues</i>	3,178	1,773	456
<i>Provision for credit losses</i>	1,092	324	245
<i>Total operating expenses</i>	18,200	17,969	17,719
<i>Of which: Commission expenses</i>	1,256	1,276	1,259
<i>Income before taxes</i>	3,211	4,393	2,856
<i>Net income attributable to shareholders</i>	2,511	3,081	1,729
CS consolidated balance sheets			

CHF million)	As of 31 December 2020 (audited)	As of 31 December 2019 (audited)
Total assets	809,688	790,459
Of which: Net loans	300,341	304,025
Of which: Brokerage receivables	35,943	35,648
Total liabilities	762,629	743,696
Of which: Customer deposits	392,039	384,950
Of which: Short-term borrowings	21,308	28,869
Of which: Long-term debt	160,279	151,000
Of which; Senior debt	94,768	88,307
Of which: Subordinated debt	63,765	61,022
Of which: Brokerage payables	21,655	25,683
Total equity	47,059	46,763
Of which: Total shareholders' equity	46,264	46,120
Metrics (in %)		
Swiss CET1 ratio	14.7	14.4
Swiss TLAC ratio	35.3	32.6
Swiss TLAC leverage ratio	12.3	10.4

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

The Issuer is subject to the following key risks:

1. Liquidity risk arising from potential inability to borrow or access the capital markets on suitably favourable terms (including due to adverse changes in its credit ratings) or to sell its assets. This may also arise from increased liquidity costs. CS relies significantly on its deposit base for funding, which may not continue to be a stable source of funding over time.
2. Risks arising from the impact of market fluctuations and volatility on CS's investment activities (against which its hedging strategies may not prove effective). The spread of COVID-19 and resulting tight government controls and containment measures implemented around the world have caused severe disruption to global supply chains and economic activity, and the market has entered a period of significantly increased volatility. The spread of COVID-19 is continuing to have an adverse impact on the global economy, the severity and duration of which is difficult to predict, and has adversely affected CS's business, operations and financial performance. In addition, there can be no assurance that, even after adjustments are made to model outputs, the Group will not recognize unexpected losses arising from the uncertainty relating to its modelling for current expected credit losses that has resulted from the COVID-19 pandemic. The COVID-19 pandemic has significantly impacted, and is likely to continue to adversely affect CS's credit loss estimates, mark-to-market losses, trading revenues, net interest income and potential goodwill assessments, and may also adversely affect its ability to successfully realize its strategic objectives. To the extent the COVID-19 pandemic continues to adversely affect the global economy, and/or CS's business, operations or financial performance, it may also have the effect of increasing the likelihood and/or magnitude of other risks described herein, or may give rise to other risks not presently known to CS or not currently expected to be significant to its business, operations or financial performance. CS is closely monitoring the potential adverse effects and impact on its operations, businesses and financial performance, including liquidity and capital usage, though the extent of the impact is difficult to fully predict at this time due to the continuing evolution of this uncertain situation. CS is also exposed to other unfavourable economic, monetary, political, legal, regulatory and other developments in the countries in which it operates (as well as countries in which CS does not currently conduct business), including uncertainties regarding the expected discontinuation of benchmark rates. CS's significant positions in the real estate sector – and other large and concentrated positions – may also expose it to larger losses. Many of these market risk factors, including the impact of COVID-19, may increase other risks, including CS's credit risk exposures, which exist across a large variety of transactions and counterparties and in respect of which it may have inaccurate or incomplete information. These are exacerbated by adverse economic conditions and market volatility, including as a result of any defaults by large financial institutions (or any concerns relating thereto).
3. CS's ability to implement its current strategy, which is based on a number of key assumptions, is subject to various factors outside its control, including market and economic conditions and changes in law. The implementation of CS's strategy may increase its exposure to certain risks, including credit risks, market risks, operational risks and regulatory risks. The implementation of CS's strategy relating to acquisitions and other similar transactions subjects it to the risk that it may assume unanticipated liabilities (including legal and compliance issues), as well as difficulties relating to the integration of acquired businesses into its existing operations.
4. Country, regional and political risk in the regions in which CS has clients or counterparties, which may affect their ability to perform their obligations to CS. In part because an element of its strategy is to increase CS's private banking businesses in emerging market countries, it may face increased exposure to economic, financial and political

disruptions in those countries, which could result in significant losses. Related fluctuations in exchange rates for currencies (particularly for the US dollar) may also adversely affect CS.

5. A wide variety of operational risks arising from inadequate or failed internal processes, people or systems or from external events, including breaches of cyber-security and other failures of information technology. CS relies heavily on financial, accounting and other data processing systems, which are varied and complex, and may face additional technology risks due to the global nature of its operations. CS is thereby exposed to risks arising from human error, negligence, employee misconduct, fraud, malice, accidental technology failure, cyber-attack and information or security breaches. This also exposes CS to risk from non-compliance with existing policies or regulations. Protecting against threats to CS's cyber-security and data protection systems requires significant financial and human resources. The ongoing global COVID-19 pandemic has increased the vulnerability of CS's information technology systems and the likelihood of damage as a result of a cybersecurity incident because of the wide-scale and prolonged shift to remote working for CS's employees and the increased reliance by CS's customers on remote (digital) banking services. CS's existing risk management procedures and policies may not always be effective against such risks, particularly in highly volatile markets, and may not fully mitigate its risk exposure in all markets or against all types of risk. Moreover, CS's actual results may differ materially from its estimates and valuations, which are based upon judgment and available information and rely on predictive models and processes. The same is true of CS's accounting treatment of off-balance sheet entities, including special purpose entities, which requires it to exercise significant management judgment in applying accounting standards; these standards (and their interpretation) have changed and may continue to change. In addition, physical and transition climate risks could have a financial impact on CS either directly, through its physical assets, costs and operations, or indirectly, through its financial relationships with its clients.
6. CS's exposure to legal risks is significant and difficult to predict and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms continues to increase in many of the principal markets in which CS operates. Changes in regulation (including in relation to sanctions) and monetary policy applicable to CS (as well as regulations and changes in enforcement practices applicable to its clients) may adversely affect its business and ability to execute its strategic plans and increase costs, as well as impact the demand from clients for CS's services. Moreover, CS's ability to attract and retain customers, clients, investors and employees, and conduct business transactions with its counterparties, could be adversely affected to the extent its reputation is damaged, which could arise from various sources, including if its procedures and controls fail (or appear to fail). In addition, Swiss resolution proceedings may affect CS's shareholders and creditors.
7. CS faces intense competition in all financial services markets, which has increased as a result of consolidation, as well as emerging technology and new trading technologies (including trends towards direct access to automated and electronic markets and the move to more automated trading platforms). In such a highly competitive environment, CS's performance is affected by its ability to recruit and retain highly skilled employees.